

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Sri Lanka	Project Title:	Additional Financing of Jaffna and Kilinochchi Water Supply and Sanitation Project
Lending/Financing Modality:	Project Loan	Department/ Division:	South Asia Department/ Urban Development and Water Division

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Poverty targeting: General Intervention

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

The project contributes to the water supply and sanitation component of the national development strategy outlined in the public investment program, 2017–2020, which aims to provide equitable access to safe drinking water and sanitation for the entire population. Aligning with the urban and water sector outcomes, the project supports pillar one of the country partnership strategy, 2018–2022, which targets strengthening drivers of growth by promoting diversification of economic activities and enhancing productivity.

B. Results from the Poverty and Social Analysis during Project Preparatory Technical Assistance or Due Diligence

1. **Key poverty and social issues.** The former conflict-affected project areas are lagging regions with high income poverty and income inequality. Poverty incidence is 43.4% in Jaffna district and 64% in Kilinochchi district, compared with 23.0% in Sri Lanka as a whole. The Gini coefficient is 0.80 in Jaffna district and 0.81 in Kilinochchi district. Average per capita income in the Norther province is 30% less than the national average. Poverty mapping shows a wide distribution of the poor in the project area. Further impediments to reducing poverty include (i) an acute lack of economic opportunities; (ii) threats of natural disasters; and (iii) a lack of social capital, infrastructure, and municipal services. Only 10% of the area's population has access to pipe-borne water. Unsafe water and unhygienic conditions contribute to the high prevalence of waterborne diseases.

2. **Beneficiaries.** The total beneficiary population would be around 300,000. There are vulnerable groups, including low-income households, women-headed households, youth, and the physically and/or mentally disabled. Among the surveyed households, about 15.2% are women-headed households. These women are mostly daily wage earners who lack regular income, with economic crises pushing them into indebtedness. In extreme cases, they are trapped in a cycle of sexual abuse. Among young men, only 6% have General Certificate of Education Ordinary Level, 2% have General Certificate of Education Advanced Level, and 1% have graduated. There are 14,580 disabled persons (60% men and 40% women).

3. **Impact channels.** Improved access to drinking water for households will bring health benefits, leading to better education attainment for children and lower household expenditure on health care. It will also reduce time poverty, especially among women, enabling them to participate in income earning, childcare, and leisure and social activities. New position that will be created at operational and management institutions would address the problem of unemployed youth with the aspiration of professional employment.

4. **Other social and poverty issues.** Although rehabilitation and development programs of government and nongovernment organizations in Sri Lanka during post-conflict periods help fulfill most basic needs, some households continue to live in poor conditions. This constrains the quality of life of children, families, and communities. Health issues aggravate both economic and emotional crises among these households. Psychosocial well-being and ethnic harmony are issues still unresolved since the end of the civil war in 2009.

5. **Design features.** The project targets the poor by (i) installing a desalination plant and water transmission lines; (ii) subsidizing household connections for the poorest; (iii) ensuring affordable tariffs for basic consumption and full-cost recovery from higher consumption drinking water rate slabs; and (iv) supporting vulnerable groups, especially women, and allowing them to invest the time saved on income-earning activities.

II. PARTICIPATION AND EMPOWERING THE POOR

1. **Participatory approaches and project activities.** Stakeholder consultations were undertaken during project preparation. Stakeholders consulted included (i) the project area population, anticipated project beneficiaries and affected persons, and community leaders; (ii) the national government and relevant ministries; (iii) local governments and departments (iv) development partners; (v) beneficiary groups; and (vi) civil society organizations. The main issues raised during the consultations included (i) water resource issues, such as resource allocation specific to Iranamadu Tank; (ii) the lack of safe drinking water and sanitation facilities; (iii) solid waste management; and (iv) issues concerning security, institutional capacity, and participation.

2. **Civil society organizations.** The preliminary discussions with civil society organizations revealed their willingness to participate in the project. The level of collaboration depends on the exact project requirement. There is opportunity to engage them in monitoring and promoting environmental issues and water conservation.

3. The following forms of civil society organization participation are envisaged during project implementation, rated as high (H), medium (M), low (L), or not applicable (NA):

☒ Information gathering and sharing ☐ Consultation ☒ Collaboration ☒ Partnership

4. **Participation plan.** ☒ Yes. ☐ No.

Communication and outreach strategy including consultation and participation action plan. Community outreach campaigns and continued consultation to manage any negative perceptions of the project among the community.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: effective gender mainstreaming

A. Key issues.

The key issues to be addressed are mainstreaming gender issues into the project and institutional capacity building on gender. A high percentage (15.2%) of households is headed by females. Women are primarily responsible for maintaining the household and home garden, and an important aspect of their role is ensuring water for these activities. Women face various problems in accessing sufficient safe water and sanitation facilities because of (i) a lack of water sources, (ii) deterioration of water quality at current sources, and (iii) increased time required to obtain water. Waterborne diseases affect women (55%) more than men (45%), as women more frequently handle contaminated water. Despite women's major responsibilities in collecting, using, and managing water, they are rarely involved in making decisions about planning, design, and construction of water facilities.

B. Key actions.

The project's gender strategy will require recognizing the relationship between water and women, mainstreaming a gender perspective in policy and institutional arrangements, and ensuring women's involvement in decision-making processes. The gender action plan ensures that (i) gender issues in urban areas and small towns are addressed; (ii) women benefit equally from the project; and (iii) interventions avoid gender bias. Gender sensitization for water sector service providers to allow for attitudinal and behavior changes toward gender equality and women's empowerment is critical for promoting gender equality in the water sector.

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement

Safeguard Category: ☐ A ☒ B ☐ C ☐ FI

1. **Key impacts.** The project does not involve any land acquisition, physical or economic displacement, and/or loss of assets for private individuals. All works will be undertaken on public lands or existing rights-of-way. Due diligence confirmed that no persons are living on or using the land informally. The project will not have any major impacts on the fishing activities in this area. The sea area in front of the desalination plant is not used for beach seine fishing, as this activity was abandoned after the 2004 tsunami. During the construction period, there may be temporary access disruptions for fishermen who may need to traverse this area during the laying of pipes in the sea. One beach seine lot owner will be affected, as the intake and outfall pipes will traverse his beach seine fishing lot (which is 300 meters wide). The person with traditional fishing rights on this lot has forgone his traditional fishing rights for the project of his own accord as he has no intention to continue fishing (he is old and has not renewed his annual fishing license since 2004).

2. **Strategy to address the impacts.** The Department of Fisheries and Aquatic Resources will allot another suitable beach seine lot to him if he wishes to start fishing again. Livelihood impacts to no other fishermen are anticipated. During the operation period, small areas in the sea (measuring 50 meters and 15 meters in diameter) will be marked by buoys to demarcate intake and outfall structure locations on the seabed, so that fishermen can avoid these areas. The project is classified as category B for involuntary resettlement to provide the flexibility to undertake continuous monitoring and course correction in case of any unanticipated livelihood impacts, particularly on local fishermen, during the laying of the intake and outfall pipes in the sea. The National Water Supply and Drainage Board signed a memorandum of understanding with the Thalayadi Fishermen's Cooperative Society and the Thalayadi Rural Development Society agreeing on the project location. The environmental management plan contains provisions to ensure that the contractor provides clear passage for fishermen's boats during the pipe laying works. The intake structure, which projects 1.5 meters above the seabed, is designed with smooth surfaces to avoid fishing net entanglements. The outfall sprinkler diffusers will be surrounded by protective bunding to ensure that no nets dragging along the seabed will get entangled. The provisions of the environmental management plan will address any physical damage to houses, walls, and fences, and the resettlement plan has provisions to compensate for any unanticipated income loss to shop owners and farmers.

The National Water Supply and Drainage Board signed an agreement with the Thalayadi Fishermen's Cooperative Society and the Thalayadi Rural Development Society to clear any land use issues pertaining to fishermen with regard to the project. The project management, coordination, and implementation unit has led 31 public consultations with concerned stakeholders, including fishermen's communities. More consultations are planned under the community action and participation plan.

3. Plan or other Actions.

- | | |
|---|--|
| <input checked="" type="checkbox"/> Resettlement plan | <input type="checkbox"/> Combined resettlement and indigenous peoples plan |
| <input type="checkbox"/> Resettlement framework | <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework |
| <input type="checkbox"/> Environmental and social management system arrangement | <input type="checkbox"/> Social impact matrix |
| <input type="checkbox"/> No action | |

B. Indigenous Peoples

Safeguard Category: ☐ A ☐ B ☒ C ☐ FI

1. **Key impacts.** The population in the project area is largely homogenous (Tamil), and the socioeconomic survey and consultations show that no distinctive and separate indigenous peoples live in the project area.

2. **Strategy to address the impacts.** Not applicable.

3. Plan or other actions.

- | | |
|---|--|
| <input type="checkbox"/> Indigenous peoples plan | <input type="checkbox"/> Combined resettlement plan and indigenous peoples plan |
| <input type="checkbox"/> Indigenous peoples planning framework | <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework |
| <input type="checkbox"/> Environmental and social management system arrangement | <input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary |
| <input type="checkbox"/> Social impact matrix | |
| <input checked="" type="checkbox"/> No action | |

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.** The project will create employment opportunities in construction and operations. Unequal wages for men and women, and child labor prevail in the area. A potential crisis in labor relations is envisaged as the construction activities expand with a greater labor demand. This necessitates transitioning from oral arrangements to written contracts, and applying core labor standards for which regulatory measures need to be introduced.

B. Affordability

The water tariff increase will amount to only 4% of household income for the poorest 20% of households. To ensure affordability, lower tariffs will be imposed on basic water consumption, with full cost-recovery tariffs imposed only on higher consumption slabs.

C. Communicable Diseases and Other Social Risks

1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA):

- ☒ Communicable diseases ☐ Human trafficking
- ☐ Others (please specify) _____

2. **Risks to people in project area.** Civil works contracts may become a channel for spreading HIV/AIDS. Implementing agencies, through civil contractors, will minimize risks through a relevant clause in the contracts and conducting HIV/AIDS awareness-raising programs among mobile workers, community members, and students.

VI. MONITORING AND EVALUATION

1. **Targets and indicators.** Targets and indicators are set in the design and monitoring framework and gender action plan. These include 60,000 households provided with metered piped connections, including 20% below poverty line; awareness campaign on water sharing for 10,000 farming households; and awareness-raising campaigns on water conservation, environmental protection, and hygiene, targeting 60,000 households.

2. **Required human resources.** A national gender consultant for ten person-month and \$100,000 have been allocated for relevant gender studies and capacity building activities. Project management unit's sociologies will be supported by the gender officer and social safeguard officer of ADB country office for monitoring outreach, gender and resettlement activities.

3. **Information in the project administration manual.** The project administration manual includes the project's design, project management arrangements, implementation plan, safeguards, gender and social dimensions, and monitoring and reporting mechanisms.

4. **Monitoring tools.** Monitoring tools include regular progress reports of the project management unit, the Asian Development Bank project review mission, and minutes of the steering committee meetings.

Sources: United Nations Development Programme. 2005. Human Development Report; 2006. Project Preparatory Technical Assistance Feasibility Study; 2017 Resettlement Report.