

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Marshall Islands	Project Title:	Ebeye Water Supply and Sanitation Project
Lending/Financing Modality:	Project	Department/Division:	Pacific Department Urban, Social Development and Public Management Division
I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY			
Poverty targeting: general intervention			
A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy			
<p>The project is consistent with the strategic development strategy of the Republic of the Marshall Islands (RMI), Vision 2018, to improve hygiene and sanitation. It is also consistent with RMI's national development theme, as articulated in National Strategic Plan, 2015–2017, to build “a sound infrastructure that provides energy, environmental, infrastructure, and transportation security for all atolls.”¹ The project is included in country operations business plan for RMI, 2015–2017, which includes a strategic focus of infrastructure development. The project is aligned with (i) ADB's strategic priority, as stated in the Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific,² to make infrastructure more inclusive; (ii) ADB's Approach to Assisting the Pacific, 2010–2014 to improve the supply and delivery of water and sanitation services; (iii) ADB's Water Policy and Water Operational Plan, 2011–2020 to increase efficiency and productivity in the delivery of water services and increase investments in sanitation and wastewater management; and (iv) the Kwajalein Development Plan: Improvement Needs for the Kwajalein Atoll's Residents and It's Environment.</p>			
B. Results from the Poverty and Social Analysis during PPTA or Due Diligence			
<p>1. Key poverty and social issues. In Kwajalein, 15% of households report no income and another 8% report less than \$3,000 in annual income. Thus, 23% of all households report incomes of less than \$3,000 per year (or about \$8 a day). Since the average household on Ebeye has 8.7 people, 23% of residents live on less than a \$1 a day with little or no subsistence income. About a quarter of all households are not connected to the public freshwater supply and about one-third are not connected to the public sewerage system. Households in the lowest income decile consume only 0.8% of the total electricity, whereas households in the highest income decile consume 34.4% of electricity produced. Households that are income poor also do not have basic infrastructure services, including potable water and sanitation. Poor households disproportionately go without potable water and sanitation, and are likely to suffer higher rates of waterborne disease. Wealthier households receive a greater share of the highly subsidized (but still substandard) water, sewerage, and electricity services, whereas poor families generally remain unconnected to the water supply and sewer system—or can afford little of these services even if they are connected.</p>			
<p>2. Beneficiaries. Ebeye residents have a high incidence of gastroenteritis and other waterborne diseases. The project impact will be reduced incidence of waterborne diseases. This reduction will be achieved by providing all residents with direct access to safe water and sewerage services, and by enhancing public awareness of hygiene and water issues. The project will also assist the public utility company, Kwajalein Atoll Joint Utility resource, Inc. (KAJUR), with the design and implementation of institutional reforms to enhance the financial and technical sustainability of the water supply and sewerage services together with the electricity services on which they depend.</p>			
<p>3. Impact channels. The outcome of the project will be a healthier and more productive population with fewer private and public funds spent on medical services and fewer work and school days lost to illness. The reduction of income poverty will be indirect through greater lifetime productivity and earnings together with lower medical expenses. The project will reduce poverty of opportunity more directly and more dramatically by improving and extending potable water and sewerage services to all residents. The project will also help institute lifeline rates for potable water, sewerage, and electricity so that all households can afford at least the necessary minimum of these essential urban services</p>			
<p>4. Design features. The project includes six pro-poor design features. First, the project will extend potable water and sewerage infrastructure to all areas of the community that currently lack that infrastructure, which generally means to the poorest areas. Second, the project will connect residences that lack water and sewerage connections, and will provide and install the necessary equipment to enable residents to use the services. Without such project support, the poorest people could not afford to connect to the services and therefore would not receive the direct benefits of the</p>			

¹ Government of Marshall Islands. 2014. *National Strategic Plan, 2015–2017*. Majuro

² ADB. 2014. *Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific*. Manila.

project. Third, the project will help design and institute a tiered system of residential pricing for potable water and electricity that will provide lifeline rates for basic levels of usage together with higher rates for additional usage. Sewerage will be charged at an affordable flat rate. Fourth, the project will provide and install prepay meters for potable water (almost all residential electricity meters are already prepay) that will help households manage their water expenditure so as to prevent overspending and service cutoffs that would otherwise result from unpaid water bills. Fifth, the project will improve efficiency to make all three utility services more affordable and sustainable. Sixth, the project will help make KAJUR self-funding, thereby reducing or eliminating external subsidies that are now passed on to wealthier consumers in the form of highly subsidized electricity, water, and sewerage services that the poor generally do not receive. The result will be a reapportionment of benefits in favor of the poor.

II. PARTICIPATION AND EMPOWERING THE POOR

1. Participatory approaches and project activities.

Under the project preparatory technical assistance (PPTA), all major stakeholders were consulted, all households were surveyed, a hygiene awareness program was carried out, and a water sales experiment covering a large sample of households was conducted to help determine the ability and willingness to pay for improved water supply. The PPTA team worked closely with the KAJUR project management unit and the project steering committee (PSC), and referred all major project design decisions to those bodies. Major design issues and options were covered and the relevant choices were made during the PPTA. Consultation and participatory activities will focus on notifying stakeholders before the start of agreed construction work and policy implementation, and on hygiene awareness.

2. Civil society organizations.

Civil society organizations are represented on the PSC and will be also engaged throughout the implementation of the project's hygiene awareness and education program. An Ebeye-based nongovernment organization will be engaged to implement the hygiene awareness and education program.

3. The following forms of civil society organization participation are envisaged during project implementation, rated as high (H), medium (M), low (L), or not applicable (NA).

Information gathering and sharing - H, Consultation – H, Collaboration, - M, Partnership, - L.

4. Participation plan.

Yes. The project will facilitate notice, consultation, and awareness activities relating to the rationale for and the setting of specific unit pricing regimes for potable water, sewerage, and electricity services. The implementation contractor will also consult with and seek permits from land owners before starting any works. Adequate budget and consultant inputs are provided for the contractor to carry out that work in association with the project management unit. The PSC will remain in overall control of project decision making.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: Effective gender mainstreaming.

A. Key issues.

The project aims to increase access to safe water and improved sanitation, thereby reducing the incidence of waterborne diseases on Ebeye. Women are primarily responsible for taking care of the household (including most of the laundry, cooking, and washing, and sanitation and hygiene) and are also the primary caregivers. The burden of caring for sick children and adults falls predominantly on them, resulting in reduced social, economic, and educational opportunities. Therefore, efforts to improve access to water and sanitation, and to reduce the incidence of waterborne diseases, will directly benefit women in particular.

B. Key actions.

A gender action plan has been prepared to ensure women's participation in the project and their access to enhanced project benefits. The plan includes (i) a long-term hygiene awareness and promotion program, especially targeting women and children; (ii) the creation of job opportunities and skills training for women in operation and maintenance, and as part of the household water service and sanitation fixtures program; (iii) engagement of an international gender specialist and a national community participation and gender specialist; and (iv) training in gender awareness related to service provision for KAJUR staff.

Gender action plan Other actions or measures No action or measure

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement	Safeguard Category: <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI
<p>1. Key impacts.</p> <p>Most of the civil works will be constructed on land leased to the Kwajalein Atoll Development Authority, which dedicates existing and planned road and utility corridors to public use in perpetuity. However, the lease will expire in 2016 and a new lease is required for existing KAJUR facilities outside of the utility corridors, covering a total of 5.75 acres (about 2.6 hectares). These facilities include the wastewater treatment plant, freshwater and saltwater reservoirs, and sewage pump stations. The project will have temporary resettlement impacts as several fences will need to be temporarily removed to enable expansion of the water supply and sewerage system.</p>	
<p>2. Strategy to address the impacts.</p> <p>Lease over lands occupied by KAJUR facilities will be renewed before project implementation. KAJUR and the civil works contractors will obtain permits from the landowners for the proposed works. The project will fund and contractors will execute voluntary resettlement activities to facilitate installation of utilities in crowded neighborhoods.</p>	

3. Plan or other Actions.	
<input checked="" type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> No action	<input type="checkbox"/> Combined resettlement and indigenous peoples plan <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input type="checkbox"/> Social impact matrix

B. Indigenous Peoples	Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI
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<p>1. Key impacts.</p> <p>The people of Ebeye consider themselves indigenous in terms of ethnic origin. The project is not expected to have a negative impact on any distinct or vulnerable group of indigenous peoples as defined under ADB's Safeguard Policy Statement (2009).</p> <p>Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
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<p>2. Strategy to address the impacts.</p> <p>No impacts are anticipated.</p>	
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3. Plan or other actions.	
<input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> Social impact matrix <input checked="" type="checkbox"/> No action	<input type="checkbox"/> Combined resettlement plan and indigenous peoples plan <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary

V. ADDRESSING OTHER SOCIAL RISKS

A. Risks in the Labor Market
<p>1. Relevance of the project for the country's or region's or sector's labor market, indicated as high (H), medium (M), and low or not significant (L).</p> <p><input type="checkbox"/> unemployment – L, <input type="checkbox"/> underemployment – L, <input type="checkbox"/> retrenchment – L, <input type="checkbox"/> core labor standards - L</p> <p>2. Labor market impact.</p> <p>The project will provide some temporary jobs during implementation.</p>
B. Affordability
<p>The project will help design and institute a tiered system of residential pricing for potable water and electricity that will provide lifeline rates for basic levels of usage together with higher rates for additional usage. Sewerage will be charged at an affordable flat rate. The project will also provide and install prepay meters for potable water (almost all residential electricity meters are already prepay) that will help households manage their water expenditure so as to prevent overspending and service cutoffs that would otherwise result from unpaid water bills</p>
C. Communicable Diseases and Other Social Risks
<p>1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA):</p> <p><input type="checkbox"/> Communicable diseases – L, <input type="checkbox"/> Human trafficking – L, <input type="checkbox"/> Others (please specify) Nil.</p> <p>2. Risks to people in project area. Nil.</p>

Sources: Asian Development Bank