Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 09/30/2021 | Report No: ESRSC02334

BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Kiribati	EAST ASIA AND PACIFIC	P176702	
Project Name	Kiribati Outer Islands Resilience and Adaptation Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Urban, Resilience and Land	Investment Project Financing	3/7/2022	5/31/2022
Borrower(s)	Implementing Agency(ies)		
Republic of Kiribati	Ministry of Internal Affairs		

Proposed Development Objective

To strengthen the capabilities of outer island councils for: (i) risk-informed land development planning, and (ii) basic infrastructure and service delivery.

Financing (in USD Million)	Amount
Total Project Cost	15.00

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]

Component 1: Expansion of basic infrastructure and services on outer islands

The component will be implemented by the Ministry of Internal Affairs (MIA). It will finance priority small-scale water supply and drainage improvements through needs-based block grants to select Island Councils. Subsequently, performance-based (challenge) grants will be provided for a subset of Island Councils to implement medium-term investments in resilient infrastructure and services. Implementation of these activities will strengthen the capabilities of Island Council staff (and systems) to identify, plan for, implement, operate and maintain basic infrastructure services. Implementation of activities under this component will be according to an Operations Manual specifying procedures and criteria for identifying, appraising, selecting (including through criteria to prioritize sub-projects that

increase climate resilience and/or are in climate-vulnerable areas), and implementing sub-projects (to be financed under both the block grants and performance grants). MIA will provide centralized support for technical design, procurement, construction oversight and quality control, fiduciary, and environmental and social management, as well as operations/maintenance training. The implementation arrangements will draw on the Bank's experience on other similar projects in the region.

Component 2: Strengthening risk-informed spatial planning and asset management

This component will be implemented by MIA to strengthen the capabilities (human resources and systems) of Island Councils in outer islands (including those that may not participate in Component 1) for climate and disaster risk-informed spatial planning through technical support for institutional strengthening and knowledge transfer. Through this sub-component, MIA will support Island Councils to prepare sub-projects, identify appropriate avenues of financing (e.g., existing Island Council own-source revenues, revenue enhancement, or funding through Component 1 of this project), continually evaluate and update the location of priority infrastructure and assets (including public buildings and government housing) for incremental, long term risk reduction and climate change adaptation, and enhance the delivery of basic infrastructure and services.

Component 3: Project management and monitoring

This component is proposed to finance the establishment and operations of a Project Implementation Unit (PIU) within MIA to manage key functions including technical, planning, coordination, financial management (FM), procurement, environmental and social management, and monitoring and evaluation throughout the project implementation period. It not only intends to support the day-to-day operations of the project but also build institutional capacity to sustain investments beyond the project's closure. More specifically, this component will enable the PIU to: (i) carry out contract administration, fiduciary, environmental and social, training, and monitoring and evaluation responsibilities, (ii) capacity building for fiduciary and environmental and social management; and (iii) finance incremental project operating costs.

D. Environmental and Social Overview

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

Kiribati is one of the world's most remote, geographically dispersed, and climate vulnerable nations. The population of about 119,940 lives on 22 coral atolls and a single volcanic island spread over approximately 3.5 million square kilometers. Most islands are only a few hundred meters wide, no more than two meters above average sea level and vulnerable to the impacts of climate change. The coral atolls generally have large shallow lagoons that provide habitat for flora and fauna and coastal reef systems and food for islanders. Atolls are at risk from coastal erosion and soil is poor and can only support limited flora. Average annual rainfall ranges from 2,000 mm on Tarawa to less than 1,000 mm for more northerly islands. Groundwater is the principal source of water with freshwater lenses forming from rainwater infiltration. Rainwater collection tanks are common on islands with sufficient rainfall. The incidence of illnesses and deaths from preventable, water-borne diseases is high, in part, due to groundwater pollution.

Kiribati has a limited economic base dominated by the sale of fishing licenses, remittances, aid flow, and investment income from its sovereign wealth fund. It faces obstacles posed by remoteness, lack of scale, and vulnerability to external shocks and environmental stress. Severe infrastructure deficits in utilities, transport and communications compound the constraints imposed by distance and dispersion. The capital is situated on South Tarawa, the most populated island with approximately 51% of the country's population. Outer island populations range from a few thousand to less than 100 and are largely rural and growing. South Tarawa attracts internal migration from outer islands as it provides opportunities for employment, consumption, and access to education. Migration also occurs due to environmental change and is expected to increase as a result of climate change. Whilst internal migration and urbanization are likely to continue, improved and resilient service delivery on outer islands remains critical.

The Project will support grants to Island Councils for i) new small-scale water supply and drainage infrastructure in up to six outer islands, and ii) broader climate resilience interventions (e.g., groundwater abstraction systems, raising ground levels of critical facilities, integrated drainage infrastructure) in up to three outer islands. It will strengthen capacity of Island Councils across Kiribati for climate and disaster-risk informed spatial planning and asset management.

Component 1 will finance the expansion of basic infrastructure and services on outer islands by providing: (i) block grants using a needs/population based formula for capital expenditure to selected Island Councils small-scale water supply and drainage improvements, (ii) performance-based grants for medium-term investments in resilient infrastructure and services (sub-projects that increase climate resilience and/or are in climate-vulnerable areas), and (iii) TA activities such as hydro-geophysical surveys and water resource assessments to provide improved access to basic services (with an emphasis on reliable, potable water supplies) for remote communities including people of all ages, abilities, and genders. Additional measures to strengthen resilience can include building groundwater abstraction galleries and storage tanks, raising ground levels of critical facilities (e.g., health posts), and improving solid waste collection and management. During project preparation, the government and the Bank will agree on a list of eligible investments and an exclusion list, based on scope of the project as well as E&S risks. Component 2 will strengthen the capabilities (human resources and systems) of Island Councils for climate and disaster risk-informed spatial planning by preparing and implementing a targeted program of technical support and knowledge transfer. Component 3 will finance project management and monitoring.

D. 2. Borrower's Institutional Capacity

The Ministry of Internal Affairs (MIA), to which all Island Councils report, is the proposed Implementing Agency (IA) with overall responsibility for project operations and delivery. MIA will be supported by a dedicated Project Implementation Unit (PIU) with a project manager and various technical, fiduciary, and E&S management consultants. MIA has not implemented a project supported by the Bank to date and so are not familiar with the Safeguards Policies or the Environmental and Social Framework (ESF) requirements. The PIU will enable the PIU to carry out: (i) contract administration, fiduciary, training, and monitoring and evaluation, (ii) capacity building for fiduciary and E&S management; and (iii) incremental project operating costs.

The project design has built on lessons learnt from the Kiribati Adaptation Project III (KAP III) (112615). Lessons include: i) purposefully planned and implemented community engagement, tailored to each activity, is fundamental to achieving project objectives; ii) in capacity-constrained contexts, project design should aim to be transformational, but also simple; iii) deep understanding of local institutions and domestic expertise creates efficiencies; and iv) an

incremental approach can accomplish a lot to unpack complex problems. The overall safeguards performance for the KAP III was 'Satisfactory'.

The Ministries of Infrastructure and Sustainable Energy (MISE), Environment, Lands, and Agricultural Development (MELAD), and Kiribati Housing Corporation would be key agencies supporting the project, along with the Office of the Beretitenti (OB) (The Office of the President which has responsibilities for ministerial co-ordination and cross-Ministry functions including communications, disaster risk management and climate change policy), the Ministry of Health and Medical Services (MHMS), and the Ministry of Women, Youth, Sport, and Social Affairs (MWYSSA). MISE, MELAD and OB have worked on Bank supported projects and have some experience implementing E&S risk management measures according to safeguards policies and/or ESF requirements. A Technical Working Group will be established to ensure effective integration and coordination of the project across relevant agencies and make decisions on operational matters and to coordinate across multiple agencies and across remote islands.

The PIU, as with several other Bank-financed projects in Kiribati, will be supported Kiribati Fiduciary Services Unit (KFSU). The KFSU is based within the Ministry of Finance and Economic Development (MFED) who will provide Financial Management, Procurement, E&S, and Monitoring & Evaluation (M&E) oversight to the Project. The KFSU has engaged an E&S officer and is in the process of engaging a social officer, an environmental officer and an environmental and social specialist. The E&S function of the KFSU is new and will require capacity building with respect to the implementation of the World Bank ESF.

Kiribati has a well-established, five-decade old formalized local government system; all islands have locally elected Island or Urban Councils under MIA, with powers for administration and service delivery within their jurisdictions. While the local Councils are currently understaffed and lack institutional capacity and financial resources to effectively carry out their legislated mandates, with appropriate strengthening, they have the potential to play a far stronger role than they are currently realizing with respect to basic service delivery.

An overview of the ESF has been provided to both the KFSU and MIA as well as more specific trainings on stakeholder engagement, health and safety, incident investigation and labor management procedures to the KFSU. A capacity assessment will be completed during project preparation and summarized in the ESMF to establish further training needs.

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

A. Environmental and Social Risk Classification (ESRC) — Substantial

Environmental Risk Rating — Substantial

The project will result in several environmental benefits including: i) improved disaster and climate resilience through the implementation of water supply, drainage infrastructure, and resilient public spaces and resilient buildings that address natural hazards and climate adaptation; ii) potential reduction in ground water contamination from the replacement of open, hand dug wells with the extraction of groundwater from freshwater lenses using infiltration galleries; iii) improved capacity for MIA and Island Council counterparts to manage environmental risk through training and capacity building activities; iv) creation of protected groundwater reserves; v) potential

improvements to solid waste collection, sanitation facilities and drainage; and vi) strengthened capacity of Island Councils for spatial planning that considers climate risk scenarios and investment planning support to help Government of Kiribati (GoK) make risk-informed decisions about public asset management and replacement. Potential environmental impacts resulting from inadequate planning and design work include i) groundwater contamination from misplaced infiltration galleries, such as adjacent to latrines, potentially impacting human health; and ii) the financing of activities that rely on existing infrastructure (such as discharge points) that is inadequate to prevent environmental impacts. Potential environmental impacts during the construction phase of the Project include the consumption of finite resources such as construction materials, power and water and the generation of noise, dust, minor hydrocarbon spills, waste and sedimentation. Waste streams may include hazardous materials such as asbestos containing materials or lead containing paints if encountered during rehabilitation activities. Construction and civil works are expected to be completed on previously disturbed land so will not impact terrestrial biodiversity. Sedimentation from aggregate extraction may have minor impacts on biodiversity such as damage to coral. Potential environmental risks during the operational phase include the ongoing generation of waste, sewage and greywater, the consumption of small volumes of energy and water from rehabilitated buildings and the ongoing consumption of water from groundwater lenses. Increased consumption of water and sanitation improvements may result in greater volumes of point source discharges with the potential to impact coastal or lagoonal biodiversity. The over extraction of groundwater could result in salinization of the freshwater lenses from seawater intrusion removing the freshwater lens as a viable water source. Further investigation will be completed during project implementation through the completion of hydro-geophysical surveys and water resource assessments to better understand risks and inform design works. Technical Assistance (TA) activities may result in downstream impacts from future development, construction activities, civil works and water abstraction guided by hydro-geographical surveys, water resource assessments and security studies, and land development planning. Examples of impacts include changes to drainage or groundwater contamination from poor planning, use of finite resources and the associated impacts (e.g., for aggregate abstraction), and the generation of dust, noise and waste from construction and rehabilitation activities or civil works. Again, poorly managed TA activities may result in the downstream impact of the salination of the freshwater lenses from seawater intrusion. Risks are expected to be mostly temporary and predictable, low in magnitude and easily managed through the implementation of a project-level Environmental and Social Management Framework (ESMF) and any subsequent instruments. However, a substantial risk rating has been selected as there is the potential for longer term impacts resulting from groundwater extraction such as salinization or, more generally, depletion.

Social Risk Rating Moderate

The social risk rating for the project is expected to be moderate. The project aims to improve the climate resilience and adaptation in selected outer islands through basic infrastructure investments and risk-informed land development planning. These may result in moderate direct, indirect and downstream social risks. Potential risks and impacts for the basic infrastructure investments include labor, community health and safety and land usage/access risks during minor civil works, as well as lack of sufficient stakeholder engagement and exclusion in selection, design and implementation of interventions. These civil works impacts are expected to be minor, are expected to receive broad public endorsement, and can be adequately managed. The project may require small scale land use or access, but this will be planned on government land or communal land to be leased by the government through a voluntary negotiated agreement. These agreements will be duly documented and reviewed to ensure that criteria for such transactions are consistent with ESS5. There will be no physical and economic displacement of people. The ESMF will establish procedures to demonstrate that this has been achieved. During project preparation, the level of social risk will continue to be assessed and may change to substantial, based on i.

the final decision on size of the block and performance grants, ii. the final list of eligibility and exclusion criteria, and iii) the feedback from stakeholder engagement activities on the perceived sensitivity of these basic infrastructure investments on the outer islands. Potential risks and impacts for the risk-informed land development planning include limited effective, meaningful, inclusive and culturally appropriate stakeholder engagement in the planning process. This can be managed through identification of 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 and diverse groups including women, people with disabilities, elderly and youth) and developing tailored processes for the participation of remote communities during the planning process.

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 project aims to improve disaster and climate resilience in select outer islands through basic infrastructure investments and risk-informed land development planning. The Project will support grants to Island Councils for small-scale water supply and drainage infrastructure in up to six outer islands and broader climate resilience interventions (such as groundwater abstraction systems, raising ground levels of critical facilities, integrated drainage infrastructure) in up to three outer islands. It will strengthen capacity of Island Councils across Kiribati for climate and disaster-risk informed spatial planning and asset management.

Project benefits include i) improved climate resilience; ii) reduction in ground water contamination; iii) improved capacity for MIA and Island Council counterparts to manage environmental and social risk; and iv) potential improvements to solid waste collection, sanitation facilities and drainage. Project civil works and construction activities may present moderate environmental, social, labor, health and safety risks and impacts (such as the consumption of finite resources, generation of dust, noise, waste, sedimentation etc., as well as COVID-19 transmission) and land usage/access risks. Operational phase risks include the consumption of water and energy, generation of waste, and minor impacts to coastal and lagoon biodiversity. TA activities may result in downstream impacts from future construction activities, civil works and water abstraction guided by hydro-geographical surveys, water resource assessments and security studies, and land development planning. Examples of impacts include changes to drainage or groundwater contamination from poor planning, use of finite resources and the associated impacts (e.g., for aggregate abstraction), and the generation of dust, noise and waste from construction and rehabilitation activities or civil works. Project land development planning activities may present a risk of limited effective, meaningful, inclusive and culturally appropriate stakeholder engagement in the planning process.

The GoK will assess and manage environmental and social risks and impacts associated with proposed Project activities in a manner which is proportionate to the significance of the potential risks and impacts, and which utilizes a mitigation hierarchy approach during Project preparation. As such, they will prepare the following instruments:

An ESMF will be prepared prior to appraisal to examine the risks and impacts associated with the potential sub-projects. Sub-projects, activities, and their corresponding locations will be determined during the implementation of the project by participatory processes for the Island Councils; therefore, the location and selection of sub-projects

will not be known by Appraisal. The ESMF will consider the potential impacts related to project typologies (including TA activities) as they link to available baseline information and include the principles, rules, guidelines and procedures to assess the environmental and social risks and impacts of the menu of potential project activities, including an appropriate screening process and measures and plans to reduce, mitigate and/or offset adverse risks and impacts (including an assessment of cumulative impacts). The ESMF will include a list of activities which are ineligible for financing, including sub-projects assessed to have substantial or high environmental and social risk. The ESMF will incorporate details or templates for E&S assessments that may be required through the screening process such as environmental and social management plans (ESMPs), contractor environmental and social management plans (CESMPs) and environmental and social codes of practice (ESCOPs) and will provide the mitigation measures expected in those sub-plans proportional to the scale of impacts and risks for both construction and operational impacts. To the extent possible, these mitigation measures will be annexed to the ESMF as standard protocols, checklists and tools to help implement the ESMF. The ESMF will also include an assessment of the most appropriate and sustainable sources for construction materials, water and energy as well as mitigation measures to minimize the consumption of these resources. The ESMF will include information on the implementing agencies, including an assessment of their capacity to manage environmental and social risks and impacts through appropriate screening, mitigation, management, monitoring and reporting. Based on this information, the ESMF will propose appropriate environmental and social staffing for the PIU to be established in MIA under Component 3 of the project. This will take into account the local capacity building and training needs for Island Councils on remote outer islands, as well as potential travel restrictions due to COVID-19.

GoK will (i) screen procurement activities including civil works, goods, and consulting services to ensure that they will not support downstream impacts included in the Exclusion List under the Environmental and Social Commitment Plan (ESCP) and reflect key environmental and social aspects and risks and mitigation measures, including ESF compliance and relevant local legal and good international industry practice (GIIP) requirements in consultancy terms of reference (ToR) and bidding documents; and (ii) prior review TA TORs and outputs to ensure compliance with ESF and relevant local legal and GIIP requirements. World Bank environmental and social specialists will review consultancy procurement documents to provide a 'No Objection' prior to finalization to assess compliance with ESF and relevant local legal and GIIP requirements and provide recommendations.

Labor Management Procedures (LMP): The project will have direct employees, contractors and community workers, as well as civil servants. The project will develop and implement written LMP 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 Code of Conduct 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-19 transmission based on national COVID-19 safety regulations and guidelines and the World Bank COVID-19 guidance for construction and civil works.

Stakeholder Engagement Plan (SEP): A SEP will be prepared prior to Appraisal to outline effective, meaningful, inclusive and culturally appropriate stakeholder engagement practices during project preparation and implementation, both for the selection, design and implementation of interventions under Component 1 and the land development planning processes under Component 2. 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 and diverse groups) and developing tailored processes for the participation of remote communities. The SEP will include the project Grievance Mechanism (GM).

GoK has been taking proactive preparedness and response measures against COVID-19, with certain travel and movement restrictions. As a result, Kiribati currently does not have reported active COVID-19 cases. However, this can change. Depending on certain restrictions for COVID-19 prevention and emergence of cases, there may be limitations and logistical challenges on holding project consultations, especially for remote populations on the outer islands.

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

NA - there will be no use of Borrower Framework.

ESS10 Stakeholder Engagement and Information Disclosure

The project recognizes that effective, meaningful, inclusive and culturally sensitive stakeholder engagement is critical to reflect the needs and preferences of the i-Kiribati population on the Outer Islands for the planning, design and construction of investments under Component 1 and the spatial planning activities under Component 2. Absent such stakeholder engagement, there is a risk that vulnerable and/or remote groups may not be able to participate in the decision-making processes on the short-term and medium-term development and climate resilience planning of the islands they inhabit.

A SEP will be prepared in a manner that is accessible and culturally appropriate, considering any specific needs of groups that may be differentially or disproportionately affected by the project and developing tailored processes for the participation of remote communities on the outer islands. The SEP will outline a structured approach for community outreach (through MIA, the Island Councils and other intermediaries) and two-way engagement with stakeholders, in appropriate languages, including the vulnerable and disadvantaged groups (poor, people with disabilities, elderly), and will be based upon meaningful consultation and disclosure of appropriate information. The SEP will include the project Grievance Mechanism (GM).

During project preparation, for input into project design and the SEP, consultations will be held in Tarawa with relevant stakeholders (including governmental, non-governmental, civil society, groups representing outer island populations, groups representing vulnerable populations and environmental groups) In addition, a sample of outer islands will be selected for consultations with Island Councils and local stakeholders. Given remoteness, connectivity and COVID-19 travel restrictions, MIA and the World Bank will discuss and agree on the best means to hold these consultations, which may take the form of sharing summary presentations and information and seeking feedback over a period of time.

The SEP will cover a) who are the key stakeholders (including government, non-government, community); b) how they are to be engaged including objectives, methods, tools, techniques, and channels such as radio and social media; c) how often the engagement will occur throughout the project; d) how feedback will be solicited, recorded and monitored over the project; e) who will be charged/responsible with this engagement; f) timeline for this engagement, and g) resources for engagement. The SEP will also describe the measures that will be used to remove

obstacles to participation, and how the views of differently affected groups will be captured. The Borrower will propose and implement a GM to receive and facilitate the resolution of concerns and grievances.

The final SEP and GM will be shared with relevant stakeholders via culturally appropriate means (and having regard to language, logistical and technological constraints).

GoK has been taking proactive preparedness and response measures against COVID-19, with certain travel and movement restrictions. As a result, Kiribati currently does not have reported active COVID-19 cases. However, this can change. Depending on certain restrictions for COVID-19 prevention and emergence of cases, there may be limitations and logistical challenges on holding consultations, especially for remote populations. In such cases, consultations may be held remotely. In addition, consultations will include NGOs in Tarawa representing vulnerable and remote groups in the country.

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

ESS2 is relevant. Project workers are expected to include civil servants, direct workers, contracted workers and community workers. Direct workers may be consultants working for the PIU or those hired by the project for TA. Contracted workers may be workers of local construction contractors. Under Component 1, project civil works may be labor-intensive and involve community workers. Civil servants working in the PIU will remain subject to the terms and conditions of their existing sector employment.

The project will develop and implement written labor management procedures (LMP) that will establish labor guidelines for all categories of workers subject to the full requirements of ESS2, including appropriate terms and conditions of employment, non-discrimination 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. The LMP will also include a Code of Conduct 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. Measures will be included in the LMP to ensure no child or forced labor will be used by any category of project workers, including contractors and community workers.

Water supply and water drainage improvements under Sub-Component 1.1 will involve community labor. Due to this, community and occupational health and safety risks will need to be monitored and managed, with appropriate management plans and training programs developed and rolled out prior to the commencement of works. The LMP will include measures to mitigate and manage these risks, in a manner proportionate to the nature and scope of the project, the specific project activities where the community workers are engaged, and the nature of the potential risks and impacts to the community workers. The LMP will likewise be drafted to take into account risks for and address potential cases of sexual exploitation and abuse/sexual harassment (SEA/SH) in the workplace and on construction sites. The ESMF will evaluate the OHS risks and impacts during the project life-cycle and will establish

proportionate management measures. The E&S screening process will inform the management of OHS risks and impacts.

The project will follow national COVID-19 safety regulations and guidelines and the World Bank COVID-19 guidance for construction and civil works. COVID-specific measures will be included in the LMP, and clear communication of risks and prevention measures will be included within worker training.

ESS3 Resource Efficiency and Pollution Prevention and Management

ESS3 is relevant.

In 2006, the Pacific programme for Water Governance completed a pilot project to develop 'A Whole-of-Government Approach to Water Policy and Planning' with the goal of promoting the application of effective water governance within institutions, systems, structures and processes. They found that i) shallow, fresh groundwater is the major source of freshwater and it is extremely vulnerable to natural and human-induced changes; ii) storm surges, droughts and over-extraction cause salinization due to seawater intrusion; iii) settlements and agricultural activities rapidly pollute the shallow groundwater; iv) the incidence of illnesses and deaths from preventable, water-borne diseases, especially amongst children, are unacceptably large; v) limited land areas in small islands restricts freshwater quantities, which are especially vulnerable during frequent, severe ENSO-related droughts; vi) the threat of sea level rise due to global warming is a major concern; and vii) demand for freshwater is increasing due to population growth, inward migration to urban centers, which impacts also on water quality.

Resource efficiency: minor construction and civil works such as new small-scale water supply and drainage infrastructure and broader climate resilience interventions (such as new groundwater abstraction systems, raising ground levels of critical facilities, integrated drainage infrastructure) will require the use of construction materials. It is expected that the majority will be imported but should aggregates be sourced locally, the project will ensure compliance with the ESF and follow the provisions of the Foreshore and Land Reclamation (amendment) Act 2005 and obtain mining licenses as necessary. Extraction of sand and aggregates from beaches or active channels between islets may cause changes in coastal processes and hydrology, altering channels and causing erosion. Only small volumes of aggregates will be required given the small scale of the proposed civil works and potential suitable sources of construction materials (including aggregates) will be outlined in the ESMF along with the E&S risk screening process for aggregate sourcing once activities and beneficiary islands have been selected. Construction activities will also consume small amounts of energy and water noting that energy is largely sourced from diesel generators on the outer islands.

Project investments will result in the consumption of water and energy during the operational phase. Energy consumption is expected to be minimal, e.g., for rehabilitated buildings, and a GHG assessment is not considered necessary. Design works will, wherever possible, consider the use of efficient and renewable energy and water sources through environmentally sustainable solutions. The ESMF will include a review of existing water supply, sustainability and hydrology assessments and guidance for siting groundwater infiltration galleries and the E&S screening process for the selection of sub projects. The requirement for additional assessment(s) to ensure that project works do not impact the long-term sustainability of water supplies will be determined through the E&S

screening process as needed. In cases where water sustainability could be an issue, the ESMF will consider cumulative impacts and alternative sources, locations and technologies. Component 1 includes the completion of hydro-geophysical surveys and water resource assessments to inform design works.

Pollution prevention and management: small scale construction activities/civil works and building rehabilitation may result in the generation of noise, dust, minor hydrocarbon spills, and sedimentation and waste (potentially including hazardous wastes such as asbestos or lead containing paint). The management of these risks will be outlined in the ESMF as defined by the E&S screening process. The E&S screening process will place particular consideration of E&S risks associated with works such as drainage infrastructure development. With respect to operational risks, the World Health Organization (WHO) recommends that infiltration galleries are protected from contamination by locating them uphill and a minimum safe distance from any latrines. The gallery should also be constructed such that unfiltered surface water cannot enter. The ESMF will outline key design considerations to protect groundwater quality and human health including ongoing monitoring and inspections. Other operational risks include the ongoing generation of waste, sewage and greywater which will be managed as defined by the ESMF screening process and through the integration of mitigation measures into project and activity design.

TA activities may result in downstream impacts from future development, construction activities, civil works and water abstraction. Examples of impacts include changes to drainage or groundwater balance and/or contamination from poor planning, use of finite resources and the associated impacts (e.g., for aggregate abstraction), and the generation of dust, noise and waste from construction and rehabilitation activities or civil works. Impacts to groundwater may be cumulative to those from existing activities. Considerations such as the sourcing of materials, efficient and sustainable use of energy and water and mitigation of risks and impacts associated with construction activities will be integrated into the TOR and outputs related to TA activities to ensure that environmental risks and impacts are mitigated in vulnerability assessments and planning and design documents.

Positive impacts relate to: 1) The prevention of ground water contamination. The main water sources in Kiribati are groundwater and rainwater. Fresh groundwater is generally limited to the larger islands where recharge occurs from rainfall. The MIA noted that not all outer islands have sufficient rainfall to rely on tanks for water collection necessitating alternative solutions. Open hand-dug wells have been the traditional method used by the I-Kiribati people to obtain freshwater. Open wells leave groundwater exposed to contamination, which is often exacerbated by poor placement, for example near pit latrines, resulting in a health hazard. Component 1 will finance works to allow groundwater extraction from freshwater lenses using galleries which skim water off the surface of the lens, distributing the pumping over a wide area to avoid excessive drawdown and the consequent upconing of saline water as might occur from localized pumping from individual wells. Infiltration galleries may, in some cases, be able to replace the use of (and allow closure of) existing, hand dug wells. 2) Improved climate resilience. The proposed project will create climate co-benefits under Component 1 through the implementation of water supply, drainage infrastructure (for flood prevention), public spaces, and resilient buildings that address climate adaptation. Under Component 2, technical assistance activities will help to strengthen the capacity of Island Councils for spatial planning that considers climate risk scenarios while investment planning support will help GoK to make risk-informed decisions about public asset management and replacement. 3) improved capacity for MIA and Island Council counterparts to manage environmental risk through training and capacity building activities included in Component 2. 4) Potential improvements to solid waste collection, sanitation facilities and drainage through potential Component 1 activities. 5)

creation of protected groundwater reserves noting that groundwater is often contaminated from the inappropriate location of latrines, open defecation and animal waste.

ESS4 Community Health and Safety

ESS4 is relevant. The civil works activities under Component 1 may result in community health and safety impacts from the completion of minor civil works (e.g., dust, noise, increased traffic), and increased SEA/SH and COVID-19 risks. The ESMF will evaluate the risks and impacts to community health and safety during the project life-cycle and will establish proportionate management measures. These risks will be managed through the implementation of the Code of Conduct, the CESMP and the ESCOPs as dictated by the screening process outlined in the ESMF.

Kiribati has high background rates of SEA/SH. However, the project is expected to largely employ local/island-based contractors and community workers and worker behavior can be informed by appropriate training and establishing a code of conduct for all project workers. The ESMF will assess the SEA/SH risks, and the availability and capacity of service providers on the other islands The SEA/SH risk classification at appraisal will be informed by this assessment. Mitigation measures proportional to the risk will be included in the LMP.

Whilst there are currently no active COVID-19 cases in Kiribati, project activities have the potential to contribute to the spread of COVID-19 without adequate controls and procedures. Project activities will be completed in accordance with national COVID-19 safety regulations and guidelines and the World Bank COVID-19 guidance for construction and civil works. During project preparation, effective ways of awareness raising for communities on COVID-19 prevention will be identified through stakeholder engagement.

The poor placement of infiltrations galleries, such as adjacent to latrines, could result in groundwater contamination with coliforms and the associated health impacts. Over extraction could result in salinization and/or depleted resources for communities (potentially as a cumulative impact to existing activities). This risk will be managed through implementation of the ESMF and the integration of GIIP requirements into design.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

ESS5 is relevant for the project. Under Component 1, land usage or access will be required for the civil works activities. This civil works will have a small footprint and be flexible in its location siting. Experience on previous projects in Kiribati has shown that compulsory acquisition is rarely used and this infrastructure is expected to be on government land or communal lands leased by the government by voluntarily negotiated agreement. Such land will be selected to ensure that there will be no displacement of communities from the government or communal land. Therefore, a Resettlement Framework (RF) is not considered necessary as anticipated impacts are likely to be minor and avoidable through selection of alternative siting. The ESMF will include screening and procedures voluntarily negotiated agreements to avoid compulsory acquisition. No involuntary taking of land or assets will be accepted for funding under this project. These voluntary and negotiated agreements for land will be duly documented and reviewed to ensure that criteria for such transactions are consistent with ESS5.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

This standard is considered potentially relevant.

Beneficiary islands are yet to be identified however, coral atolls generally have large shallow lagoons and complex inner lagoon systems that provide habitat for flora and fauna and alongside coastal reef systems that provide ecosystem services such as food for the islanders. Atoll soil is poor and can only support limited flora

Construction and civil works are expected to be completed on previously disturbed land so will have no material impacts on terrestrial biodiversity. However, given that outer island communities rely on coastal and lagoon habitats for ecosystem services increased discharge volumes of greywater and activities such as aggregate takes have the potential for minor impacts to biodiversity such as fish kills or damage to coral from sedimentation. The ESMF will outline an E&S screening process to avoid, minimize or mitigate these impacts. For example, if a financed activity contributes to an increase in the volume of greywater discharged then either i) existing infrastructure must be in place such as an appropriate outfall to discharge water without resulting in adverse impacts; ii) the project must also finance the additional infrastructure required to achieve this; or iii) the activity will not go ahead. The ESMF approach is required to further assess and manage the potential impacts here as the exact location and nature of financed activities will not be known until project implementation.

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 Kiribati belong to the i-Kiribati ethnic group, who will be the overwhelming beneficiaries for the project. This interpretation is consistent with the World Bank's approach in all projects in Kiribati.

ESS8 Cultural Heritage

ESS8 has minor relevance to the project. The footprint of civil works under Component 1 will be small and mostly within government land or government-leased communal land. Infrastructure is flexible in its location and cultural heritage sites can be avoided. The ESMF will contain mitigation measures to avoid impacts on cultural heritage, including consultation, identification of key sites and the implementation of chance find procedures.

Land development planning under Component 2 may pose risks and impacts for tangible and intangible cultural heritage. This will be managed by processes detailed in the SEP to ensure effective, meaningful, inclusive and culturally appropriate stakeholder engagement during the planning process, with attention to potential impacts on 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

NA

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

Actions to be completed prior to Bank Board Approval:

ESMF to be developed, disclosed, and consulted. By Appraisal. ESMF will include a capacity needs assessment for the government and a capacity development plan.
SEP to be developed, disclosed, and consulted. By Appraisal.
LMP to be developed, disclosed and consulted. By Appraisal.
ESCP to be developed, disclosed, and consulted. BY Appraisal.
E&S Specialists will screen TOR to ensure compliance with ESF and relevant local legal and GIIP requirements should TORs be developed during project preparation.

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

Regular reporting.
Notification of incidents and accidents.
Prepare, disclose, consult, adopt, and implement the relevant ESMPs as needed.
E&S Specialists will screen (TA) activities, TOR and outputs to ensure compliance with ESF and relevant local legal and GIIP requirements.
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 and supervising firms. Thereafter ensure that the contractors and supervising firms comply with the ESHS specifications of their respective contracts, and develop, implement and/or supervise CESMPs and ESCOPs.

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS	15-Feb-2022

IV. CONTACT POINTS

World Bank

Contact:	Artessa Saldivar-Sali	Title:	Senior Municipal Engineer
Telephone No:	5740+6582	Email:	asaldivarsali@worldbank.org
Contact:	Yong Jian Vun	Title:	Infrastructure Specialist
Telephone No:	5740+6405 / 61-02-92356405	Email:	jvun@worldbank.org

Borrower/Client/Recipient

Borrower: Republic of Kiribati

Implementing Agency(ies)

Implementing Agency: Ministry of Internal Affairs

V. FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: http://www.worldbank.org/projects

VI. APPROVAL

Task Team Leader(s):	Yong Jian Vun, Artessa Saldivar-Sali
Practice Manager (ENR/Social)	Ann Jeannette Glauber Recommended on 29-Sep-2021 at 11:10:39 GMT-04:00
Safeguards Advisor ESSA	Nina Chee (SAESSA) Cleared on 30-Sep-2021 at 15:02:45 GMT-04:00