



## Draft Summary Poverty Reduction and Social Strategy

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Project Number: INO 35183  
November 2005

# INO: Sustainable Aquaculture Development for Food Security and Poverty Reduction

## SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY (SPRSS)

### 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
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#### Contribution of the sector or subsector to reduce poverty in Indonesia:

Aquaculture has been playing an increasingly significant role in ensuring food availability, providing household food security, and generating valuable foreign exchange and domestic revenues. Aside from contributing about one-fifth of the country's estimated total fish production, the aquaculture sub-sector has been providing employment to some 2.2 million people, representing around 40% of the total number of people employed in the fisheries sector. Aside from this, aquaculture has also been able to absorb the growing labor force which enters the job market each year and was able to cushion economic hardships faced by people looking for more gainful employment.

### B. Poverty Analysis

### Poverty Classification

The aquaculture subsector in the country suffers from low productivity as a result of technical, economic, and environmental factors. Small fish farmers usually practice extensive culture which gives low yields. This is compounded by the high prices of imported production inputs and the lack of post-production facilities and market infrastructure, which contribute to the low income from aquaculture. In some areas, there have been outbreaks of fish and shrimp disease, usually triggered by poor environmental quality, inferior seed quality, and poor hatchery and culture management. Small-scale fish farmers also lack funds to shift to higher density farming or the culture of high-value commodities, and cannot access credit from local banks and financial institutions. The combination of these factors has resulted in low incomes and poor quality of life of the small fish farmers.

Core Poverty Intervention

Based on the results of the socioeconomic survey of selected households, the average poverty incidence among fish farmer households in the seven Project districts is estimated at 34%. This figure is higher than the official BPS estimate of poverty incidence, which is an average of 20.2% for the total population of all the sectors in the seven districts. This shows that the proportion of the poor in the aquaculture sector in the Project sites is higher than the poverty incidence in other economic sectors. The lack or insufficiency in income has brought about a certain level of deprivation in fish farming households, as manifested in the (i) poor access to, and utilization of, quality health and clinical services by 66% of households; (ii) lack of sustained access to safe water supply by 61% of families; (iii) low level of education, especially of females and young girls, at an average of 5.5 years of schooling; (iv) poor nutrition status of 32% of children under 5 years old; and (v) lack of income-generating opportunities especially for more than 50% of the women who have largely remained as unpaid workers.<sup>1</sup>

To address the poverty issues confronting the small-scale fish farmers and their households, the Project will introduce them to improved, sustainable, environment-friendly aquaculture practices and techniques and provide them with technical and financial assistance in the development and operation of small yet income-generating aquaculture enterprises to improve their status. Moreover, the organizations of fish farmers, including women, will be strengthened, and their skills and knowledge on aquaculture technologies will be upgraded and enhanced through the active intervention of quality and efficient delivery of services by the extension workers and the support of the local fisheries office.

### 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
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The Project followed a participatory approach in its formulation, and the Project framework and overall design were developed through a series of workshops, consultations, and discussions at the central, district, sub-district, and village levels. Household surveys supplemented with focus group discussions were conducted in sample villages where poor aquaculture households were the majority of the respondents. The results of the workshops and consultations, as well as the local-level household surveys, were used as inputs in Project design. Provisions were made to encourage participation in all the major Project activities, especially in the refinement of the appropriate Project outputs for each district. Most Project activities at the local level will be implemented by the local governments and the *Dinas Kelautan dan Perikanan* (district fisheries services) in collaboration and partnership with CBOs and assisted by NGOs, thus enhancing local ownership of the Project.

During the Project's social preparation stage, an in-depth Participatory Rural Appraisal (PRA) will be conducted in each of the districts and subdistricts and will form the basis for the Project's detailed work plan for that area. Village-

level planning for Project implementation will be spearheaded by the CBOs, and communities will be represented in decision-making structures at the local level. CBOs and organized fish farmer groups, as well as other community members, will be key players in the implementation of specific interventions in aquaculture production and microenterprise development. The stakeholder analysis and participation plan are in Supplementary Appendix H.

#### D. Gender Development

##### Strategy to maximize impacts on women:

The Project will assist poor women in the Project sites to gain access to resources, technical assistance, and capacity building efforts for poverty reduction and food security. Women will be included in all Project activities, including the production inputs assistance and training programs. Likewise, women will be encouraged to participate in setting-up, operating, and managing small-scale culture-based fishery enterprises. The strengthening of women's groups will ensure equitable opportunities for membership and representation of women in decision-making bodies, especially at the local level and in assuming leadership positions. To assure that gender concerns are addressed by the Project and bring the gender perspective not only in Project implementation but also in the wider arena of education, nutrition, and child care, gender specialists will be hired to conduct gender training to sensitize local government officials and extension personnel of the *Dinas Kelautan dan Perikanan* to women's needs and socio-cultural issues. The detailed strategy for women and gender development in this Project is in Supplementary Appendix I.

Has an output been prepared?  Yes  No

#### E. Social Safeguards and other Social Risks

Item	Significant/ Not Significant/ None	Strategy to Address Issues	Plan Required
Resettlement	<input type="checkbox"/> Significant <input checked="" type="checkbox"/> Not significant <input type="checkbox"/> None	The Project will not require any significant acquisition of land and resettlement of people that warrants a preparation of a full resettlement plan. Instead, a Compensation Framework and Procedural Guidelines will be prepared by the Project to guide the Executing Agency and local governments.	<input type="checkbox"/> Full <input type="checkbox"/> Short <input type="checkbox"/> None
Affordability	<input type="checkbox"/> Significant <input type="checkbox"/> Not significant <input type="checkbox"/> None		<input type="checkbox"/> Yes <input type="checkbox"/> No
Labor	<input type="checkbox"/> Significant <input checked="" type="checkbox"/> Not significant <input type="checkbox"/> None	Improvement of the productive capacity of aquaculture activities will create more opportunities not only for family labor but also for other ancillary workers in the communities. As production increases, it will also fuel other economic activities in the community such as transport and fish processing, among others.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Indigenous Peoples	<input type="checkbox"/> Significant <input checked="" type="checkbox"/> Not significant <input type="checkbox"/> None	The project will not have significant impacts on IPs, which will require the preparation of a full-blown Indigenous Peoples Development Plan (IPDP). The subproject in Kapuas Hulu and Buton may have impact on indigenous peoples and that an Indigenous Peoples Development Framework (IPDF) (Supplementary Appendix L) has been prepared to address likely impact of the subprojects on them. If such groups could be significantly affected by Project Implementation, IPDPs will be prepared in accordance with the ADB's <i>Policy on Indigenous Peoples</i> , and implementation of Project activities at such Project sites will be conditional on ADB's approval of the relevant IPDPs.	<input type="checkbox"/> Yes <input type="checkbox"/> No
Other Risks and/or Vulnerabilities	<input type="checkbox"/> Significant <input type="checkbox"/> Not significant <input type="checkbox"/> None		<input type="checkbox"/> Yes <input type="checkbox"/> No