

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Timor-Leste	Project Title:	Water Supply and Sanitation Investment Project
Lending/Financing Modality:	Project loan	Department/ Division:	Southeast 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 directly aligns with the Timor-Leste Strategic Development Plan, 2011-2030 (SPD) in supporting infrastructure development as a primary goal and with secondary contributions to social capital and economic development goals. The project contributes to the SPD target of 100% access to clean water and improved sanitation by 2030 and reducing child mortality caused by waterborne disease. The Country Business Operations Plan for Timor-Leste, 2021–2023 identifies the water and other urban infrastructure and services (WUS) sector from the Country Partnership Strategy, 2016–2020 as a priority area for Asian Development Bank (ADB) operations in Timor-Leste.¹

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

1. Key poverty and social issues. According to poverty assessments, poverty incidence decreased from 50% in 2007 to 42% in 2014.² The World Bank estimates that the impact of the coronavirus disease (COVID-19) has increased the poverty rate outside the capital Dili by at least 10%.³ According to a socioeconomic survey of households in the target project areas, 49% have incomes below the national poverty line of \$46.37/month, with women-headed households and larger households (with multiple dependents) concentrated at the lower end of the income scale. Households in cities have limited domestic supply of water, with 80% of households accessing water for household use from public taps, standpipes, or natural reserves. Communities in the project cities report water supply insecurity, with seasonal fluctuations and extreme water scarcity for at least 2 months per year. Of the total population, 60% have basic sanitation with water pour or flush toilets; however, these drain to soakage pits.

2. Beneficiaries. The project will support 62,000 people (31,000 women) in the cities of Lospalos, Same, and Viqueque, with a focus on women as the primary household water managers. Women and girls bear primary responsibility for collecting water and caring for family members suffering from water- or sanitation-related illnesses. Poor households and those with a pour toilet or local water standpipe will benefit from free or subsidized piped water into their dwelling and improved public sanitation facilities. Civil works will create local jobs for women and men. Reliable availability of water will also help households manage backyard gardens for family sustenance and/or for sale.

3. Impact channels. The investment will expand service coverage to households in the three cities. Women and the poor will benefit from free or subsidized connections, and lifeline tariffs will particularly benefit women and girls by connecting a potable water supply to their dwellings, thereby reducing drudgery and time spent collecting and managing household water supplies and caring for water-related illnesses. Gender mainstreaming within water utility will improve customer service. The project will also engage communities in the project cities responsible for water use and conservation, contributing to the sustainability of the infrastructure and reducing incidence of nonrevenue water.

4. Other social and poverty issues. Key issues include (i) poor childhood nutrition—Timor-Leste has the highest rate of undernourishment in the Asia-Pacific⁴ and the third highest rate of childhood stunting in the world;⁵ (ii) low capacity in the education system; (iii) high rates of violence against women; and (iv) low dispute resolution capacity. Youth unemployment is endemic in Timor-Leste. Of surveyed households in the project areas, 30% reported daily food insecurity in the previous 12 months.⁶ Development partners are supporting the national and municipal governments in addressing food security, gender-based violence, community conflict resolution, and basic education.

5. Design features. The project will improve access to water supply and sanitation in three cities of Timor-Leste through (i) providing water and sanitation infrastructure to about 62,000 people; (ii) installing water taps into dwellings, with taps to be placed in the kitchen and near the toilet; (iii) building new public toilets servicing nine *sucos* (villages); (iv) building institutional capacity to improve service delivery; and (v) piloting community management of public toilets.

¹ ADB.2020. [Country Operations Business Plan: Timor-Leste, 2021–2023. Manila.](#)

² World Bank. [Timor-Leste Country Page](#) (accessed 1 February 2021). Poverty incidence is the proportion of families/individuals with per capita income/expenditure less than the per capita poverty threshold to the total number of families/individuals.

³ World Bank. 2020. [Timor-Leste Economic Report, October 2020: Towards a Sustained Recovery.](#) Washington, DC.

⁴ Food and Agriculture Organization. [Sustainable Development Goals, Indicator 2.1](#)

⁵ Government of Australia, Department of Foreign Affairs and Trade. 2020. [Timor-Leste COVID-19 Development Response Plan.](#) Dili.

⁶ IPC. 2018. [Timor-Leste: Chronic Food Insecurity Situation 2018-2023.](#) Dili.

1. Participatory approaches and project activities. The project team undertook consultations on the detailed design with government, development partners, potential beneficiaries, and key stakeholders, including men and women, in Lospalos, Same, and Viqueque. Specific women-only focus group discussions informed the detailed design. Inclusive community consultation will continue during project implementation.

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):

4. Participation plan. ☒ Yes. ☐ No.

III. GENDER AND DEVELOPMENT

A. Key issues. Social and cultural barriers confine women to managing chores such as water collection, excluding them from the workforce and participation in many aspects of civic life. Low levels of education and formal literacy, including financial literacy, and normalization of gender-based violence heavily impact women in Timor-Leste. The COVID-19 pandemic has increased women's drudgery and time poverty, saddling them with additional water collection, water management, and child-care responsibilities during periods of restricted movement.

☒ Gender action plan ☐ Other actions or measures ☐ No action or measure

A. Involuntary Resettlement

1. Key impacts. Although there are no involuntary displacement and physical resettlement issues associated with the project, the project will necessitate the acquisition of land (customary, residential, and government-owned) and the loss of parts of secondary structures and productive assets such as fruit trees and crops from 22 affected households in the three project cities.

2. Strategy to address the impacts. The project will avoid and minimize involuntary settlement impacts to the extent possible. Nonetheless, there will be unavoidable impact on households. Field visits were carried out during which consultations and participatory discussions were held with potential affected households and community leaders and members. A census of potentially affected persons informed surveys for preparation of detailed inventories of loss. Preliminary valuation of affected assets affected incomes, and livelihood disruptions has been carried out and the project include provisions for these estimates to be updated by the project management unit throughout the construction phases of the project. Based on the inventories of loss, a REGDP for each city has been prepared by MPW and compensation to affected persons will be made prior to commencement of construction.

<p>3. Plan or other Actions.</p> <p><input type="checkbox"/> Resettlement plan</p> <p><input type="checkbox"/> Resettlement framework</p> <p><input type="checkbox"/> Environmental and social management system arrangement</p> <p><input type="checkbox"/> No action</p>	<p><input checked="" type="checkbox"/> Combined resettlement and indigenous peoples plan</p> <p><input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework</p> <p><input type="checkbox"/> Social impact matrix</p>
<p>B. Indigenous Peoples Safeguard Category: <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Key impacts. The majority of the population of Timor-Leste is considered indigenous under the ADB Safeguard Policy Statement. MPW prepared three REGDPs. Citizens of Timor-Leste do not generally self-identify as indigenous because of the country's complex history of colonization and occupation. Communities do have deep, spiritual connections with land and water, and customary laws are acknowledged. It is important to understand and respect these customary agreements and ensure that land acquisition and the grievance redress mechanism are culturally appropriate. The field work assessment identified a variety of cultural practices relating to water and different linguistic groups.</p> <p>Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. Strategy to address the impacts. Each city will develop a customary water management plan reflecting the special measures and detailed consultations that will be carried out to ensure that customary laws have been considered.</p> <p>3. Plan or other actions.</p> <p><input type="checkbox"/> Indigenous peoples plan</p> <p><input type="checkbox"/> Indigenous peoples planning framework</p> <p><input type="checkbox"/> Environmental and social management system arrangement</p> <p><input type="checkbox"/> Social impact matrix</p> <p><input type="checkbox"/> No action</p> <p><input checked="" type="checkbox"/> Combined resettlement plan and indigenous peoples plan</p> <p><input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework</p> <p><input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary</p>	
<p>V. ADDRESSING OTHER SOCIAL RISKS</p>	
<p>A. Risks in the Labor Market</p> <p>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).</p> <p>L unemployment <input type="checkbox"/> underemployment <input type="checkbox"/> retrenchment H core labor standards</p> <p>2. Labor market impact. The project's labor market impact will be limited to a small number of jobs created during construction. For any project-related employment, contractors must adhere to core labor standards, including equal pay for equal work between men and women. Contractors will engage local labor for skilled and unskilled work.</p> <p>Compliance with the International Labor Organization's core labor standards and national labor laws will be observed. Bidding documents will be designed to ensure that contractors comply with all national laws and regulations including (i) not employing child labor in construction and maintenance works; and (ii) adhering to nondiscriminatory employment practices, including equal pay for equal work.</p>	
<p>B. Affordability Pro-poor, gender-sensitive tariff settings and flexible payment arrangements will be implemented.</p>	
<p>C. Communicable Diseases and Other Social Risks</p> <p>1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA):</p> <p>L Communicable diseases NA Human trafficking <input type="checkbox"/> Others (please specify) _____</p> <p>2. Risks to people in project area. The primary risks are construction-related worker-safety risks. Action: Contractors must implement industry-recognized occupational, health, and safety management, as covered in the environmental management plan. Other health risks are associated with the transient workforce; these risks will be mitigated through gender-based violence, sexual exploitation and harassment, and human immune-deficiency virus/acquired immune-deficiency syndrome training for the workforce.</p>	
<p>VI. MONITORING AND EVALUATION</p>	
<p>1. Targets and indicators. The project design and monitoring framework includes indicators addressing social impacts, poverty reduction, and gender actions. All indicators will be disaggregated by sex and poverty.</p> <p>2. Required human resources. The MPW will mobilize an international social safeguards specialist and an international social and gender specialist. A national safeguards specialist and a national social and gender specialist will monitor the indigenous, resettlement, poverty, and social impacts of the project.</p> <p>3. Information in the project administration manual. The project administration manual will outline the poverty, social monitoring, REGDP, and gender reporting requirements. Monitoring reports will include sex-disaggregated data on participants in community consultations, training participants, and employment.</p> <p>4. Monitoring tools. The PSC will monitor social safeguard and gender/social development indicators, reporting on progress quarterly and annually, and will prepare the project completion report following the project administration manual. The project management unit will publicize the grievance redress mechanism widely in the project cities.</p>	

Source: Asian Development Bank.