



# Initial Poverty and Social Assessment

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Project Number: 39597  
November 2005

## INO: Rural Infrastructure Support Project

## INITIAL POVERTY AND SOCIAL ANALYSIS

### A. Linkages to the Country Poverty Analysis

<b>Is the sector identified as a national priority in country poverty analysis?</b>	<input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No	<b>Is the sector identified as a national priority in country poverty partnership agreement?</b>	<input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No
<p><b>Contribution of the sector or subsector to reduce poverty in Indonesia:</b></p> <p>Regional disparities are both a cause and effect of poverty, contribute to social stability, and impede nation building. Since August 2000, under-development in the eastern regions was elevated to a junior minister cabinet level under former President Abdurrahman Wahid, further elevated to State Minister level by former President Megawati Soekarnoputri, and expanded to a wider portfolio of State Minister for Left-Behind Regions by President Susilo Bambang Yudhoyono.</p> <p>The Medium Term Development Plan 2005-2009 reserves a chapter for reducing disproportionate development under the general heading of improving social welfare. This chapter notes the welfare of these areas need greater government concern for their development. These are areas with (i) limited access to transportation to connect them to more developed areas, (ii) lacking in human and natural resources; (iii) have low and scattered populations, and (iv) have not been given priority by regional government because they are not deemed as having revenue generating potential. These are areas in an unequal race, lacking institutional infrastructure supporting sustainable economic development and under-covered by public services. Rural infrastructure, access roads, fish landing sites, improved markets are all fundamental underpinnings for reducing rural poverty</p> <p>The Country Poverty Assessment and Poverty Partnership Agreement<sup>1</sup> identify regional disparity and inadequate rural infrastructure as key poverty reduction issues. On addressing regional inequality, the Poverty Partnership Agreement specifies: "pro-poor or inclusive growth also requires improvement in regional equity through balanced regional development" and "targeted support of weaker local governments is required to prevent worsening of regional inequity". The Poverty Partnership Agreement pledges to support the government in achieving good growth by: "...increasing the productivity of the poor through empowerment and the development of infrastructure especially in rural and remote areas,..." Community driven development of rural infrastructure is the type of activity envisioned under the partnership agreement</p>			

### B. Poverty Analysis

#### Targeting Classification: Targeted Intervention, Geographic

<p><b>What type of poverty analysis is needed?</b></p> <p>The targeted districts belong to the category of districts designated by Government as disadvantaged. are poor in terms of human and natural resources with limited access to economic centers that could spur their development and thus require additional attention by Government. Their common attributes are high levels of poverty, low participation rates in school, low levels of education in the working age population, high dependence on agriculture, low access to safe water. The proposed project provides essential village level infrastructure selected and developed by the community from a closed menu of infrastructure. The closed menu ensures that the infrastructure contributes to poverty reduction and achievement of MDG needs, the benefits are widely captured, and local Public Works offices have the capacity to provide technical support. The absence of village infrastructure is a strong correlate for poverty. A non poor household is 1.4 times more likely to be living in a village accessible by road 12 months out of the year and 1.4 times more likely to be living in a village with electricity. The participatory process ensures that within this closed menu, priorities of both the men and women and poor and non poor are met and a sense of ownership is developed. The community as contractor approach further instills ownership and transparency and provides opportunities for income generation in areas of high underemployment.</p> <p>Since the financial crisis funds for infrastructure development have been limited and there is a backlog of unmet demand for upgrading of existing village infrastructure. The approach builds on a history of successful community empowerment and development projects such as Loan 1678 INO: Community and Local Development Project and Loan 1909 INO: Poor Farmers' Income Improvement through Innovation Project where funds are channeled directly to communities for their planning and implementation.</p>
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### C. Participation Process

<b>Is there a stakeholder analysis?</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
<b>Is there a participation strategy?</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	

### D. Gender Development

<p><b>Strategy to maximize impacts on women:</b></p> <p>A community participation approach supported by trained facilitators will ensure that the perspectives of both men and women are represented in the process of planning, designing, and implementing the village level infrastructure investments. Both perspectives</p>
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<sup>1</sup> Signed April 2001

are important to the choice and siting of the investment, planning and implementing construction, and agreeing on arrangements for use and maintenance. A minimum of 33 percent of the organizers will be women. This is commensurate with the participation of women in the labor force. The village representative committees will include at least one women, this committee membership will be at least 20 percent female. The experience of CLGSP is the number of women on the committees tends to vary from few women to entirely women depending on the circumstances of individual villages. Although it is difficult to measure the participation of men and women during construction, Some tasks tend to be more female such as finishing work in masonry and concrete, ground clearing preparations, spreading of gravel, and leveling and filing work, and other tasks requiring attention to detail and manual dexterity. The types of infrastructure proposed provides opportunities to provide temporary casual labor to both men and women.

#### E. Social Safeguards and Other Social Risks

Item	Significant/ Not Significant/ None	Strategy to Address Issues	Plan Required
<b>Resettlement</b>	<input type="checkbox"/> Significant <input type="checkbox"/> Not significant <input checked="" type="checkbox"/> None	The proposed project will upgrade existing infrastructure and will not build new infrastructure. Projects requiring land acquisition will be explicitly excluded from the menu of allowed investments. No negative impacts are expected.	<input type="checkbox"/> Full <input type="checkbox"/> Short <input checked="" type="checkbox"/> None
<b>Affordability</b>	<input type="checkbox"/> Significant <input checked="" type="checkbox"/> Not significant <input type="checkbox"/> None	The proposed project will contribute to lowering the cost of access to services in the related investment area. Investments related to clean water will reduce the time or effort required to obtain clean water. Village road improvement will contribute to reduced the time or cost to market village products or purchase consumer commodities. No negative impacts are expected.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Labor</b>	<input type="checkbox"/> Significant <input checked="" type="checkbox"/> Not significant <input type="checkbox"/> None	No displacement of labor will occur as a result of the project. Some income generating opportunities will accrue to the community during the construction period for both skilled and unskilled labor. Communities will plan and agree on how these opportunities will be allocated.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Indigenous Peoples</b>	<input type="checkbox"/> Significant <input checked="" type="checkbox"/> Not significant <input type="checkbox"/> None	The project area is ethnically diverse including many ethnic minorities. As communities are generally ethnically homogeneous and as community action plans form the basis for all decision making and implementation, the proposed project design creates an indigenous people's development plan for every community. The use of experienced local facilitators further facilitates accommodation of indigenous people's aspirations and priorities into these plans. No negative impact is expected.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Other Risks and/or Vulnerabilities</b>	<input type="checkbox"/> Significant <input checked="" type="checkbox"/> Not significant <input type="checkbox"/> None	Community development projects sometimes falter because of delayed flow of funds or delayed recruitment of facilitators. Where funds are delivered late, communities prepare their plans and initiate work but then are left waiting or pre-finance the works themselves. Where funds flow before facilitators are mobilized, only a select group in the community participates in the process. Either situation contributes to a process of elite capture.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No