

# INTEGRATED SAFEGUARDS DATA SHEET ADDITIONAL FINANCING

**Report No.: ISDSA13582**

**Date ISDS Prepared/Updated:** 20-Dec-2015

**Date ISDS Approved/Disclosed:** 28-Dec-2015

## I. BASIC INFORMATION

### 1. Basic Project Data

<b>Country:</b>	Kiribati	<b>Project ID:</b>	P153381
		<b>Parent Project ID:</b>	P128938
<b>Project Name:</b>	Kiribati Aviation Investment Project Additional Financing (P153381)		
<b>Parent Project Name:</b>	Pacific Aviation Investment - Kiribati (P128938)		
<b>Task Team Leader(s):</b>	Pierre Graftieaux, Christopher R. Bennett		
<b>Estimated Appraisal Date:</b>	28-Dec-2015	<b>Estimated Board Date:</b>	09-Mar-2016
<b>Managing Unit:</b>	GTI02	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	Aviation (85%), Public administration- Transportation (15%)		
<b>Theme(s):</b>	Regional integration (20%), Trade facilitation and market access (20%), Climate change (20%), Natural disaster management (20%), Administrative and civil service reform (20%)		
<b>Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?</b>			No
<b>Financing (In USD Million)</b>			
Total Project Cost:	14.33	Total Bank Financing:	7.10
Financing Gap:	0.00		
<b>Financing Source</b>			<b>Amount</b>
BORROWER/RECIPIENT			1.88
IDA Grant			7.10
Pacific Regional Infrastructure Facility Trust Fund			5.35
Total			14.33
<b>Environmental Category:</b>	B - Partial Assessment		

<b>Is this a Repeater project?</b>	No
------------------------------------	----

## 2. Project Development Objective(s)

### A. Original Project Development Objectives – Parent

The project development objective is to improve operational safety and oversight of international air transport infrastructure.

### B. Proposed Project Development Objectives – Additional Financing (AF)

The project development objective is to improve operational safety and oversight of international air transport and associated infrastructure.

## 3. Project Description

Component A: International Air Transport Infrastructure Investments (approx. US\$8.91 million, excluding contingencies)

- Cassidy Airport (CXI): All investments for Cassidy are required to ensure that CXI will again be nominated by airlines as an Extended Range Twin Engine Operations (ETOPS) alternate, and will be largely funded through the PRIF Trust Fund. The re-establishment of Cassidy as ETOPS and the anticipated fees paid by the airlines for this service will provide a much needed revenue source for the GoK, which will contribute to the sustainability of the aviation sector in Kiribati. The additional financing will cover shortfalls for the following:
  - o Terminal Building: Reconstruction of Cassidy Airport Terminal to reach compliance with international standards and recommended practices. Given flights from CXI land on US soil, the terminal must adhere to strict requirements of the US FAA and TSA in order for the flights to Hawaii not to be discontinued. The requirement for full deplaning of passengers and rescreening was not enforced at the time of appraisal, which resulted in a substantial increase in floor area required compared with the current terminal, in addition to more sophisticated screening facilities.
  - o Navigations Aids and Lighting: Navigation Aids such as a non-directional Beacon (NDB), an automatic weather station (AWS), improved power supply, air traffic control equipment and airfield ground lighting. Most of the cost increase compared to appraisal estimates was with CXI, due to more stringent requirements around ETOPS for full Airfield Ground Lighting and Simple Approach Lighting Systems, sufficient for Fiji Airways, Air New Zealand and Virgin to continue to use CXI in an emergency and to hold this airport as an alternate. .
  - o Communications Equipment: VSAT Communications Equipment for ground-to-ground communications.
  - o Combined Fire Tender and Maintenance Shelter: A shelter for storing fire tender vehicles and to serve as a workshop for conducting maintenance activities. The structure will also include an observatory deck for air traffic controllers.
- Fire Tenders: A recent evaluation of the fire tenders at Bonriki and Cassidy Airport has shown considerable deterioration in the existing fleet. In order to maintain the firefighting standards at both Bonriki and Cassidy, four additional fire tenders will be required, two at each airport.
- Seawall Extension at Runway End 27: The construction of this seawall, as per the detailed coastal study prepared under the KAP-III Project in July 2014, will protect the runway from climate

effects and extend its operational life.

Component B: Sector Reform and Training (Approx. US\$1.29 million, excluding contingencies)

- **Support to CAA and Line Ministries:** The project will continue to provide support to CAA and Line Ministries to improve management of aviation infrastructure and operations, and civil aviation oversight. The project will hire a Technical Auditor to assist the MCTTD with project implementation and the separation of regulatory functions from management and operational functions.
- **Sustainability of Investments:** Part of the responsibilities of the newly added Aviation Advisor role will be to develop a number of revenue sources to provide a sustainable financing source for the Aviation sector in addition to the safety and security levy which has already been successfully implemented. These include airport service charges, CAA oversight fees, ETOPS and flight information region revenues. A Civil Aviation Special Fund and disbursement framework have already been established under the project. Beyond the airport management contract (2 years of which will be financed by the grant), funds will be directed to maintenance of infrastructure to ensure safety/security and sustainability of the investments, with allocations earmarked for both the Civil Aviation (regulatory) and Airport Services (operations) divisions. The project requires 50% of these aviation revenues be allocated towards ensuring aviation safety and security and operations.
- **Pacific Aviation Safety Office (PASO) Safety and Security Oversight Costs:** Through the PRIF Grant, the project will finance PASO's services to Kiribati to ensure effective safety and security oversight is maintained. This will transition to a sustainable funding mechanism using part of the AU\$5 departing international passenger safety and security levy.
- **Training:** Ongoing training to address project support needs, as necessary. This will include firemen training for example.

Component D: Project Support (Approx. US\$1.12 million, excluding contingencies)

- **Project Management and Support:** The resources initially allocated for TFSU have proven to be insufficient for project management. Fees have therefore been reviewed and revised. Taking into account the revised fees and prolonged timeframe for project implementation, as well as the funding shortfall created for TAL due to the cessation of TFSU services to Kiribati, additional resources will be required.
- The additional funds needed to cover the cost of TFSU services until December 2018 are estimated at approximately US\$910k, which will be included in the additional financing as a separate, stand-alone category. The remainder of the grant amount will be divided into three more categories [(1)(A), (1)(B) and (1)(C)], the amounts of which will approximately reflect the disbursement estimates under the grant in respectively 2016, 2017 and 2018. Unless and until the Association has received evidence satisfactory to the Association that all TFSU Costs incurred in 2016 (resp. 2017) have been paid by the Recipient in accordance with the Service Agreement, no withdrawal shall be made from category (1)(B) (resp. (1)(C)). In case of ongoing late payments, then the Service Agreement will be reviewed to introduce advance payments and/or penalty interest.

**4. Project location and salient physical characteristics relevant to the safeguard analysis (if known)**

Aviation plays a vital economic and social role in Kiribati's development. There are two international

airports: Bonriki on South Tarawa (TRW) and Cassidy on Kiritimati Island (CXI) that serve as the main links to the Gilbert and Line Island groups, respectively. The project's investments will take place on or adjacent to the existing airport lands. The project will also resurface the road from Cassidy airport to London on Kiritimati.

## 5. Environmental and Social Safeguards Specialists

Nicholas John Valentine (GENDR)

Ross James Butler (GSURR)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project is Category B based on the screening criteria provided in the Environmental and Social Management Framework (ESMF) prepared for the Pacific Aviation Investment Project. The potential environmental impacts from the above interventions are mostly construction-related, temporary in nature and can be addressed through engineering design and by implementing sound environmental management of construction and operation activities. With the exception of the Cassidy-London road, the area of influence is very limited as the civil works will be carried out within the existing property boundaries of, or on land directly adjacent to, the airports. In summary, the main potential environmental impacts and concerns identified include: (i) construction-related nuisances such as noise, dust from construction and exhaust emissions from machines; (ii) disturbance to local traffic; (iii) construction workers' and community safety; (iv) risks from the use and disposal of hazardous materials such as used fuel and lubricants; (v) land clearance around the boundary of the airport; (vi) solid waste and wastewater management during construction and operation.
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	Yes	The land located in Bonriki airport in Kiribati is either government owned or government leased. Land leasing is a common occurrence in Kiribati, given the lack of land available in the country. Land leases are paid annually,

		and are updated every three years. People in Kiribati are generally well informed about the land lease process, including grievance mechanisms in place. This was confirmed by the World Bank-commissioned social due diligence report. However, there is currently a dispute regarding the land where the terminal is located, and whether this is privately or government owned land. For this reason OP4.12 on Involuntary Resettlement was triggered.
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	

## II. Key Safeguard Policy Issues and Their Management

### A. Summary of Key Safeguard Issues

<b>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</b>
<p>The additional financing will support the scaling up of some physical interventions contemplated in the original project design; specifically the coastal protection extension at Bonriki (Runway End 27). The anticipated environmental impacts are essentially the same. While the revised design for the coastal protection involves a longer and more substantial structure, the installation will be situated predominantly above the mean high water mark and will not impinge on any biological resources. Mitigation measures for any potential impacts are readily incorporated in the Construction Environmental Management Plan (CEMP).</p> <p>The additional physical interventions at Cassidy Airport comprise new instrumentation and revised construction standards. These interventions will not have any significant environmental interactions.</p>
<b>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</b>
<p>The activities under the Additional Financing are not expected to result in indirect or long term negative impacts. The coastal protection enhancement will increase aviation safety and climate resilience, similarly, the interventions at Cassidy Airport will allow it to function as an alternate airport for trans-Pacific Extended Range Twin Engine Operations (ETOPS).</p>
<b>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</b>
<p>There are no project alternatives as the investments are being made at the existing airports and relocation of the airports is not feasible.</p>
<b>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.</b>
<p>The Construction EMP (CEMP) has been progressively amended in response to changing circumstances (eg. revised arrangements for aggregate transport). The AF physical investments can be readily managed through amendment to the existing CEMP. The Resettlement Policy</p>

Framework (RPF) remains current and can be enacted should resettlement issues arise.
<b>5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.</b>
The key stakeholders under the AF are the same as those under the parent project.

### ***B. Disclosure Requirements***

<b>Environmental Assessment/Audit/Management Plan/Other</b>	
Date of receipt by the Bank	11-May-2011
Date of submission to InfoShop	15-Sep-2011
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	////
<b>"In country" Disclosure</b>	
Kiribati Region	25-Sep-2011
<i>Comments:</i> Available on MFED website <a href="http://www.mfed.gov.ki/projects/kiribati-aviation-investment-project-kaip">http://www.mfed.gov.ki/projects/kiribati-aviation-investment-project-kaip</a>	
<b>Resettlement Action Plan/Framework/Policy Process</b>	
Date of receipt by the Bank	11-May-2011
Date of submission to InfoShop	11-Jul-2011
<b>"In country" Disclosure</b>	
Kiribati Region	25-Jul-2011
<i>Comments:</i> Available on MFED website <a href="http://www.mfed.gov.ki/projects/kiribati-aviation-investment-project-kaip">http://www.mfed.gov.ki/projects/kiribati-aviation-investment-project-kaip</a>	
<b>If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.</b>	
<b>If in-country disclosure of any of the above documents is not expected, please explain why:</b>	

### ***C. Compliance Monitoring Indicators at the Corporate Level***

<b>OP/BP/GP 4.01 - Environment Assessment</b>	
Does the project require a stand-alone EA (including EMP) report?	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] NA [ <input type="checkbox"/> ]
<b>OP/BP 4.12 - Involuntary Resettlement</b>	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Is physical displacement/relocation expected?	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] TBD [ <input type="checkbox"/> ]
Provided estimated number of people to be affected	

Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] TBD [ <input type="checkbox"/> ]
Provided estimated number of people to be affected	
<b>The World Bank Policy on Disclosure of Information</b>	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
<b>All Safeguard Policies</b>	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Have costs related to safeguard policy measures been included in the project cost?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]

### III. APPROVALS

Task Team Leader(s):	Name: Pierre Graftieaux, Christopher R. Bennett	
<b><i>Approved By</i></b>		
Safeguards Advisor:	Name: Svend Jensby (SA)	Date: 23-Dec-2015
Practice Manager/ Manager:	Name: James A. Reichert (PMGR)	Date: 28-Dec-2015