

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Indonesia	Project Title:	Sewerage System Development Project
Lending/Financing Modality:	Project loan	Department/Division:	SERD/SEUW

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The project addresses a cause of poverty identified by the Asian Development Bank (ADB) country poverty assessment, i.e., the lack of physical capital, including sanitation services. The project is consistent with (i) Indonesia's Medium Term Development Plan (RPJMN) for 2015 to 2019, including targets in support of universal access to sanitation; the government's Accelerated Sanitation Development Program in Residential Areas (PPSP), which provides assistance to local governments to prepare City Sanitation Strategies and streamline the implementation into local government planning and budgeting cycles; and ADB's Indonesia Country Partnership Strategy 2016–2019 overall objective of supporting environmentally sustainable. It is also in line with the government's poverty-reduction strategy, which identifies 10 basic human rights, including the availability of clean and safe water and high-quality sanitation. The project will help alleviate poverty indirectly, by improving sanitation services, especially for the poor.

#### B. Poverty Targeting

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

The project has been identified as a targeted intervention. Access to basic sanitation has been identified as a basic human right, but such services in Indonesia are generally in poor condition. The basis for the project's targeting classification is that it will indirectly assist in facilitating economic growth in the regions and in the pursuit of equality through poverty alleviation. In line with the government's Medium Term Development Plan, a specific outcome target has been set for expanding sanitation coverage to the lowest 40% income level of the project cities and specific design measures will be developed to achieve this target.

#### C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The expected beneficiaries are urban population of large cities in Indonesia, and specifically the lowest 40% income group. Improving urban infrastructure will support economic growth and sustainable commercial services and industrial development, ensuring efficient utilization of urban infrastructure. Improved environmental conditions in low-income areas will support general efforts at poverty alleviation. The percentage of people with access to sanitation facilities in large cities is currently 61% of the total population and 20% of the poor (lowest 40%) population. This means that from the 39% of the population to be served, about 80% belongs to the urban poor.

2. Impact channels and expected systemic changes. The project will improve sanitation services by financing the construction of communal wastewater-treatment plants, piped sewerage systems, and on-site sewage treatment in low-income housing complexes. The project will also provide assistance to improve public health and hygiene in the urban environment, with emphasis on improving sanitary conditions in low-income communities.

3. Focus of (and resources allocated in) the PPTA or due diligence. A sex-disaggregated household survey will be part of the PPTA on the basis of which socio-economic, demographic and affordability analyses, including a social impact assessment will be undertaken. It is expected that the affordability assessment (for low-income groups in particular) will determine measures to ensure access to basic services (i.e. wastewater connections, septic tank provision, monthly service fees), as access to services is disproportionately low for poor, women, and children. Given the absence of economic opportunities for low-income groups, design measures to enhance skills development and employability with respect to the project interventions will be examined.

### 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 key gender issues identified are as follows:

- (i) Toilets with septic tanks or closed pits and their regular use are now widespread, and both men and women prefer household sanitation facilities to public ones, let alone open defecation.
- (ii) There is almost no experience with piped sewerage systems and little or no public awareness of the

benefits of such systems, though both men and women are aware of the problems of groundwater pollution.

(iii) Unfortunately, work takes both men and women away from the home, and public sanitation facilities are nearly nonexistent. This tends to be a greater problem for women than men.

(iv) Both women and men are generally aware of the links between poor health and poor sanitation. However, due to traditional female gender roles, women face higher exposure to poor environmental sanitation, often resulting in higher water borne disease incidence. The poor have been unable to afford many improvements, and they have learned to cope. That is not to say they are complacent with the existing situation.

(v) Women are quite supportive of improvements to sanitation facilities and can be expected to participate in leadership positions during community participation.

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 Please explain.

The project will promote gender equality and women's empowerment through inclusion of women as key beneficiaries of sanitation and hygiene projects. Support will be provided to increase their knowledge their ability to plan and manage projects and finances on their own, through inclusion of targets in capacity development training. Targets for female participation in the sector will increase their visibility of women in planning and management positions, leading to more opportunities for women to participate in decision making at the community level in the future. Training women in design, implementation, and operation and maintenance of sanitation facilities will build women's skills and increase employment opportunities in a traditionally male-dominated field, thus, breaking gender stereotypes in learning and employment. The development of a gender sensitive sanitation strategy will ensure that women specific needs and interests are integrated and will impact interventions in the sector as a whole. A gender specialist will be recruited as part of the TA to undertake a gender analysis. A gender action plan will be prepared to ensure women's needs and interests are integrated in project design and women benefit from project processes, outputs and outcome.

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

Yes  No Please explain

Loss of traditional land rights and livelihood will be addressed through mitigation measures under the resettlement plan.

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.

Main stakeholders are: local communities; local government agencies; national government agencies. Participation in project design is through consultations and focus group discussions.

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?

Through the awareness training and consultation programs the beneficiaries, especially the poor will be engage in project design and implementation. Establishment of sanitation implementation working groups, initiating community based climate resilience activities, and co-managed (community and local government) wastewater treatment systems is expected to provide opportunities for participation by civil society, including the poor.

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

Relevant CSO's will be identified by TA to participate in formation and management of sanitation implementation working groups, community based climate resilience activities and com-managed sanitation systems. In addition, consultations during (i) project design through focus group discussions and workshops; and (ii) implementation through operation and maintenance training and workshops will be undertaken. Options for collaboration will be explored by the TA.

<p>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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Participation of poor and excluded in planning and designing communal wastewater treatment system is essential. The TA will (i) carry out stakeholder analysis; (ii) carry out participatory assessment; (iii) develop a participation plan; and (iv) develop a stakeholder communications strategy.</p>
<b>IV. SOCIAL SAFEGUARDS</b>
<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 The construction of wastewater treatment works can cause resettlement and loss of land. The extent of this will be assessed by the TA.</p> <p>2. What action plan is required to address involuntary resettlement as part of the TA or due diligence process?  <input checked="" type="checkbox"/> Resettlement plan <input 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 type="checkbox"/> B <input checked="" 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No</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 There are no groups of indigenous peoples in the project cities, only ethnic and religious minorities, consisting of up to at least 20 different groups in each city. Some of these minorities are economically well off while others are not. The project implementation strategy will cover all households in targeted neighborhoods and will not discriminate on the basis of ethnic or religious affiliation.</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>4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?  <input 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 checked="" type="checkbox"/> None</p>
<b>V. OTHER SOCIAL ISSUES AND RISKS</b>
<p>1. What other social issues and risks should be considered in the project design?  <input checked="" type="checkbox"/> Creating decent jobs and employment <input checked="" type="checkbox"/> Adhering to core labor standards (L) <input type="checkbox"/> Labor retrenchment  <input checked="" type="checkbox"/> Spread of communicable diseases, including HIV/AIDS (L) <input 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. Contractual clauses will be included in the bid documents to ensure adherence to core labor standards and mitigation of spread of communicable diseases, including HIV/AIDS by workers. Affordability analysis will be conducted to ensure access to basic service improvements to low-income groups targeted by the project. Given the absence of economic opportunities for low-income groups, design measures to enhance skills development and employability with respect to the project interventions will be examined.</p>
<b>VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT</b>
<p>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 (v) other social risks. Are the relevant specialists identified? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. Resources allocated for conducting poverty, social and/or gender analysis and participation plan during the PPTA or due diligence?  Social Development Specialist (including community development and gender):  - international 4 person months  - national 10 person months  Workshops, training, seminars, and conferences: US\$10,000  Surveys: US\$10,000</p>