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Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 27-Feb-2024 | Report No: PIDISDSA37404



BASIC INFORMATION

A. Basic Project Data

Country Marshall Islands	Project ID P181646	Project Name Additional Financing for the Pacific Resilience Project II under the Pacific Resilience Program	Parent Project ID (if any) P160096
Parent Project Name Pacific Resilience Project II under the Pacific Resilience Program	Region EAST ASIA AND PACIFIC	Estimated Appraisal Date 19-Mar-2024	Estimated Board Date 30-Apr-2024
Practice Area (Lead) Environment, Natural Resources & the Blue Economy	Financing Instrument Investment Project Financing	Borrower(s) Republic of the Marshall Islands	Implementing Agency Ministry of Finance, Banking and Postal Services

Proposed Development Objective(s) Parent

The Objective of the Project in the Republic of the Marshall Islands (RMI) is to strengthen early warning systems, climate resilient investments in shoreline protection, and to provide immediate and effective response to an Eligible Crisis or Emergency.

Components

- Component 1: Institutional Strengthening, Early Warning and Preparedness
- Component 2: Strengthening Coastal Resilience
- Component 3: Contingent Emergency Response
- Component 4: Project and Program Management

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	10.00
Total Financing	10.00
of which IBRD/IDA	10.00
Financing Gap	0.00

DETAILS

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World Bank Group Financing

International Development Association (IDA)	10.00
IDA Grant	10.00

Environmental Assessment Category

B-Partial Assessment

‘Have the Safeguards oversight and clearance function been transferred to the Practice Manager?’ No

Decision

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Other Decision (as needed)



B. Introduction and Context

Country Context

The Pacific Island Countries (PICs) include some of the world's smallest nations located in the world's largest ocean. Economic growth in PICs is low. Although absolute poverty in the region is limited, real per capita income has remained virtually unchanged since the mid-1990s, and economic progress tends to be volatile and vulnerable to external shocks. Most PICs economies are largely reliant on agriculture, fisheries, and other natural resources.

PICs are among the most physically vulnerable nations in the world. They are highly exposed to adverse effects from climate change and natural hazards (including floods, droughts, tropical cyclones, earthquakes, volcanic eruptions, and tsunamis), which can result in disasters that affect their entire economic, human, and physical environment, and impact their long-term development. Since 1950, natural disasters have affected approximately 9.2 million people in the Pacific region, causing approximately 10,000 reported deaths. This has cost the PICs around USD 4.6 billion (in nominal terms) in associated damage costs (EM-DAT, 2010 and World Bank).

The Republic of the Marshall Islands (RMI) is one of the world's smallest, most isolated and vulnerable nations. The country consists of 29 atolls and 5 isolated islands (24 of which are inhabited) and has a total land mass of just 181 km² set in an ocean area of over 1.9 million km². The population of the RMI is estimated at 42,000 (according to 2021 census in RMI) of which close to half are resident in the Capital City of Majuro. The country is vulnerable to occasional typhoons and its 370km coastline renders it particularly susceptible to storm surges, extreme waves and high tides.

The PREP II Project with the original IDA grant of USD 19.6 million equivalent, which was approved in 2017 by the World Bank's Board of Executive Directors on May 9, 2017. Subsequently, additional financings (AF) of USD 15.4 million equivalent and USD 25 million from the Green Climate Fund (GCF) were approved in April and March 2020, respectively, increasing the total project amount to USD 60 million equivalent. The original IDA Grant's closing date was extended from November 30, 2022, to February 12, 2024, to align it with that of the AF. A second project restructuring were approved on February 12, 2024, and the closing dates are extended: (a) for the two IDA Grants by 28 months from February 12, 2024, to June 30, 2026; and (b) for the GCF Grant by 22 months from February 12, 2024 to December 03, 2025.

Sectoral and Institutional Context

RMI is exposed to a variety of disaster risks, including recurrent droughts, coastal hazards (e.g. wave-induced erosion and flooding linked to king tides and storm surge), tropical storms, and, to a lesser extent, typhoons. The Average Annual Loss related to typhoons and tsunami is 3.1% of GDP (2.8% is attributed to typhoons and 0.3% to tsunami)¹.

Climate change could lead to more damaging storm surges and coastal inundation, increased intensity of tropical storms, and more extreme events such as droughts and flooding for Marshall Islands. Climate change is also projected to result in progressive changes such as sea level rise which will accelerate coastal erosion, increase coastal inundation, and increase salinization of freshwater resources. Coral reefs, which offer a natural protection of the shorelines, will be affected by ocean acidification and higher temperature. Experience in RMI shows that coral reefs have already being damaged by human waste and garbage, and debris is being washed onto the reefs during the ebb tide. A state of emergency was declared on February 3, 2016 due to the prolonged



drought affecting the country. El Nino events currently contribute towards recurrent droughts in RMI but, at this stage, the relationship between climate change and El Nino events is unclear.

The natural hazard risks are particularly high for the islands Majuro and Ebeye due to their large populations and extensive public infrastructure. Majuro has a population of about 27,000 and Ebeye some 12,000 people. This constitutes 74% of the total population of RMI. The impacts of coastal erosion and inundations of coastal areas are evident along the shorelines of both islands. The shoreline erosion has left public infrastructure (e.g. sections of the roads on both the ocean and lagoon side of the two atolls, and the hospital in Majuro) highly exposed and vulnerable. Other vulnerable infrastructure includes the water reservoir close to the airport in Majuro, the airstrip, and private houses. A number of schools are reportedly highly affected by erosion. The need for coastal protection around Ebeye seems particularly critical because of its small size, high population density, the exposure of established infrastructure to wave action, and the settlement of people immediately adjacent to the coastline without the option of retreating due to constrained land availability.

While disasters impact whole societies when they strike, the poor and vulnerable are hit the hardest. This was the case following recent disaster events in the Pacific (e.g. in the aftermath of tropical storm Nangka in July 2015, poorer people were impacted to a greater degree as they were less likely to have insurance, cash reserves, and alternative income sources that provide a means for them to recover quickly).

Recognizing these challenges, the Government has recently developed a National Adaptation Plan (NAP) for the RMI through the PREP II project. Adopted by the Cabinet on October 20, 2023, the NAP gained global acclaim when presented at COP 28 on December 5, 2023. Developed in a participatory, gender-sensitive, and transparent manner, the NAP reflects RMI's commitment to the principles of effectiveness, efficiency, equity, enablement, and sustainability. Envisioned as a flexible and adaptive blueprint until 2150, the NAP aligns with disaster risk management initiatives, combining scientific and traditional indigenous knowledge. Stakeholder engagement, including international donors working in the country, is integral to its success. Many donor partners are currently supporting RMI in addressing disaster and climate change issues (e.g. ADB – upgrading the water supply system and sewerage system in Ebeye; Japan – water and waste management program for the Majuro Water & Sewage Company; Thailand, People's Republic of China, India, Australia, and the USA – implementation support for the RMI drought response plan; Taiwan, China – agriculture and food security project; EU – NDMO support to finalize the JNAP Strategic framework and response to the drought; Finland through SPREP – upgrading climate stations and meteorological equipment; and SPC – technical assistance in emergency preparedness and water resources management). Some prospective projects include UNDP (integrated water resource management in Majuro and outer islands funded under the GCF), and Italy through SPREP (strengthening the building code and establishing a resource center through which all disaster and climate policy and project documents can be shared).

Based on discussions with the government, the proposed AF is proposed to a financing gap for the seawall construction in Ebeye under the project. The AF will allow the seawall construction to be completed at a lower cost and within a shorter time.

C. Proposed Development Objective(s)

Original PDO



The Objective of the Project in the Republic of the Marshall Islands (RMI) is to strengthen early warning systems, climate resilient investments in shoreline protection, and to provide immediate and effective response to an Eligible Crisis or Emergency.

Current PDO

No change.

Key Results

D. Project Description

This PREP Project includes the following components and activities. This AF will not change these components and activities.

Component 1: Institutional strengthening, early warning and preparedness

This component will strengthen the effectiveness of the RMI institutions responsible for climate and disaster resilience, and disaster early warning and preparedness, and will support the implementation of the JNAP. Component 1 has two sub-components: (i) institutional strengthening, early warning, and modernization of the NDMO's facilities (which will be implemented by RMI); and (ii) impact forecasting improvement, NDMO capacity building, and post disaster needs assessment (which will be implemented by the SPC).

The government-led activities will include: (a) supporting the government to integrate climate change adaptation with disaster risk management, as planned under the JNAP, and to operationalize working groups at central and local government levels; (b) support better multi-hazard early warning, prepare a systems and technology roadmap for outer island communications, and upgrade communications systems in remote locations and train people to use them; and (c) develop a roadmap and implement priority improvements to modernize the NDMO's facilities. The SPC Pacific Community-led activities will include: (a) improving impact forecasting, ; (b) institutional strengthening of the NDMO and its preparedness for response to disasters; and (c) provision for post disaster need assessments.

Component 2: Strengthening coastal resilience

This component will strengthen coastal planning, increase understanding of current and future risks, help the government to prioritize future investments, and deliver targeted coastal protection investments. Component 2 is divided into two sub-components: (i) coastal protection investments (which will be implemented by RMI); and (ii) strengthen integrated coastal risk management (which will be implemented by SPC).

Coastal protection works will strengthen resilience in Ebeye and, potentially, "hot-spots" in Majuro subject to further analysis and available funding. Coastal investments will include a combination of structural measures, as well as softer solution such as ecosystem based adaptation, improved land use



planning, and changing building practices based on the results of a coastal vulnerability assessment (CVA) started by Deltares as preparation activity. A constructability and aggregate source review for priority coastal works, and environmental and social safeguard risk screening and scoping, will be carried out as part of the preparation activities. Final project selection and detailed design will be carried out for the coastal protection works during project implementation. As there are no current sustainable or environmentally acceptable aggregate sources in the Kwajalein atoll, it has been assumed that all aggregates will be imported. However, sustainable sources of aggregates in the Majuro and Kwajalein atolls, as well as methods of extraction, and commercial distribution to wholesale and retail markets, will be investigated. Also under this component, the CVA will be improved and expanded to include Majuro. The expanded CVA will support long-term and integrated planning for coastal resilience within RMI using risk-based flooding and impact maps that may be used for future land use, infrastructure, ecosystem based adaptation and disaster preparedness planning. This work will support existing government plans, strategies, and frameworks such as the National Infrastructure Plan (MPW) and the Coastal Management Framework (EPA).

Component 3: Contingency Emergency Response

This component may be used following the declaration of a national disaster. The Contingency Emergency Response Component (CERC) will complement the PCRAFI disaster insurance mechanism financed under PREP Phase I and will strengthen the emergency preparedness and immediate response capacity of RMI for low- and medium-scale disasters or disaster that are not covered by the PCRAFI insurance scheme (e.g: flood, droughts). The CERC will be funded under the project budget (IDA). Following triggering of pre-agreed disbursement conditions (e.g. the declaration of a national disaster), the CERC would be implemented in accordance with the rapid response procedures governed by the World Bank OP/BP 8.0 *Rapid Response to Crises and Emergencies*. The disbursement condition will define the circumstances under which the CERC would become available. The specific details of the proposed implementation arrangements and procedures governing the use of the CERC funds will be detailed in a standalone CERC annex within the Project Operations Manual (POM). Further CERC funds might be reassigned from another component of the project if necessary after an event. If the CERC is not triggered, the funds may be deployed elsewhere in the project.

Component 4: Project management

This component will strengthen the Government’s capacity for project management, coordination, monitoring, evaluation, and reporting. It will provide support for procurement, financial management, contract and project management, and oversight of social and environmental safeguards. It will also provide fiduciary and implementation support from the regional Program Support Unit (PSU) which was established under PREP Phase I. The PSU is housed in SPC.

E. Implementation

Institutional and Implementation Arrangements



F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

The project will be implemented in the RMI. Communications equipment under Component 1 will be located on outer atoll islands. Equipment footprint is likely to be very small and the location is flexible to minimise clearance of vegetation or impacts on agricultural land. Coastal protection works (civil works including sea wall, ecosystem-based solutions, sand nourishment etc.) will be located on Ebeye initially, followed by Majuro. There are no mangrove environments on Majuro or Ebeye, and the reef systems are degraded from urbanization, untreated waste water discharges, reef rock mining, waste dumping and ad hoc reclamation and sea walls. The reef rock flats are highly disturbed in places from recent and historic rock mining. There are no freshwater lenses in urban Majuro or on Ebeye. The urban foreshore on each atoll is highly developed, with housing, infrastructure, community facilities and cemeteries located at or very near the mean high water springs. On Ebeye there are social issues relating to high density living and low income. The population density, based on 2011 census statistics is 360 people / hectare (11,500 people on 32 hectares. By way of contrast, Sydney is approximately 50 people/hectare and Paris is approx. 213 per ha.). There is an average of 8.7 people per household, with 15% of households reporting no income and 8% of households reporting annual income of <\$US3,000 per year . Public health concerns include high incidences of water borne gastrointestinal disease (from poor access to clean water and safe wastewater disposal) and non-communicable diseases such as diabetes (from poor diets and sedentary lifestyles).

G. Environmental and Social Safeguards Specialists on the Team

Pei Shen Wang, Environmental Specialist
Rachelle Therese Marburg, Social Specialist
Rosemary Alexandra Davey, Environmental Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The proposed AF does not change the original project scope and no new activities are introduced. No additional safeguard policies are therefore triggered and no new instruments are necessary.
Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	Yes	
Forests OP/BP 4.36	No	



Pest Management OP 4.09	No
Physical Cultural Resources OP/BP 4.11	Yes
Indigenous Peoples OP/BP 4.10	No
Involuntary Resettlement OP/BP 4.12	Yes
Safety of Dams OP/BP 4.37	No
Projects on International Waterways OP/BP 7.50	No
Projects in Disputed Areas OP/BP 7.60	No

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The proposed AF does not change the original project scope and no new activities are introduced. No additional safeguard policies are therefore triggered and no new instruments are necessary.

Land ownership in the Marshall Islands is a customary system enshrined by the Constitution. Landowners hold customary power with the political sphere and the community which is highly respected. In theory the Government can use the Land Acquisition Act 1996 which makes provision for ‘the acquisition of lands and servitudes for public use’ including payment of compensation, but in practice the Government does not compulsorily acquire land because of the respect for the customary land tenure system. Furthermore, in some areas there are conflicts between who owns land. Some public infrastructure projects are delayed or abandoned because the Government cannot secure land right. To mitigate, the PIU will engage with landowners early in the process, including them in the assessment of priority areas for development and concept design. There are clear benefits to landowners of coastal protection works, and to the wider community, and this is another mitigating factor. Tenants and informal land users are often marginalized from decisions regarding land use. The PIU will also consult widely with potentially affected land users. All affected persons will be included in an Action Plan that will document their rights and obligations under OP4.12 Involuntary Resettlement.

Short term impacts during construction include the burden on the Ebeye islet infrastructure to cope with an influx of workers and protecting the vulnerable from exploitation.

Small scale coastal protection works are likely to have minor cumulative impacts in addition to the existing threats to the environment described above. Larger scale coastal protection works may have wider geographical impacts. An ESIA and ESMP have been prepared and disclosed for coastal protection works subprojects. The ESIA and ESMP have also informed the detailed design. To address construction-related impacts, Contractors will be required to prepare and implement Contractor’s ESMP, which will detail how they will achieve the requirements of the Project ESMP.

To avoid the potentially significant environmental impacts from mining local reef and lagoon aggregates, all

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aggregates required for the project will be imported. Component 2 will include a study on the potential sources of aggregates in the Majuro and Kwajalein Lagoons. Safeguards assessments will be part of the study, and will address issues such as resource ownership and ecological impacts of mining, transportation, processing and storage.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

No additional activities are proposed as part of the AF and there are no changes to the safeguards policies that are triggered by the project. The existing E&S instruments remain valid and fit for purpose. There will be significant long term benefits from coastal protection works on the ability for communities in Ebeye and Majuro to be resilient to natural hazards and climate change. It will enable the Marshallese to remain on their atolls, a desire which has been clearly articulated in their National Climate Change Policy and Joint National Action Plan. The protection works will be prioritized to protect vulnerable locations such as critical infrastructure (energy plants, water supply) and housing.

There are risks that coastal protection works create unintended consequences such as change the baseline erosion and deposition patterns. This is mitigated through the modelling and detailed design work, but there is a residual risk that erosion continues to be an issue in the long term.

There are a number of significant environmental and social issues in Majuro and Ebeye relating to overcrowding, poor urban design, low quality housing, poor waste management and untreated sewage discharges and associated health and environmental issues which will persist and affect the resilience of the communities, even with the added protection from natural hazards and climate change that will come from this project.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

Due to the potentially significant impacts of using local rock and sand, the project has identified that imported aggregates is the only viable alternative. A study on the potential benefits and impacts of local rock and sand mining will be carried out under Component 2 and will provide an options analysis for aggregates based on sustainability and safeguards, for future investments (beyond the life of the project).

The only viable alternative to coastal protection works is 'planned retreat' where development is controlled around the use of vulnerable land, and buildings and land uses in vulnerable areas are slowly removed. The eventual conclusion is that people will emigrate to other islands or to other countries. However, development planning is very difficult in Marshall Islands due to the land ownership laws and customs, and the lack of habitable land available for relocated people and planned retreat is considered difficult. There is no desire from the Government or the people to plan for emigration from Ebeye or Majuro at this time. There would be significant social impacts from this alternative and it has not been considered in this project.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

The Implementing Agencies adequate experience with implementing the World Bank safeguards due to the presence of a international social risk specialist, an international environmental specialist and a E&S specialists within the Central Implementation Unit (CIU) under the Ministry of Finance. The highest safeguards risks relate to the civil works and technical advisory work that will be conducted under Component 2, Strengthening Coastal Resilience. There are several methods that will be employed to ensure adequate management of E&S project risks. The Implementing Agency for Component 2, Ministry of Public Works, does not have in house safeguards capacity but relies on the specialists in the CIU. A specialist consultancy firm was engaged to prepare the ESIA and ESMP and the appointed



construction Contractor(s) will be required to engage environmental and social specialists to prepare a Contractor’s ESMP (CESMP) and ensure the Contractor has the systems and processes to manage environmental and social impacts. The Supervision Engineer will be required to engage safeguards specialists to supervise the Contractor’s implementation of the CESMP, and the Terms of Reference for technical advisory, such as the aggregates study and vulnerability assessments, will include detailed safeguards requirements and a requirement for the integration of environmental and social risks and issues into recommendations / outputs.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Consultation on initial plans was carried out in early December 2016 by MOF and their consultants. They met with government stakeholders in Majuro, and local government, land owners and community members in Ebeye. Government stakeholders include: NMDO (National Disaster Management Office), OEPPC (Office of Environmental Planning and Policy Coordination), CMAC (Coastal Management Advisory Council), PWD, EPA (Environment Protection Agency), KALGOV (Kwajalien Atoll Local Government), KAJUR (Kwajalein Atoll Joint Utilities Resources) and KADA (Kwajalein Atoll Development Authority). Local NGOs are International Organisation for Migration (IOM) and Women United Together Marshall Islands (WUTMI). The consultation was used to introduce the proposed project and the draft ESMF and RPF, and seek feedback. A series of meetings were conducted with the stakeholders and a public meeting was held on Ebeye. Presentations were made in English and Marshallese, followed by discussions. This approach allowed for specific conversations on the interests of each stakeholder. Following consultation, the safeguards documents were updated and disclosed online in Marshall Islands in January 2017, and hard copies made available at local government offices on Majuro and Ebeye and the Ministry of Finance office. An ESIA and ESMP have been prepared for the coastal defense works in Ebeye. This involved close consultation with affected and interested stakeholders with a numerous stakeholder events held in Ebeye during instrument preparation and to present findings and mitigation. A stakeholder engagement plan has been prepared by the CIU and has been implemented to date, and will continue to apply to the AF.

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B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
April 2023	May 23, 2023	

"In country" Disclosure

Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank	Date of submission for disclosure
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"In country" Disclosure

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)

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APPROVAL

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