



Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

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

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P513248	Investment Project Financing (IPF)	VU PROP	2026
Operation Name	Vanuatu: Pacific Islands Regional Oceanscape Program - First Phase		
Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)
Vanuatu	Vanuatu	EAST ASIA AND PACIFIC	Other
Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
Government of Vanuatu	Ministry of Fisheries, Oceans, and Maritime Affairs (MFOMA)	19-Jan-2026	26-Mar-2026
Estimated Concept Review Date	Total Project Cost		
30-Oct-2025	50,000,000.00		

Proposed Development Objective

The Development Objective of the Series of Projects (SoP) is to strengthen the shared management of selected Pacific Island oceanic and coastal fisheries, and the critical habitats upon which they depend. The Development Objective of this project is to improve access to economic opportunities for fishers and fish workers, increase climate-resilient domestic supply of fish products, and strengthen national capacity and regional collaboration for fisheries management.

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 support three priority investment areas: i) tuna industry domestication, ii) small- and medium-size fisheries and aquaculture value chain development, and iii) fisheries governance and institutions' strengthening. Project themes and activities will evolve around: - Development of enabling infrastructure for efficient dockside inspections, offloading, and transshipment in Luganville, Espiritu Santo. - Work force professionalization through vocational training for fishers and fish industry workers. - Technology incubation to foster hands-on training, innovation support and



enterprise development in seafood products development. - Food security through value chain development of small and medium scale fisheries, in particular through investments in cold chain systems and fish markets. - Strengthening of local fisher groups in Santo, to partake in sector management and development, including development of satellite distribution systems and inter-island fish trading. - Aquaculture development through upgrading hatcheries in Luganville and providing seed supply for development small-scale and semi-commercial commercial aquaculture in response to high protein demand. - Institutional strengthening including construction of VFD headquarter offices. - Monitoring, Control, Surveillance and Enforcement, including improved regional cooperation. The project will be implemented by the Vanuatu Fisheries Department under the Ministry of Fisheries, Oceans, and Maritime Affairs (MFOMA).

D. Environmental and Social Overview

D.1 Overview of Environmental and Social Project Settings

Vanuatu is a small island nation located in the South Pacific with fisheries being pivotal to the nation's economy and food security, especially for communities heavily dependent on coastal and oceanic fisheries. Vanuatu's oceanic fisheries rely heavily on foreign vessels operating under licensing agreements, with limited domestic processing. Coastal fisheries are integral to subsistence livelihoods and local economies, with an estimated 50 percent of households participating in fishing activities.

The project aims to strengthen national capacity and regional collaboration for fisheries. The institutional strengthening and capacity building, as well as specific investment activities will focus on strengthening the domestic value chain for paving the way to enhance regional integration.

The project interventions will focus on strengthening the domestic value chain for fishing stocks managed through Western and Central Pacific Ocean (WCPO) fishery which is recognized globally for its governance and institutions to manage fish resources at sustainable levels. Nevertheless, there is risk from climate change impacts (include warming waters and shifting currents) which could alter fish distribution and changes in the stocks available for sustainable fishing. Monitoring and management controls in place at the national, sub-regional (PNA) and regional (WCPO) levels represent an effective framework to manage sustainable fishing levels. WCPO purse seine fisheries has obtained certification in accordance with MSC Fisheries Standard which is the only globally recognized wild catch seafood certificate that conform to the ISEAL Code of Good Practice for Setting Social and Environmental Standards.

Country is vulnerable to climate change which transcends to impacts on project infrastructure particularly from the extreme weather events such as cyclones, extreme precipitation, flooding, sea-level rise, coastal erosion, soil salinization.

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

Vanuatu Fishery Department (VFD), as the department responsible for fisheries, within the Ministry of Fisheries, Oceans and Maritime Affairs (MFOMA) will lead implementation. Project Support Team (PST) will be established within VFD to assist with project management. VFD has no prior experience implementing a World Bank funded project. MFOMA was established in October 2024 and is in the process of setting up its institutional and operational arrangements. As such, a project preparation advance (PPA) is planned to advance establishment of the PST and key technical and feasibility studies. The PST will include at least a project coordinator, a financial management officer, a procurement officer and an environmental and social risk officer, supported by technical consultants as required.



MFOMA's Corporate Services Unit (CSU) will support VFD and its PST in aligning and streamlining Government and World Bank monitoring, and reporting requirements. For this purpose, MFOMA's CSU structure includes a Project Management Unit (PMU) responsible for supporting the Ministry's operations. Detailed implementation arrangements for the World Bank project will be confirmed and assessed during preparation once the institutional arrangements for MFOMA have been finalized.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Substantial

A.1 Environmental Risk Rating

Substantial

The project involves technical assistance and physical investment activities, posing substantial environmental risks. Land reclamation for component 1 infrastructure may impact coastal dynamics, marine habitats, and water quality. Jetty construction could alter coastal processes, increase turbidity, and cause water contamination from accidental spills. Changes in water circulation due to the jetty might affect water quality, reducing oxygen levels or increasing nutrients. Building on reclaimed land risks ground instability and soil liquefaction. The seafood technology incubator may intensively use water, exacerbating risks due to limited availability, and generate significant wastewater with high pollution, impacting aquatic environments. Component 2 activities risk unsustainable fish stock harvesting in fisheries value chains. IBAT data review identified IUCN CR and EN species in the project area, necessitating biodiversity impact assessments. Contextual risks include Vanuatu's FCV context, vulnerability to natural hazards like floods, cyclones, and storm surges, with climate change expected to increase infrastructure vulnerability. Vanuatu's environmental regulations have gaps compared to ESS requirements, with inconsistent enforcement, especially locally. The Vanuatu Department of Environmental Protection and Conservation (DEPC) administers environmental laws but struggles with full implementation and enforcement. Moreover, the Implementing Agency has not prior experience implementing World Bank funded projects.

A.2 Social Risk Rating

Substantial

The proposed project is rated Substantial due to potential adverse social impacts related to land acquisition, livelihoods, labor influx, and vulnerable communities. It involves infrastructure development, including a multipurpose jetty, onshore facilities, fish markets, and a new VFD headquarters, alongside expanding fisheries and aquaculture activities. Key social risks include: (ESS5) Infrastructure construction may require new land use, potentially leading to displacement and impacting livelihoods, especially for informal users or those with customary tenure. Access to resources and traditional fishing grounds needs careful assessment. Impacts on Livelihoods and Access to Resources (ESS5): Changes in fishing practices and market dynamics could affect small-scale fishers, aquaculture farmers, and communities reliant on marine resources. The transition may exclude certain groups from new opportunities or traditional access. Labor Influx and Associated Risks (ESS2, ESS4): Construction and operation of facilities may lead to labor influx, straining local services, increasing competition for resources, and potentially causing social tensions. Risks include communicable diseases and Sexual Exploitation, Abuse, and Harassment (SEA/SH). Impacts on Vulnerable Groups (ESS1, ESS7): Diverse communities may be vulnerable due to reliance on subsistence activities, customary land tenure, or limited access to information. Gender inequalities need addressing to prevent exacerbating vulnerabilities or creating new ones. Community Health and Safety (ESS4): Construction activities and



increased vessel traffic pose health and safety risks, including noise, dust, traffic hazards, and exposure to waste or pollution. Maritime safety for fishers is emphasized, but broader community safety needs consideration. The Borrower's capacity for managing complex social issues, particularly given the recent establishment of MFOMA, will require strengthening and hands-on support.

B. Relevance of Standards and Policies at Concept Stage

B.1 Relevance of Environmental and Social Standards

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

The project is likely to have substantial environmental and moderate social risks, due to from its support to multiple physical activities (as described in section A.1), and downstream activities under TA. feasibility study/engineering design for a large-scale seafood processing hub, coupled with the design of a fishmeal plant. Physical activities will have substantial environmental and social impacts in terms. Potential impacts are related to of land use, noise/dust nuisance, water pollution and construction waste management, traffic impact, community disturbance, construction related risks such as health and safety risks during construction stage, as well as waste and pollution discharge, worker health and safety risks, coastal ecological impacts, risks on biosecurity and exclusion of marginalized peoples from project benefits etc. during the operation. The preparation phase will be used to assess these risks and develop appropriate instruments including the ESCP, SEP and LMP.

ESS10 - Stakeholder Engagement and Information Disclosure Relevant

ESS10 is relevant. The project is anticipated to involve a wide range of stakeholders including local communities directly impacted by fishing activities, fisherfolks, vulnerable groups such as women, elderly, people with disabilities and poor and IP fishing communities, fish vendors, retailers, market operators and suppliers as well as members of fish cooperatives and associations, businesses owners and relevant government agencies. The project will comply with ESS10 to ensure meaningful engagement, transparency, and social inclusion. An inclusive Stakeholder Engagement Plan (SEP) will be prepared, disclosed, and implemented, proportional to the project's nature and scale. The SEP will identify and map key stakeholders, ensuring consultations are inclusive and accessible. A Grievance Mechanism (GM) will be established to address stakeholder concerns and complaint. The GM will include a mechanism and referral pathway for SEA-SH complaints.

ESS2 - Labor and Working Conditions Relevant

Potential labor risks include occupational health and safety (OHS) hazards associated with construction activities and fishing operations, as well as issues related to terms and conditions of employment for contracted staff. A comprehensive Labor Management Procedures (LMP) will be prepared by the Borrower to address these risks and ensure compliance with ESS2. The project aims to create jobs for approximately 500 people. The LMP will outline the labor requirements, associated risks, and necessary procedures to manage labor issues effectively. Key measures with include enforcing OHS standards for onshore and at sea, preventing child and forced labor, and establishing a Grievance Redress Mechanism (GRM) to address worker concerns. An LMP will address how the project can enforce national labor laws and ESS2 requirements, ensuring safe and healthy working conditions, fair wages, transparent terms of employment in addition to codes of conduct and other measures within the SEA-SH AP.



ESS3 - Resource Efficiency and Pollution Prevention and Management

Relevant

The project will have resource efficiency and pollution discharge implications during construction and operation stages, especially the operation of office buildings, and seafood product development facility which is likely to be water resource intensive. Significant amount of wastewater with high pollution load is also likely to be generated from seafood incubator facility and from jetty operations. Lack of adequate treatment will impact aquatic and marine environments. Construction phase will generate construction and demolition waste; waste from seafood incubator operations includes: (a) putrescible by-product waste from inedible fish parts; (b) process rejects; (c) chemical waste; and (d) sludge from wastewater treatment plant. Inadequate waste management may lead to chemical and organic wastes entering and polluting soil and water resources. End of life disposal risks of the E-waste. The resources efficiency and pollution management will be addressed through the E&S Instruments.

ESS4 - Community Health and Safety

Relevant

The project will impact community health and safety during construction and operation phases. Risks include construction hazards, increased traffic, labor influx, and emergency preparedness needs. Construction activities may cause noise, dust, and hazardous material spills, while increased traffic poses safety risks. Labor influx could strain services and increase social conflict risks. Emergency preparedness is crucial due to Vanuatu's vulnerability to natural disasters and potential project-related accidents. Hazardous materials management involves handling fuels and chemicals, with risks of spills affecting communities. Universal access principles will ensure infrastructure accessibility for all, including people with disabilities. These risks will be assessed and managed through various studies and plans, including the E&S Scoping/Initial Assessment study, SEP, LMP, SEA/SH AP, and later through project ESIA and contractor ESMP during implementation.

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

Relevant

Involuntary land acquisition is excluded from the project scope. Certain components may restrict land use, potentially causing physical or economic displacement. Construction activities, such as land reclamation and building a multipurpose jetty and new facilities, may require land leasing or affect formal and informal land users. While the VFD headquarters is planned on government-owned land, the status of other sites is uncertain. Aquaculture development and a seafood hub may restrict access to traditional fishing grounds, affecting livelihoods. The ESCP will require the application of ESS5, including i) land screening for all project sites to identify risks of physical or economic displacement, regardless of title status and ii) preparation and implementation of Resettlement Plans (RP) where required, consistent with ESS5 provisions.

ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources

Relevant

Marine habitats may be impacted due to changes in coastal dynamics from land reclamation and jetty construction, and wastewater discharges from jetty operations and seafood/feed incubators. Most physical works are planned in modified habitats but further investigation is needed to assess marine habitat values. There is a risk of unsustainable fish stock harvesting in the fisheries value chain supported by component 2 activities. However, national, sub-regional (PNA), and regional (WCPO) monitoring and management controls provide an effective framework for sustainable fishing. Risks and impacts on marine habitats will be assessed through a rapid biodiversity assessment during project



preparation. PA Guidance note is not applicable as the project will not lead to any increased restriction of access to defined EEZ and the project doesn't include activities involving law enforcement in EEZ.

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

Relevant

ESS7 is relevant. At the country level, Vanuatu meets the ESS7 IP criteria; the country has distinct social and cultural groups, 98% of lands are held in customary ownership, separate customary institutions are present and the country has over 100 recognized indigenous languages. Project activities could interact with communities exhibiting characteristics ESS7. The project's focus on coastal and oceanic fisheries, and its operations in Vanuatu, a country with diverse traditional communities heavily reliant on marine resources, indicate the potential presence of such groups within the project's area of influence. Therefore, E&S Scoping/Initial Assessment undertaken during project preparation will confirm their presence, characteristics, and the nature of potential project impacts. If relevant, IP considerations will be streamlined into all project instruments. IP measures will focus on culturally appropriate approaches to stakeholder engagement, grievance redress and benefit sharing.

ESS8 - Cultural Heritage

Relevant

ESS8 is relevant due to the project's planned physical interventions, including constructing a multipurpose jetty, onshore facilities, a boatyard pen, and a new VFD headquarters. These activities involve environmental changes that may impact tangible cultural heritage, such as archaeological resources or built heritage. The project's focus on fisheries management may also affect intangible cultural heritage related to traditional fishing practices. A comprehensive assessment of cultural heritage risks and impacts is required, along with a Chance Finds Procedure and stakeholder consultation. If significant cultural heritage is identified in the E&S Scoping/Initial Assessment, a Cultural Heritage Management Plan will be required in the ESCP and prepared as part of the Environmental and Social Impact Assessment during project implementation.

ESS9 - Financial Intermediaries

Not Currently Relevant

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

In Part

Under regulatory framework, the physical works will require environmental assessment with project details (layouts and plans), risk and impact identification, management and monitoring plan. Nevertheless there are gaps 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) the extent of impacts are not required to be assessed in the context of projects area of influence and associated facilities, (c) lack of a plan for ongoing engagement and grievance redress mechanism (i.e., no stakeholder engagement), (d) absence of requirement on integrating the climate change



assessment in project design. Institutional capacity for enforcement and monitoring needs assessment. It is proposed to use regulatory framework for LFS requirements and national regulations require buildings to comply with all local building legislation requirements, as well as the safe building procedure

Use of Common Approach

n/a

No

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 Appraisal?

The following ES instruments are expected to be prepared by Appraisal:

- E&S Scoping/Initial Assessment study which will provide assessment of the project's E&S risks and impacts based on qualitative and quantitative data and estimates, pinpoint suitable mitigation strategies, detailing them sufficiently to provide a first estimate of mitigation costs. E&S Scoping to include potential adverse impacts on biodiversity values and priority ecosystem services through a Rapid Biodiversity assessment.
- Stakeholder Engagement Plan (SEP);
- A Sexual Exploitation and Abuse / Sexual Harassment Action Plan (SEA/SH AP);
- Labor Management Plan (LMP), and;
- Environmental and Social Commitment Plan (ESCP).

III. CONTACT POINT

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