

INITIAL POVERTY AND SOCIAL ANALYSIS

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

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

Reducing poverty and stimulating economic growth in conflict-affected areas is a key objective of the government's 10-year development plan, 2006–2016. Known as the *Mahinda Chinthana*, the plan seeks to restore the Northern Province's basic services and social infrastructure and reconstruct the economic and physical infrastructure to assure sustained long-term development. The Country Partnership Strategy (CPS),¹ is closely aligned with the *Mahinda Chinthana*. Assistance to the Northern Province falls within the two pillars of the CPS—a stronger investment climate, and socially inclusive economic growth.

B. Targeting Classification

General Intervention Individual or Household (TI-H) Geographic (TI-G) Non-Income MDGs (TI-M1, M2, etc.)

The former conflict-affected project areas are clearly lagging regions with high poverty rate and income inequality. Poverty incidence is 10.9% in northern Kilinochchi District (poverty incidence in Sri Lanka as a whole is 6.7%). The Gini coefficient of per capita income is 0.49 in Jaffna District and 0.48 in northern Kilinochchi District. Average per capita income in the north is 35% less than the national average.² 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 (with a lack of entrepreneurship, unemployment and underemployment, a lack of inputs, increased dependency ratios, and increased workloads for women all negatively impacting the poor); (ii) threats of natural disasters; and (iii) a lack of social capital, infrastructure, and municipal services. Against this backdrop, the project area population lacks access to the most basic services and infrastructure.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. Poverty mapping shows a wide distribution of the poor in the project area. Only a tenth of the area's population has access to piped water. While 82% of the population in Jaffna District and 60% in northern Kilinochchi District have access to some form of latrine (mostly water-sealed-pour), in rural areas, the northern islands, and Jaffna district all latrines are shared (77% of latrines are shared in urban Jaffna, and 96% of latrines are shared in northern Kilinochchi) and more than 80% are open-bottomed. Safe water and sanitation are basic needs and provision in the project area directly reduces poverty.

2. Impact channels and expected systemic changes. The proposed project is expected to lead to better opportunities for the poor to improve their health status through reliable drinking water supply which will raise their income and economic status.

3. Focus of (and resources allocated in) the PPTA or due diligence. Social Development and Gender Specialist (2 person-months) will supervise socioeconomic surveys to collect data on poverty, the poor's access to basic services, employment, and literacy to determine employment benefits, potential labor impacts, and impacts on marginalized groups. The specialist will also assess any poverty-related issues relating to land acquisition and resettlement.

4. Specific analysis for policy-based lending. Not applicable

¹ ADB. *Interim Country Partnership Strategy, 2015-2016*. Sri Lanka.

² Household Income and Expenditure Survey 2012/2013, Ministry of Policy Planning Economics Affairs, Child Youth and Cultural Affairs, Sri Lanka

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program?

The majority of the project area's population is female. High percentages (15%) of households are headed by females. Of 24,706 widows in the project area, 78% have monthly incomes of less than SLRs1, 000 (by comparison, the official poverty line is SLRs1, 423). Women are primarily responsible for the household and home garden, and an important aspect 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 in current sources, (iii) increased time required to obtain water, which reduces time for other activities, and (iv) problems with privacy because of the lack of latrines. Water-borne 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.

2. Does the proposed project or program have the potential to make a contribution to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making?

Yes No

A Gender Action Plan has been prepared for the original project.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

Yes No

The propose project will improve the access, reliability and quality of drinking water supply to all households in the project area.

4. Indicate the intended gender mainstreaming category:

GEN (gender equity theme) EGM (effective gender mainstreaming)
 SGE (some gender elements) NGE (no gender elements)

III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.

Stakeholder consultations were conducted during the project preparation. Stakeholders consulted included (i) potential project beneficiaries and affected persons, and community leaders; (ii) the national government (including the Ministry of Urban Development and Water Supply, the Ministry of Healthcare and Nutrition, the Ministry of Provincial Councils and Local Government, the National Water Supply and Drainage Board, the Water Resources Board, the North East Provincial Council, and Provincial Irrigation Department, and the Planning Development Secretariat; (iii) the local government (Jaffna Municipal Council, urban councils, *Pradeshhiya Sabhas* (local authorities), divisional secretaries, *Grama Niladharis* , (iv) development partners (multilateral and bilateral); and (v) civil society (nongovernment organizations (NGOs) and community-based organizations).

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the project design require participation of the poor and excluded? The Project preparatory consultant will conduct detailed social impact surveys and investigations and intensive public consultations with all beneficiaries and affected communities in designing a livelihood development program and will ensure benefits sharing with the communities located near to the propose plant. The proposed project will ensure service coverage and opportunities for all including the poor and vulnerable households.

3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?

Information generation and sharing (H) Consultation (H) Collaboration (L) Partnership (L)

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed? Yes No

The C&P plan will include participatory activities in project communities involving the poor and disadvantaged, women's groups, women's organizations, and other interest groups. Community mobilizers in NGOs are to be selected from the local area during the project period. The C&P plan will ensure social inclusion in decision making and operations.

IV. SOCIAL SAFEGUARDS
A. Involuntary Resettlement Category <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI
<p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>No private land acquisition will be required for the construction of water desalination plant, as the plant will be relocated on government land. However, some impacts on fishing activities and from the construction of alternative access road might be envisaged. This will be confirmed by the social safeguard/resettlement consultant recruited for the project preparation.</p> <p>2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?</p> <p><input checked="" type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p>
B. Indigenous Peoples Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI
<p>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?</p> <p><input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social Impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None</p>
V. OTHER SOCIAL ISSUES AND RISKS
<p>1. What other social issues and risks should be considered in the project design?</p> <p><input checked="" type="checkbox"/> Creating decent jobs and employment (M) <input checked="" type="checkbox"/> Adhering to core labor standards (L) <input type="checkbox"/> Labor retrenchment <input checked="" type="checkbox"/> Spread of communicable diseases, including HIV/AIDS (L) <input type="checkbox"/> Increase in human trafficking <input type="checkbox"/> Affordability <input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input checked="" type="checkbox"/> Creating political instability (L) <input checked="" type="checkbox"/> Creating internal social conflicts (L) <input type="checkbox"/> Others, please specify _____</p> <p>2. How are these additional social issues and risks going to be addressed in the project design? Yes</p>
VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT
<p>1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (v) other social risks. Are the relevant specialists identified?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analysis, and participation plan during the PPTA or due diligence?</p> <p>Social safeguard specialists are recruited to conduct social impact assessment.</p>

C&P = consultation and participation plan. CPS = Country Partnership Strategy, NGO = nongovernment organizations.