



Poverty and Social(PSA) Analysis in Urban Projects

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Outline

- Urbanization in Asia and the Pacific
- Why poverty and social analysis is important for Urban Projects?
- What is the requirement of
 - OM-C3: Incorporating Social Dimensions in ADB Operations
 - OM-C1: Poverty Reduction
 - The IPSA and SPRSS Template





Urbanization in Asia and the Pacific

- Asia and Pacific is the world's most rapidly urbanizing world;
 - By 2018, half of the region population will be urban – more than 1.2 billion or one third of the world's urban population;
 - The region has the world's largest slum population -250 million people with poor quality of housing, limited access to basic services and at risk to hazards such as fire and flooding;
 - Among the challenges faced by the poor is lack of access to jobs, public transport and other infrastructure, and affordable housing.
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Why is poverty and social analysis important?

- Improve project design;
- Maximize project benefits;
- Contribute to poverty reduction and social inclusion;
- Support empowerment, particularly for the poor, women and vulnerable groups;
- Contribute to good governance; and
- Reduce social risks.





What are the key poverty and social dimensions? (OMC1 and OMC2)

- Poverty, inequality and exclusion – understanding people's needs, capabilities, vulnerabilities
- Gender – promoting gender equality and women's empowerment
- Stakeholders and participation
- Social risks and vulnerabilities
- Institutions and capacity – address key laws, policies, norms, and practices

How to Reduce Poverty and Inequality in Urban Projects?

- ▶ Improve access to urban infrastructure services which reduce poverty, vulnerability and improve health and productivity;
- ▶ Improve access to markets, education, health facilities through investment in urban mobility;
- ▶ Improve access to assets;
- ▶ Increase direct and indirect employment;
- ▶ Improve social resilience of the city





How to Address Gender Equity and Empowerment in Urban Projects?

- The lack of basic services and infrastructure affects women more than men;
- Girls and women often have less access to health, education, infrastructure and other services;
- Women in the cities also play a primary role in waste disposal and environmental management;
- Women and girls depend more heavily on public transport than men;
- Male and female priorities are often not the same for basic services such as urban housing, water and sanitation, solid waste management, and public transport;
- Women less participate in the public decision making process and women's priorities rarely taken into account in urban policy, settlement planning, or the design of urban programs.



How Stakeholder Participation improves the quality of urban projects?

- Key message – urban areas are characterized by high levels of competition for limited resources, thus bringing into conflict the interests of different stakeholders.
- Inadequate stakeholder engagement from the early stages of planning may lead to tensions, disputes, and project delays;
- Involving stakeholders in the planning, design, implementation, and monitoring of project is critical in finding appropriate solutions and compromises;
- Stakeholders participation supports, good governance, citizenship, accountability, and also promotes innovation, responsiveness, and sustainability.

YET, the significance of involving the urban poor, especially women, children, and the elderly is often overlooked.



Several Forms of Vulnerabilities Experienced by Urban Poor

- ▶ Key message: The urban poor experience several forms of vulnerabilities that make them more susceptible to social risks, and that impact the way urban projects should be prioritized and designed:
 - Environmental vulnerability – natural disasters, environmental hazards and the impact of climate change;
 - Social vulnerability – crime, violence, and conflict contribute to social vulnerability; and
 - Economic vulnerability- the reliance on cash economy makes the urban poor vulnerable to fluctuations income.
- ▶ Urban resilience is the capability to prepare for, respond to, and recover from external threats and shocks.
- ▶ By analyzing and supporting resilience strategies adopted by urban poor communities, inclusive urban project and contribute to reducing vulnerabilities across all dimensions.



How PSA addresses Social Risks, Vulnerabilities in Urban Project

- ▶ Key message: In the urban context, a variety of shocks and risks can push people into poverty and exclusion. Projects interventions may yield negative outcomes to different groups in society, which must be identified and addressed. Social risks may include:
 - Resettlement e.g., informal settlement in disaster-prone areas;
 - Disruption of social fabric e.g., through relocation of informal settlers;
 - (Un) Affordability to basic services (water, sanitation, housing, public transport);
 - Poor labor conditions (no health and safety standards)
 - loss of assets; and
 - Risk of communicable diseases, HIV/AIDS transmission, and human trafficking.

Why Some Urban projects may Exclude the Poor

- Key message – Different groups experience different types of barriers that prevent their access to service and opportunities. An analysis of the types of barriers experienced by different groups is necessary to develop appropriate measures to overcome them.
- The benefits of project may fail to reach the intended target group because of a number of barriers experienced by the urban poor. Conceptually, these can be grouped around four issues:
 - Affordability;
 - Accessibility;
 - Availability; and
 - Acceptability.



Urban Governance, Institutions and Capacity

- ▶ Key message – Many of the challenges facing urban areas or cities today are the result of weak governance and insufficient capacity of the institutions responsible.
- ▶ What are the characteristics of good governance?
 - Participation
 - Rule of law
 - Transparency
 - Responsiveness
 - Consensus oriented
 - Equity and inclusiveness
 - Effectiveness and efficiency
 - Accountability



What are the core capacities required from Urban Institutions?

- The core capacities required from urban institutions typically fall into three interdependent groups:
- Planning and policy formulation;
- Program and project formulation; and
- Management of service delivery.





How to Address 5 Key Issues in the Project Design, Implementation, and Monitoring?

- Predesign or concept paper stage – prepare Initial Poverty and Social Analysis (IPSA)
- At the Design stage – prepare Summary Poverty Reduction and Social Strategy (SPRSS) which will be reflected in the:
 - Design Monitoring Framework;
 - RRP Section due diligence on Poverty, Social Dimensions and Gender;
 - Project or Framework Administration Manual (PAM or FAM) section on Gender and Social Dimensions; and
 - Loan covenant.
 - Monitoring – during project review, mid-term review and preparation of project completion report.



What is IPSA?

- IPSA is required for project concept paper (OM-C3) and it has to be disclosed in ADB website (Public Communication Policy, 2011);
- IPSA is a tool to help the project team:
 - Understand the poverty, social and institutional context of the project;
 - Determine the appropriateness and feasibility of different design options;
 - Estimate the poverty and social impacts of the project;
 - Identify specific actions to maximize the positive impact of the project and minimize or mitigate any negative impacts; and
 - Select appropriate indicators and methods to measure the impacts
- The IPSA should inform the logistic requirement for the PPTA or design stage – team composition, budget to conduct PSA, TOR for social development specialist and consultant, time frame, and indicators for DMF.



What is ADB Poverty Project Classification?

- Key message: The initial classification of a project can indicate the extent of PSA that needs to be undertaken in preparing the project.
- The poverty classification to demonstrate how does the project contribute to the country's poverty reduction result and ADB overarching goal of poverty reduction through inclusive growth agenda.
- There are two classifications:
 - General Intervention (GI)
 - Targeted Intervention (TI) and divided into three sub category: (i) TI-Household (TI-H); TI-Geography (TI-G); and TI contributing to Sustainable Development Goals (SDGs)

IPSA Form (page 1)

INITIAL POVERTY AND SOCIAL ANALYSIS

Read and delete:

- (i) **Mandatory requirement:** Project concept papers and PPTA reports for sovereign and nonsovereign projects, and JFPR grant assistance reports. This appendix is not required for additional financing for cost overruns and financing gaps within the scale and scope of the original project.
- (ii) **Page limit:** This appendix should not exceed 3 pages.
- (iii) **Disclosure:** In accordance with ADB's Public Communications Policy 2011, the IPSA is disclosed upon (i) approval of the project or program concept note for sovereign projects; and (ii) upon completion of credit approval for nonsovereign projects.

| | | | |
|-----------------------------|---|----------------------|----------------------|
| Country: | <input type="text"/> | Project Title: | <input type="text"/> |
| Lending/Financing Modality: | {Project} {Sector} {Multitranche Financing Facility} ^a {Policy-Based} {Others} | Department/Division: | <input type="text"/> |

I. POVERTY IMPACT AND SOCIAL DIMENSIONS^b

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

Describe how the project (i) contributes to the national poverty reduction and inclusive growth strategy at the macro, sector and spatial levels identified in the country partnership strategy; (ii) promotes economic and social inclusion of the poor and vulnerable groups; (iii) addresses the income and non-income dimensions of poverty and social exclusion.

B. Poverty Targeting^d (Select one):

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

Explain why: If GI, describe pro-poor and inclusive design features of the project; If TI, provide direct poverty reduction focus of the project including if possible estimated poor beneficiaries of the project (very poor (\$1.25/day); poor (below \$2/day); vulnerable (\$2–\$4/day).

C. Poverty and Social Analysis

- Key issues and potential beneficiaries. Who are the expected beneficiaries of the project? What are their (i) potential needs that can be addressed by the project and (ii) constraints to access the proposed benefits and services? Provide initial data for poverty (\$1.5/day; \$2/day) and sector relevant social indicators.^e
- Impact channels and expected systemic changes.^f Describe impact channels and expected systemic changes that could benefit the poor and socially excluded through the project. How will the project address the potential constraints in accessing proposed benefits and services?^g
- Focus of (and resources allocated in) the PPTA or due diligence. Identify poverty and social issues that need to be carefully reviewed during project design; potential components and measures that should be considered.
- Specific analysis for policy-based lending. Complete this section for all policy-based lending in accordance with OM section D4/OP footnote 12; discuss (i) transmission channels of the policy intervention; (ii) short-term (1–3 years) and medium-term (4–10 years) direct and indirect impacts on the poor, vulnerable and excluded groups; and (iii) other issues to be reviewed during project design.

II. GENDER AND DEVELOPMENT

- What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program?^h
- 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 Please explain. If yes, a gender action plan should be prepared during PPTA or due diligence.
- Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?^j
 Yes No Please explain. If yes, actions and measures should be prepared during PPTA or due diligence.
- Indicate the intended gender mainstreaming category:^k
 GEN (gender equity) EGM (effective gender mainstreaming)
 SGE (some gender elements) NGE (no gender elements)

IPSA Form (page 2)

III. PARTICIPATION AND EMPOWERMENT¹

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people?^m Identify how they will participate in the project design.
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?ⁿ
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?^o
 Information generation and sharing Consultation Collaboration Partnership
 Indicate in each box the level of participation by marking high (H), medium (M), low (L), or not applicable (N) based on definitions in the ADB's Guide to Participation.^p
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?^q Yes No **Please explain.**
 Describe key features, responsibilities and resources to strengthen the participation of CSOs, and/or poor and vulnerable.

IV. SOCIAL SAFEGUARDS^r

A. Involuntary Resettlement Category^r A B C FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? Yes No **Please explain, and provide information on the extent of land and assets acquisition and the estimated number of affected persons. Also describe actions/measures to be conducted during due diligence to address involuntary resettlement.**
2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?
 Resettlement plan Resettlement framework Social impact matrix^t
 Environmental and social management system arrangement^u None

B. Indigenous Peoples Category^v A B C FI

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? Yes No
2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? Yes No **Please explain, and provide information on the potential benefits and/or expected impacts, as well as the actions/measures to be conducted during PPTA or due diligence to address the concerns of indigenous peoples.**
3. Will the project require broad community support of affected indigenous communities?^w Yes No **Please explain.**
4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?
 Indigenous peoples plan Indigenous peoples planning framework Social Impact matrix
 Environmental and social management system arrangement^x None

V. OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design?
 Creating decent jobs and employment^x Adhering to core labor standards^y Labor retrenchment
 Spread of communicable diseases, including HIV/AIDS^z Increase in human trafficking Affordability^{aa}
 Increase in unplanned migration Increase in vulnerability to natural disasters Creating political instability
 Creating internal social conflicts Others, please specify _____
 Indicate high (H), medium (M), low (L) for selected boxes
2. How are these additional social issues and risks going to be addressed in the project design?

VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT^{bb}

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?
 Yes No **If no, please explain why.**
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?



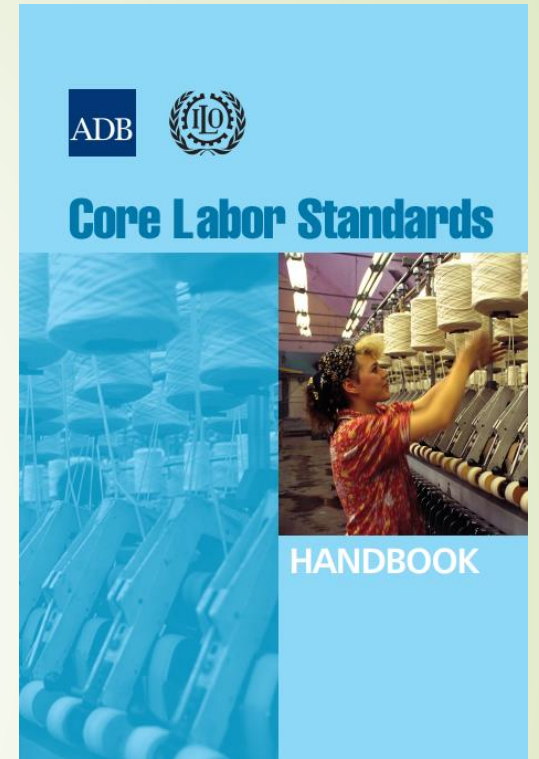
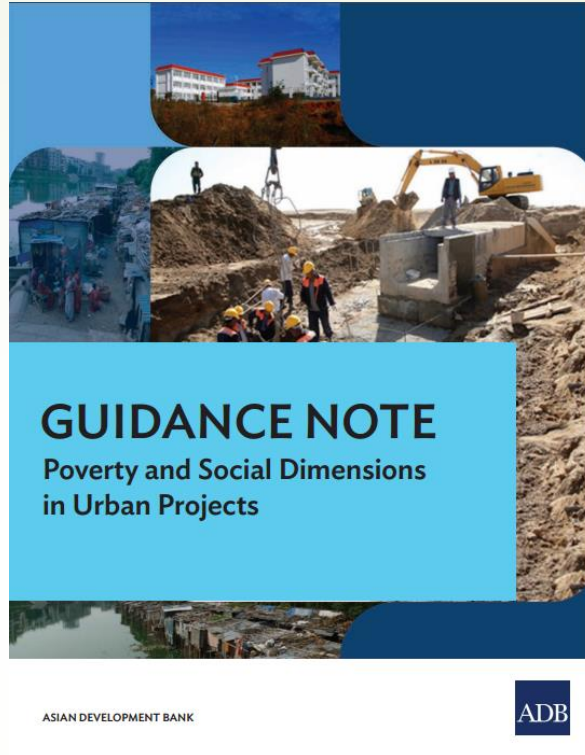
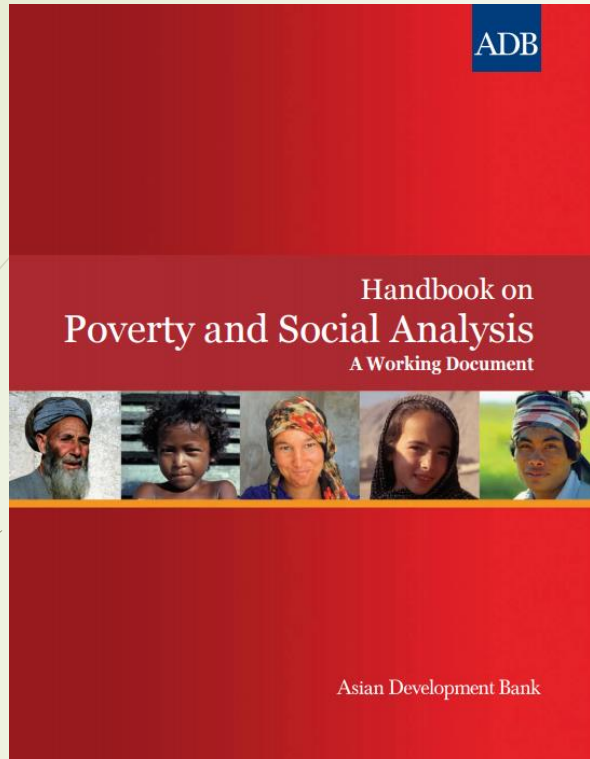
What is SPRSS for Urban Projects?

- The result of the PSA are synthesized in the SPRSS
- The SPRSS describes the steps taken to address the issue identified in the original IPSA report, and summarizes the social development action plan, mitigation plans, frameworks, or other measures included in the project design.
- This includes discussion on key poverty and social issues, beneficiaries, impact channels, other social and poverty issues, gender, and participations;
- Provide reference to the specific components of the RRP, particularly on due diligence for poverty and social dimensions, and in the DMF; and
- Social Development Action Plan or mitigations plan or framework identified in the SPRSS are included in core appendix of the RRP.

How to Document Poverty and Social Dimensions in the Project?

- ▶ The key poverty and social dimensions of the Project should be appropriately describe in the following:
 - Project description: including rationale, impact and outcome, outputs and implementation arrangements;
 - Due diligence (including poverty, social, gender, participation, social risks);
 - Assurances (and related covenants in the financing documents);
 - SPRSS;
 - Social Development Action Plan;
 - Design Monitoring Framework; and
 - Project Administration Manual





Thank You