



Summary Poverty Reduction and Social Strategy

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Nauru: Port Development Project (Financed by the Asian Development Fund)

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Asian Development Bank

Annex 1: Summary Poverty Reduction and Social Strategy

Country:	Nauru	Project Title:	Nauru Port Development Project 48480-001 PPTA Consultants
Lending/Financing Modality:	Grant	Department/Division:	Pacific Department Pacific Liaison and Coordination Office

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Targeting classification: General Intervention

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

This project is in line with ADB's country operations business plan for Nauru, 2017–2019 and the Pacific Approach, 2016-2020, which promotes job creation, inclusive economic growth and human development. The Pacific Approach serves as the operational framework for the Pacific Region and acts as the country partnership strategy for Nauru following the Interim Pacific Approach 2015. The National Sustainable Development Strategy (NSDS) 2005-2025 (revised 2009) includes goals in the areas of water security, energy security, food security, a healthy environment, a healthy people and productive, secure land resources. The Port Project will facilitate and support these goals. Without a resilient port, the country will struggle to maintain, let alone improve, conditions for its population.

B. Results from the Poverty and Social Analysis during PPTA or Due Diligence

1. Key poverty and social issues

Compared to other Pacific nations Nauru has the worst poverty index from all Pacific nations, although food poverty not an issue.

As the country is dependent on imported goods, 24 % of the population (16.8% of households) is below the basic needs poverty line. The extensive phosphate mining does not allow enough space and soil for subsistence farming. The economy at the moment is mainly driven by phosphate mining (17% of Gross Domestic Product in 2014) and foreign aid due to the hosting of refugees and payments by the Australian government.

According to the Census 2011 the population comprised 1,647 households, with an average household size of six people. Just over half (52%) of households are headed by women. The adult literacy rate for the population 15 years and older was calculated at 95.7% for males and 97.2% for females. Youth literacy rate for the population aged 15-25 years was 94.4% for males and 96.8% for females according to the census in 2011.²⁸

The 2013 National Income and Expenditure Survey shows that 85% of households receive their main income from wages or salaries, with a further 7% citing own business activities. The survey records an average annual household income of A\$25,025, with the top 50% recording an annual average family income of A\$33,074. The lowest 50% of households received an average annual income of A\$10,344. The survey also shows that the lowest 10% of the population earned an annual income of A\$706 per person.²⁹

As the country is dependent on import of fuel, which is needed to generate power the cost of living has increased. The education and health sectors suffer from a chronic shortage of skilled staff. Lifestyle diseases (diabetes, obesity), and low education attainment (especially in secondary education) is symptomatic for low social development.

2. Beneficiaries. Main beneficiaries for the project are the people of Nauru in general. The improvement of port infrastructure is an essential contributor to economic and social development of Nauru through different activities, more frequent cargo arriving in Nauru, frequent international trade, technical developed wharf area, safe loading and unloading of cargo for vessels, safe workplace conditions for workers, creation of new jobs for men and women and improving the health situation of Nauruans by medical supply and affordable prices for fresh produce, which influences a healthier diet.

²⁸ Republic of Nauru (2012). *National Report on Population and Housing, Census 2011*. Nauru.

²⁹ Government of Nauru Statistical Office (2014). *Nauru Hardship and Poverty Report*. Fiji: UNDP Pacific Centre

NPA as institution is a beneficiary and will undergo changes by designed programmes improving management and operations processes and a tailored capacity building programme the coming years.

Other beneficiaries are customary landowners from seven different lots, which are needed for the development of the port. These portions will be leased by NPA. The payment of leases will benefit 426 family members from those landowners. All landowners come from different ways of life and live scattered over the island.

3. Impact channels. New jobs will be created during construction phase and institutional changes of NPA. Gender mainstreaming and balance will be secured by providing a percentage of women to be recruited in unskilled and skilled job positions (see DMF). A tailor designed training programme for NPA staff will initiate skills in the maritime sector the following years. Training will be implemented in country or outsourced in various training institutions in the Pacific.

4. Other social and poverty issues. Another main issue is the neglect of awareness about HIV/AIDS and sexual transmitted diseases. Anecdotal evidence revealed that there is no official campaign in schools about HIV/AIDS and not one case is reported in the health system. During implementation of civil works a set of awareness programmes for the adjacent residents in Location and Aiwo have to be organized by the implementing agency. Training for workers on gender issues and HIV/AIDS must be conducted/organized through a training institution in Nauru or outsourced by the contractor for civil works. Extreme poverty is not an issue in Nauru. Kin networks are strong and it is common for more affluent family members to assume responsibility for payment of specific items.

5. Design features. The project will design a plan to reduce poverty by recruiting personnel for port operations and administration.

C. Poverty Impact Analysis for Policy-Based Lending. N/A

II. PARTICIPATION AND EMPOWERING THE POOR

1. Summarize the participatory approaches and the proposed project activities that strengthen inclusiveness and empowerment of the poor and vulnerable in project implementation.

Before project implementation customary landowners have to be consulted and their concerns about environmental issues will be addressed. Land leases will be prepared accordingly and landowners be informed before seeking signatories for leases. Awareness programmes about the project must be implemented using pamphlets and brochures. Media and communication means must be prepared. The question catalogue on environmental issues should be used in meetings with stakeholders. Adjacent residents will be consulted by the implementing agency in pre - construction phase.

2. If civil society has a specific role in the project, summarize the actions taken to ensure their participation. N/A

3. Explain how the project ensures adequate participation of civil society organizations in project implementation.

4. What forms of civil society organization participation is envisaged during project implementation? Indicate in each box the level of participation by marking high (H), medium (M), low (L), or not applicable (N) based on definitions in ADB's Guide to Participation.

H Information gathering and sharing M Consultation Collaboration Partnership

5. Will a project level participation plan be prepared to strengthen participation of civil society as interest holders for affected persons particularly the poor and vulnerable?

Yes. No.

Civil society organizations are involved in consultation processes with residents from Location and Aiwo and customary landowners from land lots 204-209 and 131. Civil society might play a major role in awareness and training about health issues especially HIV/AIDS and gender.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: Effective Gender Mainstreaming

The Initial Poverty and Social Assessment indicated no specific gender issues related to this project. Gender mainstreaming in some project activities would be implemented. A Gender Action Plan has been prepared in a separate document following the Monitoring and Development Framework Indicators of the project.

A. Key Gender Issues are:

A gender assessment of Nauru revealed that key gender issues are in the leadership and decision making area affecting the society of Nauru. The project cannot address these issues specifically but can improve the status of women through special project related activities in the area of consultation participation, employment, engagement in unskilled labour opportunities, capacity building and training, awareness building about sexual transmitted diseases, HIV/AIDS and domestic violence. Awareness activities may raise better understanding of different gender needs in transport and the maritime sector, labour laws compliance, equal pay for equal employment and Protection of young female workers in sex industry by awareness programmes. Indirectly the project can encourage the participation of women in discussions of land matters and equal share of land lease payments.

B. Key actions.

Gender action plan Other actions or measures No action or measure

Women must be involved in community meetings and awareness events about the project in pre-construction phase; if necessary, then separate meetings have to be organized to give women an opportunity to express their views about the project and its impacts. Further activities are described in the Gender Action Plan.

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement **Safeguard Category:** A B C FI

1. Key impacts. No involuntary resettlement will be necessary for this project. The development of the port will operate in the industrial zone and will not cause any economic and physical displacement. A due diligence report was prepared to confirm the land requirements and processes particularly through land leases.

2. Strategy to address the impacts. A due diligence report for land acquisition has been prepared.

3. Plan or other Actions.

Resettlement plan Combined resettlement and indigenous peoples plan

Resettlement framework Combined resettlement framework and indigenous peoples planning framework

Environmental and social management system arrangement Social impact matrix

X No action

B. Indigenous Peoples **Safeguard Category:** A B C FI

1. Key impacts. The population is 94% ethnic Nauruan, with the remaining 6% originating from a number of countries.

There are no indigenous people or ethnic minorities on the island and the project does not require an indigenous peoples plan.

Is broad community support triggered? Yes X No

2. Strategy to address the impacts. N/A

3. Plan or other actions.

Indigenous peoples plan Combined resettlement plan and indigenous peoples plan

Indigenous peoples planning framework Combined resettlement framework and indigenous peoples planning framework

Environmental and social management system arrangement Indigenous peoples plan elements integrated in project with a summary

Social impact matrix

x No action

V. ADDRESSING OTHER SOCIAL RISKS

A. Risks in the Labor Market

1. Relevance of the project for the country's or region's or sector's labor market. Indicate the impact as high (H), medium (M), and low or not significant (L).
M unemployment L underemployment retrenchment L core labor standards

2. Labor market impact. The project will have positive impact on unemployment in the country. It will create job opportunities for workers in the port area and in the maritime sector in general; it also will create short term jobs for unskilled labour during construction phase (simple admin works, heavy lifting, cleaners, traffic control and hospitality); employment of women in skilled and unskilled work is proposed (see also gender mainstreaming). Core international and national labour standards must be complied with including no child labour.

B. Affordability
N/A

C. Communicable Diseases and Other Social Risks

1. Indicate the respective risks, if any, and rate the impact as high (H), medium (M), low (L), or not applicable (NA):
L Communicable diseases N/A Human trafficking
 Others (please specify) _____

2. Describe the related risks of the project on people in project area.

There are some risks of communicable diseases, sexual transmitted diseases and possible increase of HIV/AIDS by more frequent arrival of sailors in the country.

Sources:

Awareness on HIV/AIDS and sex work, teenage pregnancies and gender issues will be implemented by NPA through a training provider, who is familiar with culture and custom in Nauru.

VI. MONITORING AND EVALUATION

Targets and indicators: The DMF anticipates a reduction of freight costs by 15%, a decrease of vessel time to 2-3 days only and more than one vessel per month to arrive at Aiwo port. The social and poverty component estimates a reduction of consumer prices as an output of the efficiency of the port development. This will have a positive impact on poverty reduction especially for the most vulnerable group, female headed households and families with high number of dependents. Following indicators are part of the DMF:

HIV/AIDS prevention and awareness activities for community members, construction workers and NPA staff will be organized and at least 30% of women should attend, data will be retrieved from training records and awareness; the same applies to port safety awareness with an attendance of 30% women; same records will be used; women also to participate with same percentage in public consultations and meetings; again records will be prepared by responsible organizations, persons and reported to NPA; the data must be provided in respective reports to the executing agency and ADB.

2. Required human resources: One community liaison officer will be included in the 2017/2018 NPA budget. Another social safeguard officer should be recruited and budgeted for; he/she will monitor social safeguards indicator and report accordingly in social safeguards monitoring reports, quarterly reports, annual reports and project completion report according to the PAM. A social safeguard specialist recruited by the construction supervision consultant should be an advisor to the PMU. A Gender Action Plan has been prepared and quarterly reports will monitor established indicators. A Grievance Redress Mechanism will be disclosed by the PMU to the public and stakeholders involved.

3. Information in PAM: The reports will include data collection for indicators of gender participation in community consultation, training activities and employment statistics.

4. Monitoring tools: Indicate the monitoring tools for poverty and social dimensions summarized in the project loan agreement and the PAM.

Monitoring tools will include minutes taking from meeting, consultations and records from training and workshops, employment numbers (increase-decrease), records about payments to customary landowners, records about consumer price index. The data collected is gender disaggregated. Where possible and budgeted a separate socio-economic survey including only those households directly being involved in the project area, Location and Aiwo could be conducted at end of the project and two years later to monitor impact of the project.

Republic of Nauru (2012). National Report on Population and Housing, Census 2011. Nauru.

Government of Nauru (2014). Millennium Development Goals, Nauru Progress Report 1990-2011. Nauru.

Government of Nauru Statistical Office (2014). Nauru Hardship and Poverty Report. Fiji: UNDP Pacific Centre