

Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 09/07/2022 | Report No: ESRSC02930



BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
South Asia		P179242	
Project Name	Transforming Fisheries Sector Management in South-West Indian Ocean Region and Maldives Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Environment, Natural Resources & the Blue Economy	Investment Project Financing	1/16/2023	4/4/2023
Borrower(s)	Implementing Agency(ies)		
South-West Indian Ocean Fisheries Commission, Republic of Maldives	Maldives Ministry of Fisheries, Marine Resources and Agriculture, South-West Indian Ocean Fisheries Commission Secretariat		

Proposed Development Objective

to support sustainable management of fisheries resources and enhance livelihoods in Maldives and the South-West Indian Ocean region

Financing (in USD Million)	Amount
Total Project Cost	55.00

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]

Maldives and 11 other countries border the waters of the South-West Indian Ocean (SWIO). Fisheries, especially small-scale and subsistence fisheries play a significant role for the livelihoods, and accounts for a substantial part of Gross Domestic Product (GDP). Strong economic growth, coupled with rapid urbanization and population growth is

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putting severe pressure on the region’s fisheries management and calls for regional cooperation in the sector to achieve sustainable fisheries management. The SWIO Region is home to multiple fish species, yet pressure on fish stock has reached a high level, as many countries compete for the resources in the area. Priority challenges for Maldives are similar to challenges for the SWIO region and addressing these challenges in Maldives will create appropriate demonstration and impetus for improved management of fisheries resources in the SWIO region.

The proposed project development objective (PDO) is to support sustainable management of fisheries resources and enhance livelihoods in Maldives and the South-West Indian Ocean region. The project will have a regional benefit focus and address the shared challenges of the South-West Indian Ocean (SWIO) countries: sustainable management of fish stocks and enhancing the fisheries sector economy for improved livelihood of the people dependent on the fisheries sector. The project will finance a set of activities needed by SWIO countries, including coordinated activities covering all countries, and activities in Maldives that provide regional benefits. Component 1 will include coordinated fisheries sector science programs, regional fisheries stock assessments and management plans, country and regional level skill and capacity building activities, and will be implemented by the South-West Indian Ocean Fisheries Commission (SWIOFC). Components 2 will support Maldives to be able to enhance capacity and to function as the regional lighthouse for improved and innovative fisheries sector governance. Component 3 will finance activities to improve the business climate in favor of increased private sector participation and investment in Maldives to be able to create demonstrations and share experiences to underpin similar improvement in SWIO countries.

Component 1: Coordinated Fisheries Sector Science and Management for the South-West Indian Ocean Region (estimated Cost US\$12 million, to be implemented by SWIOFC). The intent of this Component is to consolidate and take forward the past works undertaken by SWIOFish1 project, enlarge the science program for the coastal fisheries resources which had not received sufficient attention but has substantial potential to create sustainable economic opportunities for each of the SWIO countries. The Component will include the following subcomponents.

- a) Subcomponent 1.1: Regionally coordinated innovative science programs.
- b) Subcomponent 1.2: Improved management of selected stocks at the regional level.
- c) Subcomponent 1.3: Regional capacity development programs.
- d) Subcomponent 1.4: Enhanced action plans on marine pollution and plastics generated from and affecting fisheries.
- e) Subcomponent 1.5: Consolidated regional cooperation and coordination under SWIOFC.
- f) Subcomponent 1.5: Augmentation of the SWIOFC Secretariat.

Component 2: Supporting Maldives as the Regional Lighthouse for Improved and innovative fisheries sector governance (estimated Cost US\$19 million, to be implemented by MoFMRA, Maldives). Maldives is leading in sustainable fisheries management in the SWIO region, demonstrated by Maldives’ compliance to IOTC conservation management measures, augmented monitoring, control and surveillance (MCS), and formulation of appropriate and modern fisheries sector legislation and management plans. Through this component, Maldives will provide the regional lighthouse functions by addressing some of the pertinent challenges in demonstrating benefits of using ecological limits for improved fisheries governance to the other countries in SWIO region, especially the island countries. Maldives will also benefit from learning and mutual collaboration. This component will include the following subcomponents.

- a) Subcomponent 2.1: Improved and innovative implementation, enforcement and monitoring of fisheries management plans and sharing results with SWIO countries.



- b) Subcomponent 2.2: Augmented comprehensive quarantine, disease surveillance and management and experience sharing with SWIO countries.
- c) Subcomponent 2.3: Skill and Capacity Building for supporting Enterprise Development in Fisheries Sector.
- d) Subcomponent 2.4: Augmentation of Project Management Capacity of MoFMRA.

Component 3: Enhancing Competitiveness and Increased Private Sector Participation for growth of the Fisheries Sector in Maldives and Experience Sharing for improving Business Climate for fisheries in the region (estimated Cost US\$24 million, to be implemented by MoFMRA, Maldives). This Component addresses the regional need to demonstrate and share experiences to progressively remove barriers to a competitive business climate for Fisheries in SWIO countries. Credit facilitation is expected to be a slow and complex process in Maldives as well as any other SWIO country. Guarantee products work well when a large number of financial institutions exist and compete. Some form of credit guarantee mechanism may be required in the medium term, transitions will need to be established through a line of credit, and a focus on competitive grants to be used to facilitate ‘private public partnership’ (PPP) contractual arrangements supported by pressive improvement in credit assessment and credit infrastructure in Maldives would improve access to finance from fisheries This component will take inputs from the “Maldives Competitiveness Project”, currently also under preparation and will use the additional financial/credit mechanisms provided by that project for specific application in the fisheries sector. It may however be noted that credit to fisheries is a specialized and often a directed credit which may need to be linked to insurance which a generic SME Private Sector Development program may not cover. Accordingly, this component will have the following subcomponents:

- a) Subcomponent 3.1: Decarbonization of the fisheries sector.
- b) Subcomponent 3.2: Promotion of Circular Economy and Value Chain Efficiencies.
- c) Subcomponent 3.3: Diversification/Expansion of fisheries sector through facilitating small and medium enterprise businesses.
- d) Subcomponent 3.4: Preparation of Roadmap for expanded private sector participation.
- e) Subcomponent 3.5: Capacity Augmentation of the Financial Intermediary (FI) Institutions.

D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The project will be implemented in the Southwest Indian Ocean (SWIO) countries under Component 1 and in the Maldives under Components 2 and 3. The SWIO region has the longest unfragmented fringing reefs in the world and harbors globally significant coral reef diversity. It is one of most important marine biodiversity hotspots on the planet. The SWIO Region is home to multiple fish species supporting rich fisheries, however, pressure on fish stock has reached high levels as many countries compete for the same resource. Fisheries sector activities in SWIO region are also extremely vulnerable to climate change and disaster events and are increasingly being affected.

In Maldives, the project will support activities located on inhabited islands as well as uninhabited islands that are earmarked for future development. While the exact locations of project targeted atolls and islands are not known at the concept stage, it is expected that all new construction associated with the establishment of aquatic animal quarantine facilities and disease surveillance laboratories will be within airports/ports and in already allocated lands for industrial plots. Establishment of agriculture, mariculture and other such activities supported under Component 3



will be carried out in 54 identified uninhabited islands which are owned by the Ministry of Fisheries, Marine Resources & Agriculture (MoFMRA). Most inhabited islands in the Maldives are not assessed for the quality of their environment but protected areas and environmentally sensitive areas, both marine, are well documented and demarcated.

In terms of geography, Maldives is an island nation in the Indian Ocean oriented north-south off Lakshwadeep islands. It consists of 1,192 coral islands grouped in a double chain of 26 atolls, with a total land area of approximately 300 Km², with islands varying in size from 0.5 km² to 5.0 km². The country's atolls encompass a territory spread over roughly 90,000 km², making it one of the world's most geographically dispersed countries. Over 200 of the 1,192 islands in the Maldives are habituated by the country's population, with an average of 5-10 islands in each atoll being inhabited islands. Generally, inhabited islands have infrastructures such as housing, roads, and other facilities. A significant number of uninhabited islands in each atoll have also been converted to resorts and tourism facilities, and some even house infrastructure such as industrial facilities and airports.

Male is the most populous city in the Republic of Maldives with a housing a population of around 133,412 individuals and an area of 9.27 square kilometer. As such, it is also one of the most densely populated cities in the world. The city is geographically located at the southern edge of North Malé Atoll and administratively, the city consists of a central island, an airport island, and two other islands governed by the Malé City Council, which are Hulumale and Villingili. The Greater Male also houses many of the most populated inhabited islands and resort islands as well as the country's main industrial islands and airport. However, the generic topographic, ecological and climatic conditions across the atolls do not vary on great scale. Addu, being the second largest city of Maldives has the highest population density outside the capital Male'. With a registered population of more than 31,000 it is one of the only two atolls of the Maldives belonging to the southern hemisphere and has a land area of 15,000 hectares.

The Fisheries Sector is a main economic driver in the country and practiced across the various atolls in the Maldives. All inhabited islands, including airport islands, have harbors developed to carry out fishery activities and allow the movement of vessels.

D. 2. Borrower's Institutional Capacity

The institutional and technical capacity of MoFMRA is assessed as being satisfactory. In the last 4 years, the Ministry has been implementing the Maldives Sustainable Fisheries Development Project (MSFRDP) which is still ongoing. Under MSFRDP, the Ministry and PMU have been implementing World Bank environmental and social safeguards in a satisfactory manner continuously, gaining much capacity and experience over the project period. The PMU also received ESF training as recent as April 2021. While the PMU and Ministry have also been implementing stakeholder engagement and grievances redressal mechanisms as per World Bank standards ardently over the project period, there is a need to further enhance capacity specifically on the social side in line with the ESF. Additional implementing agencies, especially those involved in Component 3, including agencies that will act as Financial Intermediaries (FIs) have no experience working on World Bank or IFC related procedures on Environmental and Social due diligence, thus significant capacity building measures will have to be embedded in the project for these agencies to develop due diligence procedures, implementation and monitoring mechanisms. There will also need to be capacity building targeted to project beneficiaries on operational environmental and social management, specifically in Component 3 that supports enterprise development. Additional needs in terms of overarching capacity building will be assessed during project preparation and built into the project specific capacity building plan and Environmental and Social Commitment Plan (ESCP).



At the national level, the Government of Maldives (GOM) has a number of environmental policies, regulations and standards of specific relevance to environmental protection. Among these, Environmental Impact Assessment (EIA) Regulations 2007 is key which specify that all investments in aquaculture, agriculture and fish processing need to undergo EIA to obtain clearance from the Environmental Protection Agency (EPA). The EPA has proven technical capacity and track record of ensuring the adequacy of EIAs and their implementation. A comprehensive legal framework that consists of the Employment Act 2008, Immigration Act 2007, Anti-Human Trafficking Act 2013, Pensions Act 2009, Regulation on Employment of foreign workers in the Maldives 20011, Work Visa Regulation 2010, Regulation on the Safety Standards for Construction Work, govern labor and working conditions in the Maldives. Further, Maldives became a member state of the ILO in 2009 and has ratified all the ILO's 8 core conventions on fundamental labor rights. The Land Act 2002 and Land Use Planning Regulation of the Maldives regulate and govern the allocation of land for different purposes and uses, as well as sale, transfer and lease of Maldivian land. The Right to Information Act 2014 determines the right of the general public to access Information.

SWIOFC will be mostly involved in the implementation of studies that would require E&S implementation associated with technical assistance activities and studies. They have been involved in the MSFRDP and also implemented other projects in the region under Bank financing and have experience implementing World Bank's safeguards policies as well as policies and procedures of the Food and Agriculture Organization (FAO). The Capacity of SWIOFC secretariat, which will be set up as a PIU, will be assessed further during project preparation a specific measure will be taken to enhance any limitations identified via this assessment. Capacity within this unit will be augmented with an E&S focal point.

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

A. Environmental and Social Risk Classification (ESRC)

Moderate

Environmental Risk Rating

Moderate

The project is expected to have a largely positive environmental impact through improved management of fisheries. The proposed knowledge products/services for fishery management, under component 1, are focused on ensuring environmental/social soundness and sustainability of fishery in the SWIO region. While activities under this component will be environmentally positive, some risks may exist in livelihood transition and change over to better fishing methods. However, this can be managed with strategies that aim solutions in a holistic way. In line with Maldivian law the project will not facilitate the introduction of any new species for the purpose of culture in to the Maldives but support the current species being cultured and other local species that may be identified. For fingerling imports the country already exercises screening in line with its Aquaculture Regulations. Quarantining is well established. The project will support further strengthening of fishery monitoring via modernization, skill and capacity building for supporting enterprise development in Fisheries Sector and infrastructure development to enhance facilities for aquatic animals quarantine, disease surveillance and management. Establishment of aquatic animals quarantine facilities will be entirely within the premises of existing ports/airports and will be complete with the provision of requisite quarantine equipment, trained human resources and a fully equipped network of disease surveillance laboratories. It will also finance the renovation of the MoFMRA training facilities located in Vilingili. Negative environmental impacts from these physical investments are expected to be construction related, localized in



nature and mitigatable. During the operational phase there will be issues of waste and wastewater discharge from laboratory and quarantine facilities that needs to be managed to minimize chemical pollution. New buildings and rehabilitation of existing buildings may include the addition of Solar Panels and battery storage systems for energy efficiency. A potential environmental hazard associated with solar panels and storage systems is associated with disposal of used/damaged units. Similarly, the project may support purchase of IT equipment which will require consideration of end-of-life e-waste management. Maldives currently does not have any hazardous waste management facilities. As such, risk of environmental contamination from improper disposal of e-waste, batteries and solar panels exists and need to be managed. The project through component 3 will support several lines of credit interventions focused on greener fishery and income diversification activities to relieve fishing pressure. The associated impacts will range from civil works for startup businesses, installation and operation of equipment on vessels and at businesses, generation of waste and effluent from processing and operational activities, occupational health, and safety risks to workers. While the pristine waters in the Maldives and the scale at which mariculture activities are practiced will not lead to major risks, the project will need to ensure specific measures are put in place, to ensure that it will not result in the release of excess feed leading to eutrophication and promote measures to ensure antifouling chemicals and antibiotics are avoided. Current experience with mariculture via the MSFRDP have shown that the need for excessive feed use, antifouling chemicals and antibiotics have been limited in Maldives. Therefore the credit facilities will need to embed E&S risk management processes into the selection criteria and lay out requisite impact mitigation and monitoring measures for activities to be supported. The MoFMRA has demonstrated good capacity and experiences for successfully implementing World Bank safeguards.

Social Risk Rating

Moderate

The social risks, which are assessed to be moderate will be associated with the rehabilitation of existing facilities, and construction of laboratories which include minor civil works and limited labor influx. Since rehabilitation and repairs will be within existing government facilities and livelihood activities will be implemented in uninhabited Islands, no land acquisition or resettlement impacts are expected. Hence, during rehabilitation of existing facilities, expected impacts will be on the health and safety of communities living near the facilities, OHS concerns for workers, and social risks associated with the exclusion of vulnerable and marginalized groups from fully participating and benefiting from the project that supports the improvements in the fisheries value chain, provision of grants and lines of credit, and the promotion of SMEs. These exclusion risks may have disproportionately negative impacts on women as women's participation in the fisheries sector is often unrecognized and underpaid in SWIO countries, with a reported wage gap of 25 to 40 percent. Interventions focusing on women are usually fragmented, and do not promote leadership, business skills, entrepreneurship, and ownership of assets by women. Typically, women in SWIO countries are not formally specialized in fisheries and targeted skills development programs are weak. Therefore, there is a risk of women, and vulnerable groups, facing greater challenges in accessing project benefits such inclusion in improved value chains or access to credit. Measures undertaken by project to mitigate these risks include: economic diversification to create substantive jobs especially for women and youth, emphasizing critical transitions needed in the sector to ensure that activities pursued provide increased opportunities for excluded and vulnerable people, performance grants to small and/or medium enterprises prorated to agreed level of employment of women. No land acquisition, resettlement or livelihood impacts are anticipated as a result of project activities.

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

B.1. General Assessment

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ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

The multiple project interventions aimed at promoting sustainable fishery technology and fishing practices in SWIO countries including Maldives will yield net beneficial environmental impacts in the long-term. The project's environmental risks are moderate and can be managed with known environmental management technology and practices. The key environmental risks include the following. Unintended consequences from Component 1 informed policy decisions such as income diversification to relieve fishing pressure and transforming fishing methods that could potentially result in loss of livelihood or increased dependence on other natural resources. Such risks can be managed by ensuring that the relevant studies incorporate the required environmental and social dimensions of the targeted changes in fishery so that the findings can appropriately inform any policy outcomes.

Under component 2, negative environmental impacts are anticipated associated with construction of infrastructure such as animal quarantine facilities & disease surveillance laboratories which is assessed to be minor/moderate as they will be located within built areas. These impacts would be related to land clearing, dust & noise pollution, minor worker and public health and safety issues and waste generation. Wastewater discharge from laboratories and quarantine facilities during the operational phase is a potential environmental risk and needs to be integrated into the facility design to manage and minimize contamination and chemical pollution. New buildings and rehabilitation of existing buildings may also include the addition of Solar Panels and battery storage systems for energy efficiency. A potential environmental hazard associated with solar panels and storage systems is the disposal of damaged/used units. As these units are known to contain heavy metals there is a need to plan safe disposal, especially in view of the fact that Maldives currently does not have any hazardous waste management facilities. Therefore, potential impacts will need to be mitigated via risk management measures that will include product specifications and “cradle to grave” provisions in the contracts of supplier for batteries and solar cells. Purchase of IT equipment will also require consideration of end-of-life e-waste management. In addition, primary suppliers of solar panels, which will be locally as well as internationally manufactured or assembled, will also need to be vetted by the borrower where child or forced labor may be a concern.

The FI sub-projects supported as credit lines under Component 3 through which SMEs would receive financing are expected to be activities to promote sustainable fishery practices, livelihood diversification to reduce impacts on existing ecosystems and to promote more green practices and technology. No significant adverse environmental and social risks are anticipated, however, some adverse impacts will be associated with land clearance during the set-up phase and effluent discharge in the operational phase. The civil works impacts of mariculture interventions are limited to facility siting and should typically be sited well away from sensitive receptors. During the operational phase, eutrophication can result from the release of excess feeds, antifouling chemicals and antibiotics. While due to the current experience with mariculture via the MSFRDP have shows that the need for excessive feed use, antifouling chemicals and antibiotics have been extremely limited in the context of the Maldives, the produce will further support the use, capacity building on and implementation of the Good Environmental Practice (GAP) instruments prepared via the MSFRDP to limit potential environmental impacts from mariculture practices. The project will adhere to the environmental regulations of the country and as such will monitor impacts of aquaculture sites with stringent measures for mitigation and monitoring. Most of these activities to be support via the credit line are expected to be on uninhabited islands. As the environmental quality of the uninhabited islands are not well documented, there will be a need for robust environmental and social screening and assessment to ensure that the



islands selected are not environmentally sensitive natural habitats and that the proposed uses are justified in the context of land being a premium in the Maldives.

Social risks are moderate and can be mitigated throughout project implementation. Temporary risks would be associated with the rehabilitation of existing facilities, and construction of laboratories which includes the health and safety of workers, the impacts of laborers who may migrate to site during time of civil works and impacts on any persons living or working near to civil works. Mitigation measures will be put in place to improve the safety of all persons who may be impacted. Additional social risks could occur in the improvements in the fisheries value chain, provision of grants and lines of credit, and the promotion of SMEs may negatively impact women. In addition, livelihood impacts are not expected in uninhabited islands, which are owned by the MoFMRA and which will be utilized/leased from the Ministry for agriculture, mariculture and other such activities.

In line with the World Bank’s ESF, the project will develop an Environmental and Social Commitment Plan (ESCP). It is also recommended that the project develop an overarching Environmental and Social Management Framework (ESMF) as many of the project sites and interventions will not be known until the first year of implementation. The ESMF will cover all activities in Component 1 and 2 in detail and outline E&S due diligence system for Component 3. This ESMF would contain sub-project eligibility criteria and exclusion lists; site selection procedures; procedures for screening all sub-projects for E&S risks and impacts; procedures for management of hazardous waste via solar and battery storage systems, procedures of e-waste management, guidance on designing assessment and mitigation measures in accordance with relevant ESSs; a framework for monitoring and reporting on due diligence implementation; and institutional arrangement for staffing and capacity building in line with the ESF . During project preparation, the World Bank will further assess the relevance of ESSs for this project and verify that the MoFMRA completes the ESMF proportionate to the risk of each subproject which will have to prepare sub-project specific Environmental and Social Impact Assessments and Environmental and Social Management Plans (ESIAs and ESMPs). However, for activities with low risks, an E&S checklist will be prepared as part of the ESMF and included in the Projects Operations Manual (POM). Labor Management Procedures, Stakeholder Engagement Plan and Environmental and Social Commitment plan will also be prepared and disclosed prior to appraisal. In addition, for TA activities under each component, it should incorporate reference to the E&S Standards in the TORs to ensure that activities and outputs are consistent with the ESF. For Component 3, guidelines for E&S due diligence consistent with ESS9 will be incorporated into the operations manual prior to project appraisal. ESMS evaluation will be undertaken for all FIs and a gap assessment will be conducted to deduce all measures required fill identified gaps, during project preparation.

Areas where “Use of Borrower Framework” is being considered:

The use of Borrower Framework is not being considered for the project. The project will comply with the World Bank’s new Environmental and Social Framework (ESF) and its Environmental and Social Standards (ESS), and will also be subjected to the national and local permits and clearances as per the existing legal-institutional framework.

ESS10 Stakeholder Engagement and Information Disclosure

The SWIOFish SOP projects have resulted in noticeable improvement in coordination among SWIO countries and augmenting national capacities for management of respective fisheries stocks. The SWIOFish1 Project established SWIOFC regional consultation mechanisms and SWIOFC capacities for coordination with IOC/IOTC. During



implementation of the project, the SWIOFC and its Statutory Bodies (the Scientific Committee, the Working Groups, the Task Forces) contributed to strengthened dialogue among countries and improved regional cooperation and signing of 24 cooperation agreements among members of the SWIOFC. SWIOFC countries were able to make a sizable number of joint proposals for resolutions to the IOTC and defended common positions. One of the main successes was the finalization and adoption of the Guidelines for Minimum Terms and Conditions (MTC) for Foreign Fisheries Access in the SWIO region. The subsequent SWIOFish2, SWIOFish3 and SWIOFish4 projects helped reinforce and widen the SWIOFC collaboration across countries and stakeholders in the extended region, improve the management of selected fisheries at regional, national and community levels, and to increase access by targeted fishers to alternative livelihoods activities. In particular, the SWIOFish4 project in Maldives has achieved several positive milestones, including supporting notification of a modern and comprehensive Fisheries Act of 2019, followed up by sequential regulations and relevant management plans, each of which required substantial stakeholder engagement.

This project will continue with promoting Stakeholder Engagement at regional level as well as consultation with those involved in the fishing sector at atoll level. Additionally, small and medium sized enterprise stakeholders will be actively consulted to improve value chains, and increase efficiency while also improving profitability. A stakeholder engagement plan will be prepared which builds upon SWIOFish SOP project experience in stakeholder engagement at regional level and will also include engaging with small scale fisheries operations throughout the value chain.

The MoFMRA operated a webpage for the Sustainable Fisheries Resources Development Project; a prominent part of the project webpage included GRM. In addition, the MoFMRA maintained a Facebook page (<https://www.facebook.com/pg/sustainablefisheriesmv/about/>) which was accessed by almost all citizens of Maldives involved in fisheries and related businesses and occupations, and a Twitter account (<https://twitter.com/fishprojectMV>). These also served as ways of bringing grievances to the notice of the Ministry of Fisheries, Marine Resources and Agriculture. However, the Sustainable Fisheries Resources Development Project Webpage was not popular, although it had facilities to record grievance. Therefore, the Facebook page and the Twitter account remain the main channels for notifying or expressing grievance, other than direct communication by the citizens to Project Staff and MoFMRA Officials as part of direct stakeholder consultation sessions/events. As per the latest ISR of the Sustainable Fisheries Resources Development Project, the Facebook page had a good reach and was reaching between 4,000 to 8,000 people per month. Since the start of the project, the Facebook page had a total of 192 posts, was followed by 2,326 people and had reached 242,593 people in total (23% women and 77% men) according to Facebook statistics. Compared to the total number of people engaged in fishing sector in Maldives (about 7,800 people and the relatively low engagement of women), these numbers indicate a continued substantial reach.

In regard to the feedback received, some beneficiaries pointed out delays in project implementation and suggested that project activities need to be accelerated. Some people, especially the people involved in reef fishing and grouper fishery described their concerns about falling catch and income, and suggested what the project or government should do (even if those actions are not part of the project activities), but there was no specific grievance about the project or project activities. These feedback and suggestions received for the Sustainable Fisheries Resources Development Project have been taken into consideration by the MoFMRA Officials during the design and implementation of the new project.

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

This standard is relevant as the project will involve direct, contracted workers and primary supply workers. The direct workers will support the project as PIU staff and consultants and those who will carry out the TA work. The contracted workers will mainly be involved in civil works for rehabilitation of existing training facility campus, and construction of laboratories for network of disease surveillance is established. Although contractors would be encouraged to hire locally, in order to accomplish works, it is expected a small, temporary influx of labor will be needed. Finally primary supply workers (suppliers of construction materials such as aggregates, equipment, etc.). Community workers will likely not be required since the project is not expected to have any community driven development type interventions. All direct, contracted, and primary supply workers will be subject to the requirements of ESS2, including clear information on the terms and conditions of employment; principles regarding non-discrimination and equal opportunity; establishment of workers' organizations; rules prohibiting child labor and forced labor; and measures to ensure OHS at the worksite. Additionally, workers will be educated in gender equity and prevention of GBV/SEA/SH. Accordingly, a comprehensive LMP in line with the requirements of ESS2 will be prepared and disclosed before the appraisal.

Given the risks of use of forced or child labor by primary suppliers involved in solar panel manufacturing industries globally, all suppliers will be vetted by the borrower during procurement stage and contracts with suppliers will include specific clauses prohibiting the use of all forms of child or forced labor. If child labor or forced labor cases are identified, the Borrower will require the primary supplier to take appropriate steps to remedy them as described in the labor management procedures (LMP) of the project.

ESS3 Resource Efficiency and Pollution Prevention and Management

The project will lead to positive impacts on resource efficiency overall as several project component, have been designed to promote energy efficiency and pollution prevention. In this respect, project interventions aimed at improving fishery infrastructure for streamlined onshore catch handling and retrofitting vessels for greater energy efficiency are noteworthy.

There is a possibility that new constructions and renovations may use roof top solar. Used solar cells and batteries and e-waste are identified as hazardous waste which may pose health and safety risks to humans and the environment if environmentally sound final disposal is not undertaken. As the Maldives does not have existing standards or requirements for management (including storage, transportation and disposal) of hazardous waste, international best practice guidance such as the World Bank Groups Sectoral Guidelines on Solid Waste Management and strict criteria on producer management of waste, including the transport of decommissioned systems out of the country as part of the investments, will be followed via mandatory provisions in contracts with suppliers and contracts. These will be in line with both national legislation and applicable international conventions, including measures such as a buy back arrangement of hazardous waste by the suppliers.

Both fishery and agriculture activities that will be supported via Component 2 and 3, can generate both solid and liquid waste during civil works and operations. Component 3.2 looks further at promoting better waste management via circular economy-based activities within the fishery sector which will bring positive impacts. However, to ensure sound management of potential pollution impacts such as discharges to the environment in the form of waste, the



project ESMF will include Standard Operating Principles and guidelines focusing on the various types of operations the project will support and guidance in line with Good International Industry Practice (GIIP).

During project preparation, relevant domestic regulations, conventions, and their enforcement will be reviewed against the requirements of ESS3 and the World Bank’s applicable Environmental, Health and Safety Guidelines to confirm the adequacy of existing system for battery management and recycling in the Maldives. Necessary actions once identified will be proposed in the ESCP at the appraisal stage to fulfill major gaps that may be identified.

ESS4 Community Health and Safety

Activities carried out under Component 2 and 3 will involve physical interventions within existing government facilities including ports and airports which could pose a health and safety risks to public including government officials who use these facilities. The operation of neighboring fish processing and other industries to be supported in the sector may cause nuisance to the local public such as waste generation, smell and noise unless properly managed. During preparation, relevant domestic practice will be reviewed against the requirements of ESS4 and the World Bank’s applicable Environmental, Health and Safety Guidelines to confirm the adequacy of existing system in the Maldives. Necessary actions may be proposed in the ESCP at the appraisal stage if any major gap is identified. The ESMF and processes and procedures for beneficiaries of the credit line via FIs will also lay out measures to manage community health and safety via their ESMS systems.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

This standard is not currently relevant. Rehabilitation and repairs will be within existing government facilities. Component 2.2 will support the establishment of a network of aquatic animal disease surveillance laboratory network including construction and equipping of such laboratories and engagement of service providers for operation and management of such. However, land acquisition is not anticipated associated with this construction as existing government land will be used for placement of the network.

Since rehabilitation and repairs will be within existing government facilities on inhabited Islands, physical or economic encroachers, informal settlers or users on government-owned land is not expected. Similarly, in uninhabited Islands where livelihood activities will be implemented, encroachers, informal settlers or users of land including in intertidal or marine areas are not expected. However, before commencement of any activities, relevant E&S risk screening/assessments will be conducted to assess any resettlement impacts and accordingly measures will be taken as described in the ESMF of the project to mitigate such risks.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

Overall the project will benefit naturel ecosystems through reduced fishing pressure on overexploited fish stock and the promotion of greener fishing practices. However, as outlined before, environmental due diligence is required to ensure that project activities are planned and implemented in a way that they do not adversely impact the sensitive marine and terrestrial environments of the Maldives in the selected project locations. This specifically applies to the 54 uninhabited islands owned by the MoFMR where SME type of industry will be supported for agriculture and aquaculture under component 3. All these locations will require screening for potential risks and managed via alternatives and avoidance where possible. Some inhabited islands are also located in terrestrial and marine



protected areas that require added screening and due diligence on impacts to biodiversity and natural habitats. Attention will need to be given to protection and conservation of biodiversity at project sites and captured in respective ESIA and ESMPs, which will include measures to avoid, minimize, mitigate or offset any potential impacts to natural habitats and living natural resources. Under the ESMF all subprojects will be screened against the exclusion list to eliminate activities situated in any nature reserve, critical habitat or scenic sites demarcated of community importance. Relevance of ESS6 will be further reviewed during subprojects preparation when exact project sites will be identified and finalized and will be assessed in the ESIA.

Fingerlings introduced are Quarantined and only of local species as per Maldivian law. As per Schedule 1 of the Maldives Aquaculture Regulation, only two species, Brown Marbled Grouper and Sandfish, are permitted to be imported into the Maldives for the purpose of aquaculture. These species are already cultured in Maldives. Other fish seed/fingerlings may only be procured from waters within country and of native origin. This reduces thus possible risks associated with the introduction of invasive species, new species or potential alterations to existing marine environments to the Maldives. The project will not introduce the introduction of any new species for the purpose of the aquaculture.

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

This standard is not relevant as there is no evidence suggesting the presence of Indigenous Peoples.

ESS8 Cultural Heritage

Subprojects under Component 2 and 3 are unlikely to involve risks or impacts on tangible or intangible cultural heritage. While cultural heritage resources are relatively well documented on inhabited islands, there is no adequate documentation of such on uninhabited islands. As the project is expected to take place on both uninhabited and inhabited islands the E&S Screening measures would have to include adequate measures on screening and due diligence to identify such impacts as well as include chance find procedures. Potential impacts on cultural heritage (if any) can be identified during subproject screening and due diligence review, and should be avoided or otherwise mitigated during preparation. The ESMF will include due diligence procedures in line with ESS8 to screen for risks and impacts on cultural heritage in its E&S Screening process and to apply the relevant requirements of ESS8 where subprojects are found to have significant risks and impacts on cultural heritage. Relevance of ESS8 will be further reviewed during subprojects preparation.

ESS9 Financial Intermediaries

Component 3 will support multiple credit lines to support enterprise development for fishery diversification as well as better fishery practices. These will be supported via local Banks that will act as FIs. The responsible FIs relevant to the project will be identified at project preparations well as what credit lines and amounts they will support. Each of the responsible FIs will be required to establish and maintain an Environmental and Social Management System (ESMS) consistent with the requirements of ESS9. The ESMS's should include, as provided in ESS9: E&S policy, procedures (screening, categorization, exclusions, assessments to prepare), capacity for assessing, managing, and monitoring risks and impacts of subprojects. All sub-projects will be assessed for their environmental and social risks prior to



financing. The screening mechanism, as part of the procedures, will review and categorize the subprojects based on their E&S risk and screen all Moderate and Low Risk subprojects against the WBG FI Exclusion List and compliance with the relevant requirements of national law. The World Bank will undertake due diligence of the ESMS's of responsible FIs identified during preparation. The World Bank will also undertake consultations with potential institutions that will be project associated FIs to determine their ES capacity and assess their existing ESMS's, including prior experience interacting with similar beneficiaries. Additionally, FIs will be assessed to ensure equal access to benefits. To improve access to benefits to women, Subcomponent 3.3: Diversification of fisheries sector through facilitating small and medium enterprise businesses includes performance grants to small and/or medium enterprises prorated to agreed level of employment of women. The implementing FIs will be required to prepare and implement an operating manual incorporating all these processes and procedures.

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

The project does not include any financing with partners

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

Actions to be completed prior to Bank Board Approval:

1. Preparation and finalize draft Environmental and Social Commitment Plan (ESCP)
2. Preparation of a project-specific Environmental and Social Framework
3. Preparation of Labour Management Plan with worker GRM
4. Preparation of the Stakeholder Engagement Plan (SEP) and GRM.
5. Assessment of project related FIs and there ESMS systems
6. Disclosure of all ESF instruments, prior to the close of project appraisal

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

Nothing of significance at this point

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS 01-Nov-2022



IV. CONTACT POINTS

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Borrower/Client/Recipient

Borrower: South-West Indian Ocean Fisheries Commission

Borrower: Republic of Maldives

Implementing Agency(ies)

Implementing Agency: Maldives Ministry of Fisheries, Marine Resources and Agriculture

Implementing Agency: South-West Indian Ocean Fisheries Commission Secretariat

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

Task Team Leader(s): Tapas Paul, Sachiko Kondo

Practice Manager (ENR/Social) Robin Mearns Recommended on 30-Aug-2022 at 19:54:25 GMT-04:00

Safeguards Advisor ESSA Charles Ankisiba (SAESSA) Cleared on 07-Sept-2022 at 11:40:38 GMT-04:00