I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

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

The Government of Indonesia’s National Medium-Term Development Plan (RPJMN), 2015–2019 intends to reduce poverty rates to 7%–8% by 2019. It also focuses on greener growth, including integrated management of river basins and flood risk, and disaster preparedness and response. These are in line with the Asian Development Bank (ADB) 2015 interim country partnership strategy (CPS) for Indonesia, which focuses on environmental sustainability with climate change mitigation and adaptation, and supports projects geared toward managing river basins and mitigating disaster risks through capacity development. The CPS also focuses on the poor, as they are most vulnerable to adverse impacts of poor environmental quality and climate change.

The project is geared toward poverty mitigation by reducing economic losses and social risks from floods in selected river basins located in the Cidanau-Ciujung-Cidurian (3 Cis) river basin territory (RBT), Banten Province, and the Ambon-Seram RBT in Maluku Province. The project outputs directly support the implementation of the RPJMN and CPS: (i) preparation of flood risk management plans, establishment of flood forecasting, an early warning system, and emergency response mapping; (ii) river basin management through watershed management, design, upgrading and construction of flood control infrastructure; (iii) capacity building for community-based flood risk management (CBFRM); and (iv) support for policy, coordination, and capacity development in the sector.

The project’s impact and components are also consistent with the RPJMN, and ADB’s Water Operational Plan 2011–2015 interim country partnership strategy (CPS) for Indonesia, which focuses on environmental sustainability with climate change mitigation and adaptation, and supports projects geared toward managing river basins and mitigating disaster risks through capacity development. The CPS also focuses on the poor, as they are most vulnerable to adverse impacts of poor environmental quality and climate change.

B. Results from the Poverty and Social Analysis during PPTA or Due Diligence

1. Key poverty and social issues. Flooding corrodes the economic backbone of individual households as well as the country. It destroys families’ homes and crops; makes communities vulnerable to water-borne diseases, rendering people unable to work; cuts major road arteries, disrupting trade and delivery of goods and services; and reduces food security for communities. By substantially reducing the occurrence of floods, the project will prevent the poor from getting poorer; prevent those just above the poverty line from becoming impoverished; and protect people’s health, assets, and livelihoods. The reduced risk of flood damage in floodplain areas as well as more secured access to land in upland areas will contribute to asset building and increased earnings for all communities including poor households and secure livelihoods for poor households.

2. Beneficiaries. The main beneficiaries will be floodplain communities in the 3 Cis and the Ambon-Seram RBTs. Selected upper river basin communities will also benefit from project interventions. According to Statistics Indonesia, in September 2015 the poverty line was Rp336,592 per person per month in Banten Province and Rp405,502 per person per month in Maluku Province. These are much higher than the national poverty rate of 11.1% in September 2015. Primary beneficiaries include truckers and other commercial and personal users of the major national road transport artery linking Jakarta (and the rest of Java) with Sumatra, and passing through Serang district. Addressing the flooding in this strategic stretch will have major regional and national beneficial impacts to the Banten provincial economy. Interventions in middle portion of the selected river basin catchment areas will provide upland households with improved agro-technologies, conservation techniques, and economic options.

3. Impact channels. River improvements and CBFRM activities are expected to reduce flood-related burdens for the poor and vulnerable, such as reduction in the loss of lives, assets, social capital and community infrastructure, and economic opportunities, including those related to the major Java–Sumatra road transport artery and commercial exchange. Designs will include features to make access easier for people who used rivers for bathing, washing clothes and household cleaning. Upper watershed agro-terracing and land conservation interventions represent alternative technologies for the poor.

4. Other social and poverty issues. Government poverty alleviation programs as well as special emergency social and economic measures designed to assist households affected by floods (especially those who are vulnerable) are ongoing at the local level. The reduction of the severity and extent of flooding, combined with government health initiatives, also help to lower the incidence of any water-borne or linked diseases.

5. Design features. The project will provide infrastructure to prevent damage from floods whose impacts often negatively affect children, the poor and those vulnerable to poverty, women, and the elderly. Project components also include (i) an enhanced knowledge base for flood management, and (ii) adapted basin management activities designed to reduce the severity and impact of flood events that will reduce burdens on the vulnerable and poor. Of particular benefit will be the promotion of expanded community participation in multiple aspects of flood risk management.
II. PARTICIPATION AND EMPOWERING THE POOR

1. Participatory approaches and project activities. Stakeholder consultations were conducted in priority subproject areas during the project preparatory TA and will continue throughout implementation. During implementation, effective measures for stakeholder engagement will be established to increase project ownership by communities, especially the success of the CBFRM component.

2. Civil society organizations. Informal flood group community leaders, women’s groups, and civil society organizations (CSOs) in Banten Province have been involved in project preparation. On Ambon Island, these groups include (i) women’s groups, (ii) university research groups, and (iii) a forum for improved watershed management and conservation.

3. It is envisaged that CSOs, including women’s groups, will participate in the design and implementation of multiple project components, including an enhanced knowledge base for flood management, CBFRM, and upland conservation. In addition, CSOs are involved in the basin coordinating councils that have been established in the selected RBTs, in which 50% of the members are not from government agencies. The project has design features that will allow coordination and engagement with CSOs through community contracting and other community-based activities. Budget has been allocated accordingly under the Ministry of Home Affairs and Ministry of Agriculture components, and engagement mechanisms have been agreed between ADB and the government.

4. What forms of civil society organization participation are envisaged during project implementation?
   - Information gathering and sharing
   - Consultation
   - Collaboration
   - Partnership

5. Will a project-level participation plan be prepared to strengthen participation of civil society as interest holders for affected persons, particularly the poor and vulnerable?  Yes  No

This will be formulated as part of the CBFRM activities under the Ministry of Home Affairs. This will identify the role of CSOs in flood management, methodology for engagement, and implementation mechanisms.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: Effective gender mainstreaming

A. Key issues. As a representative sample, in the Ciu Jung river basin core subproject area, 56.7% of male household heads did complete primary school, while 25.9% of females did not complete primary school. In Ambon, where educational standards are much higher in the urban areas compared to Ciu Jung, 3.0% of men and 2.8% of women did not complete primary school. In terms of employment, a very high percentage of women (31.9%), in Ciu Jung are engaged in agricultural activities while 27.5% reported engaging in other secondary jobs. In Ambon, 16.3% of women work as laborers, 14% as civil servants, 7% as traders and 6% are self-employed.

Key gender issues relate to the level of vulnerability of women, and their active economic roles in securing outside assistance and managing household domestic needs during flood events. In the Ciu Jung basin, a potential issue and concern is the relative impact upon, and level of, female labor force participation, and the loss of economic livelihood options due to loss of agricultural land assets. In the case of the Ambon river basins, where gender roles tend to be more egalitarian than in Banten, project-related key gender concerns include potential economic livelihood impacts due to resettlement and relocation, and the need to design strategies that directly address economic options of female heads of households. These concerns should in part be addressed by the project-related improvements, including reduced risk and impact of flood events. The primary roles of women during flood events appear to be handling domestic arrangements, taking care of children and the elderly, and securing outside aid, with this role continuing after the flood event.

B. Key actions. Gender action plan  Other actions or measures  No action or measure

Participatory approaches will be used to promote expanded involvement of women in (i) decision-making and economic opportunities for planning and design; (ii) securing feedback, opinions, and recommendations; and (iii) direct implementation. Implementation of these participatory approaches includes expanded participation by women in capacity building and access to employment, and improved skills and gender equity.

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement

1. Key impacts. Land acquisition and resettlement (LAR) in the Ciu Jung core subproject alone will result in significant involuntary resettlement impacts, including the acquisition of 190.4 hectares of land and 1,887 affected households (comprising 5,760 persons), of which (i) 1,060 are vulnerable, (ii) 93 are to be physically relocated, and (iii) 1,208 are to lose more than 10% of their productive assets. Major impacts include partial or total loss of housing structures and agricultural landholdings.

2. Strategy to address the impacts. Involuntary resettlement will take place within the context of the Land Acquisition Law 2/2012, which is better aligned with ADB’s Safeguard Policy Statement (SPS). The gaps between the Land Acquisition Law No. 2/2012 and ADB’s SPS have been addressed in close coordination with national and local government agencies, including the National Land Agency. Government agencies involved in LAR are being strengthened through Strengthening and Use of Country Safeguard Systems. Numerous public consultations have been conducted with affected persons to minimize impacts and determine the most effective ways to replace losses and restore livelihoods. Important components of public consultation include information disclosure, focus group discussions, public information brochures, and grievance redress mechanisms at multiple phases of the LAR process that have been discussed and agreed.
### 3. Plan or other Actions

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<tr>
<th>Action</th>
<th>Description</th>
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<tbody>
<tr>
<td>✓ Resettlement plan</td>
<td>□ Combined resettlement and indigenous peoples plan</td>
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<tr>
<td>✓ Resettlement framework</td>
<td>□ Combined resettlement framework and indigenous peoples planning framework</td>
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<tr>
<td>□ Environmental and social management system arrangement</td>
<td>□ Social impact matrix</td>
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**B. Indigenous Peoples**

**Safeguard Category:** □ A  □ B  □ C  □ FI

#### 1. Key impacts

Is broad community support triggered? □ Yes  □ No

Based on secondary documents, a review of government records and statistics, and consultation with provincial and district agencies and other key stakeholders in the Ambon-Seram and 3 Cis RBTs, there are no indigenous people in the areas targeted by the project and there will be no impact on indigenous people communities.

#### 2. Strategy to address the impacts

Not applicable.

#### 3. Plan or other actions

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<tr>
<th>Action</th>
<th>Description</th>
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<tbody>
<tr>
<td>□ Indigenous peoples plan</td>
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<td>□ Indigenous peoples plan elements integrated in project with a summary</td>
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<td>□ Social impact matrix</td>
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<td>□ No action</td>
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### V. ADDRESSING OTHER SOCIAL RISKS

#### A. Risks in the Labor Market

1. Relevance of the project for the country’s or region’s or sector’s labor market, indicated as high (H), medium (M), and low or not significant (L).
   - □ unemployment
   - □ underemployment
   - □ retrenchment
   - □ core labor standards

2. Labor market impact

Reduced flooding on a short-term seasonal basis will not impact the regional or local labor markets. In Ambon, the only possible unemployment risks from reduced flooding are linked to (i) relocation of a river mouth trading facility, and (ii) potential complications for livelihood options for a subset of residents being resettled in their new locations. Those potential risks will be mitigated through the livelihood restoration program.

#### B. Affordability

No key issues leading to exclusion of low income and poor people arising from local price increase are anticipated. The only concern is the possible relocation of local trade markets near the mouth of the Batu Merah river in Ambon and the disruptions and complications this would cause in accessibility. City government spatial plans to relocate traders to an alternative, modernized trading and/or market facility could help to ameliorate and compensate for any negative impacts of dismantling the local trading center.

#### C. Communicable Diseases and Other Social Risks

1. Indicate the respective risks, if any, and rate the impact as high (H), medium (M), low (L), or not applicable (NA):
   - □ Communicable diseases
   - □ Human trafficking
   - □ Others (please specify) ______________

2. Describe the related risks of the project on people in project area. Not applicable.

### VI. MONITORING AND EVALUATION

#### 1. Targets and indicators

(i) Reduction in the scope, incidence, and impact of flood events in the flood-prone area; (ii) improved living conditions and/or livelihood options in the project area; and (iii) active participation by stakeholders, including women, in multiple planning and implementation events.

#### 2. Required human resources

Both ADB and the project management consultant teams will include social specialists to monitor the poverty and social impacts of the project. The project quarterly progress reports will include a dedicated section on the monitoring of the poverty and social impacts of the project.

#### 3. Information in the project administration manual

The project administration manual will include the monitoring mechanisms, recommended reporting format, gender action plan, and communication strategy.

#### 4. Monitoring tools

The loan agreement will reflect the monitoring indicators from the design and monitoring framework. Indicative tools include flood damage statistics, project status and monitoring reports, quarterly reports, attendance and participation data and sheets, information and training materials and documents, ADB review mission reports, and the project completion report.

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d Indonesia recently enacted Land Acquisition Law No. 2/2012 and its implementing regulations to ensure land acquisition for the implementation of development for the public interest, with the emphasis on the principles of humanity, democratic, and equitable.