



Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 07/28/2025 | Report No: ESRSA04394

**I. BASIC INFORMATION****A. Basic Operation Data**

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P508537	Investment Project Financing (IPF)	Pacific Trade	2026
Operation Name	Accelerating Trade Facilitation In The Pacific		
Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)
East Asia and Pacific	Fiji, Kiribati, Solomon Islands, Tonga, Tuvalu, Vanuatu	EAST ASIA AND PACIFIC	Finance, Competitiveness and Innovation
Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
Kiribati, Kingdom of Tonga, Republic of Vanuatu, Tuvalu, Republic of Fiji, Solomon Islands	Ministry of Finance and Economic Development, Customs Administration, Ministry of Finance and Economic Management, Ministry of Transport, Energy, Communication and Innovation, Ministry of Revenue & Customs, Customs Department , Ministry of Finance and Treasury, Customs and Excise Division, Ministry of Infrastructure, Marine and Ports Department, Fiji Revenue and Customs Service, Pacific Islands Forum Secretariat, Port Authority Tonga, Tuvalu Ministry of Finance and Economic Development, Customs and Inland Revenue, Kiribati Port Authority, Ministry of Infrastructure and Public Utilities, Department of Ports and Marine	27-Jul-2025	05-Sep-2025
Estimated Decision Review Date	Total Project Cost		
22-Jul-2025	60,000,000.00		

Proposed Development Objective



To reduce the time and cost required for cross-border trade in Participating Pacific Island Countries (PPICs)

B. Is the operation 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 Activities

The project will reduce the time and cost required for cross-border trade in Participating Pacific Island Countries (PPICs). The Project includes three inter-linked components which will result in a reduction in the time and cost to trade across borders and contribute to the broader impact of economic growth and job creation. The Project has been designed to address a regional challenge through harmonized country-level solutions. While Project activities are designed at the country level, trade facilitation is inherently a regional challenge with several opportunities for a common regional approach. This is particularly true for the small islands because most shipping lines operate 'string' services in the Pacific where one route services many countries. In this structure, reforms at the level of an individual country may not be sufficient to have much impact on trade costs if the other countries in the string do not reform. This affects not only to intra-regional trade but also trade between the Pacific Islands and larger markets. The Project will result in harmonized, interoperable data model standards, international conventions and recommendations for trade facilitation and border agency reform. These will be implemented in each country which will ensure compliance with the requirements of free trade agreements and global standards and agreements such as the WTO Trade Facilitation Agreement and the WCO Revised Kyoto Convention facilitating easier access to export markets while also facilitating greater information exchange. The Project's components include the following: a. Component 1: Customs and Border Management Operations - finances work on customs management and the National Single Window for trade in each country with investments into hardware, software, and process reforms. The component also finances equipment needed by customs authorities and capacity building and training activities to facilitate more businesses to access export markets and more people to be trained to operate and maintain equipment purchased through the project. b. Component 2: Port Operations - finances equipment for trade facilitation as well as preparatory and feasibility work on larger investments. Specific equipment needs for port operations at the country level have been identified from a list of options that covers scanning, testing, quality, safety, and management needs (eg navigation aids, forklifts, vessel and container tracking systems, etc). The investment needs have been prioritized based on the impact on port turnaround and complementarity with ongoing ports investments by governments, the private sector, and development partners. c. Component 3: Project Management and Regional Coordination finances project implementation at the country level and includes a grant to the Pacific Islands Forum Secretariat as a key regional body to help coordination regional trade facilitation reform in line with the Pacific Regional Trade Facilitation Strategy.

D. Environmental and Social Overview

D.1 Overview of Environmental and Social Project Settings

The project scope is regional and covers various Pacific Island Countries (PICs) including Tuvalu, Fiji, Tonga, Samoa, Kiribati, Vanuatu, and Solomon Islands. The PICs are characterized by their small size, remoteness, geographic dispersion, and high degree of exposure to economic shocks, climate change, and natural disasters. All the countries are vulnerable to external shocks and five of them are Fragility, Conflict and Violence (FCV) countries.



The six PICs that the project will cover are also characterized by high occupational fatality rate on account of various features of current OHS landscape including: (a) reliance on local contractors where OHS standards are typically not enforced (b) OHS legislation are often minimal and even where regulations exist, enforcement can be weak due to limited resources and capacity within government agencies (c) many Pacific Islands are remote and dispersed, making it challenging to implement and monitor OHS practices consistently. The OHS risks are further exacerbated in the port operations where the proposed project interventions are planned.

Though specific data on heavy vehicle incidents in its ports is not readily available for the PIC's, it is widely reported that Occupational health and safety incidents involving heavy vehicle operation (fork lifts, gantry cranes, reach stackers etc) in the PIC port sector are a significant concern, with factors like inadequate infrastructure, lack of training, and insufficient safety regulations contributing to a higher risk of accidents and injuries. The specific challenges include lack of proper maintenance for equipment, inadequate safety procedures, and a potential for fatigue and stress among workers due to high workloads and demanding schedules.

Natural Hazards such as Cyclones, storm surges etc pose a significant risk to the country's ports, potentially causing damage to infrastructure and increasing the likelihood of accidents. Pacific Island countries are also some of the most vulnerable in the world to the effects of climate change and disasters. The World Risk Index 2020 ranks five Pacific Island countries (<http://www.worldbank.org/PNG>) among the top 20 most at-risk countries, including Vanuatu and Tonga, which are ranked first and second respectively. Vulnerability to climate change which transcends to impacts on project operations particularly from the extreme weather events such as cyclones, extreme precipitation, flooding, sea-level rise, coastal erosion, soil salinization.

The other country specific contextual risks that are relevant to the project type includes: (a) Kiribati and Vanuatu – limited water resources, high GBV risks (b) Tonga and Tuvalu – workplace exclusion and discrimination; gender representation in workforce (c) Solomon Islands - limited water resources, high GBV risks, workplace exclusion and discrimination; gender representation in workforce (d) Unexploded Ordinances (UXO) risks specifically for Solomon Island, Kiribati, Tuvalu and Vanuatu.

Trade across borders in the PICs is costly and slow for intrinsic and extrinsic reasons. The implementation of data-sharing platforms, such as single windows or community systems, is still pending in most countries, hindering ports from reaching their full potential in terms of efficiency, resilience to external risks, and reducing their environmental impact. Maritime safety, particularly for domestic sectors, is also a critical issue that needs attention in the PICs.

There are logistics and trade infrastructure gaps and excessively complex and costly procedures at the border. Detailed analytical and advisory work carried out since 2015 in the Pacific revealed that border processes remain complex and pointed to some common issues, including the following: (i) lack of coordination and information sharing between border agencies, which greatly increases the time to clear cargo at wharf and compliance costs; (ii) absence of electronic system outside of customs, meaning that traders must deal with manual processes at all other agencies (that typically requires multiple visits to different offices); (iii) absence of risk management systems to provide a fast track for traders with a good compliance record; and (iv) the information on regulations, fees and administrative procedures that traders must comply with is difficult and time-consuming to find, which increases costs and reduces compliance levels.



All these factors are resulting in extended lead times for cargo clearance at Pacific Island ports which exacerbate existing environmental issues in these six PIC's targeted by the project. The delay in cargo handling can lead to increased on-shore storage, potentially causing spills and leaks of hazardous materials, contributing to water and soil pollution. Additionally, longer port stays for ships can result in greater air and water pollution from increased emissions and discharges.

D.2 Overview of Borrower's Institutional Capacity for Managing Environmental and Social Risks and Impacts

The project will be implemented independently in each of the six countries and in PIF by Project Management Units (PMUs) established in each location. While the specific implementation arrangements will vary slightly among the six countries, the approach will rely on the national customs administration to implement Component 1 and the government agency responsible for ports (typically a department under a Ministry of Transportation or Infrastructure) to implement Component 2. Each country will establish a single PMU responsible for centralizing all recipient-level safeguards roles in close coordination with customs and ports authorities. This PMU will be funded by the project and established within one of the same line ministries or agencies implementing the project.

The PMU will utilize existing implementation support resources at the country level wherever possible. These resources include:

- **Shared Services Units:** Three of the recipients – Kiribati, Tonga, and Tuvalu – have shared services units established to support the implementation of World Bank Projects. Some of these units will perform the safeguard coordination roles on behalf of the project, while others will advise and build capacity in project-level PMUs.
- **Existing PMUs:** The project has explored using existing PMU capacity wherever available. In several countries, there are existing World Bank projects with highly rated PMU specialists who can either move to the project's PMU or cover the project's needs from their current PMU.

PIFS will support regional coordination to ensure harmonization of activities and help pool demand. Implementation within PIF will be supported by a combination of an existing PIF PMU and safeguard specialists recruited by the project. Additionally, each Implementing Agency (IA) will appoint a qualified Environmental and Social (E&S) Safeguards Focal Point for implementing the activity-level E&S risk management procedures and mitigation measures included in the Project Operations Manual (POM) before carrying out the relevant project activities. These positions will be maintained throughout the project implementation. PMUs will coordinate closely with the IAs, and this will be detailed in the POM.

As many of the IAs are inexperienced in implementing projects financed by development agencies, the project will prioritize training and capacity building related to safeguards compliance. The project team will work closely with PMUs and all IAs to provide training and capacity-building activities, particularly in the first year of the project.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Moderate



A.1 Environmental Risk Rating

Moderate

Environmental risks and impacts from the activities proposed under components 1 and 2 (i) are expected to be temporary, site specific and reversible in nature and can be mitigated through the standard operating procedures and good international industry practices. The downstream impacts from component 2 (ii) could be moderate to substantial based on the type of studies that will be requested by the government. As the type of studies are uncertain at this stage, moderate environmental risk assessed at the concept stage is retained for the project, and the project documents integrate principles of adaptive management. ESCP requires that Terms of Reference (ToR), work plans defining the scope of the studies and the outputs of the studies be drafted in a manner so that the advice and other support provided is consistent with ESSs 1-10. ESCP also requires terms of reference, work plans defining the scope of the studies and the outputs of the studies to be reviewed and cleared by the Association. The project E&S risk rating will be revised in case the project supports preparatory studies that has substantial downstream impacts. Nevertheless, the project will not finance activities implemented as outcome of the preparatory studies. The key Environmental risks for activities proposed under components 1 and 2 (i) include: (i) inadequate end-of-life disposal of replaced equipment leading to land contamination (ii) waste generation (hazardous and general waste) (ii) wastewater generation from wash bay facilities if not adequately treated can contaminate the marine environment (iv) construction stage risks typical for small scale civil works such as impact on ambient air quality from dust generation, noise emissions, waste and wastewater generation, Occupational Health and Safety (OHS) risks (v) Operating heavy vehicles to be procured under the project presents several OHS risks - physical hazards from falling objects and equipment malfunctions, vehicle collisions and run-over accidents, and operational risks including driver fatigue and ergonomic risks from improper postures, repetitive movements, and manual handling tasks associated with operating heavy vehicles and equipment. A focused E&S assessment (FESA) is prepared which outlines the mitigation measures, ESCoPs to manage the project risks consistent with ESS requirements and screening procedure of preparatory studies. The screening aims to exclude the preparatory studies which impact critical habitats, located in legally protected areas and internationally recognized sites (as per ESS6 para 26), AZE sites, UNESCO Natural and Mixed World Heritage Sites from project financing. For the preparatory studies that will be financed by the project, , ESCP requires to prepare and then integrate into POM procedures on drafting and approval process (including clearance by Association) of Terms of Reference (ToR), work plans defining the scope of the studies and the outputs of the studies so that the advice and other support provided is consistent with ESSs 1-10. ESCP also requires the PMUs to adopt and incorporate E&S risk management measures outlined in the Focused E&S Assessment including the ESCoPs into the Project Operational Manual (POM).

A.2 Social Risk Rating

Moderate

The project social risk rating is Moderate. This rating reflects the project's focus on digitalizing trade processes, providing small-scale equipment, and capacity building, which generally present manageable social risks. However, the multi-country nature of the project, operating across diverse PICs, including some classified as FCV affected, as well as potential downstream impacts of TA work that is yet to be defined introduces complexities that elevate the risk from Low. Key potential social risks contributing to the Moderate rating include: ESS2; the project involves direct and indirect labor, risks include ensuring fair, safe, and healthy working conditions for project staff and those involved in equipment installation and operation. Moreover, there is potential for SEA/SH incidents, particularly during capacity-building activities and interactions with communities. ESS4; While civil works are limited to small-scale installations within existing port areas, the introduction of new equipment and increased activity could pose minor risks to community health and safety, such as increased traffic or noise. ESS5; the project will not finance any civil works that involve involuntary land acquisition, nonetheless, the installation of small-scale equipment (e.g., container wash bays,



X-ray scanners) may require temporary access restrictions within existing port facilities. The preparatory work for larger port investments (Component 2.2) will identify potential future land acquisition needs with downstream risks. ESS1, ESS7; The project operates in a region with diverse populations, including IPs. While the project's direct interface with communities is limited, changes in trade processes or port operations could indirectly affect small-scale traders, informal workers, or communities reliant on port activities. The project needs to ensure equitable access to benefits and information, and that potential adverse impacts on vulnerable groups are identified and mitigated. ESS8; the Project is unlikely to involve new construction that could affect cultural sites. However, given that communities of the participating countries rely on coastal and lagoon habitats for ecosystem services, increased discharge volumes of wastewater have the potential for minor impacts to natural habitats, or cultural sites such as fish kills or damage to coral from sedimentation, and ESS10; Effective stakeholder engagement and accessible grievance redress mechanisms are crucial, especially given the multi-country context and the potential for diverse local concerns regarding trade processes and port operations. The anticipated social risks are generally considered manageable with standard mitigation measures and the application of relevant Environmental and Social (E&S) instruments. The project has prepared a Focused E&S Assessment, which includes an Environmental and Social Code of Practice (ESCoP) for risk management. It also provides screening procedures to address technical assistance and downstream E&S risks and impacts, and incorporates physical and cultural change find procedures. A Stakeholder Engagement Framework has been developed to facilitate the creation of country-level Stakeholder Engagement Plans (SEPs). Additionally, the Environmental and Social Commitment Plan (ESCP) requires Labor Management Procedures (LMPs) to be developed in accordance with ESS2, and mandates SEA/SH risk assessment and the implementation of mitigation measures throughout project implementation. Moreover, the ESCP requires the Project to prepare and integrate into POM procedures for drafting and approving (including clearance by Association) ToRs, work plans and outputs to ensure TA embeds and upholds ESSs 1-10.

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

B.1 Relevance of Environmental and Social Standards

ESS1 - Assessment and Management of Environmental and Social Risks and Impacts

Relevant

Environmental and Social risks and impacts from the activities proposed under components 1 and 2 (i) are expected to be temporary, mostly site specific and reversible in nature; and can be mitigated through application of standard operating procedures and good international industry practices. The downstream impacts from component 2 (ii) could be moderate to substantial based on the type of studies that will be requested by the government. Nevertheless, the project will not finance any downstream activities pursuant to the studies and assessments supported under this activity. A focused E&S assessment is prepared which outlines the mitigation measures, ESCoPs to manage the project risks consistent with ESS requirements and screening procedure of preparatory studies. The screening for preparatory studies aims to exclude the activities which have significant impacts such as (a) impacts on critical habitats, located in legally protected areas and internationally recognized sites (as per ESS6 para 26), AZE sites, UNESCO Natural and Mixed World Heritage Sites (b) result in the involuntary taking of land, for example through recourse to eminent domain and/or physical displacement and resettlement of households with either formal or informal tenure (c) impacts on lands and natural resources subject to traditional ownership or under customary use or requires relocation of Indigenous Peoples from lands and natural resources subject to traditional ownership or under customary use (d) loss of, or damage of any degree to cultural properties, such as archaeological sites of high



historical, religious, cultural, and natural values if not possible to mitigate from project financing. For the preparatory studies that will be financed by the project, ESCP requires to prepare and then integrate into POM procedures on drafting and approval process (including clearance by Association) of Terms of Reference (ToR), work plans defining the scope of the studies and the outputs of the studies so that the advise and other support provided is consistent with ESSs 1-10. ESCP also requires the requirement to adopt and incorporate E&S risk management measures outlined in the Focused E&S Assessment including the ESCoPs into the Project Operational Manual (POM). Each Implementing Agency (IA) will appoint a qualified E&S Focal Point for implementing the activity level E&S risk management procedures and mitigation measures as outlined in the POM before the carrying out of the relevant Project activities and thereafter maintain these positions throughout Project implementation. The E&S focal point will be supported by the safeguard specialist at PMU which is funded by the project. The IA will also prepare the necessary safeguard instrument for compliance with applicable national standards and E&S regulatory permits and requirements. ESCP requires IA to prepare and submit regular monitoring reports on the environmental, social, health and safety (ESHS) performance of the Project covering key performance indicators (KPIs) such as record of accidents and incidents, energy and water consumption, waste generation and management during construction and operations etc as per the ESCP requirements. Contractor and sub-contractor management will be undertaken by (a) incorporating the relevant aspects of the ESCP, including, inter alia, ESCoP, the Labor Management Procedures, and code of conduct, into the E&S specifications of the procurement documents and contracts with contractors (b) cascading the requirements to sub-contractors and (c) undertake regular monitoring to ensure that the contractors comply and that they require their subcontractors to comply with the E&S specifications of their respective contracts.

ESS10 - Stakeholder Engagement and Information Disclosure

Relevant

A Stakeholder Engagement Framework is prepared to ensure effective stakeholder engagement will be undertaken throughout the project lifecycle to ensure that project-affected parties and other interested parties are informed and consulted about the project's design, implementation, and performance. Broad categories of likely stakeholders include local communities near port facilities and trade infrastructure, national and regional government agencies (e.g., Customs, Ministries of Trade, Port Authorities, Biosecurity, Health/Food Safety, Standards and Technical Regulators), regional bodies such as the Pacific Islands Forum (PIF) and the World Customs Organization (WCO), private sector entities involved in trade and logistics, and civil society organizations among others. The SEF will guide country level Stakeholder Engagement Plans. Each SEP will be a living document, developed and updated throughout the project's phases. It will outline a clear engagement strategy for different stakeholder groups, detailing the timing, methods, and frequency of interactions. Information disclosure will be a key component, ensuring that relevant project information, including potential risks, impacts, and mitigation measures, is provided in a timely, understandable, and accessible manner, considering cultural appropriateness and diverse literacy levels. This will include the use of various channels and formats. Meaningful consultation will be central to the engagement process, characterized by two-way communication, early initiation, ongoing dialogue, and responsiveness to feedback. Specific measures will be integrated into the SEP to facilitate the participation of vulnerable and disadvantaged groups, ensuring their voices are heard and their concerns addressed. A project-level Grievance Mechanism (GM) will be established for PAPs, distinct from any worker-specific grievance mechanisms. The GM will be accessible, inclusive, transparent, and effective, providing multiple uptake channels for grievances. It will detail procedures for lodging, tracking, investigating, and resolving complaints in a timely and fair manner, while ensuring confidentiality and protecting against retaliation. Information on the GM's procedures and accessibility will be widely publicized. The SEP will also include provisions for monitoring and reporting on engagement activities and the effectiveness of the GM.



ESS2 - Labor and Working Conditions

Relevant

ESS2 is relevant due to the direct and indirect engagement of various worker types across the project components. The project involves activities such as the design, development, and implementation of digital trade solutions, acquisition and operation of trade facilitation equipment, and significant capacity building initiatives. This will necessitate the engagement of Direct Workers employed by the Borrower/Project Management Units (PMUs) for project management, coordination, and technical oversight. Contracted Workers will be extensively involved, particularly for the installation and maintenance of digital systems, and for the delivery, installation, and potentially operation of small-scale trade facilitation equipment (e.g., X-ray scanners, cranes, forklifts). Given the nature of equipment acquisition, there may also be Primary Supply Workers involved in the manufacturing and supply chain of specialized equipment, though their direct engagement with the project will be limited. Finally, Government Civil Servants from customs agencies, ministries of trade, and port authorities will be key beneficiaries of capacity building and will be involved in the implementation and operation of new systems and equipment. The primary labor risks include occupational health and safety (OHS) hazards associated with the installation and operation of equipment, potential for labor influx in specific locations if significant physical works are undertaken (though currently not anticipated), and ensuring fair terms and conditions of employment for all worker categories. Procurement and operating heavy vehicles financed through the project presents numerous occupational health and safety risks. These include: (a) Workers are at risk of falling from heights while loading and unloading trucks, accessing equipment, or working on elevated surfaces (b) vehicle collision risk to pedestrians if traffic management is inadequate, workers under or near vehicles are also at risk if the vehicle or parts shift or fall (c) ergonomic risks from Repetitive tasks like manual handling, lifting, and improper postures (d) Workers may be exposed to chemicals, fumes (especially in enclosed spaces), and other hazardous substances during loading, unloading, and maintenance activities (e) Long shifts, night work, and demanding schedules can contribute to driver fatigue, increasing the risk of accidents and errors (f) accidents through equipment failure such as Malfunctioning brakes, improperly restrained loads. Risk management strategies included in the ESCoPs adequately covers comprehensive safety protocols, training, and a focus on both vehicle and pedestrian safety. These ESCoPs will be included in the POM and implemented by IA(s) through the procurement of the vehicles and operations. Procurement of the heavy vehicles (under component 2 (i)) shall include relevant safety features defined in the ESCoPs as part of the bidding document and the contractual agreement with the supplier in accordance with ESCP provisions. The safety features include: (a) Load Monitoring Systems: These systems help prevent overloading and tip-overs by providing real-time data on load weight and center of gravity (b) Stability Control: Features like anti-roll or anti-skid systems help maintain stability during operation, especially on uneven surfaces or when handling heavy loads (c) Operator Safety Cabin: A well-designed cabin with adequate visibility and features like seatbelts and roll-over protection (d) Anti-Slip Technology: to prevent slips and falls, especially in wet or greasy environment. The contractual agreement with supplier will also include Operator Training and Certification to operate the heavy vehicles according to relevant standards and regulations. Control measures developed in ESCoPs include (a) Risk Assessment: Regularly assess workplace hazards and implement appropriate control measures to mitigate risks (b) Safe Operating Procedures such as (i) Pre-Operational Checks: daily inspections, including visual checks, fluid level checks, tire inspections, and controls functionality (ii) Load Handling - Ensure loads are properly secured, within the manufacturer's capacity, and distributed evenly to maintain stability. (iii) Speed and Movement: Maintain safe speeds and avoid sudden movements that could lead to instability or accidents (iv) Path Planning: Plan routes carefully to avoid tight corners, obstacles, and congested areas. Traffic Management: Implement clear and effective traffic management plans to separate pedestrians and vehicles, and ensure proper signage and barriers (c) Training and Procedures: Provide comprehensive training on safe operating



procedures for heavy vehicles, including load securing, emergency procedures, and hazard identification (d) Personal Protective Equipment (PPE): Ensure workers wear appropriate PPE, such as high-visibility clothing, hard hats, and safety footwear at no cost to the workers (e) Fatigue Management (f) maintaining vehicles in good working order, including regular inspections and maintenance. The construction contractors will be exposed to Occupational Health and Safety (OHS) risks during civil works. Risks will arise from a range of hazards such as the use of hazardous materials, heavy machinery, movements of trucks, working at high, falling objects, exposure to toxic welding gases, chemicals, noise, emissions etc. ESCoPs for managing the construction stage OHS risks are included in the focused E&S assessments and shall be integrated into the contractor bidding documents as per the provisions in ESCP. The ESCP requires that Labor Management Procedures are prepared for each participating country. The LMPs will address these risks and outline the project's approach to managing labor and working conditions in accordance with ESS2. The ESCP also requires that contractors and subcontractors implement OHS management measures and enforce worker Codes of Conduct.

ESS3 - Resource Efficiency and Pollution Prevention and Management

Relevant

Key pollution risks include waste generation (hazardous and non-hazardous waste) during the construction and operations; end-of-life disposal of existing equipment replaced by project interventions; wastewater generation particularly from the washbay facilities financed by the project. The risks from the waste generation (particularly hazardous waste) is exacerbated by absence of GIIP aligned hazardous waste disposal facilities in most of the PICs targeted by the project. To meet ESS3 requirements on hazardous waste management; ESCoPs on the waste management includes adopting mitigation hierarchy for waste management with the final disposal options including either to (a) arrange for supplier/contractor take back or (b) disposal methods in accordance with GIIP including through landfill sites being operated in accordance with GIIP requirements. ESCP requires the IAs to integrate the ESCoPs on the waste management in the POM, append them to the contractual agreement with suppliers/contractors and implement them throughout the project. Operation of container washbays will generate wastewater which will require management. MARPOL requires ports to have in-situ wastewater treatment plants to treat sewage and other wastewater generated by ships and ports to meet environmental standards before discharge into the receiving waters. These standards are often set by international agreements like MARPOL Annex IV and local regulations. ESCoPs on the wastewater management proposes to (a) leverage the existing wastewater treatment plant at the port to treat the wastewater from the container washbays and (b) in the absence of an existing WWTP, install a treatment system to treat the wastewater from wash bays in accordance with WBG General EHS Guidelines to ensure that the pollution load of the discharged wash water meets the national standards. ESCP requires IA to integrate the ESCoPs on the wastewater management in the POM, append them to the contractual agreement with contractors and implement them throughout the project. Civil works, expected to be minor, will require the use of construction materials, consume small amounts of water and energy. Extraction of construction materials (e.g., sand and aggregates) from beaches or active channels for use in civil works is a prohibited activity under ESCoP as it may cause changes in coastal processes and hydrology, altering channels and causing erosion. ESCP requires that aggregate extraction required for the project will be from licensed sites with all required permits and approvals from the relevant authorities. Overall, the Project will result in positive impacts on resources and pollution, particularly through digitalization customs initiatives. This includes (a) reduced greenhouse gas emissions, (b) reduced waste generation and (c) reduced resource consumption related to trade processes (d) facilitates the smooth flow of goods, which can minimize idling time for ships and aircraft, thus reducing fuel consumption and emissions.



ESS4 - Community Health and Safety

Relevant

Since the project is located within an existing port facilities, no significant additional impacts on the health, safety and security of the local community are expected. The transportation of the equipment's and the heavy vehicles procured under the project may have limited impact on the communities along the access routes. In order to deal with any community health and safety risks during transportation, the ESCP requires the project to implement safety measures outlined in the ESCoP. The ESCoP include measures ensuring that drivers are adequately trained and licensed, that vehicles are properly maintained and regularly inspected to minimize the risk of mechanical failures that could cause accidents, and that speed limits and other traffic regulations are strictly enforced. Port security arrangement is typically governed by International Ship and Port Security (ISPS) code. For alignment with ESS4, the security plan as per ISPS needs to be supplemented with (a) prior assessment if security forces are implicated in past abuses (b) training in the use of force and appropriate conduct toward workers and affected communities (c) grievance mechanism. During undertaking the minor civil works procured under the project there is potential for discovery of unexploded ordnance (UXO). ESCP requires IA to develop procedures in accordance with Recipient Country for the UXO identification and clearance activities and integrate such provisions in the civil works contract. Project will not finance UXO clearance activities. Preparatory studies financed by the project could have downstream UXO risks for which ESCP requires to prepare and integrate into POM procedures on drafting and approval process (including clearance by Association) of Terms of Reference (ToR), work plans defining the scope of the studies and the outputs of the studies so that the advise and other support provided is consistent with ESS 4.

ESS5 - Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Relevant

ESS5 is relevant as the project's Component 2, specifically Subcomponent 2.1, involves the acquisition and installation of small-scale trade facilitation equipment and assets, such as X-ray scanners, container wash bays, weighing equipment, laboratory testing equipment, cranes, forklifts, and trucks. While the project is not envisaged to finance any large-scale civil works, the installation and operation of this equipment, particularly container wash bays, may require minor civil works or modifications to existing port facilities. This could lead to limited physical displacement (e.g., relocation of existing structures or facilities within port areas) or economic displacement (e.g., temporary disruption of access to certain areas for port workers or small-scale traders, or loss of minor assets). The project will prioritize avoiding and minimizing such impacts by mandating land use due diligence prior to any (minor) civil works and screening TA activities to incorporate the requirements of ESS5. The ESCP reflects the ESS5 requirements including that any land take preparation process(es) includes an assessment of land acquisition and resettlement/rehabilitation policy and regulatory frameworks in each of the participating countries to detail implementation mechanisms and conformity with ESS5.

ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources

Relevant

The key risk is from inadequate water treatment resulting in poor quality water discharges from construction and operations, stormwater runoff, discharge of sediments impacting the marine habitat. As mentioned in ESS3, ESCoPs for wastewater management are prepared including sediment control plan and storm water management in line with GIIP during construction, operation and maintenance activities. Preparatory studies financed by project may generate downstream impacts to biodiversity conservation and sustainable management of living natural resources (e.g. feasibility studies for expanded port infrastructure which will generate E&S risks and impacts associated with both



construction and expanded port operations). FESA includes screening procedures of preparatory studies which will be integrated into the POM as per ESCP provisions. The screening aims to exclude the preparatory studies which impact critical habitats, located in legally protected areas and internationally recognized sites (as per ESS6 para 26), AZE sites, UNESCO Natural and Mixed World Heritage Sites from project financing. For preparatory studies that will be financed by the project, ESCP requires to prepare and develop and obtain clearance from Association the ToR integrating ESS6 considerations and review and finalize outputs of such studies so that the advise and other support provided is consistent with ESS6.

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

Relevant

The project is operating in several countries that have Indigenous Peoples as per the ESS7 criteria. In lieu of standalone IPPs, the ESCP requires that IP considerations are streamlined throughout the project documents, including sub-project E&S instruments which will include tailored IP considerations relevant to the country and project activity.

ESS8 - Cultural Heritage

Relevant

ESS8 is considered relevant for the Accelerating Trade Facilitation and Logistics In The Pacific Project (P508537). The project includes physical improvements under Component 2, specifically Subcomponent 2.1, which involves the acquisition and installation of small-scale trade facilitation equipment and assets such as X-ray scanners, container wash bays, cranes, forklifts, and trucks. While these are described as "small-scale," their installation and operation, particularly within existing port and customs facilities, may involve earth movement, minor civil works, or modifications to existing structures. Such activities have the potential to impact unknown archaeological resources or built heritage within or adjacent to these facilities. Furthermore, the project's focus on enhancing trade and logistics could indirectly affect intangible cultural heritage related to traditional trade practices or community access to culturally significant areas within port vicinities. Therefore, meaningful stakeholder consultation as part of the SEF/SEP and the implementation of a Chance Finds Procedure are mandated by the ESCP and included in the FESA to manage potential impacts.

ESS9 - Financial Intermediaries

Not Currently Relevant

N/A

B.2 Legal Operational Policies that Apply

OP 7.50 Operations on International Waterways

No

OP 7.60 Operations in Disputed Areas

No

B.3 Other Salient Features

Use of Borrower Framework

No



Borrower's framework is not proposed to be used for the project. Though all recipient countries have robust environmental regulations in place, there are gaps compared to ESS requirements and the enforcement is not consistently strong, particularly at the local level. For most of the participating countries, civil works will require environmental assessment with project details (layouts and plans), risk and impact identification, management and monitoring plan. Nevertheless, there are gaps in this approach vis-à-vis the ESS requirements such as: (a) no explicit reference to assess potential adverse risks related to occupational health and safety and community health and safety, (b) lack of a plan for ongoing engagement and grievance redress mechanism (i.e., no stakeholder engagement), (c) absence of requirement to assess climate change impacts (d) absence of requirements to address the Occupational Health and Safety requirements from procurement and use of heavy vehicles

Use of Common Approach

No

N/A

C. Overview of Required Environmental and Social Risk Management Activities

C.1 What Borrower environmental and social analyses, instruments, plans and/or frameworks are planned or required by implementation?

A Focused Environmental and Social Assessment (FESA) and Stakeholder Engagement Framework (SEF) has been developed during appraisal as the environmental and social risk management instruments. FESA provides principles and specific process and technical guidance to the PMU and IAs to manage the E&S risks and impacts of the Project activities, including ensuring that individuals or groups who, because of their particular circumstances, may be disadvantaged or vulnerable, are not disproportionately impacted and have access to the development benefits resulting from the Project.

FESA included: (a) assessment of potential E&S risks and impacts of the project investments, and proposed mitigation measures and ESCoPs which will address these risks/impacts for the project achieve outcomes that are materially consistent with the outcomes of World Bank's Environmental and Social Standards (ESSs); (b) procedures for the E&S screening, review, approval, and implementation of preparatory studies; (c) roles and responsibilities, and outline the necessary reporting procedures, for managing and monitoring E&S issues/concerns related to the activities; and (d) training and capacity building needed to successfully implement the provisions of the Assessment. The SEF serves as a roadmap for development of a SEP by each recipient country's PMU for the investments and activities proposed under the project.

Each IA will further develop a Labor Management Plan (LMP) and Stakeholder Engagement Plan (SEP). As the scope of preparatory studies and feasibility work for future gov't investment priorities in maritime trade, fisheries, etc under component 2 will be defined later in project implementation, the extent of downstream impacts are unknown. Consequently, a screening procedure was developed in FESA which aims to exclude the preparatory studies from project financing which has significant downstream impacts such as (a) impacts on critical habitats, legally protected areas and internationally recognized sites (as per ESS6 para 26), AZE sites, UNESCO Natural and Mixed World Heritage Sites (b) result in the involuntary taking of land, for example through recourse to eminent domain and/or physical displacement and resettlement of households with either formal or informal tenure (c) impacts on lands and natural resources subject to traditional ownership or under customary use or requires relocation of Indigenous Peoples from



lands and natural resources subject to traditional ownership or under customary use (d) loss of, or damage of any degree to cultural properties, such as archaeological sites of high historical, religious, cultural, and natural values if not possible to mitigate. For preparatory studies that will be financed by the project, ESCP requires to prepare and integrate into POM procedures on drafting and approval process (including clearance by Association) of Terms of Reference (ToR), work plans defining the scope of the studies and the outputs of the studies so that the advise and other support provided is consistent with ESSs 1-10.

III. CONTACT POINT

World Bank

Task Team Leader: Christopher David Miller Title: Senior Private Sector Specialist

Email: cmiller1@worldbank.org

TTL Contact: Satoshi Ogita Job Title: Senior Transport Specialist

Email: sogita@worldbank.org

IV. 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>

V. APPROVAL

Task Team Leader(s): Christopher David Miller, Satoshi Ogita

ADM Environmental Specialist: Sandeep Kota

ADM Social Specialist: Rebekah Beatrice Ramsay