

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Indonesia	Project Title:	IKK Water Supply Project
Lending/Financing Modality:	Sector Project	Department/ Division:	SERD / SEUW

### I. POVERTY ISSUES

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

The country poverty assessment (Poverty in Indonesia: Income, Assets, and Access) states that economic growth is a necessary pre-condition for poverty reduction and refers to well-documented links between improved health and reduced poverty. The program is consistent with ADB's Country Strategy and Program (2012 – 2014) which identifies inadequate infrastructure, such as safe water supply as one of the main constraints of more rapid poverty reduction progress. The program will expand the access to safe water, thereby reducing the level of water-related diseases, stimulate economic growth and therefore reduce poverty levels in the program area.

#### B. Targeting Classification

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

The program has been identified as a targeted intervention. Access to safe water supply has been identified as a basic human right, but such services in Indonesia are generally in poor condition. The basis for the program's targeting classification is that it will improve environmental and health conditions in low-income areas and will support general efforts at poverty alleviation.

#### C. Poverty Analysis

1. If the project is classified as TI-H, or if it is policy-based, what type of poverty impact analysis is needed?

2. What resources are allocated in the PPTA/due diligence?

A sex-disaggregated household survey will be part of the PPTA on the basis of which socio-economic, demographic, health and affordability analyses, including a social impact assessment will be undertaken.

3. If GI, is there any opportunity for pro-poor design (e.g., social inclusion subcomponents, cross subsidy, pro-poor governance, and pro-poor growth)? Please explain

### II. SOCIAL DEVELOPMENT ISSUES

#### A. Initial Social Analysis

Based on existing information:

1. Who are the potential primary beneficiaries of the project? How do the poor and the socially excluded benefit from the project?

Urban poor will directly benefit from the program through access to safe water supply. Project design will include measures to improve urban poor's access to these services, including facility for subsidized connection and water tariffs.

2. What are the potential needs of beneficiaries in relation to the proposed project?

Access to safe and affordable water, education on hygienic practices, and capacity development in operation and maintenance.

3. What are the potential constraints in accessing the proposed benefits and services, and how will the project address them?

Affordability to connect to a piped water supply system will be the main issue. In response, the project design will provide subsidies, possibly through output based aid. In addition to financial constraints (mainly for the very poor, poor and middle income groups), habits, culture and or expenditure priorities are also expected to constrain benefit capture. Hence the need for mobilizing awareness and accessibility to training and education will be ensured through community based approaches. The program, therefore, intends to build on previous community mobilization and empowerment mechanisms, through continued support to a Consultation and Participation Plan.

**B. Consultation and Participation**

1. Indicate the potential initial stakeholders.

Local communities; water supply companies; local government units; water supply sub-directorate of the Ministry of Public Works, community-level water management groups, nongovernment organizations

2. What type of consultation and participation (C&P) is required during the PPTA or project processing (e.g., workshops, community mobilization, involvement of nongovernment organizations and community-based organizations, etc.)?

Consultations mainly take place through workshops and direct consultations with household beneficiaries (separate male and female consultations), community-based organizations, water companies and government agencies.

3. What level of participation is envisaged for project design?

Information sharing  Consultation  Collaborative decision making  Empowerment

Consultation is expected to be high in processing and implementation stages. Collaboration is expected to be low to medium in processing and implementation.

4. Will a C&P plan be prepared during the project design for project implementation?  Yes  No Please explain.

Limited community participation in decision making processes regarding design, operation and maintenance of distribution systems has been identified as one of the bottlenecks for sustainability of the proposed investments. A C&P plan ensures a framework for community involvement in decision-making and serves as example for future investments.

**C. Gender and Development****Proposed Gender Mainstreaming Category: EGM**

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

Most of the low income and poor neighborhoods do not have household connections to piped water supply. Women from the low income and poor households bear the burden of collecting water from other sources or buying it from the vendors which is more costly than public water supply system. Women are traditionally tasked with caring for sick family members, caused by lack of safe water and hygienic sanitation – increasing the work and time burden for women.

Women are primary managers and decision makers regarding household water supply. Hence, the project intends to (i) mirror their sector engagement in design and planning activities, (ii) targets for female staff in PMU, and (iii) actively extend training and capacity development activities to women.

2. Does the proposed project/program have the potential to promote gender equality and/or women's empowerment by improving women's access to and use of opportunities, services, resources, assets, and participation in decision making?

Yes  No Please explain.

The Project will provide direct benefits to women as a result of household water connection. Women and girls will spend less time in collecting water and the time saved could be used for other productive or income generation activities. Women's inclusion as key beneficiaries of the hygiene awareness campaigns will help to increase their knowledge related to hygiene practices as well as their ability to plan and manage projects and finances within the project. The project intends to increase the visibility of women in planning and management positions, leading in the future to more opportunities for women to participate in decision making at the community level. Training women in design, implementation and operation and maintenance will build women's skills and increase employment opportunities in a traditionally male dominated field, thus, breaking gender stereotypes in learning and employment. A gender specialist will be recruited as part of the PPTA to undertake a gender analysis and 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 to widen gender inequality?

Yes  No Please explain

Loss of traditional land rights and livelihood will be mitigated by the resettlement plan.

<b>III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS</b>			
<b>Issue</b>	<b>Nature of Social Issue</b>	<b>Significant/Limited/ No Impact/Not Known</b>	<b>Plan or Other Action Required</b>
<b>Involuntary Resettlement</b>	The construction of water intake works and treatment plants will trigger land acquisition and resettlement.	Limited, since land acquisition is minimized to ROW and utilizing the easements	<input checked="" type="checkbox"/> Resettlement Plan <input checked="" type="checkbox"/> Resettlement Framework
<b>Indigenous Peoples</b>	The absence of indigenous people groups will be confirmed by the PPTA once sub-project locations have been identified.	Other, related projects have not identified groups of indigenous peoples in the 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 program implementation strategy will cover all households in targeted neighborhoods and will not discriminate on the basis of ethnic or religious affiliation.	<input type="checkbox"/> Indigenous Peoples Plan <input type="checkbox"/> Indigenous Peoples Planning Framework <input type="checkbox"/> Environmental and Social Management System Arrangement <input type="checkbox"/> None <input checked="" type="checkbox"/> Uncertain
<b>Labor</b> <input type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input checked="" type="checkbox"/> Core Labor Standards	Due diligence on the compliance for core labor standards will be conducted during the design stage and mitigation measures will be put in place.	The construction contractor's contract will include core labor standard. The labor camp will be provided with basic facilities (drinking water and sanitation); no child labor will be used; equal pay for men and women laborer for similar work.	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other Action <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
<b>Affordability</b>	The project design will provide subsidies for connection and water fees.	The poverty and social analysis will include demand survey to determine extent of affordability by different income groups and sex.	<input checked="" type="checkbox"/> Action <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
<b>Other Risks and/or Vulnerabilities</b> <input checked="" type="checkbox"/> HIV/AIDS <input checked="" type="checkbox"/> Human Trafficking <input type="checkbox"/> Others (conflict, political instability, etc.), please specify	During PPTA the risk of HIV/AIDS and Human Trafficking potential will be examined and if required then Contractor's contract will include awareness campaign on prevention of HIV/AIDS and Human Trafficking.		<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input type="checkbox"/> No Action <input checked="" type="checkbox"/> Uncertain
<b>IV. PPTA/DUE DILIGENCE RESOURCE REQUIREMENT</b>			
1. Does the TOR for the PPTA (or other due diligence) include poverty, social and gender analysis and the relevant specialist/s? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social and/or gender analysis, and C&P during the PPTA/due diligence? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			