



Initial Poverty and Social Analysis

Project Number: 53417-002
June 2023

Tuvalu: Funafuti Water Supply and Sanitation Project

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 4 May 2023)

Currency unit	–	Australian dollar (A\$)
A\$1.00	=	\$0.67
\$1.00	=	A\$1.50

ABBREVIATIONS

ADB	–	Asian Development Bank
CSO	–	civil society organization
NGO	–	nongovernment organization
PACOC	–	public awareness and community outreach campaign
PMU	–	project management unit
PRF	–	project readiness financing
TuFHa	–	Tuvalu Family Health Association
WASH	–	water, sanitation and hygiene

NOTE

In this report, "\$" refers to United States dollars, unless otherwise stated.

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country: Project Title:

Lending/Financing Modality: Department/Division:

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The project will contribute to Te Kete: Tuvalu's National Strategy for Sustainable Development 2021 to 2030 and its goal to "increased access to clean water and sanitation".¹ Te Kete highlights the water and sanitation issues facing Funafuti, the impact of these issues on the urban poor, and stresses the need for improved water management and sanitation infrastructure. The project is consistent with the objectives of ADB's Pacific Approach, 2021–2025, to support improvement of quality and affordability of water supply and sanitation services, and Strategy 2030.²

B. Poverty Targeting

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

The project will provide critical investments in water and sanitation infrastructure in Funafuti and support the improvement of existing asset management. It will update nationwide policies, legislation and regulations for water supply and sewerage services. Specific geographic interventions will be undertaken for local communities in Funafuti, specifically a PACOC focusing on water, hygiene, and sanitation issues. The interventions will seek to lower water and sanitation health risks (of both the wider community in and poor and vulnerable households) until future investments in water and sanitation infrastructure are completed.

C. Poverty and Social Analysis

- Key issues and potential beneficiaries.** Of a total population of 11,204 people in Tuvalu, 65% live in urban areas, with the majority living in Funafuti, where the population density is at least 2,500 people/km².³ The density rises to 4,225 people/km² in Fongafale islet, a heavily populated area of the capital. In 2010, the urban poverty ratio at the national poverty line was 26.3%, and in 2017 57% of the population earned less than \$6.85 per day.⁴ Funafuti has a shortage of water catchment and storage infrastructure causing periodic water shortages. In 2017, 49.8% of the urban population were using safely managed drinking water services (footnote 4). There are poor sewerage and sanitation facilities, due in part to unplanned and inadequate housing provision, resulting in unsanitary living conditions for the urban poor. In 2015, 5.6% of the urban population were using safely managed sanitation services (a hand-washing facility with soap and water) (footnote 4). Approximately 82.8% (2017) had access to basic sanitation facilities, while 5.8% practiced open defecation. As described in Te Kete, inadequate sanitary facilities, septage tank leakage and uncontrolled liquid sanitation waste is polluting Funafuti lagoon, resulting in reduced coastal marine life and coastal degradation (footnote 1). This is impacting on coastal fishery supplies to meet domestic needs and subsistence fishing, along with impacting on the health of the urban population. Limited institutional capacity and resources inhibit the government's ability to respond to these water and sanitation issues. Project beneficiaries will be residents and communities in Funafuti who will directly benefit from the PACOC focusing on water, hygiene, and sanitation issues. The poverty and social analysis are under preparation as part of project readiness financing (PRF) feasibility studies.
- Impact channels and expected systemic changes.** The project will provide improved access to safe water supply through improved rainwater harvesting, a piped water distribution network, increased water storage, and increased desalination capacity. It will also improve the existing sanitation conditions through improved septic tanks and septage management. Community awareness and education campaigns covering the links between (1) water supply management, (2) sanitation, (3) hygiene, (4) climate change, and (5) public health will be held throughout the community, including representatives of poor and vulnerable households.
- Focus of (and resources allocated in) the PRF or due diligence.** International and national consultants have been engaged under an ongoing PRF and are working in partnership with local government and communities to implement the design and implement a PACOC. The consultants have conducted poverty, social and gender assessments for the future investment projects, and are working in collaboration with government stakeholders to update policies and legislation.

¹ Government of Tuvalu. 2020. *Te Kete: Tuvalu's National Strategy for Sustainable Development 2021 to 2030*. Funafuti.

² ADB. 2021. *Pacific Approach, 2021–2025*. Manila; and ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.

³ Government of Tuvalu. 2018. *Tuvalu Population & Housing Mini-Census 2017 – Final Report*. Funafuti.

⁴ World Bank. [World Development Indicators](#) (accessed 17 February 2023).

4. Specific analysis for policy-based lending. N/A

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 account for 48.6% population of the total population of Tuvalu which is 11,206 persons (mini-census 2017). Tuvalu's National Gender Policy, 2016 recognizes social, cultural, economic barriers limit full participation of women in economic participation. The 2015 Pacific Regional MDG Tracking Report notes that women of Tuvalu have witnessed many changes in the last decades toward the improvement of their status and rights, greater access to education and employment, and access to high level management positions in government institutions. However, gender inequalities such as gender-based violence, access to economic resources and increased participation in decision-making still require attention in Tuvalu. The key issues related to the water and sanitation sectors remain lost time/opportunities for income-generating activities and public health risks.
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
- Tuvalu's Sustainable and Integrated Water and Sanitation Policy 2012–2021 recognizes the important role that women have in the management of water and sanitation and seeks to encourage women's participation in local planning and decision making. Consistent with principles of integrated water resource management (IWRM) and water, sanitation and hygiene (WASH), the policy promotes the strengthening of community capacity in water conservation, water safety, hygiene and proper use of eco-sanitation. Appropriate actions in line with national policy will be explored during due diligence to prepare gender action plan of the ensuing project and to promote gender equality and empowerment of women. The ongoing PRF is producing a gender action plan.
3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality? Yes No
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.
- National and local-level government will be the main stakeholders for all three outputs of the proposed project, as both partners and beneficiaries. They are active in project preparation via the PRF. Similarly, the PACOC will be delivered in collaboration with urban communities and schools in Funafuti.
2. Who are the key, active, and relevant CSOs in the project area?
- Civil society is limited and largely focused on social service delivery, but the Tuvalu Association of NGOs (TANGO) has been consulted and encouraged to participate to support other CSOs involvement in the project development. In the project space of water, sanitation, hygiene, and public health, there are three active NGOs: 1) Tuvalu Family Health Association (TuFHA); 2) Tuvalu Red Cross; and 3) Live and Learn. ADB and Government engaged TuFHa to complete household WASH and communication surveys. The PRF is also engaging a nongovernment organization (NGO) to deliver the Public Awareness and Community Outreach Campaign (PACOC). The PRF project team has also engaged with Funafuti Falekaupule (local government), who comprise of respected elders.
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 poor and vulnerable will need to be consulted on the overall targets of the project, their ability to pay for the improved services, and the design of the PACOC.
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?
- The PRF has engaged with the Kaupule (respected elders), CSOs, and poor and vulnerable members of the community on the issues identified above. A trusted family health NGO (TuFHA) was engaged to complete the WASH, communication, and poverty surveys. The project team took considerable care to ensure that the surveys covered the majority of the affected population, including the poor and vulnerable, while also avoiding overburdening any particular household with multiple surveys. A CSO is also being engaged to deliver the PACOC.
5. What level of CSO participation is planned during the project design?
- H Information generation and sharing H Consultation L Collaboration N/A Partnership

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

The majority of the project will utilize lands that are already leased or owned by the Crown or a Falekaupule. Temporary impacts are expected during installation of the pipe network, which will be in line with the existing road network.

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

The outputs of the project will not have impacts on any distinct and vulnerable groups of Indigenous Peoples as defined under ADB SPS.

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

The outputs of the project will not have impacts on any distinct and vulnerable groups of Indigenous Peoples as defined under ADB SPS.

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?

M Creating decent jobs and employment **H** Adhering to core labor standards Labor retrenchment
 L Spread of communicable diseases, including HIV/AIDS Increase in human trafficking **H** Affordability
 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? The bidding documents for the contractors engaged will include the requirements to: (i) deliver an awareness session to all workers on communicable diseases, including HIV/AIDS, and (ii) adhere to core labor standards and national laws. For the planned investments, the PRF has provided some support to the government to review its water supply and sewerage tariff framework. The proposed project will further support the government to make necessary changes.

VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the PRF contain key information needed to be gathered during PRF 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 are allocated for conducting poverty, social, and/or gender analysis; and the participation plan during the PRF or due diligence? The ongoing PRF project preparatory firm includes a social and gender specialist, focusing both on the due diligence for the future investment project. The PRF is also supporting the creation of a project management unit (PMU), which includes a social and resettlement specialist. A gender specialist is under recruitment. The PMU will continue operation under the proposed project.

ADB = Asian Development Bank; CSO = civil society organization; IWRM = integrated water resource management; NGO = nongovernment organization; PACOC = public awareness and community outreach campaign; PMU = project management unit; PRF = project readiness financing; TA = technical assistance; TuFHa = Tuvalu Family Health Association; WASH = water, sanitation and hygiene.
Source: Asian Development Bank.