



# Initial Poverty and Social Analysis

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Project Number: 52034-001  
January 2022

## Marshall Islands: Integrated Urban Services Improvement Project

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Asian Development Bank



## CURRENCY EQUIVALENTS

The currency of the Republic of the Marshall Islands is United States dollar.

## ABBREVIATIONS

ADB	–	Asian Development Bank
CSO	–	civil society organization
MWSC	–	Majuro Water and Sewer Company
SWM	–	solid waste management

## NOTES

- (i) The fiscal year (FY) of the Government of the Marshall Islands and its agencies ends on 30 September. "FY" before a calendar year denotes the year in which the fiscal year ends, e.g., FY2020 ends on 30 September 2020.
- (ii) In this report, "\$" refers to United States dollars.

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## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	The Republic of the Marshall Islands	Project Title:	Integrated Urban Services Improvement Project
Lending/Financing Modality:	Project Grant	Department /Division	Pacific Department/ Urban Development and Water Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS
<p><b>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy</b></p> <p>The proposed project is aligned with the government’s development priorities, as articulated in the National Strategic Plan 2020–2030, particularly in its goals for access to safe drinking water and sanitation systems for the economic, social development and well-being of all Marshallese, and establishment of reliable infrastructure for effective management of waste, chemicals, and pollutants.<sup>a</sup> The project’s proposed five outputs covers Majuro, the capital city of the Republic of the Marshall Islands (RMI) with a population of 28,000, and Ebeye, the second-largest city in RMI with a population of 11,000. The project is consistent with the Asian Development Bank’s (ADB) Pacific Approach 2021–2025, which serves as the country partnership strategy for the smallest Pacific Island countries (including RMI), which favors an integrated approach to the provision of water and other urban infrastructure and services that promotes inclusive and equitable access to them.<sup>b</sup> It is also in line with ADB’s Strategy 2030, particularly with operational priorities 1 (address remaining poverty), 2 (accelerating progress in gender equality), 3 (tackling climate and disaster resilience and enhancing environmental sustainability), 4 (make cities more livable), and 6 (strengthening governance). The project is included in the indicative lending pipeline for RMI in ADB’s country operations business plan for the 11 small Pacific Island countries 2020–2022.<sup>c</sup></p>
<p><b>B. Poverty Targeting</b></p> <p><input checked="" type="checkbox"/> General Intervention <input type="checkbox"/> Individual or Household (TI-H) <input type="checkbox"/> Geographic (TI-G) <input type="checkbox"/> Non-Income MDGs (TI-M1, M2, etc)</p> <p>The project has been identified as a key infrastructure investment to address constraints on development and management of more reliable, climate resilient, and safe water supply, sanitation, and solid waste management (SWM) services that are critical to sustaining economic growth and to providing access to resources and socio-economic opportunities. On Majuro the project will contribute to (i) develop climate resilient, reliable, and low carbon footprint urban water supply infrastructure, (ii) improve the effectiveness, efficiency, and safety of urban water supply and sanitation services, (iii) establish an integrated SWM system, and (iv) strengthen institutional capacities for service delivery and environmental monitoring. Further it will (v) rehabilitate and climate proof road pavements on Ebeye. These outputs are expected to benefit all residents but particularly the poorest households, which are the ones with less access to reliable and safe urban services. Improved urban services and infrastructure contribute directly and indirectly to poverty reduction by improving health and living conditions as well as potentially increasing productivity and job creation in the project sites.</p>
<p><b>C. Poverty and Social Analysis</b></p> <p><b>1 Key issues and potential beneficiaries.</b> The primary beneficiaries of the project will be the public who will benefit from more reliable, climate resilient, and safe water supply, sanitation, and SWM services. Access to public water supplies in Majuro is limited and only 29% of households obtain drinking water from the public water supply systems, which are provided by the Majuro Water and Sewer Company (MWSC). For the rest of households that are not connected, roof water and private wells are typically the sole source of supply. Rainwater harvesting is not secure due to the seasonal rainfall patterns and more frequent and severe dry periods as a result of climate change. MWSC’s water production mostly comes from rainwater harvested from the airport runway and the Laura groundwater lens, but increasing droughts are expected to affect these water resources. Thus, it is necessary to expand water supply to a larger amount of the population and reduce the reliance on the existing water sources. In addition, there are also challenges in MWSC’s sanitation services. Collected sewage is discharged to the open ocean directly through a broken outfall pipeline, resulting in excessive growth of rooted vegetation and dead algae washing ashore, causing concerns for health and quality of life. Majuro in this context has limited SWM services and infrastructure. Most household waste is collected and sent to the open dumpsite at the seaside at Rairok and its design capacity has been far exceeded. Solid waste is piled high, encroaching on the adjacent seawall, and causing air and water pollution in the area. The outbreak of dengue fever in 2019 was linked to poor solid waste collection and disposal.</p>

<sup>a</sup> Republic of the Marshall Islands. 2020. [National Strategic Plan 2020–2030](#). Majuro.

<sup>b</sup> ADB. 2021. [Pacific Approach, 2021–2025](#). Manila.

<sup>c</sup> ADB. 2018. [Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific](#). Manila.

2. **Impact channels and expected systemic changes.** The main channel for project benefits is the improved water, sanitation, and SWM services provided by MWSC and Majuro Atoll Waste Company (MAWC) in order to increase and improve service coverage, and reduce water supply insecurity, particularly among low-income households. The project will not only undertake priority water supply, sanitation, and SWM investments but also address the factors that result in unsustainable management through project management, resource mobilization and institutional strengthening. Poor and socially excluded groups will directly benefit from the project.

3. **Focus of (and resources allocated in) the transaction TA or due diligence.** A project readiness financing grant (PRF) of \$ 5 million was approved in December 2019 to prepare this project and Ebye Solid Waste Management Project (approved in December 2020) and facilitate a smooth transition to project implementation. Due diligence will be completed on all project components and activities during project preparation and design with focus on gender, the environment, and any health impacts to the surrounding area and residents. A series of consultations and workshops will be conducted during project preparation. Any issues arising from this assessment, workshops, and consultations will be addressed through measures in the project design.

4. **Specific analysis for policy-based lending.** Not applicable.

## 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 are often the key caregivers in the community and play an important role in promoting good health, sanitation practices, and waste management in households. In RMI, 72% of women are unemployed (compared to 48% of men). As primary caregivers, productivity of women may be adversely affected by time taken away from productive activities such as paid employment, to care for sick family members affected by water-borne diseases. Improved access to safe and clean water is likely to improve people's health, increase women's productivity, and reduce medical costs on waterborne and other infectious diseases. Women play a key role in management of water supply and household wastes. It will be important to consider their concerns in water supply and solid waste management, their possible roles and contributions in minimizing waste, in recycling materials. The project provides scope to build women's knowledge and skills in reducing, reusing recycling waste materials. Employment opportunities for women should also be considered where feasible.

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 access to and use of opportunities, services, resources, assets, and participation in decision-making?  Yes  No

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?  
 Yes  No A gender action plan will be prepared.

4. Indicate the intended gender mainstreaming category:

- GEN (gender equity)  EGM (effective gender mainstreaming)  
 SGE (some gender elements)  NGE (no gender elements)

## III. PARTICIPATION AND EMPOWERING THE POOR

1. **Who are the main stakeholders of the project, including beneficiaries and affected people? Explain how they will each participate in the project's design.** Key stakeholders include the Government of RMI and its SOEs (Ministry of Finance, Banking and Postal Services; Ministry of Works, Infrastructure, and Utilities; Ministry of Environment; Majuro Water and Sewer Company; Majuro Atoll Waste Company). Nongovernment organizations, development partners, the private sector, and public will also be active participants. A consultative process will be carried out employing the projects public communication strategy and community consultation plan.

2. **Who are the key, active, and relevant CSOs in the project area?** Marshall Islands Council of NGOs (MICNGO)

3. Are there issues during project design for which participation of the poor and vulnerable is important?  
 Yes  No If yes, what are these issues?

The urban poor are the ones generally most affected by lack of access to urban services. Lessons from previous projects indicate that extensive community participation and awareness programs during project design and implementation should be undertaken to build community knowledge and awareness of project activities. Thus, understanding their constraints and devising possible solutions will be a key aspect of the poverty and social analysis and stakeholder consultations.

4. How will the project ensure the participation of beneficiaries and affected people, particularly the poor and vulnerable and/or CSOs, during project design to address these issues?

Local communities and NGOs will be consulted during the social and poverty analysis to identify any social impacts which need to be mitigated in project design. These consultations will be inclusive of women and other marginalized

groups. Relevant CSOs will also be consulted to scope their capacity to participate in community awareness-raising, and to identify any capacity-building support these CSOs may need to undertake these activities.

5. What level of CSO participation is planned during the project design?

Information generation and sharing H Consultation M Collaboration N/A Partnership N/A

#### IV. SOCIAL SAFEGUARDS

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

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement?  Yes  No

There will be limited permanent and temporary land acquisition. The extent of potential resettlement impacts will be confirmed during due diligence. A resettlement plan will be prepared to guide land acquisition.

2. What action plan is required to address involuntary resettlement as part of the transaction TA or due diligence process?

Resettlement plan  Resettlement framework  Social impact matrix  
 Environmental and social management system arrangement  None

**B. Indigenous Peoples Category**  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

3. Will the project require broad community support of affected indigenous communities?  Yes  No

4. What action plan is required to address risks to indigenous peoples as part of the transaction TA or due diligence process?

Indigenous peoples plan  Indigenous peoples planning framework  Social impact matrix  
 Environmental and social management system arrangement  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  Adhering to core labor standards M  Labor retrenchment  
 Spread of communicable diseases, including HIV/AIDS  Increase in human trafficking  Affordability M  
 Increase in unplanned migration  Increase in vulnerability to natural disasters  Creating political instability  
 Creating internal social conflicts  Others, please specify \_\_\_\_\_

2. How are these additional social issues and risks going to be addressed in the project design?

Tariff review during the PRF will be pro-poor and bid documents will require contractors to adhere to core labor standards. All contractors will be required to provide awareness training on sexually transmitted infections, HIV/AIDS, GBV and human trafficking for construction personnel and surrounding communities in the project area.

#### VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT

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?  Yes  No

2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social, and/or gender analysis; and the participation plan during the transaction TA or due diligence?

Gender and social safeguards specialist (international) and community outreach specialist (national) will be engaged under the PRF. They will conduct the poverty, social, and gender analysis with the community outreach specialist to work with a local NGO to conduct socio-economic surveys.

ADB = Asian Development Bank, CSO = civil society organization, IPSA = initial poverty and social analysis, MAWC = Majuro Atoll Waste Company, MWSC = Majuro Water and Sewer Company, PRF = project readiness financing, SWM = solid waste management, TA = technical assistance.

Source: ADB