

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Regional	Project Title:	REG: Improving Internet Connectivity for Micronesia Project
Lending/Financing Modality:	Grant	Department/Division:	Pacific Department/ Urban, Social Development & Public Management Division

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY
Poverty targeting: general Intervention
<p>A. Links to National Poverty Reduction and Inclusive Growth Strategy, and Country Partnership Strategy</p> <p>The project supports the Kiribati national and regional development plans.^a Key Priority Area 2 of the Line and Phoenix Island Integrated Development Strategy identifies the need to step up inclusive economic development. The national communication development strategy^b states that the Government of Kiribati is committed to introducing a universal access regime for the Outer Islands to ensure that information and communication technology (ICT) services are available, to the greatest extent feasible, to the people of Kiribati. The National Sustainable Development Strategy, 2005–2025 (revised 2009) of Nauru includes goals to enhance social infrastructure and utility services and development of an economy based on multiple sources of revenue. Improved ICT services will help achieve these goals. The Asian Development Bank (ADB) Pacific Approach 2016–2020 defines ICT as a priority enabler of regional connectivity, competitiveness, and opportunities for socioeconomic development.^c The ICT sector is identified as a means of indirectly reducing poverty in Micronesia by influencing economic growth and social stability.^d</p> <p>The proposed project will contribute indirectly to poverty reduction, the promotion of growth, and the achievement of development goals in both Kiribati and Nauru. By improving connectivity and lowering the ICT cost to businesses and individuals, and increasing the flow of information and access to services, it will help improve the socioeconomic status.^e Regional integration will be boosted by reducing the isolation from the business center and capital of Kiribati in South Tarawa.</p>
<p>B. Results from the Poverty and Social Analysis during Project Preparation or Due Diligence</p> <p>1. Key poverty and social issues. The project is classified as general intervention in poverty targeting because it is intended to benefit the wider public through more efficient and affordable telecommunication (telecom) and internet services. Kiritimati is one of the Line Islands and has a population of 6,456. Kiribati's per capita gross domestic product, estimated at \$1,593 in 2010, is among the lowest in the Pacific region. Poverty levels in Kiritimati fluctuate because the island has access to some natural resources such as fish, and less need for cash than other islands.^f The Kiribati Millennium Goals are yet to be achieved. Opportunities for economic growth are limited in an economy narrowly based on copra, interest from overseas investments, remittances from I-Kiribati working abroad (especially as seafarers), license fees from foreign-owned fishing vessels, foreign development assistance, tourism, and some small business such as aquarium fish collection, salt production, and seaweed farming. The Kiritimati population increased by an annual average of 2.6% between the 2005 and 2015 censuses. Growth is expected to continue with migration from other parts of the country, putting more pressure on limited resources.^g In Nauru, 2011t statistics estimate that 23% of the adult population is unemployed, with the young bearing the brunt: 70% of those aged 15–19 years and 36% of those aged 20–24 years are unemployed. Unlike most Pacific Island countries, Nauru receives almost no remittances, reflecting low emigration rates. In 2008, a survey estimated that 25.1% of households would not have sufficient cash to meet their basic needs, and 16.0% of these households were struggling to afford the standard calorie intake.</p> <p>2. Beneficiaries. The project will indirectly contribute to poverty reduction in Kiribati and Nauru. The primary (direct) beneficiaries of the project will be the internet providers and telecom operators. This will then have a flow-on effect on secondary beneficiaries such as government services, the public, and businesses and nongovernment services, including in health and education. Improving the internet will enable economic growth because it will increase access to and the efficiency of the internet and (potentially) lower the costs of communication. Broader access will assist in opening up business opportunities and improving skills and educational outcomes in both Nauru and Kiribati. In Kiritimaati, in particular, the isolation from the capital of South Tarawa has limited the post-school options for many young people and has hampered development on the island. The project will help alleviate this situation.</p> <p>3. Impact channels. Better internet access and quality and (potentially) lower pricing will positively impact the poor and vulnerable groups by allowing improvements in government services, an increase in business and employment opportunities, and better contact with colleagues and family members. Opportunities include e-health, school education, and retention and skills training. Both Kiribati and Nauru have only one main internet service provider, and their governments are planning to open up the market and regulate pricing in conjunction with the cable project. Also, the increase in internet traffic made possible by the cable may attract additional service providers and introduce competition, which in turn improves service and lowers the prices.</p> <p>4. Other social and poverty issues. Other social and poverty issues that were identified in community consultations include the high cost of the internet (to be addressed by regulation and a public awareness campaign), negative</p>

aspects of the internet (public awareness campaign), lack of access to computers by the public, and the need for preparedness for achieving the benefits.

5. Design features. By providing reliable internet services, the project will indirectly lead to poverty reduction. A better internet system will improve the efficiency and effectiveness of business and government services, and associated employment, education, and training, as well as health service delivery, and thereby enable social and economic development. Lower internet prices thanks to planned regulation and competition will expand the benefits to lower-income households. Public awareness and education was raised as a prerequisite to project implementation and to manage the risks from having access to the global internet.

II. PARTICIPATION AND EMPOWERING THE POOR

1. Participatory approaches and project activities. As part of safeguard due diligence, group and individual consultation meetings were held with about 90 project-affected people and other stakeholders in Kiribati. Meetings had been held previously with the technical consultant visiting the island in April 2017, which included site selection in consultation with government and other representatives. About half of the people consulted were women. Key meetings were held with affected persons, including fishers, both in a formal community meeting with Tabwakea Ward 3, the area adjacent to the cable site, and individual meetings and interviews with three of the four households immediately adjacent to the cable route. Two women-specific meetings were held: a formal one with Kiritimati Women's Association *Nei Baneawa* and one with women of Tabwakea Ward 3. A formal meeting was also held with community leaders and civil society organizations. All meetings included an interpreter, and project brochures in I-Kiribati language were distributed at the sites. Various other meetings were held with government agencies. In Nauru, stakeholder meetings and a public consultation were held during the 2016 field visit (31 October, 1–2 November). Stakeholders included both government and nongovernment entities covering environmental, conservation, legal, gender, youth, and women aspects. The design of the project factored in all benefits and concerns identified in the consultations, and the environmental and social management plan contains respective enhancement and mitigation measures, including regulation of internet service providers, public awareness campaigns on internet use, and establishment of a government ICT taskforce for ongoing consultation and for building capacity to achieve the opportunities.

2. Civil society. Civil society has and will play a part in the project. The churches have a key role in Kiritimati's society, covering eight different denominations, and were included in the consultations via a community leaders' meeting. The leaders undertook to consult with their communities and bring any issues back to the government (i.e., to Ministry of Line and Phoenix Islands Development (MLPID) as coordinating agency on the island). *Nei Baneawa* (Women's Association) was consulted in a separate meeting, as were *Marewen okon* (Old Men's Association), the Youth Association, and the Chamber of Commerce. The project management unit (PMU) will continue to consult with civil society during project implementation. For the cable site itself, the local community is organized through Tabwakea Ward 3, and a meeting was held with this group (which included local fishers) as well as a separate meeting with Ward 3 women. A grievance process was discussed during the consultations and will be developed in consultation with all stakeholders. Consultations in Nauru also involved various civil society organizations.

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):

(M) Information gathering and sharing (M) Consultation Collaboration Partnership

4. Participation plan. Yes. No – As stated in the initial poverty and social assessment (footnote d), project-level participation in the cable installation itself is anticipated to be low, so a participation plan is not required. As for the goal of making internet more affordable and more broadly available, the proposed public awareness campaigns, the ICT taskforce, and regulation of internet service provision will involve some measure of public participation.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: no gender elements

A. Key issues.

The project will help improve internet services by laying a submarine cable. It has limited potential for mainstreaming gender designs or enhancing gender benefits as compared to interventions related to ICT application in social services. The provision of reliable and improved internet services to the population is not determined by social factors that might disadvantage women and girls. Neither are direct or tangible benefits to women and girls expected during project implementation. It was recommended that women be represented on the ICT taskforce and that there be community access points to the internet to allow for training and employment opportunities. The ICT project will also assist in reducing women's isolation because it allows for peer support and for keeping in touch with family members, and increases the likelihood of being able to participate in decision making at government level. Availability and affordability for all stakeholders, particularly women, is integral to the success of the ICT project.

B. Key actions Gender action plan Other actions or measures No action or measure
Consultation and participation activities will include women at all stages of the project.

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement

Safeguard Category: A B C FI

<p>1. Key impacts. – No involuntary resettlement impact. Due diligence confirmed that the project sites in Kiribati and Nauru are unoccupied, and on government-owned or leased land.</p> <p>2. Strategy to address the impacts. – Not applicable. It is noted that a land due diligence report was prepared.</p> <p>3. Plan or other actions.</p> <p><input type="checkbox"/> Resettlement plan <input type="checkbox"/> Combined resettlement and indigenous peoples plan</p> <p><input type="checkbox"/> Resettlement framework <input type="checkbox"/> Combined resettlement and indigenous peoples framework</p> <p><input type="checkbox"/> Environmental & social management system <input type="checkbox"/> Social impact matrix <input checked="" type="checkbox"/> No action</p>
<p>B. Indigenous Peoples Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Key impacts. Due diligence undertaken showed that no vulnerable and distinct ethnic or cultural minority groups will be affected in Kiribati and Nauru.</p> <p>2. Strategy to address the impacts. – Not applicable.</p> <p>3. Plan or other actions.</p> <p><input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Combined resettlement & indigenous peoples plan</p> <p><input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Combined resettlement & indigenous peoples framework</p> <p><input type="checkbox"/> Environmental and social management system <input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary</p> <p><input type="checkbox"/> Social impact matrix</p> <p><input checked="" type="checkbox"/> No action</p>
V. ADDRESSING OTHER SOCIAL RISKS
<p>A. Risks in the Labor Market</p> <p>1. Relevance of the project for the country's or region's or sector's labor market, high (H), medium (M), and low or not significant (L).</p> <p><input type="checkbox"/> unemployment <input type="checkbox"/> underemployment <input type="checkbox"/> retrenchment <input checked="" type="checkbox"/> core labor standards (Low)</p> <p>2. Labor market impact. Better internet services are intended to create business and employment opportunities. Limited local employment is expected during construction (low).</p>
<p>B. Affordability. Current internet use is expensive and of poor quality. Government regulation to ensure lower costs and a public awareness campaign on internet use are critical for the project. The project sets a goal of a 20% reduction in fixed internet service prices from 2017 prices.^h This should be extended to mobile internet services, given the widespread use of cell phones, especially for those with less ability to afford a fixed-line service. Customers could potentially pay more for services not only through a higher unit price but also through a higher overall price because of the tendency to use many times more data than is currently being used. Another issue arises if customers exceed the allowance in their data plan and have to pay a much higher price for the excess data. Therefore, regulation should include the unit cost, the overall cost, and the structure of the data plans so that customers will not unknowingly receive large charges for exceeding a cap.</p>
<p>C. Communicable Diseases and Other Social Risks</p> <p>1. The impact of the following risks are rated as low (L)</p> <p><input type="checkbox"/> Communicable diseases <input type="checkbox"/> Human trafficking <input type="checkbox"/> Others (please specify) _____</p> <p>2. Risks to people in project area: low. Some short-term contractors will come in for specialized work. The cable-laying ship will be at the island for a few days. It is reported that sex trafficking is an issue in Kiribati in relation to visiting ships, and that law enforcement on this is poor.ⁱ This risk, although very low, will be monitored by the government.</p>
VI. MONITORING AND EVALUATION
<p>Monitoring and evaluation, particularly of the environmental and social management plan, will be carried out to minimize negative impacts during construction. The PMU of each country will include feedback to the local taskforce representatives during construction. Also, the PMUs will submit regular log and progress reports on overall project activities to ADB and the respective government. A quarterly project progress report will be submitted covering any social issues during implementation.</p>

^a Ministry of Line and Phoenix Island Development. 2016. *Line and Phoenix Island Integrated Development Strategy, 2016–2036*, and Government of Kiribati. 2016. *Kiribati Development Strategy, 2016–2019*. Tarawa

^b Government of Kiribati. 2011. *Kiribati ICT Policy*. Tarawa

^c ADB. 2016. *Pacific Approach, 2016–2020*. Manila.

^d ADB. 2017. *Initial Poverty and Social Assessment (IPSA), Improving Internet Connectivity in Micronesia*. Manila

^e ARGO Environmental Ltd. 2017. *East Micronesia Cable Project, Environmental & Social Impact assessment* (<https://www.micttd.gov.ki/publications/environmental-social-impact-assessment>)

^f Australian Aid. 2012. *Kiribati Country Study*. Tarawa

^g Government of Kiribati. 2012. *Republic of Kiribati Island Series Report: 20 Kiritimati 2012*. Tarawa

^h ADB. 2017. *Concept Paper—Improving Internet Connectivity to Micronesia*. Manila

ⁱ US Department of State. 2016. *Trafficking in Persons Report. Office to Monitor and Combat Trafficking in Persons.* (<https://www.state.gov/j/tip/rls/tiprpt/countries/2016/258796.htm>)