

## SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Cook Islands	Project Title:	Cook Islands Renewable Energy Sector Project
Lending/Financing Modality:	Sector loan	Department/ Division:	Pacific Department/ Transport, Energy and Natural Resources Division

### 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

The Cook Islands launched its visionary framework up to 2020, *Te Kaveinga Nui*, in 2007. Its National Sustainable Development Plan (NSDP), 2011–2015 articulates the country's vision of sustaining the highest quality of life for its people, in harmony with culture and environment. The NSDP has eight goals: (i) vibrant economy; (ii) infrastructure for economic growth and resilience; (iii) energy security through renewable energy; (iv) resilient and sustainable communities; (v) opportunity for all residents; (vi) sustained ecosystem; (vii) good governance; and (viii) safe, secure, and stable society. The regional strategy of the Asian Development Bank (ADB)—Pacific Approach, 2010–2014—focuses on (i) inclusive and environmentally sustainable growth; (ii) good governance; and (iii) regional cooperation and integration; with transport, information and communication technology, energy, urban development, water and sanitation, and education as operational priorities. The drivers of change are improvements to the private sector environment, public sector management, capacity development, climate change adaptation and mitigation, development partnerships, and gender mainstreaming.

#### B. Results from the Poverty and Social Analysis during Project Preparation or Due Diligence

**Key poverty and social issues.** The Cook Islands is only one of two Pacific countries on track to achieve Millennium Development Goal (MDG) targets, according to the 2012 Pacific Regional MDGs Tracking Report.<sup>1</sup> However, even with good access to education, health services, wider job opportunities in New Zealand, and generous welfare benefits, the issue of hardship persists because of income inequality between the main island of Rarotonga and the outer islands (Pa Enua). Per capita gross domestic product is relatively high (US\$14,918)<sup>2</sup> but mainly reflects expatriate residents and Rarotonga's tourism-based economy while concealing the subsistence lifestyle of the Pa Enua population, who makes up one-third of the total population. Given its archipelagic nature, the Cook Islands' outer-island population is widely dispersed and heavily reliant on inter-island trade by sea, and fossil fuel. Hence, the country's economy and population are vulnerable to late ship arrivals and fluctuating fuel prices. All islands have mini electricity grids powered by fossil fuel. Fuel, along with goods, is shipped at irregular intervals. The current average electricity tariff is around \$0.62 and thus among the highest in the Pacific, and communities on the islands collectively expressed concerns about the rising cost of power and stressed the need for both immediate and long-term solutions to reduce the cost of electricity. In 2012, the Government of the Cook Islands issued the Cook Islands Renewable Energy Chart Implementation Plan (CIRECIP) to fully convert the fossil-fuel-based energy system to one based on renewable energy by 2020.

**Beneficiaries.** Primary beneficiaries are communities of the Southern island group (Aitutaki, Atiu, Mangaia, Mauke, Mitiaro, and Rarotonga), particularly households with low income and/or those headed by women. Reliable energy from renewable sources will reduce the hardship on the outer islands because it reduces the risk of significant tariff increases due to the rising cost of diesel fuel—people could use the savings from avoided diesel costs to access better social services or make use of productive opportunities. Other beneficiaries are (i) fledgling private enterprises such as retail shops, and accommodation or other tourist establishments in the outer islands, for which reliable and sustainable power will ensure stable supply of basic goods and more demand for their services; (ii) schools, where stable power supply provides a better learning environment for students and teachers, and consistent access to advanced learning and training materials; and (iii) doctors, nurses, and patients because reliable power will allow access to advanced medical technology to support treatment. According to project preparatory consultations, poor and vulnerable groups such as women and children, persons with disabilities, the elderly, low-income households, and small business owners are most likely to benefit from the project. Reliable power supply enables efficient and quality access to basic services—lighting, communications, education, health, banking, and government services.

**Impact channels.** Construction of solar power plants to reduce reliance on costly diesel-based energy generation will provide project benefits to the poor and vulnerable people on the Southern islands, including women, elderly, and people with disabilities. It is also expected that the operation of solar power plants could provide better social services

<sup>1</sup> Cook Islands and Niue are only two countries on track to achieve MDG targets in the Pacific countries (Cook Islands, Federated States of Micronesia, Fiji Islands, Kiribati, Marshal Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu).

<sup>2</sup> Average per capita gross domestic product in Pacific countries in 2012 was \$5,354.

and create training and employment opportunities for local people, including women and youth.

**Other social and poverty issues.** This project focuses on the construction of solar power plants for the generation and supply of reliable and sustainable power to households, government service facilities, and business operations; i.e., power supply that is not subject to global diesel price fluctuations. The project's scope will not be extended to other social or poverty concerns.

**Design features.** By building solar power plants to displace current diesel-based power generation, the project is expected to reduce the production cost of electricity and the import bill for diesel, contribute to sustainable social and economic development, and reduce the Cook Islands' reliance on fossil fuels. Outer-island communities, including their schools and health facilities, will benefit from reliable, less costly power generation from renewable energy. The project design also includes the provision of jobs for local people in the project area during implementation. Contractor(s) will be encouraged to employ local men and women for project activities.

## 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.

Consultations were held with various stakeholders: (i) government officials such as island councils and environment officers in the Southern island group; (ii) Office of the Prime Minister, e.g., Energy Commissioner and Renewable Energy Development Department (REDD) officials; Te Aponga Uira (TAU) officials; Cook Islands Investment Corporation officials; and officials concerned with statistics, culture, environment, and women's affairs; (iii) chiefs, and local education and environmental protection officials; (iv) energy users such as households and businesses; (v) civil society, including environmental and women's groups; (vi) Women's Division under the Ministry of Internal Affairs and representatives from the Ministry of Culture; (vii) school principals in subproject areas; (viii) representatives of the elderly and persons with disabilities; and (ix) potentially affected persons such as landowners. In all, more than 70 people were consulted, 43 of them women, and 15 people were surveyed (4 women and 11 men). Stakeholder consultation and participation will continue during detailed design and construction.

2. If civil society has a specific role in the project, summarize the actions taken to ensure their participation. – Not applicable

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

The consultation with CSOs will continue during detailed design and construction to disseminate information and get feedback from stakeholders.

4. What forms of civil society organization participation is envisaged during project implementation

Information gathering and sharing  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. The project administration manual includes a stakeholder communication strategy and plan.

Key stakeholders such as women, affected people, low-income households, elderly, people with special needs, as well as traditional leaders and politicians will be consulted throughout the project cycle. Participatory approaches such as social surveys, focus group discussions, and community meetings will be used.

## III. GENDER AND DEVELOPMENT

Gender mainstreaming category: Some gender elements

### A. Key issues.

Of the population aged 5 and over in the Cook Islands, about three-quarters have either completed or attended secondary school and there is little gender gap in educational attainment. While women's overall labor force participation is 65%, it still trails men's (77%), according to the 2011 census report. The gender gap in labor force participation is especially great on the outer islands, where there are fewer jobs than on the main island, Rarotonga. The number of women employed in nonagricultural activities has increased steadily since 1990, but a certain degree of gender segregation persists in some occupations, where women are more likely to be engaged in sales and men more likely to be in construction jobs. The percentage of women in professional or managerial positions exceeds the percentage of men. Nevertheless, gender disparities are notable as women's annual income is only 78% of men's. Apart from fewer employment opportunities, men and women on the outer islands also suffer from irregular shipping services and the high cost of electricity.

### B. Key actions.

Measures included in the design to promote gender equality and women's empowerment—access to and use of

<p>relevant services, resources, assets, or opportunities and participation in decision-making process:  <input type="checkbox"/> Gender action plan   <input checked="" type="checkbox"/> Other actions or measures   <input type="checkbox"/> No action or measure</p> <p>Measures include ensuring women's participation in consultation activities; provision of gender awareness campaigns to target groups; encouraging women's participation in project-related contracts; and collection of gender-related data for monitoring purposes.</p>		
<b>IV. ADDRESSING SOCIAL SAFEGUARD ISSUES</b>		
<p><b>A. Involuntary Resettlement</b>      <b>Safeguard Category:</b> <input type="checkbox"/> A   <input checked="" type="checkbox"/> B   <input type="checkbox"/> C   <input type="checkbox"/> FI</p> <p>1. Key impacts. – The project is not expected to involve any physical displacement, but there will be impacts from the acquisition of land. The project preparatory study has estimated that three core subprojects will require a total of 4 hectares of land involving 72 households or 320 persons. All the civil works will be done on idle bush lands but will involve cutting of some fruit and invasive trees.</p> <p>2. Strategy to address the impacts. – A draft resettlement plan for three core subprojects has been prepared based on project preparatory assessments. A resettlement framework has been formulated with guidelines on preparing the resettlement plan for noncore subprojects during project implementation.</p> <p>3. Plan or other Actions.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Resettlement plan  <input checked="" type="checkbox"/> Resettlement framework  <input type="checkbox"/> Environmental and social management system arrangement  <input type="checkbox"/> No action         </td> <td style="width: 50%; vertical-align: top;"> <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         </td> </tr> </table>	<input checked="" type="checkbox"/> Resettlement plan <input checked="" 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
<input checked="" type="checkbox"/> Resettlement plan <input checked="" 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	
<p><b>B. Indigenous Peoples</b>      <b>Safeguard Category:</b> <input type="checkbox"/> A   <input type="checkbox"/> B   <input checked="" type="checkbox"/> C   <input type="checkbox"/> FI</p> <p>1. Key impacts. – The project preparatory technical assistance has confirmed that the local people in the project area do not meet the ADB criteria of indigenous peoples (distinctiveness and vulnerability).          Is broad community support triggered?   <input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No</p> <p>2. Strategy to address the impacts. – Not applicable</p> <p>3. Plan or other actions.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <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         </td> <td style="width: 50%; vertical-align: top;"> <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         </td> </tr> </table>	<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
<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	
<b>V. ADDRESSING OTHER SOCIAL RISKS</b>		
<p><b>A. Risks in the Labor Market</b></p> <p>1. Relevance of the project for the country's or region's or sector's labor market.  <input type="checkbox"/> unemployment   <input type="checkbox"/> underemployment   <input type="checkbox"/> retrenchment   <input checked="" type="checkbox"/> core labor standards</p> <p>2. Labor market impact. – The project is expected to generate small jobs during construction and operation (low)</p> <p><b>B. Affordability:</b> Not applicable</p> <p><b>C. Communicable Diseases and Other Social Risks</b></p> <p>1. Project construction and operation may pose risk of HIV/AIDS infection (Low)  <input checked="" type="checkbox"/> Communicable diseases   <input type="checkbox"/> Human trafficking  <input type="checkbox"/> Others (please specify) _____</p> <p>2. Describe the related risks of the project on people in project area. – All contractors will be required to provide awareness training on HIV/AIDS. REDD, as the implementing agency, will ensure that contractors comply.</p>		
<b>VI. MONITORING AND EVALUATION</b>		
<p>The project's progress will be monitored by tracking performance indicators in the design and monitoring framework. The project management unit will establish the project monitoring and evaluation plan at the project start, which will be incorporated into progress reports to be regularly submitted to ADB.</p>		

Source: Asian Development Bank.