



Initial Poverty and Social Analysis

Project Number: 49106-006
June 2020

Proposed Loan India: Kerala Urban Water Services Improvement Project

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 5 June 2020)

Currency unit	–	Indian Rupees (₹)
₹1.00	=	\$0.01324
\$1.00	=	₹75.4750

ABBREVIATIONS

ADB	–	Asian Development Bank
GOK	–	Government of Kerala
KSUDP	–	Kerala Sustainable Urban Development Project
KUWSIP	–	Kerala Urban Water Services Improvement Project
KWA	–	Kerala Water Authority
MoHUA	–	Ministry of Housing and Urban Affairs
NRW	–	nonrevenue water
PMSC	–	project management and supervision consultant
RKDP	–	Rebuild Kerala Development Program
WRD	–	Water Resources Department
WTP	–	water treatment plant

WEIGHTS AND MEASURES

KL	–	kiloliter
km	–	kilometer
lpcd	–	liters per capita per day
MLD	–	million liters per day

NOTES

- (i) The fiscal year (FY) of the Government of India, Government of Kerala and its agencies ends on 31 March. "FY" before a calendar year denotes the year in which the fiscal year ends, e.g., FY2020 ends on 31 March 2020.
- (ii) In this report, "\$" refers to United States dollars.

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	India	Project Title:	Kerala Urban Water Supply Improvement Project
Lending/Financing Modality:	Project loan	Department/Division:	South Asia Department Urban Development and Water Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

Poverty reduction is a priority of the Government of India and the Asian Development Bank (ADB). The government's 15-year vision, 7-year strategy, and 3-year action agenda prioritize safe drinking water in urban areas and provide sustainable solutions for persisting developmental problems of urban areas. The proposed Kerala Urban Water Supply Improvement Project (KUWSIP) is consistent with the country's policy priorities as well as the country partnership strategy (CPS) for India, 2018–2021. The project aims to provide safe, reliable, and continuous drinking water to the urban population in Kochi and Thiruvananthapuram cities of Kerala. The proposed projects stem from comprehensive water quality and sustainability planning as prepared by Kerala Water Authority (KWA) and the Water Resource Department (WRD).

B. Poverty Targeting

General intervention Individual or household (TI-H) Geographic (TI-G) Non-income MDGs (TI-M1, M2, etc.)

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. A high incidence of water and sanitation related diseases was reported in the state by Department of Health and Family Welfare under Ministry of Health and Family Welfare, Government of India under Integrated Disease surveillance project (IDSP). Kerala has indicated 467,102 cases in 2015 and 458,170 cases in 2016 of acute diarrheal diseases; 1,772 cases in 2015 and 1,574 cases in 2016 of typhoid; and 1,980 cases in 2015 and 1,264 cases in 2016 of Hepatitis A. poverty headcount ratio in Kerala as per National Institution for Transforming India (NITI) Aayog of India estimates is 20.9%, compared to the national average of 21.9% (2011-12).^a Lack of quality urban services including water supply and sanitation are the key issues that affect the target population, especially the poor. KUWSIP seeks to provide water supply infrastructure facilities in two large cities. It will benefit vulnerable households^b in terms of water connections, health benefits, and employment opportunities.

2. Impact channels and expected systemic changes. The project will contribute to poverty reduction by improving quality of life by way of improved infrastructure, reducing drudgery of work among women, reducing health morbidity and related health expenditures, and stimulating economic growth by way of enhanced economic activities and land value impact. Opportunities for on-the-job training (e.g., leak detection, meter reading and calibration, billing, and accounts) and employment in the project facilities are expected to facilitate skill building and employability and include the poor in project benefits.

3. Focus of (and resources allocated in) the transaction technical assistance or due diligence. The project design is pro-poor, socially inclusive, and gender responsive. The project aims to provide safe potable piped water supply through 126,000 household connections, which will include 100% vulnerable households in the project area.

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this project or program? Following Government of India policies and programs on gender equality and CPS for India, 2018-2021, the project will support gender equality and social inclusion (GESI) outcomes through assistance in quality gender analysis at project preparation stage. GESI action planning would be reflected in a monitoring framework and adequate human and financial resources are provided for implementation of GESI plans. Key issues identified in the gender analysis during project preparation include (i) low participation rate of urban women (19.1%) in workforce, though it is higher than the national average (14.7%);^c (ii) higher unemployment rate of urban women (13.9%), which is higher than national average (5.2%); (iii) gap between men's and women's wages, with women's wages at 79% that of men in urban area;^d (iv) exacerbation of women's work burdens due to deficiencies in basic water and sanitation; and (v) fairly high proportion of households headed by women in Kochi (18%),^e low ownership of land or house by urban women (31.1%), and proportion of urban women with bank accounts that they themselves use (70.3%).^f

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 reduce women's time in fetching water and will provide employment opportunities to local women and men in operation of water distribution system asset management including billing and collection.

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

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. A communication strategy will be drafted by the project management unit (PMU) upon loan effectiveness in line with ADB Access to Information Policy to ensure widespread, continuous, and meaningful participation of key stakeholders with a focus on the poor and vulnerable groups. A nongovernment organization (NGO)/social consulting firm will be engaged to facilitate skill training and consultations and public awareness during project implementation. A separate budget is allocated for various activities to be carried out under this activity.

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? The peoples' participation and communication strategy target the poor and women's participation and inclusion. Participatory processes are anticipated to enhance sustainability of the project. The regular consultations will be documented and reported in the periodic monitoring reports.

3. What are the key, active, and relevant civil society organizations (CSOs) in the project area? What is the level of CSO participation in the project design?
 Information generation and sharing (H) Consultation (H) Collaboration (H) Partnership
 There are several active community-based organizations, self-help groups, and youth and women's groups in the project area, whose participation in project design and implementation is envisaged for information dissemination, collaboration with communities, grievance redressal, and community mobilization. Adequate resources and implementation mechanism are provided to ensure effective implementation of the communication strategy.

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

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
 Initial due diligence indicates that the project will not involve any significant involuntary resettlement impacts and risks, as there are no new facilities proposed to be constructed under the project. The rehabilitation of water treatment plants will be carried out within existing water treatment plant sites, whereas water distribution networks will be rehabilitated within the right of way of municipal roads. KWA is in the process of preparation of due diligence report/resettlement plans for the subprojects in accordance with the ADB's Safeguards Policy Statement and the government and state laws. Initial social assessment indicates that few commercial establishments could be potentially affected by temporary economic impacts during rehabilitation of water distribution network.

2. What action plan is required to address involuntary resettlement as part of the transaction TA 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

The 2011 India Census indicates that scheduled tribes comprise 1.45% of the total population of Kerala. Census data indicates minimum presence tribes in the Ernakulam and Trivandrum districts. The community speaks the mainstream languages and is not likely to be adversely affected by the project. No adverse impacts on scheduled tribes such as physical displacement is anticipated as the project does not involve any land acquisition. The presence of tribes in project area will be assessed during project preparation.

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 transaction TA 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 (L) Adhering to core labor standards (H) Labor retrenchment
 Spread of communicable diseases, including HIV/AIDS (L) Increase in human trafficking (L) Affordability (L) Increase in unplanned migration (L) Increase in vulnerability to natural disasters Creating political instability Creating internal social conflicts Others, Child labor (L)

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

All works contract agreements will have clauses for contractors' adherence to core labor standards and preference in project-related construction work (skilled and unskilled), and project operation and maintenance work from the local community. Poor and vulnerable persons including women will be given preference for project-related construction work by the contractors and for operations and maintenance-related activities. Contractors and construction workers will be made aware of communicable diseases, including HIV/AIDS risks. In collaboration with PMU consultant and NGO, PMU shall raise awareness among the contractors and workers. Employment of child labor by the contractors will not be permitted and the contract agreement will include a clause to this effect. The strategy for water charges for operation and maintenance cost recovery is developed considering affordability for the poor and vulnerable.

VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT

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? Yes No

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 technical assistance or due diligence? Trainings in project design, procurement, construction management including operation and maintenance, safeguards, gender mainstreaming, and gender responsive budgeting will be conducted for staff in WRD, KWA, and project implementation units (PIUs). Community consultations and public awareness meetings on water, sanitation, and hygiene (WASH) and behavior change will be conducted. A budgetary provision is made for these activities and for supporting safeguards specialists to support PMU and PIU. In addition, individual consultants were deployed for the project preparations.

^a Government of India. National Institution for Transforming India (NITI Aayog). Tendulkar Poverty Estimates (Headcount Ratio). <https://niti.gov.in/state-statistics>.

^b Vulnerable households include poor, women-headed, *scheduled cast* and *scheduled tribe* households.

^c Government of India. Ministry of Statistics and Program Implementation. 2019. *Women and Men in India: A Statistical Compilation of Gender related Indicators in India (2018)*. 20th Issue. New Delhi. http://www.mospi.gov.in/sites/default/files/publication_reports/Women%20and%20Men%20in%20India%202018.pdf.

^d PMU and PIU will be located in Thiruvananthapuram and Kochi respectively.

^e Census of India. 2011. <http://www.censusindia.gov.in/2011census/hh-series/hh06.html>.

^f Government of India. Ministry of Health and Family Welfare. NFHS-4. 2015-16. *State Factsheet Kerala*. International Institute for Population Sciences. Mumbai http://rchiips.org/NFHS/pdf/NFHS4/KL_FactSheet.pdf.