



# Initial Poverty and Social Assessment

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Project Number: 42171  
September 2009

## BAN: Khulna Water Supply Project

An initial poverty and social assessment (IPSA) is prepared in the early stage of the project cycle to assess the significance of social issues for a project. In accordance with ADB's public communications policy (PCP, 2005), the IPSA is disclosed upon completion. The final summary social assessment is included as an appendix to the project's report and recommendation of the President.

**Asian Development Bank**

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country/Project Title:	BANGLADESH: Khulna Water Supply Project		
Lending/Financing Modality:	Project Loan	Department/ Division:	South Asia Department Urban Development Division

### I. POVERTY ISSUES

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

1. Based on the country poverty assessment, the country partnership strategy and the sector analysis describe how the project would directly or indirectly contribute to poverty reduction and how it is linked to the poverty reduction strategy of the partner country.

In Bangladesh, there is still a large urban population living below the poverty line, despite significant progress in recent years. Bangladesh achieved a significant reduction in national poverty ratio from 59% in 1991 to 42% in 2005. The poverty ratio in urban areas also declined from 45% to 37% over the 1990s. Khulna is the third largest city in Bangladesh, and it has a large population in poverty. It is estimated that approximately 40% of population is under the poverty line, and 20% lives in slums.

Well-planned urbanization can have a significant impact on poverty reduction. The National Strategy for Accelerated Poverty Reduction emphasizes that even though urbanization has so far been a factor contributing to poverty reduction, urban poverty and growing disparities within urban areas is an important policy agenda. The Strategy observes that effective poverty reduction is closely linked to an effective urbanization strategy. Critical entry points include mitigating public health risks and addressing service needs.

The proposed project is in line with ADB Country Partnership Strategy (2006-2010) which focuses on ADB's role in advancing the social development agenda to empower the poor so that all benefit from growth. The project will benefit general citizens in Khulna, including many of those under the poverty line. Most low income households do not have piped water supply and resort to alternative sources such as shallow tube wells and river, which has certain health risks.

#### B. Targeting Classification

1. Select the targeting classification of the project:

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

2. Explain the basis for the targeting classification:

The project will contribute to the MDG Goal 7, Target 3: Halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation. Through development of new water sources and rehabilitation/extension of distribution network, the ensuing project will increase the coverage of piped water supply system with improved quality to 85% of the city, which results in improved access to safe water for 850,000 persons.

#### 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?

Social development specialists are included in the PPTA with TOR on poverty analysis

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)?

## 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?

Primary beneficiaries are citizens and businesses in Khulna who will have better access to safe water. The poor would also benefit from an expansion of the piped water system, which currently covers only higher income households in the center of the city.

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

The citizens and businesses, in particular the poor, do not have good access to safe water.

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

Low income households may not be able to afford the regular connection cost for the piped network. The project will examine to whether the connection costs are included under the project, or to introduce installment payments and/or subsidies.

### B. Consultation and Participation

1. Indicate the potential initial stakeholders.

Citizen, NGO, KWASA, KCC, and LGD

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.)?

A series of workshops and consultation meetings will be held among the key stakeholders in designing the project. Specific consultations will be held for persons who may have land acquisition / resettlement impacts, if any.

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

Information sharing     Consultation     Collaborative decision making     Empowerment

4. Will a C&P plan be prepared?  Yes     No    Please explain.

The plan will be prepared in the inception of the PPTA and the PPTA report will include a plan for the investment phase.

### C. Gender and Development

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

Women generally suffer more from lack of access to safe water, since they often fetch water for the whole family from alternative sources, and they are the primary caretakers of the household health.

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.

Improved access to safe water – especially the expansion of piped water systems to poor households – will reduce women's time spent on household water collection. Expected improvement in health outcomes due to improved water supply will reduce women's time spent on caring for sick family members. Reduction in women's time burden spent on household chores could potentially increase women's opportunities, to pursue income generation activities for example, thus resulting in benefits for women and their families and potentially contributing to women's empowerment. A gender Action Plan will be prepared to incorporate gender features/activities in project design.

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

Yes     No    Please explain The project is not anticipated to have an adverse impact on women.

**III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS**

Issue	Nature of Social Issue	Significant/Limited/ No Impact/Not Known	Plan or Other Action Required
<a href="#"><u>Involuntary Resettlement</u></a>	Candidate project sites do not have large settlements and the project is not expected to cause significant IR impacts.	Limited impact	<input type="checkbox"/> Full Plan <input checked="" type="checkbox"/> Short Plan <input type="checkbox"/> Resettlement Framework <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
<a href="#"><u>Indigenous Peoples</u></a>	Project is not expected to have negative impacts on indigenous peoples.	No impact	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input type="checkbox"/> Indigenous Peoples Framework <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
<b>Labor</b> <input type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input type="checkbox"/> Core Labor Standards	The project is not expected to have significant impacts on labor issues.	Limited impact	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
<b>Affordability</b>	The tariff will be formulated through careful affordability analysis.	Limited impact	<input checked="" type="checkbox"/> Action <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
<b>Other Risks and/or Vulnerabilities</b> <input type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human Trafficking <input type="checkbox"/> Others (conflict, political instability, etc.), please specify	The project is not anticipated to have other risks and vulnerabilities.	No impact	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain

**IV. PPTA/DUE DILIGENCE RESOURCE REQUIREMENT**

- Do the TOR for the PPTA (or other due diligence) include poverty, social and gender analysis and the relevant specialist/s  
 Yes       No    If no, please explain why.  
  
 PPTA includes specialists with ToR on social development and gender issues.
- Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social and/or gender analysis, and C&P during the PPTA/due diligence?     Yes       No    If no, please explain why.