



Initial Poverty and Social Analysis

Project Number: 41074-013
August 2010

REG: Trans Borneo Power Grid: Sarawak to West Kalimantan Link – Indonesian section

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 30 August 2010)

Currency unit	–	Indonesia rupiah (Rp)
Rp1.00	=	\$0.00011
\$1.00	=	Rp9,043.00000

NOTE

- (i) In this report, "\$" refers to United States dollars.

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country/Project Title:	REG: Trans Borneo Power Grid: Sarawak to West Kalimantan Link
Project Number:	TBD
Month/Year	August 2010

Lending/Financing Modality:	Project	Department/ Division:	SERD/SEEW
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I. POVERTY ISSUES

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

1. The Trans-Borneo Power Grid transverses West Kalimantan in Indonesia and Sarawak in Malaysia. The Project is in-line with the long-term strategic framework 2008–2020 (Strategy 2020) and Country Operations Business Plan for Indonesia 2010-2012, which supports ADB Country Strategy and Program 2006-2009 and the Government's medium-term development plan (RPJM) for 2005-2009. The CSP identifies five areas to support RPJM objectives: (i) better infrastructure and infrastructure services, (ii) a deeper financial sector, (iii) more-decentralized government functions, (iv) quicker achievement of the Millennium Development Goals, and (v) more-robust management of the environment and natural resources. The proposed project will indirectly contribute to poverty reduction, as it will strengthen existing electricity supply in Sarawak and West Kalimantan and extend supply to new areas in West Kalimantan.

B. Targeting Classification

- Select the targeting classification of the project:
☒ General Intervention
☐ Individual or Household (TI-H) ☐ Geographic (TI-G) ☐ Non-Income MDGs (TI-M1, M2, etc.)
- Explain the basis for the targeting classification: The proposed Project has been classified as general intervention since the project will target sustainability, as well as environmental and regional dimensions of growth and development. At the moment, the poverty impacts are more indirect; however, if the piggyback TA grant is realized, there is potential for the Project to be more inclusive.

C. Poverty Analysis

- If the project is classified as TI-H, or if it is policy-based, what type of poverty impact analysis is needed?
Not applicable.
- What resources are allocated to the project preparatory TA and due diligence? The firm for the PPTA has been requested to conduct a social impact assessment, which includes basic demographic information on poverty of households in the project area – transversing West Kalimantan and Sarawak. The firm is currently revising the social impact assessment based on ADB comments.
- If GI, is there any opportunity for pro-poor design (e.g., social inclusion subcomponents, cross subsidy, pro-poor governance, and pro-poor growth)? The possibility of including a piggyback TA to the project will provide an opportunity to extend project benefits to the households in the project area. At the moment, the anticipated benefits include: (i) improved stability of electricity (i.e., fewer blackouts); (ii) increased access to individual household connection (i.e., PLN agrees to give priority connections to those households waitlisted in project area); and (iii) priority to local communities is given to work in project/construction and maintenance.

II. SOCIAL DEVELOPMENT ISSUES

A. Initial Social Analysis

Based on existing information:

- Who are the potential primary beneficiaries of the project? How do the poor and the socially excluded benefit from the project? The primary beneficiaries of the project are those households falling directly in the corridor of the transmission link from Sarawak to West Kalimantan. A majority of households are indigenous peoples from the Dayak group (subclans: Bidayuh, Bekati and Iban) with a few from the Melayu group.
- What are the potential needs of beneficiaries in relation to the proposed project? Through a series of consultations, the key areas identified include: (i) access to electricity connections, (ii) safety around towers, (iii) information about the project and land acquisition/resettlement process, (iv) information about the negative health impacts of the project (i.e., levels of radiation, impact on female fertility, safety during adverse weather conditions, etc), and (v) continued access to communal or household tambawang (indigenous seedlings in forest areas).

3. What are the potential constraints in accessing the proposed benefits and services, and how will the project address them? It is expected that the revised social impact assessment will provide the necessary information, from which appropriate actions can be incorporated into the project design.

B. Consultation and Participation

1. Indicate the potential initial stakeholders. Potential stakeholders include: ADB, PLN, SESCO/SBK, government agencies, households affected by land acquisition/resettlement, male and female-headed households within the transmission link corridor, village heads, country/regional regulatory bodies, and civil society groups.

2. What type of consultation and participation (C&P) is required during the project preparatory TA or project processing (e.g., workshops, community mobilization, involvement of nongovernment organizations and community-based organizations, etc.)? Focus group discussions with households in the project area, consultations with key government informants and workshops have been held. A record of these consultations is under preparation. The proposed project will include a communication strategy, which is currently under development.

3. What level of participation is envisaged for project design?

☒ Information sharing ☒ Consultation ☐ Collaborative decision making ☐ Empowerment

4. Will a C&P plan be prepared? ☒ Yes ☐ No

C. Gender and Development

1. What are the key gender issues in the sector and subsector that are likely to be relevant to this project or program? None are relevant for the proposed transmission link.

2. Does the proposed project or program have the potential to promote gender equality and/or women's empowerment by improving women's access to and use of opportunities, services, resources, assets, and participation in decision making? ☐ Yes ☒ No At the moment, the proposed project does not have potential to promote gender equality. However the social impact assessment is under revision and due diligence is ongoing.

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

☒ Yes ☐ No The impact is expected to be minor, and related mainly to land acquisition/resettlement (e.g., female-headed households). The revised social impact assessment will provide additional information.

III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS

Issue	Nature of Social Issue	Significant/Limited/No Impact/Not Known	Plan or Other Action Required
Involuntary Resettlement	Impacts expected to be minor to moderate as a result of tower bases and restriction of land use for the right of way. Impact of livelihood need to be completed to ensure no long lasting impacts are created.		<input type="checkbox"/> Full Plan <input type="checkbox"/> Short Plan <input type="checkbox"/> Resettlement Framework <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Indigenous Peoples	The impact on IPs is expected to be minor and will be mostly related to (i) access to information, (ii) land acquisition/resettlement, and (iii) the environment. General IP information will be included in the social impact assessment, with mitigation actions in the resettlement and environmental planning documents. Access to information will be ensured through a project-specific communication strategy.	Limited	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other Action <input type="checkbox"/> Indigenous Peoples Framework <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Labor <input checked="" type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input type="checkbox"/> Core Labor Standards	The proposed project is expected to provide opportunities for unskilled labor in the project area.	Limited	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Affordability	Not applicable	No impact	<input type="checkbox"/> Action <input checked="" type="checkbox"/> No Action

Other Risks and/or Vulnerabilities <input checked="" type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human Trafficking <input type="checkbox"/> Others	Contractors will provide HIV/AIDS information to workers, especially those living in established construction camps. This will be a covenant.	Limited	<input type="checkbox"/> Uncertain <input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other Action <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
IV. PROJECT PREPARATORY TECHNICAL ASSISTANCE/DUE DILIGENCE RESOURCE REQUIREMENT			
1. Do the terms of reference for the project preparatory TA (or other due diligence) include poverty, social, and gender analysis and the relevant specialist(s)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please explain why. 2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social, and/or gender analysis, and C&P during the project preparatory TA or due diligence? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			