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

Appraisal Stage | Date Prepared/Updated: 19-Feb-2017 | Report No: PIDISDSA19978



BASIC INFORMATION

A. Basic Project Data

Country Marshall Islands	Project ID P160096	Project Name Pacific Resilience Program - Phase II	Parent Project ID (if any)
Region EAST ASIA AND PACIFIC	Estimated Appraisal Date 24-Feb-2017	Estimated Board Date 11-May-2017	Practice Area (Lead) Environment & Natural Resources
Lending Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency Pacific Community	

Proposed Development Objective(s)

The project development objective 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: Contingency Emergency Response
- Component 4: Project management

Financing (in USD Million)

Financing Source	Amount
Green Climate Fund	25.00
IDA Grant	23.80
Total Project Cost	48.80

Environmental Assessment Category

B - Partial Assessment

Decision

The review did authorize the preparation to continue

Note to Task Teams: End of system generated content, document is editable from here.



Other Decision (as needed)

B. Introduction and Context

1. The Pacific Island Countries (PICs) include some of the world's smallest nations located in the world's largest ocean. 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/typhoons, 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 roughly 9.2 million people in the Pacific region, causing around 10,000 deaths.¹ This has cost the PICs around USD4.6 billion (in nominal terms) in associated damage costs (EM-DAT, 2010, and World Bank).²

2. 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 five isolated islands (24 of which are inhabited) and has a total land mass of just 181km², which is set in an ocean area of over 1.9 million km². RMI's population is estimated at about 53,000, of which over half are resident in the capital city of Majuro.

3. RMI is a lower middle-income country with a FY2015 GDP of US\$179.4 million, and a per capita GDP of US\$3,326 (source: US Graduate School, 2015 economic review). GDP has grown at an average rate of around 1% per annum in real per capita terms since independence in 1979. The size and remoteness of RMI increases the costs of economic activity and make it unable to achieve economies of scale. Remoteness also imposes transport expenses that increase the costs of trade, and fundamentally constrains the competitiveness of exports of goods and services internationally. These same factors also push up the cost and complexity of providing public services and fulfilling the basic functions of Government. Exports are low, and the shallow domestic economy has brought high dependence on imports, which are funded largely by the sale of offshore fishing rights and high levels of foreign aid. Foreign aid funds a very large public sector that dominates the economy.

4. The population of RMI is concentrated on small, low-lying atolls, and this makes RMI vulnerable to natural disasters and climate change. The country is vulnerable to occasional typhoons and is already beginning to feel the effects of climate change. Like other low-lying Pacific nations, its 370km coastline (which is home to 99% of the population), renders it particularly susceptible to extreme waves and high tides.

5. 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

¹ SPC Pocket Handbook 2010.

² Source: Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI). Countries covered by PCRAFI are Cook Islands, Federated States of Micronesia, Fiji, Kiribati, RMI, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. Timor-Leste is also included.



Average Annual Loss related to typhoons and tsunami is 1.7% of GDP.³ Catastrophic risk modelling indicates that RMI is expected to incur, on average, US\$3 million per year in losses due to typhoons. In the next 50 years, RMI has a 50% chance of experiencing a loss exceeding US\$53 million, and a 10% chance of experiencing a loss exceeding US\$160 million.⁴

6. These estimates do not take climate change into account, which is likely to exacerbate risks to livelihoods, coastal settlements, infrastructure, ecosystems, services, and economic stability.⁵ Climate change will lead to more damaging storm surges and coastal inundation, increased intensity of tropical storms, and more extreme events such as droughts and flooding for RMI. 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 temperatures. Experience in RMI shows that coral reefs are already being damaged by human waste, garbage, and debris is being washed onto the reefs during ebb tides. A state of emergency was declared on February 3, 2016, due to a prolonged drought which effected 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.

7. 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 11,000 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. Several schools are reportedly highly affected by erosion. The need for coastal protection around Ebeye is particularly critical because of its small size, high population density,⁶ 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.

8. While disasters impact whole societies when they strike, the poor and vulnerable are hit the hardest. This was the case following recent disasters in the Pacific (e.g. in the aftermath of tropical storm Nangka in July 2015) where poorer people were affected 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.

9. Recognizing these challenges, the Government has developed strategic priorities for disaster management and climate adaptation which are spelled out in the Joint National Action Plan for Climate Change Adaptation and Disaster Risk Management 2014–2018 (JNAP). The five JNAP goals relevant to this project are:

- i. *Goal 1:* Establish and support an enabling environment for improved coordination of disaster risk management /climate change adaptation in the Marshall Islands;
- ii. *Goal 2:* Public education and awareness of effective DRM/CCA responses from local to national level;
- iii. *Goal 3:* Enhanced emergency preparedness and response at all levels;

³ RMI Country Risk Profile, PCRAFI (2011)

⁴ PCRAFI Country Risk Profiles, September 2011

⁵ IPCC, 2014: *Climate Change 2014: Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change* [Core Writing Team, R.K. Pachauri and L.A. Meyer (eds.)]. IPCC, Geneva, Switzerland.

⁶ Ebeye has a population density of more than 30,000 people/sq. km, and is in the top ten most densely populated islands in the world.



- iv. *Goal 5:* Enhanced local livelihoods and community resilience for all Marshall Islands people;
- v. *Goal 6:* Integrated approach to development planning including consideration of climate change and disaster risks.

10. Many donor partners are currently supporting RMI in addressing disaster and climate change issues. For example: (i) upgrading the water supply and sewerage system in Ebeye (supported by the Asian Development Bank); (ii) a water and waste management program for the Majuro Water & Sewage Company (supported by Japan); (iii) implementation support for the RMI drought response plan (supported by Thailand, the People's Republic of China, India, Australia, and the USA); (iv) agriculture and food security (supported by Taiwan and China); (v) National Disaster Management Office (NDMO) support to finalize the JNAP Strategic framework and response to the drought (supported by the European Union); (vi) upgrading climate stations and meteorological equipment (supported by Finland, through Secretariat of the Pacific Regional Environment Program (SPREP)); and (vii) technical assistance in emergency preparedness and water resources management (supported by the Pacific Community or SPC). Potential future projects include an integrated water resource management in Majuro and outer islands project (supported by the United Nations Development Program and funded under the GCF), and strengthening the building code and establishing a resource center through which all disaster and climate policy and project documents can be shared (supported by Italy through SPREP).

11. Based on discussions with the government, the proposed project is designed to fill a clear gap by concentrating on strengthening early warning and preparedness for communities, coastal protection in vulnerable areas, financial support for disaster response, and institutional strengthening and capacity building within these elements. Phase II of the Pacific Resilience Program (PREP) will complement existing initiatives which aim to minimize the impact of climate change and natural hazards across the Pacific Region, and support the continuation and expansion of the Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI) insurance program, of which RMI is a participant.

12. The PREP is a 'Series of Projects', implemented in two phases at this stage, with the potential for more phases in the future. The PREP helps PICs to: (i) strengthen early warning and preparedness; (ii) create a framework for better, prioritized investments for climate and disaster resilience; and (iii) improve the post-disaster response capacity of the countries through strengthened financial resilience to disaster events.

13. PREP Phase I includes activities in Samoa, Tonga, Vanuatu and RMI, along with a range of activities which are implemented by the regional organizations the Pacific Community (SPC) and the Pacific Islands Forum Secretariat (PIFS). RMI and Vanuatu participate only in part of PREP Phase I which supports the financing of premiums for the regional disaster risk financing insurance scheme. Phase II of the PREP will include a broader range of activities for RMI.

C. Proposed Development Objective(s)

Note to Task Teams: The PDO has been pre-populated from the datasheet for the first time for your convenience. Please keep it up to date whenever it is changed in the datasheet.



Development Objective(s) (From PAD)

The project development objective 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.

D. Project Description

14. The Project will comprise a combination of nationally implemented activities and technical assistance implemented at the regional level by SPC, as described in the matrix below.

15. The implication of SPC will also provide, in addition to TA to RMI, the opportunity to benefit from the knowledge and experiences of the countries from the region, which are facing similar challenges. The project would help improving coastal protection practices in the region and share the experience and the results to other partner countries. The analysis of the coastal vulnerability extended to the Pacific Islands Countries would improve the general knowledge on climate and disaster resilience in different vulnerable sectors across PICs.

	Nationally Implemented Activities	Technical Assistance Implemented by the Pacific Community
Component 1: Institutional strengthening, early warning and preparedness	<ul style="list-style-type: none"> - Integrate governance of disaster and climate change management, and institutional strengthening - Improve early warning communication systems for outer islands - Develop a roadmap and implement priority improvements to modernize the NDMO’s facilities 	<ul style="list-style-type: none"> - Impact forecasting and system integration - Institutional strengthening of the NDMO and disaster management capacity - Post Disaster Needs Assessments
Component 2: Strengthening coastal resilience	<ul style="list-style-type: none"> - Improve and expand the coastal vulnerability assessment for Ebeye and Majuro - Priority coastal protection works investments including investigations, design, and construction supervision 	<ul style="list-style-type: none"> - Strengthen integrated coastal risk management - Investigate sustainable sources of aggregates in Majuro and Kwajalein atolls
Component 3: Contingency Emergency Response	Contingency Emergency Response Component (CERC)	N/a
Component 4: Project and Program management	Project management for all nationally implemented activities, and oversight of the Pacific Communities’ activities	Support from the regional PREP: <ul style="list-style-type: none"> - Program Support Unit (housed in SPC) to provide operational TA, M&E, procurement, and



		financial management support - Regional Coordination Unit (PIFS) to provide high level strategic vision and support
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Component 1: Institutional strengthening, early warning and preparedness

16. 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).

17. 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

18. 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).

19. 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

20. 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

21. 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

22. The implementation period for the PREP Phase II is planned to take up to five years. Effectiveness is expected in the third quarter of 2017. Program activities are expected to be completed by June 30, 2022, and the closing date will be November 30, 2022.

23. Although both the approach and coordination of the broader PREP is regional, PREP Phase II will be implemented mainly at the national level via the relevant implementing agencies, with support and coordination from the PSU housed in SPC as required. The detailed PREP institutional framework is attached in Annex 2.

Arrangements for Activities Implemented by RMI

24. RMI will be responsible for implementing activities under each component of the Project. The institutional



framework will include a National Steering Committee (NSC), headed by a Chairperson, which will comprise the National Disaster Committee (NDC), as well as representatives from the National Climate Change Committee (NC3) and from Kwajalein atoll. The NSC will govern the Project at the national level, and will provide the oversight and guidance for the project implementation.

25. The Chief Secretary Office (CSO) will be responsible for coordinating the Project overall, and will act as the secretariat to the NSC. The NDC and CSO will be responsible for ensuring strategic coordination between the key implementing entities which will be MoF for Components 1, 3 and 4 and MPW for Component 2. Other key line agencies include the National Disaster Management Office, the National Weather Service, the Environmental Protection Authority, the Kwajalein Local Government, and the Kwajalein Atoll Development Agency, with potential for others to be added in the future.

26. A Project Implementation Unit (PIU) will be established within MoF/ Division of International Development Assistance (DIDA) and include a Project Manager, a Safeguards Advisor and a Project Accountant. The Project Manager will assist the CSO/NSC in project coordination and manage the day-to-day implementation of the PREP activities for RMI, including procurement activities for Component 1, 3 and 4 with support from the Regional Program Support (PSU) in SPC. Technical staff will be recruited, as necessary, to support implementation of Components 1 and 3. The Safeguards Advisor will oversee the implementation of the ESMF and RPF. A consulting firm, to be recruited by MPW for Component 2, will be responsible for planning, capacity building, design, environmental and social impact assessment, land use due diligence and documentation, procurement, contract management, and supervision of coastal protection measures and investments (including implementing the Environmental and Social Management Plan).

Arrangements for activities implemented by SPC and Regional support initiated under PREP Phase I

27. Detailed information on the implementation and institutional arrangements for activities implemented by SPC is provided in Annex 2. Oversight for the regional program (PREP Phases I and II) will be ensured by a Regional Steering Committee (RSC). The RSC will provide advice and guidance to achieve the Project and Program objectives, and ensure better regional integration. The RSC includes representatives from the highest level of decision-making, both at the country and regional level. The chair of the RMI NSC will be a member of the RSC.

28. Phase I established a Regional Coordination Unit (RCU) within the PIFS. The RCU ensures strategic alignment between the PREP and Pacific leaders to facilitate high level strategic guidance and coordination by PIFS for Program implementation. The RCU, housed at PIFS, includes a Regional Coordinator (RC), and a small team of support staff.

29. SPC will provide technical, fiduciary, monitoring and evaluation support for nationally implemented activities, through a PSU which has been established within SPC under PREP Phase I. The PSU will support the day-to-day implementation and financial reporting and support the capacity of RMI fiduciary roles where required and be responsible for the delivery of SPC implemented TA under Components 1 and 2 of the proposed Project



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

The project will be implemented in the RMI. Specific locations for communications equipment under Component 1 have not been identified, but will be located on outer atoll islands. Footprints for equipment are 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, 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). 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

Penelope Ruth Ferguson, Ross James Butler

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Investments in coastal protection are most likely to be 'hard' engineered solutions, such as seawalls, revetments, groynes or breakwaters. The typology, dimensions and construction methodologies will be determined during project implementation, but all aggregates will be imported. No local sand or rock



will be used. Civil works are likely to require large earthmoving equipment and an imported labour force to operate the machinery. Temporary facilities such as access routes, jetties or boat ramps, laydown and workshop areas and a workers camp may be required.

Coastal protection works may have impacts on coastal processes, ecosystems and access to land, foreshore and resources. They may also affect long term settlement patterns. Overall the social benefits are likely to be significant, improving community resilience to natural hazards and sea level rise. Because the exact location of investments is unknown the nature and scale of potential impacts cannot be assessed. An Environmental and Social Management Framework has been prepared has been prepared to demonstrate the processes that the MPW PIU will go through to identify impacts and suitable mitigation measures. The project is classified as Category B as the impacts are not irreversible or unprecedented and can be mitigated and remedied.

An Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Plan (ESMP) will be required for any coastal protection works subprojects. Due diligence will be undertaken on the potential sources of imported rock. The ESIA and ESMP will inform the detailed design. Contractors will be required to prepare and implement an ESMP which will detail how the Contractor will achieve the requirements of the Project ESMP, including how to manage the impacts of the workforce and the temporary facilities. The ESMF outlines how social and environmental safeguards will be integrated into any technical advisory funded by the project, such as the aggregates study, vulnerability assessments and hazard mapping.

The ESMF also applies to any activities carried out under Component 3, commensurate to the immediate needs, the engagement of stakeholders and the nature and scale of the activities.



Natural Habitats OP/BP 4.04	Yes	Coastal protection works, including engineered solutions and enhancements to natural systems and ecosystem based adaptation, have the potential to impact on natural habitats in the marine and foreshore. Quarrying of rock and sand from the atoll environments may also disturb, degrade or destroy natural habitats. Therefore the policy is triggered. The potential impacts on natural habitats will be considered in the preparation and implementation of ESIA and ESMP.
Forests OP/BP 4.36	No	At the concept stage, the policy was triggered in the case that the project area of influence included mangroves or terrestrial forests, including the locations for terrestrial communications equipment installations. The ESMF has confirmed that there are no forests, including mangroves, in Ebeye or Majuro that will be affected by coastal protection works, and there are no terrestrial forests that will be impacted by any early warning activities on outer islands under Component 1.
Pest Management OP 4.09	No	There is no requirement to manage pests under this project.
Physical Cultural Resources OP/BP 4.11	Yes	The location, nature and scale of works will not be known at the time of appraisal and the location of PCR will not be known. But because there will be earthworks, the policy is triggered. PCR will be screened during the preparation of ESIA and ESMP and will be avoided in design or appropriate mitigation will be managed through the ESMP. PCR may be uncovered during the earthworks. PCR chance find procedures are required for all ESMP.
Indigenous Peoples OP/BP 4.10	No	RMI's population is relatively homogenous and exhibits few, if any, of the Bank's defining characteristics of Indigenous Peoples, according to the Environmental and Social Safeguards Instruments for the Pacific Island Countries.
Involuntary Resettlement OP/BP 4.12	Yes	The location, nature and scale of works will not be known at the time of appraisal and the land ownership aspects will not be known. Due to the nature of land ownership in the Marshall Islands involuntary land acquisition will not be part of the project. Land access will be negotiated with the land owners through a lease or Memorandum of Understanding. There may be the involuntary resettlement of lease holders, tenants and other



land users, which may be temporary or permanent. A Resettlement Policy Framework (RPF) has been prepared to document the process for identifying and managing the impacts of any involuntary resettlement.

Safety of Dams OP/BP 4.37	No	Not applicable
Projects on International Waterways OP/BP 7.50	No	Not applicable
Projects in Disputed Areas OP/BP 7.60	No	Not applicable

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:

Land ownership in the Marshall Islands is a customary system enshrined by the Constitution. Land owners 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 land owners early in the process, including them in the assessment of priority areas for development and concept design. There are clear benefits to land owners of coastal protection works, and to the wider community, and this is another mitigating factor. Tenants and informal land users are often marginalised 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 will be required for any coastal protection works subprojects. The ESIA and ESMP will also inform 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 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:

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 prioritised 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 have very limited experience with World Bank safeguards. To date, the Ministry of Finance has not implemented any infrastructure projects that require World Bank safeguards instruments. The highest safeguards risks relate to the civil works and technical advisory work that will be conducted under Component 2, Strengthening Coastal Resilience. The Implementing Agency for Component 2, Ministry of Public Works, does not have in house safeguards capacity and no experience of work on World Bank projects. There are several methods that will be employed to ensure there is sufficient capacity to implement the ESMF and RPF and ensure safeguards policies are complied with: 1) the PIU will include a safeguards specialist who will be tasked with implementing the framework documents and ensuring safeguards oversight for all coastal protection works and technical advisory funded under Component 2; 2) the MPW PIU will engage specialist consultants to prepare project-specific ESIA, EMP and land due diligence for each civil works project; 3) the 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; 4) the Supervision Engineer will be required to engage safeguards



specialists to supervise the Contractor’s implementation of the CESMP; and 5) 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 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. A stakeholder engagement plan will be prepared by the PIU early in project implementation to document how stakeholders will continue to be involved in activities under Components 1 and 2.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank	Date of submission to InfoShop	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
24-Dec-2016	26-Jan-2017	

"In country" Disclosure

Marshall Islands
14-Jan-2017

Comments

Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank	Date of submission to InfoShop
24-Dec-2016	26-Jan-2017

"In country" Disclosure



Marshall Islands

14-Jan-2017

Comments

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

OP/BP 4.04 - Natural Habitats

Would the project result in any significant conversion or degradation of critical natural habitats?

Yes

If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?

Yes

OP/BP 4.11 - Physical Cultural Resources

Does the EA include adequate measures related to cultural property?

Yes

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

Yes

OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

The World Bank Policy on Disclosure of Information



Have relevant safeguard policies documents been sent to the World Bank's Infoshop?

No

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?

No

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

CONTACT POINT

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APPROVAL

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Note to Task Teams: End of system generated content, document is editable from here.