



Initial Poverty and Social Analysis

Project Number: 53389-001
June 2020

LAO: Water Supply Sector Project

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 11 June 2020)

Currency unit	–	kip (KN)
KN1.00	=	\$0.00011
\$1.00	=	KN9,004

ABBREVIATIONS

ADB	–	Asian Development Bank
DPWT	–	Department of Public Works and Transport
DWS	–	Department of Water Supply
MPWT	–	Ministry of Public Works and Transport
O&M	–	operations and maintenance
PNP	–	<i>provincial nam papa</i> (provincial water utility)
SIP	–	Sector Investment Plan

NOTE

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

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Lao People's Democratic Republic	Project Title:	Water Supply Sector Project
Lending/Financing Modality:	Sector Project	Department/Division:	Southeast Asia Department/Urban Development and Water Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS
<p>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy The proposed Water Supply Sector Project is aligned with the priorities and development frameworks of the Asian Development Bank (ADB) and the Government of the Lao People's Democratic Republic (Lao PDR). The government's 8th National Socio-Economic Development Plan, 2016–2020, and ADB's country partnership strategy, 2017–2020 for the Lao PDR supports inclusive and sustainable economic growth and poverty reduction, which includes improvement to the water supply and sanitation sector. The project will also support the government's objectives, as set out in the Strategy for the Urban Water Supply and Sanitation Sector 2013-2030 and the Sector Investment Plan 2025-2030 to achieve 90% piped water supply coverage by 2030.</p>
<p>B. Poverty Targeting <input checked="" type="checkbox"/> General intervention <input type="checkbox"/> Individual or household (TI-H) <input type="checkbox"/> Geographic (TI-G) <input type="checkbox"/> Non-income MDGs (TI-M1, M2, etc.)</p> <p>The project will improve the living conditions, particularly access to safe water and sanitation services, and improve public health thereby contributing to poverty reduction through developing urban areas, improving environmental sustainability, development of human capital and public governance.</p>
<p>C. Poverty and Social Analysis</p> <p>1. Key issues and potential beneficiaries. While access to improved water is relatively high at 82.9% in Laos PDR, only 49.5% of the population (or 82.3% for urban and 32.3% for rural) have access to piped water. Water quality remains a major problem with approximately 16.1% of the total population having access to the safely managed drinking water free from contamination. The total population with access to improved sanitation is approximately 77.2% but only 1.1% (1.9% urban and 0.7% rural) is connected to a sewerage network, with the remainder serviced by latrines or septic tanks. The level of safely managed sanitation, where facilities are not shared with other households and where the waste is safely disposed in situ and/or transported and treated off site, remains low at 58.1% across the country.</p> <p>The key beneficiaries of the project will be the residents of the towns, particularly the poor, women and children, who will have improved access to safe and reliable water supply services. As primary caregivers, women will benefit from improved water supply, which will reduce the burden of collecting water from other sources such as rivers and wells, and treating it through boiling, in order to render water safe for consumption. It is noted that in communities where pipe water is not available, women may make multiple trips to rivers and streams to collect water, which add significantly to their workload and time poverty. Women's productivity can also be expected to increase if there are reduced incidences of sickness and disease among household members as a result of improved water supply, since less time will be dedicated to caring for sick family members. Human capital development among children can be expected to improve with reduced rates of infant mortality and reduced cases of water borne illness resulting in better school attendance and improved concentration in school.</p> <p>2. Impact channels and expected systemic changes. The project will facilitate increased access to water supply service to the residents of the participating cities. Poor households will directly benefit from the project by having improved access to better quality water supply, and improved sanitation, reducing the likelihood of diseases, and water-borne illnesses such as dysentery and diarrhea. Affordability will need to be addressed, particularly for the poor and female headed households where income is often a constraint. To facilitate access to services, the project will include practical pro-poor and social inclusion design features, such as free household water connections, and construction of sanitation facilities for poor households who will be connected to the water network.</p> <p>3. Focus of (and resources allocated in) the transaction TA or due diligence. The existing Project Implementation Assistance Consultant (PIAC) under the current water supply and sanitation sector project, together with the transaction technical assistance facility, Southeast Asia Urban Services Facility (SURF) will support the project preparation. The consultants and SURF will carry out due diligence assessments, including poverty and social impact assessment (including gender and safeguards impact assessment), community/city area survey and consultations on gender, poverty and ethnic minority related impacts and benefits of the project.</p>
II. GENDER AND DEVELOPMENT
<p>1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this project or program?</p>

Women are generally under-represented as decision makers in the water sector with minimal participation in planning, design, operations and maintenance, and holding employment in engineering and technical related fields. The key gender issues relevant to this project are: (i) higher risk and health exposure for women as the primary contributors towards household and community sanitation tasks; (ii) disproportionate impact on women caused by the lack of reliable water supply and sanitation services due to traditional separation of gender roles, where women are responsible for domestic chores and are the caregivers; (iii) increased incidence of water-borne diseases and thus household expenditure on medicine and healthcare resulting from lack or low quality of water and sanitation .

2. Does the proposed project or program have the potential to contribute 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

The project will consider: (i) access to services and constraints posed on women, minority and vulnerable groups; (ii) level of women's participation and representation in planning and development; (iii) level of women's participation in service delivery, financial management operations and maintenance during and post-civil works; and (iv) staff composition in municipal administration in planning, technical and management capacities, including opportunities, availability and access to training to female staff. A gender action plan (GAP) will be prepared with clear gender objectives. Based on an assessment of needs and lessons learnt from earlier funded ADB projects, it is proposed to consider including tools to collect data on women's time poverty in order to quantify gender benefits, identify opportunities to improve access for women in engineering and/or relevant disciplines, and engagement in the sector in technical roles.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?
 Yes No

No adverse impacts are anticipated. Any potential adverse impacts will be identified during the project preparation and mitigated through appropriate project design measures.

4. Indicate the intended gender mainstreaming category:

GEN (gender equity) EGM (effective gender mainstreaming)
 SGE (some gender elements) NGE (no gender elements)

III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.

The main stakeholders are the national government and municipal administrations and the main beneficiaries will be the residents and businesses operating in the towns. Stakeholders and beneficiaries will be consulted throughout the project design. Focused community plans will be developed to promote and encourage participation from women, the poor and excluded.

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?

Gender assessment will be conducted which will identify opportunities to support women empowerment in both institution and community levels and emphasize women's participation in decision making and representation in the water sector. A GAP, which will promote gender inclusion in the project activities and monitoring system to address gender mainstreaming components will be developed. Gender sensitive communication approaches will also be considered as part of the project in order to promote women's participation and representation during project implementation.

A poverty and social assessment will also be prepared, including a poverty reduction and social strategy to identify how the project design can be extended to the poor and vulnerable, such that they too will benefit from access to safe water supply.

3. What are the key, active, and relevant civil society organizations (CSOs) in the project area? What is the level of civil society organization participation in the project design?

Key CSOs in the project area include the Lao National Front for Construction, Lao Women's Union, and Lao Youth Union. Representatives from these CSOs, as well as representatives of the poor and excluded, will be informed and consulted on the key project features and proposed project activities including the design of the community awareness and communications campaigns.

H Information generation and sharing H Consultation Collaboration Partnership

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how should they be addressed? Yes No

The key issues that will need to be addressed will be during the design of the network, how the poor and excluded will be able to have access to the infrastructure, and also how (if any) resettlement and environmental impacts will be addressed. The poverty and social assessment will review scope for employment for poor, including various public awareness training programs on water and environmental improvement in the project area.

IV. SOCIAL SAFEGUARDS

<p>A. Involuntary Resettlement Category <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>The project will involve the construction of infrastructure, such as water supply reservoirs, water intakes etc. No major involuntary resettlement impacts are expected although permanent and temporary land acquisition could be required. The extent of the impacts on resettlement and land acquisition will be determined and confirmed during the project preparation stage once the subproject requirements have been confirmed.</p> <p>2. What action plan is required to address involuntary resettlement as part of the transaction TA or due diligence process?</p> <p><input checked="" type="checkbox"/> Resettlement plan <input checked="" type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p>
<p>B. Indigenous Peoples Category <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>It is anticipated that the project will have positive impact on indigenous peoples/ethnic minorities as it will improve access to safe and reliable drinking water and sanitation services, thereby contributing to improving their living conditions</p> <p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>The project will not finance any subproject/component that will require acquisition of territories that indigenous peoples own, use, occupy or claim as their ancestral domain.</p> <p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>It is unlikely that the project will involve any commercial development on traditional and customary lands, physical relocation from customary lands, or commercial development of cultural resources and knowledge of indigenous people. The community will be involved during consultation and community participation during the project preparation phase.</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the transaction TA or due diligence process?</p> <p><input checked="" type="checkbox"/> Indigenous peoples plan <input checked="" 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 align="center">V. OTHER SOCIAL ISSUES AND RISKS</p> <p>1. What other social issues and risks should be considered in the project design?</p> <p><input checked="" type="checkbox"/> Creating decent jobs and employment <input checked="" type="checkbox"/> Adhering to core labor standards <input type="checkbox"/> Labor retrenchment <input checked="" type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <input checked="" type="checkbox"/> Increase in human trafficking <input checked="" type="checkbox"/> Affordability <input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> 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>2. How are these additional social issues and risks going to be addressed in the project design?</p> <p>Social issues and risks will be assessed as part of the project preparation. Any issues identified will be mitigated through appropriate design measures.</p>
<p align="center">VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT</p> <p>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?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>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?</p> <p>The PIAC under the current water supply and sanitation sector project, together with SURF will carry out due diligence assessments, including gender poverty and social impact assessment. Workshops and surveys will also be conducted on the socio-economic status, household behaviors, affordability and willingness to pay and due diligence reports prepared.</p>