



Initial Poverty and Social Analysis

January 2020

TIM: Water Supply and Sanitation Investment Project

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Asian Development Bank

CURRENCY EQUIVALENTS

The currency unit of Timor-Leste is the United States dollar.

ABBREVIATIONS

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| ADB | – | Asian Development Bank |
| TA | – | technical assistance |

NOTE

In this report, "\$" refers to United States dollars.

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INITIAL POVERTY AND SOCIAL ANALYSIS

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| Country: | Timor-Leste | Project Title: | Water Supply and Sanitation Investment Project |
| Lending/Financing Modality: | Project | Department/Division: | SERD/SEUW and TLRM |

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

Timor-Leste Country Partnership Strategy 2016–2020 identified infrastructure development and management, particularly water supply and sanitation infrastructures as a focus area which is aligned with the Timor-Leste Strategic Development Plan 2011–2030. This national plan lists the following as two of the six goals achievable by 2030 including: (i) reducing child mortality due to inadequate water supply, malnutrition or lack of health care; and (ii) eradication of extreme poverty through universal access to public services and ample job opportunities in all regions. The project will reduce economic and social exclusion of poor and vulnerable groups by improving access to safe and reliable water supply and sanitation services in currently underserved parts of Viqueque, Lospalos and Same, where rates of poverty are high. The project will also identify measures such as lifeline tariffs for water supply that can be implemented to ensure that those households with limited ability to pay, can access water supplies to meet their basic needs.

B. Poverty Targeting

☒ General intervention ☐ Individual or household (TI-H) ☐ Geographic (TI-G) ☐ Non-income MDGs (TI-M1, M2, etc.)

The project will contribute to poverty reduction indirectly through developing urban areas, improving environmental sustainability, development of human capital and public governance.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

The primary beneficiaries are communities in Viqueque, Lospalos and Same, particularly women and children, who will benefit from improved access to safe and reliable water supply services. Lack of access to safe and reliable water supply is a leading cause of infant mortality and water-borne and water-related disease in urban communities. Women will benefit from improved water supply, which will reduce the burden of collecting water from other sources such as rivers and wells, and treating it through boiling, in order to render water safe for drinking. Also, as primary caregivers, women's productivity can be expected to increase if there are reduced incidences of sickness and disease among household members as a result of improved water supply, since less time will be dedicated to caring for sick family members. Children can be expected to benefit through reduced rates of infant mortality. Also, human capital development among children can be expected to improve if reduced cases of water-borne illness result in better school attendance and improved concentration in school.

2. Impact channels and expected systemic changes.

The proposed project will undertake priority water supply investments in order to increase service coverage, particularly among low-income households. Poor and socially excluded groups will directly benefit from the project since currently these groups are likely to be most affected by contamination of surface or groundwater resources, since they are less likely to be able to afford bottled water or fuel to boil water before consuming it. In addition, reduced disease and water-borne illness such as dysentery and diarrhea will reduce the burden of healthcare costs on households such as travel and waiting times incurred to consult healthcare professionals and spending on drugs to treat illness. To ensure that low-income households are able to access basic services, pro-poor tariffs will be designed to ensure access to water supplies to meet basic household needs.

3. Focus of (and resources allocated in) the transaction TA or due diligence.

The transaction technical assistance (TA) facility, Southeast Asia Urban Services Facility (SURF) will support the project preparation. It will carry out a poverty and social impact assessment (including gender impact assessment), which will involve a comprehensive city/project area survey, community consultations on gender, poverty, and ethnic minority related impacts and benefits of the project.

II. GENDER AND DEVELOPMENT

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

Women generally have a higher risk and health exposure as the primary contributors towards household and community sanitation tasks. The traditional separation of gender roles where women are primarily responsible for domestic chores, including the care of children, elderly and sick make them disproportionately affected by the lack of reliable water supply and sanitation services, and these considerably increase women's time poverty. Women are

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| <p>the main users of water in the households. Water shortages also significantly increase the time needed for cooking, cleaning and caring for both children, the sick and disabled members. In addition, women who work in kindergarten, schools and hospitals bear the responsibility to fetch water and clean the toilets. Lack or low quality of the potable water and sanitation also increase the incidences of water-borne diseases and thus households expenditures on medicine and doctors' fees</p> |
| <p>2. Does the proposed project or program have the potential to contribute 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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>The project will consider: (i) current access to services and the constraints posed on women, minority and vulnerable groups; (ii) level of women's participation and representation in urban planning and urban development; (iii) involvement of women in service delivery, financial management, operations and maintenance during and post-civil works; and (iv) staff composition in the municipal administration in planning, technical and management capacities, including opportunities, availability and access to training to female staff. Other potential gender designs will be considered and evaluated during the diligence, such as connection of schools to water supply and construction of proper sanitation facilities. A gender action plan (GAP) will be prepared during the project preparation.</p> |
| <p>3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>No adverse impacts are anticipated. Any potential adverse impacts will be identified during the project preparation and mitigated through appropriate project design measures.</p> |
| <p>4. Indicate the intended gender mainstreaming category:</p> <p><input type="checkbox"/> GEN (gender equity) <input checked="" type="checkbox"/> EGM (effective gender mainstreaming) <input type="checkbox"/> SGE (some gender elements) <input type="checkbox"/> NGE (no gender elements)</p> |
| <p align="center">III. PARTICIPATION AND EMPOWERMENT</p> |
| <p>1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.</p> <p>The main stakeholders are the national government and municipal administrations, private sector companies and communities as beneficiaries of the urban services.</p> <p>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?</p> <p>As part of the project preparation include gender mainstreaming activities and opportunities to promote employment of the poor and females and participation in decision making and representation in the water and sanitation sector. A poverty and social assessment will also be prepared, which will include a poverty reduction and social strategy, gender action plan to promote gender inclusion in the project activities and monitoring system and address gender mainstreaming in the project components under training and capacity building, a stakeholder communication strategy and participation plan.</p> <p>3. What are the key, active, and relevant civil society organizations (CSOs) in the project area? What is the level of civil society organization participation in the project design?</p> <p>H<input checked="" type="checkbox"/> Information generation and sharing M<input checked="" type="checkbox"/> Consultation <input type="checkbox"/> Collaboration <input type="checkbox"/> Partnership</p> <p>4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how should they be addressed? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>The key issues that will need to be addressed will be during the identification of the services, how the poor and excluded will be able to have access to the infrastructure, and also how (if any) resettlement and environmental impacts will be addressed.</p> <p>As part of the project preparation, affordability will be evaluated to ensure the accessibility of the project benefits to the identified vulnerable groups, including and poor and ethnic minorities (if relevant).</p> <p>The poverty and social assessment will also include employment for poor, scope of various public awareness training programs on household wastewater and sanitation and environmental improvement in the project area.</p> |
| <p align="center">IV. SOCIAL SAFEGUARDS</p> |
| <p>A. Involuntary Resettlement Category <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p> |
| <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>The project will involve the construction of infrastructure, such as water supply reservoirs and there may be a need to address temporary and permanent resettlement impacts, as well as land acquisition. The extent of the impacts on resettlement and land acquisition will be determined and confirmed during the project preparation stage and the categorization will be reviewed once the subproject requirements have been confirmed.</p> |

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| <p>2. What action plan is required to address involuntary resettlement as part of the transaction TA or due diligence process?</p> <div style="display: flex; justify-content: space-between;"> <div> <input checked="" type="checkbox"/> Resettlement plan <input type="checkbox"/> Environmental and social management system arrangement </div> <div> <input type="checkbox"/> Resettlement framework <input type="checkbox"/> None </div> <div> <input type="checkbox"/> Social impact matrix <input type="checkbox"/> None </div> </div> |
| <p>B. Indigenous Peoples Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <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 transaction TA or due diligence process?</p> <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Environmental and social management system arrangement </div> <div> <input type="checkbox"/> Indigenous peoples planning framework <input checked="" type="checkbox"/> None </div> <div> <input type="checkbox"/> Social impact matrix <input checked="" type="checkbox"/> None </div> </div> |
| <p>V. OTHER SOCIAL ISSUES AND RISKS</p> |
| <p>1. What other social issues and risks should be considered in the project design?</p> <div style="display: flex; justify-content: space-between;"> <div> <input checked="" type="checkbox"/> Creating decent jobs and employment <input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Creating internal social conflicts </div> <div> <input checked="" type="checkbox"/> Adhering to core labor standards <input type="checkbox"/> Increase in human trafficking <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Others, please specify _____ </div> <div> <input type="checkbox"/> Labor retrenchment <input checked="" type="checkbox"/> Affordability <input type="checkbox"/> Creating political instability </div> </div> <p>2. How are these additional social issues and risks going to be addressed in the project design?</p> <p>Social issues and risks will be assessed as part of the project preparation. Any issues identified will be mitigated through appropriate design measures.</p> |
| <p>VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT</p> |
| <p>1. Do the terms of reference for the transaction TA (or other due diligence) contain key information needed to be gathered during transaction TA 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> <div style="display: flex; justify-content: space-between;"> <div><input checked="" type="checkbox"/> Yes</div> <div><input type="checkbox"/> No</div> </div> |
| <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 transaction TA or due diligence?</p> <p>Under the SURF a team will be mobilized to look at socio-economic status, household behaviors, affordability and willingness to pay, will carry out workshops and preparation of safeguard due diligence reports.</p> |