

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country and Project Title: Indonesia: Metropolitan Sanitation Management and Health Project

Lending/Financing
Modality:

Project loan

Department/
Division:Southeast Asia Department
Energy and Water Division**I. POVERTY ANALYSIS AND STRATEGY****A. Linkages to the National Poverty Reduction Strategy and Country Partnership Strategy**

The project addresses a cause of poverty identified by the Asian Development Bank (ADB) country poverty assessment, i.e., the lack of physical capital, including sanitation services. The project is consistent with the ADB country partnership strategy and the sanitation country profile for Indonesia. It is also in line with the government's poverty-reduction strategy, which identifies 10 basic human rights, including the availability of clean and safe water and high-quality sanitation. The project will help alleviate poverty indirectly, by improving sanitation services, especially for the poor.

B. Poverty Analysis**Targeting Classification:** Targeted Intervention—MDGs**Key Issues**

The project has been identified as a targeted intervention. Access to basic sanitation has been identified as a basic human right, but such services in Indonesia are generally in poor condition. The basis for the project's targeting classification is that it will indirectly assist in facilitating economic growth in the regions and in the pursuit of equality through poverty alleviation. Improving urban infrastructure will support economic growth and sustainable commercial services and industrial development, ensuring efficient utilization of urban infrastructure. Improved environmental conditions in low-income areas will support general efforts at poverty alleviation.

Design Features

The project will improve sanitation services in the cities of Medan and Yogyakarta by financing the construction of communal wastewater-treatment plants, piped sewerage systems, and on-site sewage treatment in low-income housing complexes. The project also supports technical assistance to improve public health and hygiene in the urban environment, with emphasis on improving sanitary conditions in low-income communities.

II. SOCIAL ANALYSIS AND STRATEGY**A. Findings of Social Analysis**

A household survey was designed to cover households in areas to be included in either the proposed piped sewerage system layout or suitable for participation in communal septic tank systems for low-income communities. However, households included in the survey were primarily those located on side streets and small lanes. Houses of the very rich, government buildings, and major commercial establishments on major arteries were not included in the survey, even though they may benefit from the project. Thus the respondents included in the survey tend to represent the situation for middle- to low-income areas. Based on respondents' usual monthly expenditures, five economic classes were defined for the survey population, ranging from very poor to rich. In terms of the range of income in each class, the very poor in Yogyakarta were generally slightly poorer than the very poor in Medan. The same holds true for the poor, middle, upper middle, and rich, with Yogyakarta generally less well off.

Access to piped water supply. Survey results showed that each city has very different city water supply capacity and coverage. Yogyakarta appears to have the most limited capacity, while Medan has a much wider service area.

According to the survey, access to city piped water tends to improve with economic class. In Yogyakarta, the supply of city piped water is inadequate to meet demand, and hardly any of the very poor access it. If a poor household does have access to city piped water, the quality of service does not appear to be worse than among higher-income households. Higher-income households have more complaints about the quality of the city piped water delivered—calling it dirty, turbid, smelly, bad-tasting—than do lower-income households. As no water quality tests were made, the reasons were for these differences are unknown, but it is probably that the poorer households were resigned to the quality of water and simply glad to have it, whatever its condition, or they were less vocal and possibly afraid to complain. Poorer households had more problems with wells going dry in the dry season than did higher-income households, but the differences were not that great. In Medan, there is in general greater access to city water than in Yogyakarta, but the higher economic classes have the best access.

Toilets and toilet wastewater disposal systems. Most households already have access to flush-type toilets, either in their own house or shared, with little or no difference according to economic class. A small group of households (about 10% in Medan and less than 1% in Yogyakarta) reportedly did not regularly use a toilet, but defecated in ditches, rivers, empty lots, and seaside or swamp areas. This appeared to be due to habit, culture, and/or preference, as people across all economic groups did this, even the rich.

Most households included in the surveys reportedly had septic tanks (71% in Medan and 78% in Yogyakarta) or closed pits (4% in Medan and 2% in Yogyakarta). For the rest, disposal was primarily in rivers, ditches, and/or irrigation areas. There were no definable trends according to economic class. Overall, those included in the survey

had hardly any use of or experience with piped sewerage or communal systems.

Willingness to participate in the project. All households were asked if they were willing to participate in the project for improvements to sewerage by contributing either labor, materials, money, food, or other contributions. One in four households, representing all economic classes, expressed reluctance or unwillingness to participate. Financial reasons dominated the reasons given for being unwilling to participate among the very poor, poor, and middle-income groups. Upper-middle-income groups also cited financial reasons—not because they had no money but because they preferred to spend it on other priorities. The rich group also had financial reasons, but they were the ones who thought there was no need to change or fix their existing sanitation systems.

Average monthly payments for water and sanitation. Most households pay something for water but not for sanitation. In Medan, only four rich households in the survey were linked to city sewerage; in Yogyakarta about 9% were linked. The cost of water depends on the amount of water used and the source. Sewerage fees are usually set as a surcharge beyond the charge for city piped water and housing class and applies mostly to those using city piped water but not to those using groundwater and other sources. Three in four households pay less than Rp60,000 per month for water and sanitation. The very poor and poor groups mostly pay the lowest rates, with 25%–30% of all households paying less than Rp20,000 per month, and 28%–40% paying Rp21,000–Rp40,000 per month.

Project impact on lower economic classes. The project will cover entire areas of the city, regardless of differences in income of individual households or neighborhoods. The costs of installation or linkage to the sewerage systems will be borne by the project, causing no hardship to poor households. All households and commercial establishments must pay monthly sewerage fees. Care must be taken to establish suitable sewerage rates so that very poor households do not suffer economic hardship.

As a result of the improvement of basic urban services, a significant reduction in the incidence of waterborne and water-related diseases, and of diseases related to poor sanitation, is expected. These diseases particularly afflict the lower economic classes.

B. Consultation and Participation

Summary of the consultation and participation process during the project preparation. Project preparation included a very large number of public consultations, usually in the form of stakeholder analyses, workshops, and focus group discussion held throughout the urban areas to be affected by the project. City sanitation strategies were prepared through this consultation process, and the results reviewed. Consultations included city government down through the subdistricts and neighborhood leaders, as well as consultations with local nongovernment leaders and interested people of all income levels.

Level of consultation and participation (C&P) envisaged during project implementation and monitoring.

☐ Information sharing ☐ Consultation ☐ Collaborative decision making ☒ Empowerment

Was a C&P plan prepared? ☒ Yes ☐ No

The project has four main components, including community empowerment and public health. Funding for this component will come primarily from provincial and regional governments, and local communities will contribute to the improvement of their sanitation facilities.

In addition to the stakeholder analysis and preparation of city sanitation strategies for the two cities, a plan has been developed to cover a series of activities, including mobilizing project facilitation teams and citywide social marketing to raise awareness of the project and encourage low-income communities to apply for assistance. The plan covers community eligibility, selecting and appraising communities, developing community action plans, and training local leaders. Assistance will be provided by either public health staff or trained neighborhood facilitators and cadre in preparing various documents and training local leaders at appropriate steps of the process.

The project will have a positive impact on communities' capacity to promote their own development. The communities' active involvement in selecting, planning, cofinancing, and implementing project interventions, and being responsible for the outcomes and maintaining them, will empower them.

The project will strengthen the devolution process and encourage the empowerment of community participation through the formation of community implementation teams. The inclusion of these teams provides transparency and legitimacy to the procurement process and increases the communities' sense of participation in decision making. Support from city government staff in the formulation of community action plans will reinforce customer participation in development.

C. Gender and Development**Key issues**

The key gender issues identified are as follows:

- (i) Toilets with septic tanks or closed pits and their regular use are now widespread, and both men and women prefer household sanitation facilities to public ones.
- (ii) There is almost no experience with piped sewerage systems and little or no public awareness of the benefits of such systems, though both men and women are aware of the problems of groundwater pollution.
- (iii) Unfortunately, work takes both men and women away from the home, and public sanitation facilities are nearly nonexistent. This tends to be a greater problem for women than men.
- (iv) Both women and men are generally aware of the links between poor health and poor sanitation. The poor have been unable to afford many improvements, and they have learned to cope. That is not to say they are complacent with the existing situation.
- (v) Women are quite supportive of improvements to sanitation facilities and can be expected to participate in leadership positions during community participation.

Key actions

Measures included in the design to promote gender equality and women's empowerment—access to and use of relevant services, resources, assets, or opportunities and participation in decision-making process:

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

A gender action plan is provided as a linked document to the report and recommendation of the President.

III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS

Issue	Impact	Strategy to Address Issue	Plan or Other Measures Included in Design
Involuntary Resettlement	Limited	Project preparatory technical assistance has identified potential impacts for which a resettlement framework has been prepared to guide the preparation of resettlement plans if required.	<input type="checkbox"/> Full Plan <input type="checkbox"/> Short Plan <input checked="" type="checkbox"/> Resettlement Framework <input type="checkbox"/> No Action
Indigenous Peoples	No impact	There are no groups of indigenous peoples in the project cities, only ethnic and religious minorities, consisting of up to at least 20 different groups in each city. Some of these minorities are economically well off while others are not. The project implementation strategy will cover all households in targeted neighborhoods and will not discriminate on the basis of ethnic or religious affiliation.	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input type="checkbox"/> Indigenous Peoples Framework <input checked="" type="checkbox"/> No Action
Labor <input type="checkbox"/> Employment opportunities <input type="checkbox"/> Labor retrenchment <input type="checkbox"/> Core labor standards	No impact	During project implementation, the implementing agencies will ensure that equal wages are paid to women and men for equal work and that labor standards are maintained.	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action
Affordability	Limited	The city governments will collect tariffs from households to cover the operation and maintenance expenditure of incremental investments in piped sewerage systems. Affordability analysis shows that projected service charges will remain well below stipulated affordability limits. For communal systems, the main costs will be borne by the project as well, though labor contributions will be expected.	<input type="checkbox"/> Action <input checked="" type="checkbox"/> No Action
Other Risks and/or Vulnerabilities <input type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human trafficking <input type="checkbox"/> Others	No impact	Not applicable.	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action

IV. MONITORING AND EVALUATION

Are social indicators included in the design and monitoring framework to facilitate monitoring of social development activities and/or social impacts during project implementation? ☒ Yes ☐ No