

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Fiji, Republic of	Project Title:	Urban Water Supply and Wastewater Management Project
Lending/Financing Modality:	Project Loan	Department/Division:	Pacific Department/Pacific Subregional Office in Suva, Fiji

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS<sup>i</sup>

#### A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy<sup>ii</sup>

The Government of Fiji's strategic objectives are set out in its Roadmap for Democracy and Sustainable Socio-Economic Development, 2009–2014: and Green Growth Framework for Fiji approved by the cabinet on 29 July 2014. The framework is intended to be a transformative tool to accelerate integrated, inclusive, and sustainable development to build environmental resilience, enhance social development, and promote economic growth. Critical economic infrastructure has been identified as energy, transport, and water and other urban infrastructure and services. Waste management and fresh water resources and sanitation management are two of the ten thematic areas to be addressed in the short, medium and long term. With tourism becoming one of the key drivers of growth, proper management and disposal of waste water and conservation of fresh water is key not only to improving the urban environment but to ensuring employment creation. ADB's CPS 2014-2018 aims to (i) raise Fiji's longer-term growth potential by providing robust and reliable infrastructure; (ii) build resilience and reduce volatility by investing in economic infrastructure that is resilient to climate change and natural disasters; and (iii) make growth more inclusive and improve service delivery including improving water and sanitation infrastructure which will be vital for the large number of people living in peri-urban informal settlements, and can especially benefit the health and welfare of women and their families. Last 20 years the urban population has grown, while rural population has contracted. This has implications in the carrying capacity of the urban infrastructure to accommodate the influx of rural migrants and is identified as one of the factors contributing to increased number of urban squatters. The social dimensions of clean water and sanitation problems in the rapidly growing informal squatter settlements in urban areas are exceeding the government's capacity to finance services. Water Authority of Fiji is tasks with the delivery of water and sewerage in urban areas and increasing its capacity to efficiently provide services will benefit the urban poor and particularly women who far outweigh men as full-time household workers. The project will address ADB Water Operational Plan priorities by (i) expanding wastewater management; (ii) seeking reductions in non-revenue water; (iii) giving preference to water providers that in the process of being corporatized, or prepared to apply business principles in their operation; (iv) seeking to achieve sustainable continuing professional development for targeted government agencies.

#### B. Poverty Targeting

General Intervention  Individual or Household (TI-H)  Geographic (TI-G)  Non-Income MDGs (TI-M1, M2 etc.)

Rural–urban migration is accelerating, and the number of people living in cities is expected to increase from 50% in 2013 to 60% by 2030. As a result, while the proportion of people living in poverty is highest in rural areas, most of Fiji's poor people now live in urban and peri-urban areas, with an estimated 140,000 people residing in informal squatter settlements surrounding Fiji's main towns particularly in Suva-Nausori and Nadi-Lautoka corridor. The social dimensions of clean water and sanitation problems in the rapidly growing informal squatter settlements in urban areas are exceeding the government's capacity to finance services. Water Authority of Fiji is tasks with the delivery of water and sewerage in urban areas and increasing its capacity to efficiently provide services will benefit the urban poor and particularly women who far outweigh men as full-time household workers. Increasing the capacity of Water Authority of Fiji (WAF) to provide safe and reliable water supply in urban areas will improve living conditions of the urban poor who reside in areas more affected by service interruption. Improving waste water management and increasing WAF capacity to collect and treat waste water, particularly from growing commercial customers will reduce industrial pollution or rivers and marine environment and improve overall health of populations and particularly of the poor that tend to concentrate in most vulnerable areas.

**C. Poverty and Social Analysis**

1. Key issues and potential beneficiaries. Poverty remains a significant concern in Fiji, despite the overall level of development and the moderately high average incomes, poverty trends indicate that the national incidence of poverty declined from 35% in 2002–03 to 31% in 2008–09. Similarly, average household incomes increased from FJ\$12,753 in 2002–03 to FJ\$17,394 in 2008–09, with larger increases noted for urban households (FJ\$23,036 in 2008–09, or 51 percentage change) compared to rural households (FJ\$11,608 in 2008–09, or 10 percentage change). However, regional disparities have resulted in significant urban migration; and while poverty rates are higher in rural areas, most poor people are concentrated in urban and peri-urban areas around the main urban centers of Greater Suva Area and Nadi-Lautoka corridor. According to latest estimates, about 140,000 people lives in over 200 informal 'squatter' settlements around the country. Besides having no proper legal title to their homes, the vast majority lack basic amenities such as piped water, sewerage and electricity. Poverty rates are relatively low among industrial and institutional class areas and highest among households living in rural, urban villages, squatter settlements and low class areas.

2. Impact channels and expected systemic changes The project will benefit (i) urban households with an existing connection to the water supply network but that are currently affected by interrupted service or low water quality; (ii) urban households in peri-urban areas, urban villages and informal settlement within WAF service expansion area; (iii) urban population who use water creeks and marine areas for leisure or fishing and that are currently affected by waste-water pollution. Potential constraints to benefit from the project are related to financial capacity of households to pay for a water connection which amounts to \$X which is approximately % of minimum daily wage. WAF water tariffs are lowest in the Pacific and government is committed to ensure a tariff structure that will take into account the urban poor. WAF allows households in informal settlements to request a water connection which means the poorest are also potential beneficiaries. Although WAF already provides the option to pay the connection fees in installments, the project will explore other strategies to ensure that connection fees do not limit access to a water connection to the poorest and will carry out an affordability and willingness to pay study during project preparation. Focus groups with households in urban villages and informal settlements will take place to identify major constraints faced in accessing safe water supply.

3. Focus of (and resources allocated in) the PPTA or due diligence As part of the project due diligence, a Social Development, Gender and Poverty Specialist and a Community Participation and Social Development Specialist and a Resettlement Specialist have been allocated to conduct poverty, social and gender analysis as well as the participation and consultation plan. In addition budget for socio-economic surveys and for stakeholder consultation workshops has been allocated for project preparation.

4. Specific analysis for policy-based lending..

**II. GENDER AND DEVELOPMENT**

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program? Key Issues: (i) In the labor force, there is a higher incidence of female poverty (40%) compared to male poverty (32%). This figure rises to 75% if unpaid household workers are included. Fiji is ranked 120th out of 136 for female economic participation in the Global Gender Gap index, reflecting women's low rates of formal employment, although they play significant roles on smallholder farms and in marketing of fresh produce. Women are concentrated in informal employment, unpaid domestic work, and in low-paying less secure occupations which have been hit hard by declines in tourism and the garment industry where they are the majority of workers. Women have full legal ownership rights in access to land and property, but limited knowledge of these rights, and in practice, they are often not recorded as co-owners in titles of family assets or included in decision-making on disposition of communal land. In village organizations, men dominate, and women are often excluded from participation in decision-making. In provincial and local government, and local organizations, they are poorly represented. (ii) Sector Issues: Access to basic services (e.g., water, sanitation, housing and transportation) is a component of the Fiji Women's Plan of Action. Its inclusion as a development priority recognizes continuing needs for improved infrastructure, considering that women carry the primary responsibility for managing household chores and maintaining the family's well-being. The quality of water, sanitation, and power infrastructure has significant impacts on children's and family's health, which in turn affects women's time spent on household work including caregiving and constrains women's participation in income-generating activities. The growth of peri-urban settlements without infrastructure services is an area of concern with strong gender implications. At the household level, women comprise 74% of unpaid home workers, and there is unequal sharing of reproductive and household work, a 2005 analysis shows that women work fewer hours than men in paid employment, but women in fact work 26-31% more hours in total than men because of their disproportionate share of household responsibilities.

2. Does the proposed project or program have the potential to make a contribution to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making?

Yes  No Please explain. The project will increase access to safe and reliable water supply which is key to improving health outcomes of women and children while reducing household work burdens on women. The project due diligence will include women's involvement during project design and will prepare a gender action plan.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

Yes  No Please explain

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 EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design. Urban households with a water supply connection and households in peri-urban areas included in the service expansion areas of WAF are the main beneficiaries of the project. Other beneficiaries are households living close to Suva bay that are currently affected by waste-water discharges not meeting environmental standards. Households close to areas where major rehabilitation or construction works will take place might be temporarily negatively affected. Affected people will be consulted (i) at the scoping and planning phase of the project through village meetings, social surveys, and informant interviews; (ii) during detailed feasibility studies and design; (iii) prior to and during the construction phase; and (iv) during operation, maintenance and monitoring phase. Consultation will particularly target women, with women-only discussion groups and workshops to ensure their full engagement in discussions. The project will aim at supporting WAF with the implementation of a trade waste program to ensure industrial and commercial entities comply with WAF discharge standards and environmental regulations on liquid waste. They will be consulted during project preparation and project implementation.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the project design require participation of the poor and excluded? At each project site two focal points will be appointed (one of which will be a woman) for more detailed information sharing, and community development activities will be established, usually through an existing village committee and women groups. (M)

3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?

Information generation and sharing  Consultation  Collaboration  Partnership

The poverty and socioeconomic assessments of the project will identify any existing local civil society organizations, and will ensure that they are included in consultation activities. Although it is not envisaged that there will be a specific role for civil society organizations in implementation, but NGOs, churches, leaders, and women groups will provide channels for communication with the affected community to ensure they understand the subproject, delivery process, schedule, potential impacts, and opportunities.

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed?  Yes  No

The project will carry out a financial assessment and will discuss financial sustainability of water supply and sewerage services provided by WAF. Affordability issues affecting access to the services by the poor will be taken into account when discussing pricing strategies, connection fees and tariff structure and financing mechanisms such as community social obligations. As part of the project due diligence, willingness to pay and affordability study will be undertaken and findings will be included in project design discussions.

<b>IV. SOCIAL SAFEGUARDS</b>
<p><b>A. Involuntary Resettlement Category</b> <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The project might rehabilitate existing water supply and waste water treatment infrastructure and might build a new water intake and water treatment plant. The government has indicated that the land required for the expansion of the water treatment plant is government owned and would not require involuntary land acquisition. The consulting team that will carry out project due diligence includes a resettlement specialist to prepare a resettlement plan if required</p> <p>2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?  <input checked="" type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix  <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p>
<p><b>B. Indigenous Peoples Category</b> <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?  <input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social Impact matrix  <input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None</p>
<b>V. OTHER SOCIAL ISSUES AND RISKS</b>
<p>1. What other social issues and risks should be considered in the project design?  <input type="checkbox"/> Creating decent jobs and employment <input type="checkbox"/> Adhering to core labor standards <input type="checkbox"/> Labor retrenchment  <input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <input type="checkbox"/> Increase in human trafficking <input type="checkbox"/> Affordability  <input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability  <input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others, please specify _____</p> <p>2. How are these additional social issues and risks going to be addressed in the project design?</p>
<b>VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT</b>
<p>1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA 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?  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analysis, and participation plan during the PPTA or due diligence? As part of the project due diligence, a Social Development, Gender and Poverty Specialist and a Community Participation and Social Development Specialist and a Resettlement Specialist have been allocated to conduct poverty, social and gender analysis as well as the participation and consultation plan. In addition a budget to carry out socio-economic surveys and stakeholder workshops has been allocated for project preparation.</p>