Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 03/10/2020 | Report No: ESRSC01164

BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Marshall Islands	EAST ASIA AND PACIFIC	P171517	
Project Name	Digital Republic of the Marshall Islands Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Digital Development	Investment Project Financing	7/28/2020	9/30/2020
Borrower(s)	Implementing Agency(ies)		
Republic of the Marshall Islands	Ministry of Finance, Ministry of Transport and Communication, Marshall Islands National Telecommunications Authority		

Proposed Development Objective(s)

To expand access to the internet, promote private sector investment in climate resilient digital services, and establish the critical foundations for digital government services and the digital economy in the Recipient's territory.

Financing (in USD Million)	Amount
Total Project Cost	28.00

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

The Project will support investments in climate resilient digital infrastructure and mobilize private sector investment to increase access to higher quality, lower cost digital services. The Project will also support Government's efforts to move towards an integrated Digital Government Platform that will help to provide greater efficiency and resource-sharing within Government, facilitate better communication with citizens and residents, and introduce a more

service-oriented approach to serving individuals and business users. Technical assistance will also be provided on legal, regulatory and policy related issues, including the transaction structure for introducing new private sector investment and to build trust around the use of digital services.

D. Environmental and Social Overview

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]

The Republic of the Marshall Islands (RMI) is one of the world's smallest, most isolated, and vulnerable nations. The country consists of 29 atolls and five isolated islands (24 of which are inhabited) and has a total land mass of just 181 km² set in an area of over 1.9 million km2 in the Pacific Ocean. The population of the RMI was estimated at 58,400 in 2018 . The two largest urban centers, Majuro (the nation's capital) and Ebeye, are densely populated, with 28,000 and 9,614, people respectively. The outer island have far smaller populations such to limited employment and economic development opportunities. The fishing sector remains the main source of revenue, with Majuro being one of the busiest tuna transshipment port in the world, representing 18 percent of GDP in 2017. Infrastructure development, public administration and education were the main drivers of GDP growth in 2017.

The Project consists of the following components:

Component 1: a) supporting the provision of high quality, low cost digital services under a PPP arrangements; b) strengthening national connectivity backbone infrastructure including the roll out of domestic fiber optic network and other related backbone infrastructure on Majuro and Ebeye to strengthen domestic connectivity and bridge the middle and last miles between submarine fiber cable systems and users; c) Bridging the connectivity gap for outer islands will include financing to support the extension of 4G LTE connectivity and satellite bandwidth for all inhabited outer islands.

Component 2: a) development of a digital government strategic framework including stakeholder consultations and development of processes for implementation; b) digital skills development will address the disruptive potential of telecom sector restructuring, introduction of new private sector operators and the need to train citizens with the skills needed to succeed in a digital economy; c) digital ID for authentication of identify and electronic signatures; d) Secure government network and data center, disaster recovery/business continuity including design and procurement of digital government infrastructure and platform, consideration of climate change impacts, disaster risks security, resource management, operational and capital cost of operations, continuity of operations; e) implementation of pilot e-services; f) gender development office support to strengthen institutional capacity of the Gender Office to carry out activities to increase participation in the digital economy on a gender informed basis.

Component 3:a) telecommunication transactional support for PPP, regulatory review and establishment of the special purpose vehicle; b) development of legal and regulatory framework for digital government institutional and data governance arrangements; c) Creation and roll-out of a Government's Cyber Security Program.

Component 4: project implementation support.

D. 2. Borrower's Institutional Capacity

The Ministry of Transport and Communications is familiar with Bank policies from the implementation of the RMI Maritime Investment Project, but this is the first World Bank Project applying the ESF in the communications sector. The National Telecommunications Authority has no experience with the World Bank policies or ESF. The Government of RMI, through the Division of Inter Development and Assistance (DIDA) Ministry has set up a central implementation unit for World Bank projects. This Unit has a full time, international Environmental Safeguards Specialist, a local Environmental Safeguard Advisor and is currently recruiting an international Social Safeguards Advisor to provide additional support. This Unit is providing support across the portfolio and is experienced with World Bank Policies

and the ESF. This capacity and capability is considered adequate to support the integration of safeguards into the Digital RMI project. This will be the first project applying the Environmental and Social Framework (ESF) in RMI although RMI have a Programmatic Preparation Advance that was prepared under the ESF. Formal ESF training has been provided to DIDA and CIU and ongoing direct support will be provided to the client to ensure the requirements of the ESF are satisfied. During project implementation a new Government-owned wholesale infrastructure special purpose vehicle (SPV) managed by a private sector operator(s) under a Public Private Partnership (PPP) will be developed. The private entity will not be identified until project implementation and therefore a capacity assessment is not possible during project preparation. The entity will be required to comply with all ESF requirements as part of the PPP agreement.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC) Moderate

Environmental Risk Rating Moderate

The environmental risks are minor and relate primarily to installation and maintenance activities of infrastructure: shallow trenching (eg. around 20cm deep, 50cm wide) for fibre-optic cable, stringing of fibre, small towers and installation of internet equipment on existing towers and buildings. Community risks relate to health and safety near work sites (road accidents, pedestrian accidents, noise) and disruptions to access to properties and businesses. Occupational health and safety risks relate to working with optical fibre, working at heights and working in remote areas. Environmental risks of shallow trenching may result in minor vegetation clearance and sediment discharges. These types of risks and impacts are low in magnitude, predictable and expected to be temporary and site-specific and can be managed through effective codes of practice for the installation of infrastructure, training of workers and good supervision and oversight of mitigation measures. A project ESMP will be prepared and include these tools. A moderate risk rating is proposed primarily because the project is not complex and/or large, does not involve activities that have a high potential for harming people or the environment, and can be located away from environmentally or socially sensitive areas. The moderate risk rating will be validated/tested during project preparation given the project applies, through the development of 4G LTE technology, to a number of remote islands which may affect implementation of impact mitigation measures.

Social Risk Rating Moderate

Social risks relating to the project include construction impacts which can be adequately managed. During operation, risks associated with increased connectivity may include cyber-bullying, addiction and exposure to illicit material, and risks relating to unequal access based on gender, age or ability. Social benefits, such as access to information, education and employment, and impacts of increased connectivity can be managed through effective social assessment, and stakeholder engagement with a focus on improving and removing gaps to access for all (including the vulnerable) and developing safeguards within the institutional frameworks to ensure equitable access and means to engage with and complain about services. The project may require small scale land acquisition or temporary changes in access but priority will be given to Government owned or controlled land in order to minimise risks. The issues associated with the development of an e-services platform and digital identification will be considered during the social assessment and as part of stakeholder engagement activities. A moderate risk rating is proposed primarily because the project is not complex and/or large, does not involve activities that have a high potential for harming

people or the environment, and is located away from environmentally or socially sensitive areas. Further, through the central implementation unit, the borrower has the capacity to manage the E&S risks associated with the Project.
The risk of sexual exploitation and abuse/sexual harassment (SEA/SH) is assessed as low. The project is not expected to employ a significant migrant workforce and worker behavior can be informed by appropriate training and code of conduct. SEA/SH service providers are available in RMI and will be consulted during project preparation.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

ESS1 applies primarily to the installation and operation of terrestrial and mobile internet infrastructure (fibre cable either above ground on existing poles, on new poles on underground), satellite towers and dishes, small equipment sheds and boxes), and also to the technical advisory such as developing the Digital Government Strategy Framework. The environmental risks are minor and relate primarily to managing shallow earthworks during infrastructure installation and maintenance; where possible these will follow existing easements. The risks to the community and workers during installation and maintenance relate to health and safety disruptions to access to properties and businesses. These types of risks can be managed through effective codes of practice for the installation of infrastructure, training of workers and good supervision and oversight of mitigation measures. The risks to non physical and TA activities is low.
The social benefits of increased connectivity will include increased access to government services, banking services, welfare, education, health etc., and better connectivity to family, friends and social networks. This is particularly beneficial to those who may be considered vulnerable due to disabilities, people isolated from the broader community due to unemployment, parental roles, age etc. and people living in remote island communities. Social risks relating to increased connectivity are commonly understood to be cyber-bullying, addiction and exposure to illicit material, and risks relating to unequal access based on gender, age or ability. Social benefits and impacts of increased connectivity can be managed through effective social assessment, and stakeholder engagement with a focus on improving and removing gaps to access for all (including the vulnerable) and developing safeguards within the intuitional frameworks to ensure equitable access and means to engage with and complain about services.

The project will prepare a E&S assessment prior to appraisal to consider the key risks, which will include assessment of the implementation agency and relationship between the Project, DIDA and the CIU. Mitigation measures will be identified and included in a project ESMP.

Areas where "Use of Borrower Framework" is being considered:

Although the anticipated impacts are low, the Borrower's E&S Framework will not be relied upon because of a number of gaps in the legislation and capacity to meet World Bank Standards.

ESS10 Stakeholder Engagement and Information Disclosure

Stakeholder engagement is critical in the role out of infrastructure and access to improved services but also critical in the development and implementation of the institutional and democratic frameworks for improved e-Government

services. Key stakeholders include those who may be affected by construction works, but wider interested parties and beneficiaries will include those who will benefit from improved internet services across the country. A social assessment will be carried out in project preparation to inform the stakeholder engagement plan to focus on these key areas. Consultations will be carried out in the local languages and in culturally appropriate formats. The Borrower may require additional resources to assist in the development of an inclusive e-Government framework where stakeholders are fully engaged. A stand-alone SEP proportionate to the nature and scale of the project will be prepared prior to appraisal, and will be disclosed as early as possible to allow various stakeholders to understand the risks and impacts of the project. The SEP will also include a grievance procedure.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

The project will require contractors to install equipment, 4G and the terrestrial fibre network and across the country. Workers are likely to be direct employees or contractors; there is no expectation of community workers. An assessment of labor rights and laws as well as occupational health and safety legislation and implementation arrangements will be undertaken during project preparation. ESS2 requirements will be mandated through the project ESMP, bid documents, contracts and in the PPP agreement, and supervised by the Safeguards Specialist (with specialist support contracted to the PMU when required).

The Labor Management Procedures (LMP) will be prepared, based on the ESA process, during project preparation. It is proposed that the LMP be included in a specific section of the ESMP and will describe the findings of the ESA, national labor policies and practices, the types of project workers that are likely to be involved, worker influx, the procedures to apply ESS2, and a grievance mechanism.

OHS issues for workers include working at height, working with optical fibre and working in remote areas. OSH will be assessed during preparation, including consideration of issues within WBG EHS guidelines for Telecommunication. Mitigation measures will be included in the ESMP as necessary.

ESS3 Resource Efficiency and Pollution Prevention and Management

ESS3 is of minor relevance. There will be no emissions of pollution and no significant energy or water use required in installation or operation of the infrastructure. The likelihood of hazardous waste during the lifetime of the equipment, e.g. batteries, will be assessed during the environmental assessment. Waste management can be effectively managed under the ESMP to avoid and limit waste to landfill and maximise recycling and reuse. The ESMP will refer to the World Bank Group EHS Guidelines for Telecommunications and the General EHS Guidelines.

ESS4 Community Health and Safety

ESS4 is relevant to the Project. The risks to community health and safety are considered to be minor and manageable. These include road and pedestrian safety and during installation of fibre optic cable (which could be either above or below ground) and mitigation will be defined in the ESMP. Operational hazards have been screened as minor.

According to the World Health Organisation, considering the very low exposure levels and research results collected to date, there is no convincing scientific evidence that the weak RF signals from base stations and wireless networks cause adverse health effects. Site selection and good design can avoid risks to other key infrastructure on the small atoll islands such as aircraft or maritime navigation. The ESMP will refer to the World Bank Group EHS Guidelines for Telecommunications and have specific mitigation measures to inform design and site selection. The Contractors may bring in workers from overseas though the numbers are not expected to be significant. The social assessment prepared during project preparation will assess a range of issues in RMI relating to imported labor, gender, child labor, demand for sex workers, and trafficking and will identify suitable management and mitigation measures in the ESMP .

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

ESS5 is relevant for the project. Land will be required to 1) install the fibre network in Majuro and Ebeye, which may be on existing electricity poles, on new poles, or buried underground in shallow trench; 2) install satellite dish or towers (depending on technical requirements) for 4G access on the outer islands. The social assessment will provide a screening of the land access opportunities and issues, and if necessary and land access process will be included in the ESMP. Experience on previous projects in RMI has shown that Government-leased land is preferable (and generally available) for the installation of key infrastructure and should be prioritized for the project. Where private land is required, land leases or easements should be obtained on a voluntary basis where possible. Most infrastructure is flexible in its location and land owners will have power to deny access to project activities. However the need for involuntary land access will be assessed during preparation and if required the preparation of an appropriate resettlement instrument, such as a land access process, will be included in the ESCP. A RPF is not considered necessary as anticipated impacts are likely to be minor and mainly avoidable through selection of alternative routes.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

ESS6 has minor relevance to the Project. The footprint of the infrastructure is small and will mostly be laid within road reserve or on Government-leased land. Most infrastructure is flexible in its location and areas of natural habitat or conservation value can be avoided. Any physical disturbances will be minor and readily mitigated. The Codes of Practice in the ESMP can contain mitigation measures to avoid and remedy the minor impacts on vegetation.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

ESS7 is not currently relevant. There are no known groups that meet the criteria in ESS7 as the majority of people in RMI are Marshallese (98%) and will be the overwhelming beneficiaries for the project. The social assessment will confirm impacts to minority groups and project consultations will be conducted in accordance with ESS7 and the cultural needs of the the community on each island.

ESS8 Cultural Heritage

ESS8 has minor relevance to the Project. The footprint of the infrastructure is small and will mostly be laid within road reserve or on Government-leased land. Most infrastructure is flexible in its location and cultural heritage sites

can be avoided. The Codes of Practice in the ESMP can contain mitigation measures to avoid impacts on cultural heritage, including consultation, identification of key sites and the implementation of chance find procedures.

ESS9 Financial Intermediaries

NA

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways	No
OP 7.60 Projects in Disputed Areas	No

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered? No

Financing Partners

None.

B. Proposed Measures, Actions and Timing (Borrower's commitments)

Actions to be completed prior to Bank Board Approval:

Preparation of a environmental and social assessment and consultations with key government and other stakeholders will be undertaken prior to appraisal. This will include the preparation of an ESMP, LMP, SEP and ESCP. A land access plan may also need to be prepared but the timing is currently uncertain. If this cant be prepared prior to appraisal, a commitment to adequately managing land issues will be included in the ESCP.

Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):

Implementation of the safeguard instruments and Stakeholder Engagement Plan throughout the project and for technical assistance and physical investments. Preparation of Codes of Practice and other tools for the roll out of infrastructure. The preparation of contractor's bid documents and the PPP agreements to include the requirements of the Bank's Environmental and Social Standards (in particular ESS1, ESS2, ESS4 and ESS10).

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS	30-Sep-2020

IV. CONTACT POINTS

World Bank

Contact:	James L. Neumann	Title:	Senior Counsel
Telephone No:	473-9178	Email:	jneumann@worldbank.org
Contact:	Natasha Beschorner	Title:	Senior Digital Development Specialist
Telephone No:	5776+2522 /	Email:	nbeschorner@worldbank.org

Borrower/Client/Recipient

Borrower: Republic of the Marshall Islands

Implementing Agency(ies)

Implementing Agency: Ministry of Finance

Implementing Agency: Ministry of Transport and Communication

Implementing Agency: Marshall Islands National Telecommunications Authority

V. FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: http://www.worldbank.org/projects

VI. APPROVAL

Task Team Leader(s):	James L. Neumann, Natasha Beschorner
Practice Manager (ENR/Social)	Ann Jeannette Glauber Recommended on 06-Mar-2020 at 01:46:31 EST
Safeguards Advisor ESSA	Peter Leonard (SAESSA) Cleared on 10-Mar-2020 at 11:22:48 EDT