Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

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BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Tuvalu	EAST ASIA AND PACIFIC	P179599	
Project Name	Tuvalu: Pacific Islands Regional Oceanscape Program - Second Phase for Economic Resilience		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Environment, Natural Resources & the Blue Economy	Investment Project Financing	7/31/2023	9/20/2023
Borrower(s)	Implementing Agency(ies)		
Ministry of Finance and Economic Development	Tuvalu Fisheries Department		

Proposed Development Objective

For Tuvalu's second phase's project ("Tuvalu PROPER"), the proposed Project Development Objective (PDO) is to strengthen regional collaboration and national capacity for the management and the sustainable development of the oceanic and coastal fisheries sector in Tuvalu.

Financing (in USD Million)	Amount
Total Project Cost	13.05

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

The proposed PROPER project comprises three technical components aligned with the conceptional framework for project design under the PROP series of projects (SOP), as well as project management and monitoring.

Component 1: Strengthening Policy and Institutions

Component 2: Strengthening Regional Collaboration and National Capacity for Oceanic Fisheries

Component 3: Strengthening Regional Collaboration and National Capacity for Coastal Fisheries and Conservation of Critical Coastal Habitats
Component 4: Project management

D. Environmental and Social Overview

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

Tuvalu is a volcanic archipelago and consists of three reef islands: Nanumanga, Niutao, Niulakita and six true atolls: Funafuti, Nanumea, Nui, Nukufetau, Nukulaelae and Vaitupu. At 2020 Tuvalu had a population of approximately 11,800 with an economy highly dependent on external aid with limited employment opportunities. Tuvalu has an exclusive economic zone (EEZ) of about 750,000 m2 making it the 38th largest EEZ in the world. The islands are low lying, some only 2m above sea level, and are geologically young, with most having poorly developed sandy or gravel coastline soils.

Tuvalu is in the Western and Central Pacific Ocean (WCPO) region, which covers 11 percent of the world's ocean area and is home to 22 small island countries and territories. The WCPO tuna fisheries account for more than half of global catch, representing a major source of revenue and foreign exchange, while coastal fisheries are essential for population wellbeing, therefore fisheries management is key to maintain those benefits.

Coastal fisheries in the region play a crucial role in supporting local livelihoods, national food sovereignty and security, nutrition and dietary health. Women are particularly dependent on coastal fisheries for economic opportunities, and the recently published Pacific Handbook for Gender and Social Inclusion in Coastal Fisheries and Aquaculture quotes research that found women's participation in fisheries in the Pacific is often over 50 percent. Traditionally, fish and seafood are primary sources of animal protein in Pacific Islanders' diets, although reef and lagoon fisheries are highly susceptible to over-exploitation. The WCPO, Tuvalu included, has rich marine biodiversity and ecosystems. Coral reefs, seagrass beds, mangroves and coastal wetland habitats provide vital protection from increasing threats from sea level rise, floods and storm events and help mitigate climate change through carbon sequestration. Although Pacific Island Countries (PIC's) coastal ecosystems produce some of the world's most significant marine biodiversity, the 2020 State of the Environment in the Pacific Islands report published by the Secretariat of the Pacific Regional Environment Program (SPREP) shows how ecosystem health and extent are diminishing under increasing pressure.

Tuvalu is facing increasing exposure and extreme vulnerability to the impacts of climate-change induced natural hazards. Other challenges include extreme geography and limited economic viability, lean institutional capacity, and unemployment, poor governance, and gender-based violence. Marine resources are one of the most precious natural resources of Tuvalu and fisheries is one of Tuvalu's priority sectors to stimulate economic growth and development. This is in the context of recent negative economic impacts due to COVID following Tuvalu's borders being closed from Mar 2020 to Dec 2022.

The PROP Second Phase for Economic Resilience (PROPER) will build on the first Phase. The proposed PROPER project comprises four components aligned with the conceptional framework for project design under the PROP Series of Projects, as well as project management and monitoring. Project activities will be located on Funafuti and the outer islands, in modified habitats and developed land. Proposed activities include feasibility investigations into climate resilient boating infrastructure such as floating jetties and roll up ramps for Funafuti and Outer Islands; Mariculture

Support through technical assistance for milkfish farming including upgrade to the farming area on Vaitupu, small grants scheme to undertake a Coral Planting Pilot, community creel monitoring; support for the existing Funafuti Hatchery and Fisheries Laboratory ; and procurement of 3 exploratory fishing vessels to divert fishing pressure away from lagoons and coastal areas. Other project activities will focus on developing a National Fleet Management Policy, TA on drafting regulations and legislation and training.

D. 2. Borrower's Institutional Capacity

TFD will be the implementing agency for the Project. TFD has established knowledge of WB policies and procedures , having implemented PROP first phase project under the Safeguard Policies, with a PMU consisting of a project management staff and a consultant E&S risk management specialist. The PMU will be responsible for the day-to-day project management, including FM, procurement, environmental and social (E&S) risk management, consolidation of workplan and budget, financial audit, compliance with WB ESF, (M&E) and learning system. As a small state, Tuvalu has limited access to E&S specialists thus are subject to capacity risks in the event that E&S risk management consultants are not available. Reflecting this, there has been significant delays in recruiting consultants and delivering E&S instruments during the PROP 1st phase. While the existing PMU has experience implementing World Bank funded projects including E&S risk management, they have limited experience with the ESF and will require training and capacity development in this area. The PMU national E&S specialist for the PROP 1st Phase Project will support the preparation of the project. The Project will require a national E&S Specialist during implementation and will retain the PROP 1st Phase national E&S specialist (subject to their availability). Environmental and social performance on the PROP 1st phase has been moderately satisfactory with some implementation challenges including: delays in recruitment of E&S specialist due to capacity constraints including limited availability of qualified E&S staff in country; limited E&S monitoring capacity due to travel restrictions during the COVID19 pandemic and the lack of a local E&S specialist.

Lessons learned will be carried across to the new project PMU such as the continued use of the support from the international E&S specialists where qualified local applicants are not available. A Central Project Management Office (CPMO) was established in 2021 within the Government of Tuvalu Ministry of Finance (MOF) and will provide project management support and backstopping for the ESF. CPMO has an experienced international Environmental and Social Advisor and a local Environmental and Social Safeguard Specialist . TheCPMO is providing support across the portfolio and will also provide support to PMU for this project. This will include support to appoint E&S consultants, review of documentation and ongoing support during project implementation. An international specialist E&S consultant will be engaged during the preparation phase, to assist in the preparation of E&S risk assessments and instruments before appraisal. The consultant will be guided, directed and managed by the CPMO on behalf of the TFD.

At the national level, the Borrower is familiar with the ESF from the preparation and partial implementation of previous projects, including the Tuvalu Learning Project (P171681), Health System Strengthening Project (P175170) and Maritime Investment in Climate Resilient Operations II (P177100).

This Borrower capacity and capability is considered adequate to support the integration of environmental and social risk management into the PROPER Project. Ongoing direct support including formal ESF training will be provided to the CPMO and TFD by WB to ensure the requirements of the ESF are satisfied.

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

A. Environmental and Social Risk Classification (ESRC) Moderate

Environmental Risk Rating Moderate

The Environmental risk rating is Moderate, with mostly temporary impacts which would be managed through conventional E&S risk management approaches. The project is expected to have a largely positive environmental impact through improved management and sustainability of fisheries. The level of risk associated with coral planting pilot and upgrading the farming area in Vaitupu is dependent on the nature and scale of works, to be clarified during Preparation. Equipment to be procured for upgrading the farming area is not yet confirmed, however equipment supply will result in waste from packaging and maintenance/replacement, and disposal of equipment at end of life. Upgrades to farming operations have potential to reduce marine water quality and alter habitat. Construction risks arising from upgrade works may include handling and disposal of hazardous materials, waste, community and worker health and safety impacts, contamination of water sources and marine water, dust and noise nuisance, soil erosion, and unsustainable sourcing of materials/use of finite resources. Operational impacts due to improvement in efficiency could include increased consumption of power and water, OHS risks, pollution risks such as chemical and biological pollution, disease outbreaks with a potential to transfer to wild populations. The environmental risk rating will be revisited during the preparation stage. Procurement of exploratory fishing vessels (three 12-metre catamarans) could create waste/spill risks associated with operation and maintenance. Activities associated with vessels could create OHS risk during training, testing of equipment, maintenance, or performance of duties. Trialing of electronic equipment and requirements for testing, maintenance, and replacement of safety-at-sea equipment may generate ongoing waste. Deployment of office and ICT equipment may lead to generation of e-waste. Further assessment of activities will be carried out during Preparation and risk rating will be modified as required. There is potential for downstream impacts (overfishing, generation of waste) associated with development of local tuna fishing fleet and the feasibility investigations into climate resilient boating infrastructure such as floating jetties and roll up ramps for Funafuti and Outer Islands. The risks will be further mitigated by institutional capacity building resulting from development of a National Fleet Management Policy, which will have a positive impact for the sustainable management of fisheries. TA for drafting regulations to reduce illegal and unregulated fishing will also result in a positive impact on the environment and ecosystems. TFD training activities including but not limited to safety at sea, monitoring, control & surveillance and inspections and product testing in the Sanitary Competent Authority (CA) are also expected to have positive impacts, resulting in improved compliance by the private sector, and improved/increased local government monitoring of external fishing activities in coastal waters. Scuba diving may be required to conduct works associated with research. Community health and safety risks can arise resulting from misapplication of sanitary, hygiene and product testing protocols associated with the establishment of a Competent Authority (CA) for monitoring seafood and fisheries products. Remaining TA activates including research and studies etc. will have impacts with low potential for negative downstream risks, as they predominantly seek to improve data collection, analysis and coordination of information.

Social Risk Rating Moderate

The social rating is moderate. The project is a continuation of the previous PROP Phase 1. Component 1 activities largely include OHS risks, risks in the equitable distribution of project benefits, and risks to livelihoods. The social risk rating will be revisited during the preparation stage. The project is of a moderate scale, not of high complexity, in locations of moderate sensitivity. Impacts are largely reversible and able to be mitigated and managed through known and predictable methods. There is a low probability of serious adverse effects to human health. Occupational health and safety risks will be managed through the ESMP and LMP which will be aligned to the Good International

Industry Practice (GIIP) and Environmental Health and Safety (EHS) Guidelines. Implementation of natural resource management plans (i.e. marine protected areas for coastal fisheries) may result in the loss of access to natural resources that support subsistence and customary livelihoods, and local food and income security. This is balanced against the project's positive livelihood and food security impacts as a result of sustainably managed natural resources and coastal fisheries. These risks will be managed through comprehensive stakeholder engagement including an education and awareness campaign.

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

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

The E&S impacts of project activities are mostly positive, strengthening the management of selected oceanic and coastal fisheries in Tuvalu. To address potential impacts, an Environment and Social Commitment Plan (ESCP), Environmental and Social Management Plan (ESMP), Stakeholder Engagement Plan (SEP) and Labor Management Procedures (LMP) will be prepared prior to appraisal.

The purchase of exploratory fishing vessel fleet could create OHS risks. Mainly, these consist of marine OHS risks, including risk of becoming lost/drown at sea, poor vessel construction, overloading, prolonged trips, limited safety, training or knowledge. Risks associated with operation include water quality impacts due to fuel spills or poor wastewater management. For fleet maintenance, risks include inappropriate disposal of lubricants and spare parts. Procurement of equipment to upgrade TFD IT infrastructure will require end of life management of e-waste.

Mariculture activities such as milkfish farming have a potential to pollute water systems with excess nutrients and fecal matter associated with increased concentrations. Furthermore, unsustainable sourcing of marine life for manufacture of milkfish feed pellets can negatively impact the sensitive ecosystems. Unsuitable depth / site selection for Coral planting pilot has a potential to disturb the genetic biodiversity fo the reef and can result in very low coral survival rate. Underwater surveys with collection of specimens with inadequate equipment etc. could have downstream OHS and environmental impacts and can incur damage to habitats or non-target species. Operational impacts could include minor aquatic ecology and marine water pollution impacts.

Upgrading activities for the farming area in Vaitupu and coral planting pilot could have the following E&S risks: waste and hazardous materials handling and disposal (e.g. potentially asbestos management for demolition works if required as part of the project); community and worker OHS impacts; the risk of COVID-19 transmission; contamination of water sources and marine ecosystems via poor drainage and management of storm water causing soil erosion and sedimentation; dust and noise nuisance; equitable distribution of project benefits within the community, including to vulnerable groups; and unsustainable sourcing of materials and use of finite resources. Operational impacts will be considered during design, with residual impacts addressed in the ESMP, which could include minor pollution and OHS risks associated with operation of the upgraded facility.

TA, training and capacity development activities could potentially have downstream environmental impacts as a result of broader policy changes which aim to adopt regional conservation management measures and improve

fisheries management. TA activities such as a domestic market study and export market study, and feasibility investigations into climate resilient boating infrastructure such as floating jetties and roll up ramps for Funafuti and Outer Islands; could potentially increase the productivity of fisheries activities in the Tuvalu and therefore further deplete aquatic resources and ecosystems, though environmental impacts are expected to be largely positive via development of a National Fleet Management Policy and drafting of improved regulations which should result in improved fisheries management, improving the sustainability of fisheries, and improved capacity in local institutions which may contribute to better compliance. Training activities (the nature of which is yet to be confirmed but it could include safety at sea, monitoring, control & surveillance and inspections) could potentially create OHS risk which would need to be managed.

There are community health and safety risks as a result of misapplication of sanitary, hygiene and product testing protocols associated with the establishment of a Competent Authority (CA) for monitoring seafood and fisheries products.

EHS concerns associated with the project are expected to be temporary, site specific/localized, and readily managed through an overarching ESMP, with supporting guidelines and Codes of Practice as relevant, prior to Appraisal. If any sites require specific mitigation measures, these will be incorporated into the ESMP and Environmental and Social Codes of Practice (ESCoPs). The ESMP will include:

- Description, characteristics and limitations of selected pilot sites, upgrade sites, sampling sites for the project.
- The measures to mitigate and/or offset adverse risks and impacts, including a site selection methodology for pilot site(s) using a multi-criteria analysis tool;
- Details, a template or terms of reference for ESCoPs that include OHS measures for all Project activities. As a minimum separate ESCoPs will be prepared for the following activities.
- training activities;
- construction and demolition activities associated with upgrade of the farming area on Vaitupu;
- operation of the Aquaculture in accordance with IFC's EHS guidelines on Aquaculture;
- operations and maintenance of vessels; and
- diving.

The ESMP will also include:
- A list of safety equipment required for safe operation of the 3 exploratory fishing vessels.
- Assessment of the risks and impacts associated with potential mariculture investments.
- A list of activities which are ineligible for financing, including coral rock and coastal sand mining and other subprojects assessed to have substantial or high E&S risk.
- An assessment of the most appropriate and sustainable sources for construction materials.
- An assessment of the implementing agency's capacity to manage risks.
- Capacity building plan and budget.
- OHS risks due to construction and demolition activities in line with relevant EHS Guidelines and GIIP, identification, mitigation and management of these risks will be in accordance with the relevant ESS in addition to the local legislation.
- Requirement to develop waste and safety management plans by the contractor
- Emergency preparedness and response

- E&S risk screening of the technical assistance activities.

The ESCP will set out the substantive measures and actions that will be required for the Project to meet E&S requirements over the Project's lifetime. This will include requirements of the ESF and relevant local legal and good international industry practice (GIIP) in consultancy terms of reference (ToR) and bidding documents; operational procedures or management plans and requirement for E&S specialists to review consultancy ToRs and outputs to provide a 'No Objection' prior to finalization.

The project will develop and implement an LMP prior to Appraisal, that will set out the ways in which project workers will be managed, including consultants, contractors, sub-contractors, community workers and primary suppliers. The project LMP will also establish labor guidelines for all categories of workers and will include a Codes of Conduct, including for SEA/SH, and functional grievance mechanism for labor grievances, drawing on national laws and regulations and international best practices, as well as ESS2 to manage employment-related complaints. The LMP will also include measures to minimize the risk of COVID transmission based on national COVID safety regulations and guidelines and the World Bank COVID-19 guidance for construction and civil works.

A SEP will be prepared prior to Appraisal to ensure effective, meaningful, inclusive and culturally appropriate stakeholder engagement during project preparation and implementation. The SEP will identify groups at risk of exclusion during project preparation and effective stakeholder engagement processes during implementation, with a focus on removing barriers to access for all (especially vulnerable groups) and developing tailored processes for the participation of remote communities. The SEP will include the a GRM and a process for issuing small grants for coral planting pilot.

Areas where "Use of Borrower Framework" is being considered:

Use of Borrower E&S Framework does not apply to this project.

ESS10 Stakeholder Engagement and Information Disclosure

ESS10 is relevant. The project recognizes the need for effective and inclusive engagement with all the relevant stakeholders, including those who will benefit from project activities. A Stakeholder Engagement Plan (SEP) will be prepared prior to appraisal to engage with stakeholders on the E&S risks of the project. The SEP will be disclosed on the TFD's official website. The SEP will identify and analyse key stakeholders (i.e., affected parties, other interested parties and disadvantaged and vulnerable groups), describe the process and modalities for sharing information on the project activities, incorporating stakeholder feedback into the Project, and define procedures for reporting on and disclosure of project documents.

The key stakeholders will include but will not be limited to: fishing communities – including beneficiary communities; fishing industry organizations and stakeholders; regional agencies such as the Forum Fisheries Agency, and community and civil society organizations and representatives. Consultations will be carried out in English and Tuvaluan and in culturally appropriate formats. Consultations will also be undertaken to identify specific issues relating to gender and SEA/SH. Consultation methods will be designed with attention to different social groups and sociocultural norms that impede participation and input into decision-making from socially disadvantaged people in a community. Strategies outlined in the SEP will minimise close contact and follow recommended hygiene procedures

as outlined in WHO guidance as part of COVID awareness. Further, the SEP will outline the Project's Grievance Mechanism (GM) which will enable stakeholders to raise project related concerns and grievances.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

Workers likely to be involved in the project include direct and contracted workers and potentially primary supply and community workers. Direct workers will include employees and consultants of the Project management Unit (PMU) and CPMO. Contracted workers will likely include selected private providers and construction workers. Operational health and safety risks, including potential COVID-19 pandemic risks, will be considered for construction workers for the built infrastructure, as well as in relation to the implementation of other project activities. Use of PPE and other safety measures at the training facilities and exploratory vessel fleet will be included as part of post-construction and operational protocols. The LMP, to be prepared prior to appraisal, will include appropriate terms and conditions of employment, nondiscrimination and equal opportunity (which includes a safe work environment free from violence and sexual harassment), workers' organizations, restrictions on child and forced labor, and occupational health and safety. In addition, the LMP will establish Codes of Conduct (including for SEA/SH), and GM for worker grievances, drawing on national laws and regulations and international best practices. Individuals under the age of 18 will be prohibited from working on the Project by national laws and regulations.

Construction and demolition activities may result in occupational health and safety risks and impacts which will be addressed in the ESMP in line with local legislation, the EHS Guidelines and GIIP. In addition, the ESCP and ESMP will require the development of Contractor waste and safety management plans by primary contracting companies.

Occupational health and safety risks:
Emergency preparedness and response will be addressed in the ESMP noting that emergency response plans will be developed for events such as spillage, occupational exposure to hazardous materials, failure of solid waste and wastewater treatment facilities, power outages, and fire in project funded facilities. Operational procedures or management plans developed and implemented to cover training, ongoing maintenance and safety at sea requirements and emergency management protocols for project funded maritime assets.

Scuba diving may be required to conduct works associated with research which can result in decompression sickness and introduce a drowning hazard. The project operational phase will include risks of workers being lost at sea while working on exploratory vessels.

ESS3 Resource Efficiency and Pollution Prevention and Management

The project will finance farming area upgrade works that will result in the consumption of energy, water, and construction materials. The borrower will adopt measures specified in IFC's EHS guidelines on Aquaculture. The extent of upgrade and demolition, and therefore the nature of construction materials and waste is not known at this stage; however, is expected to be small in scale. The potential to generate asbestos waste cannot be excluded at this

stage. Construction and demolition ESCoP will included detailed requirements in line with GIIP for disposal of asbestos (if present in to be demolished building).

ESS3 promotes the efficient use of resources such as water, energy and raw materials by avoiding or minimizing pollution from project activities. To meet the ESS3 objectives, the Borrower will adopt measures specified in the World Bank Group's Environmental, Health, and Safety (EHS) General Guidelines (2007) to optimize energy and water usage, to the extent technically and financially feasible. The ESMP will require consideration of opportunities to conserve water and energy as much as is technically and financially feasible and to promote accessibility, safety and climate change considerations in design and construction. Measures to mitigate potential impacts will be incorporated into codes of practice in the ESMP. Given the scale of works it is not anticipated that C-ESMPs will be required.

Sourcing of construction materials from unsustainable sources could create resource efficiency impacts. Coral rock and coastal sand mining will be avoided and construction materials such as sand, gravel and timber are mostly imported due to limited supply of materials within Tuvalu. Construction materials have downstream impacts such as dust pollution, noise pollution, fuel, chemical and hazardous material contamination in the country of origin. The ESCP will include measures to address sustainable sourcing of materials, including avoidance of Coral rock and coastal sand mining.

Greenhouse gas emissions (GHG) are expected to increase slightly because of this project due to upgraded facilities and operation of the exploratory fishing vessel fleet. However, the increase in emissions will not be significant and therefore an assessment of GHG emissions under ESS3 will not be required.

Operational phase risks include: the consumption of water and energy; contamination from poorly managed runoff; waste generation; sewage and greywater generation including contaminated groundwater from poorly managed septic systems; discharges and emissions; chemical and biohazardous waste; and contamination of ground and surface water with hydrocarbons (fuels and oils) from leaks or spills from hydrocarbon storage. Operational risks and appropriate mitigation measures will be considered in the design phase, and residual impacts addressed in accordance with the ESMP, ESCoPs, and operations manuals.

Operation, refueling and maintenance of the exploratory fishing vessel fleet may also generate pollution via fuel/oil leaks/spills and/or discharge of untreated wastewater in oceans and lagoons. Potential impacts will be addressed in the ESMP via a code of practice based on GIIP in relation to vessel operation and maintenance (to be prepared during project preparation).

The project will also support further development of the mariculture sector and a pilot coral planting program. Mariculture operations have the potential to reduce marine water quality depending on the types of investments. More detail is required regarding the small-scale mariculture component of the project. The activities will be finalized during project preparation, with risks to be addressed in the ESMP and, if appropriate to the level of risk, ESCoP will be prepared to manage the risks.

The project will include procurement of MCS and ICT equipment. This equipment will require end-of-life management of e-waste, which poses a waste management risk that will be addressed in the ESMP.

ESS4 Community Health and Safety

The Project will finance procurement of exploratory fishing vessels (three 12-metre catamarans) for fishing and bait trials. Accidents at sea are a common occurrence across the Pacific given that 98 percent of the sub-region is ocean. This is often exacerbated by bad weather, engine failure, poor vessel construction, overloading, prolonged trips, and limited safety equipment, training or knowledge. The establishment of the exploratory fishing fleet will likely be established in a context of low levels of knowledge of, compliance with, and monitoring or enforcement of maritime safety regulations. Similarly, maintenance skills and regimes, and availability of spare parts for vessels, particularly in remote areas, is unknown but is unlikely to be at an international standard. To mitigate against such incidents, the vessels will be compliant with the relevant Tuvaluan legislation and approved by the Tuvaluan authorities. Additionally, the vessel specifications will be reviewed by a suitably qualified person (such as a naval architect) and operational procedures or management plans developed and implemented in line with GIIP to cover training, including that provided under the relevant Project sub-component, ongoing maintenance and safety at sea requirements and emergency management protocols.

There are community health and safety risks as a result of misapplication of sanitary, hygiene and product testing protocols associated with the establishment of a CA for monitoring seafood and fisheries products. While Component 3 provides training to manage these risks, the reality of frequent staff changes means a sustained training system and SOPs will need to be prepared and implemented to ensure continuity of the skills and knowledge relating CA responsibilities.

The project's sexual exploitation and abuse / sexual harrassment (SEA/SH) risk is rated at 'moderate'. The project is of a medium size with a low labour influx, no military or paid security forces will be used. SEA/SH risks will be managed through specific measures in the ESMP, workers codes of conduct, and SEA/SH procedures with the GM including referral to counselling services.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

This standard is considered relevant.

Implementation of natural resource management plans (i.e. marine protected areas for coastal fisheries) may result in the loss of access to natural resources that support subsistence and customary livelihoods, and local food and income security. At this time, the design of these plans or it is not known, nor whether the implementation activities that the Project supports will result in actual economic displacement. Thus, during preparation the potential for economic displacement as a result of Project-funded activities will be assessed and documented prior to appraisal. If livelihood impacts are considered possible, the ESCP will require the preparation of a livelihood restoration plan to be implemented prior to impacts occurring.

Land access for the project is expected to be on existing government owned land with no involuntary resettlement envisaged, and no non-government land access required.

While the project will fund studies to assess the technical feasibility and cost of establishing and operating permanent fishery infrastructure (jetties, ramps and facilities) potentially resulting in indirect, downstream land access

requirements, the location and possible land access needs of such facilities is not known, not reasonably foreseeable, nor expected to be funded by the project.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

ESS 6 is relevant. Coastal ecosystems in the PIC produce some of the world's most significant marine biodiversity, yet ecosystem health is diminishing with decreased water quality from erosion, runoff, and marine pollution, as monitored and reported by the 2020 State of the Environment in the Pacific Islands Regional Report. Degradation of lagoon, reef and essential coastal fish and shellfish habitats, all contribute to reduce the natural productivity of aquatic living resources and the safety of seafood products. Therefore, areas that potentially qualify as critical habitat will be avoided.

Tuvalu is a volcanic archipelago and consists of 9 islands with an exclusive economic zone (EEZ) of about 750,000 m2 making it the 38th largest EEZ in the world. Coastal fisheries are dependent on the health of marine ecosystems for the provision of food and ecosystem services. The oceanic tuna fishery is an important source of revenue for Government of Tuvalu (GoT) and also an important source of employment, and therefore food security for its citizens.

TA activities such as legislation reforms and development of a National Fleet Management Policy under the project aim to strengthen governance and ecological sustainability of Tuvalu's coastal resources. These activities should have an overall positive impact via improved management of the country's marine ecosystems through improved compliance and enforcement of legislative requirements and strengthening of management processes.

A small grant scheme to undertake coral planting pilot will increase the resilience of coral reefs to climate change, particularly against the rapid warming of the oceans. This will have a positive impact on the ecosystem and biodiversity by rehabilitation of the pilot site(s).

TA activities into the domestic market and export market study and the feasibility studies for climate resilient boating infrastructure has a potential to increase fishing in the lagoon and could open new (previously unknown) fishing areas. Similarly , the development of a local tuna fishing fleet through the procurement of exploratory fishing vessels, including fishing and bait trials and training to divert pressures from overfished areas to the open ocean can also increase fishing in the ocean. Terms of reference for these TA activities will include a requirement for consultants to assess these risks and provide recommendations to reduce / manage the above risks.

Small scale , mariculture support projects for milkfish farming may result in marine water quality impacts leading to degradation of ecosystems or ecosystem services. Providing assistance to projects farming milkfish may have a positive impact on natural stocks by reducing exploitation, and therefore improve the sustainability of the fishery in Tuvalu. Potential risks and impacts will be addressed in the ESMP, and if appropriate, ESCoP prepared to facilitate implementation by projects.

During project preparation the potential use of eDNA to supplement the monitoring program will be explored further.

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

This standard is not considered relevant . There are no known groups that meet the criteria in ESS7 as the majority of people in Tuvalu, 96% belong to the Polynesian ethnic group, who will be the overwhelming beneficiaries for the project.

ESS8 Cultural Heritage

The standard is currently not relevant. However, screening for potential ESS8 risks and “chance finds” procedures will be included in the ESMP and attention will be given to the risks and impacts of the project that may affect the intangible cultural heritage.

ESS9 Financial Intermediaries

The standard does not apply as the Project does not proposed to include financial intermediaries.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways	No
OP 7.60 Projects in Disputed Areas	No

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered? No

Financing Partners

No financing partners are proposed.

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

Actions to be completed prior to Bank Board Approval:

The following instruments will be prepared prior to appraisal:
1. Environmental and Social Commitment Plan (ESCP)
2. Environmental and Social Management Plan (ESMP)
3. Stakeholder Engagement Plan (SEP) including community grievance mechanism and outcomes of stakeholder consultations to date.
4. Labor Management Procedure (LMP) and grievance mechanism for project workers.
5. Environmental and Social Codes of Practice (ESCoP) for specific project aspects, as identified in the ESMP and as required for Appraisal.

E&S Specialists will screen TA activities and TA outputs to ensure compliance with ESF and relevant local legal and GIIP requirements.

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

Procedures for managing screening TA and procurement activities for E&S risk.
A list of activities which are ineligible for financing, including coral rock and coastal sand mining and other subprojects assessed to have substantial or high E&S risk.
Comprehensive ESMP(s) to be updated once detailed designs have been completed and prior to the release of any construction bid documents.
Regular reporting.
Notification of incidents and accidents.
Prepare Environmental and Social Capacity Building and Training Plan.
Prepare, disclose, consult, adopt, and implement final environmental and social risk management instruments (as required) prior to the commencement of works.
Preparation of contractor's bid documents to include the ESMP and requirements of the Bank's Environmental and Social Standards (in particular ESS1, ESS2, ESS3, ESS4, ESS6 and ESS10).
E&S Specialists will screen TA activities and TA outputs to ensure compliance with ESF and relevant local legal and GIIP requirements.
ESF implementation capacity building training for the staff and contractors.
Incorporate environmental and social management plans or other instruments, ESS2 requirements, and any other required ESHS measures, into the ESHS specifications of the procurement documents and contracts with contractors.
Assess compliance with the ESF, including a detailed review of activities against the Programmatic PA, during the retroactive financing reimbursement process.
Assess potential for economic displacement as a result of Project-funded activities, and, if required, include a requirement in the ESCP to prepare of a livelihood restoration plan to be implemented prior to impacts occurring.

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS	10-Jul-2023

IV. CONTACT POINTS

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Borrower/Client/Recipient

Borrower: Ministry of Finance and Economic Development

Implementing Agency(ies)

Implementing Agency: Tuvalu Fisheries Department

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

Task Team Leader(s):	Xavier F. P. Vincent, Iretomiwa Olatunji
Practice Manager (ENR/Social)	Ingo Wiederhofer Recommended on 22-Mar-2023 at 10:36:8 EDT
Safeguards Advisor ESSA	Nina Chee (SAESSA) Cleared on 02-May-2023 at 06:43:0 EDT