

**COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED
SAFEGUARDS DATA SHEET (PID/ISDS)
ADDITIONAL FINANCING**

Report No.: PIDISDSA16014

Date Prepared/Updated: 07-Feb-2016

I. BASIC INFORMATION

A. Basic Project Data

Country:	Tuvalu	Project ID:	P157779
		Parent Project ID (if any):	P128940
Project Name:	Tuvalu Aviation Investment Project Additional Financing II (P157779)		
Parent Project Name:	Pacific Aviation Investment - Tuvalu (P128940)		
Region:	EAST ASIA AND PACIFIC		
Estimated Appraisal Date:	16-Feb-2016	Estimated Board Date:	30-Mar-2016
Practice Area (Lead):	Transport & ICT	Lending Instrument:	Investment Project Financing
Sector(s):	Rural and Inter-Urban Roads and Highways (50%), Aviation (50%)		
Theme(s):	Other urban development (67%), Climate change (33%)		
Borrower(s):	Ministry of Finance and Economic Development		
Implementing Agency:	Ministry of Communications and Transport		
Financing (in USD Million)			
	Financing Source		Amount
	BORROWER/RECIPIENT		0.00
	IDA Grant		2.88
	Total Project Cost		2.88
Environmental Category:	B - Partial Assessment		
Appraisal Review Decision (from Decision Note):	The review did authorize the team to appraise and negotiate		
Other Decision:			
Is this a Repeater project?	No		

B. Introduction and Context

Country Context

Tuvalu is a unique country. It is comprised of a group of nine islands (four reef islands and five coral atolls) with a land area of 26 km² and maximum elevation of 4.5 meters. Few atolls are more than 800 meters wide. All nine islands are inhabited by at least one or two villages. On the outer islands three-quarters of the people still live in traditional-style housing. The main island of Fongafale on Funafuti atoll, home to the capital and just under 50 percent of the country's population of some 10,000 people, is at its widest point only 650 m wide, with much of this wider section taken up by the runway for the international airport. Much of Fongafale is less than 75 m wide. According to the Secretariat of the Pacific Community, after Nauru, Tuvalu's population density is the second highest in the Pacific, with 431 persons/km²—and the density is higher in Fongafale given the limited land area. Fongafale is home to the country's hospital, high schools, a branch campus of the University of the South Pacific, radio station, main port, as well as most of the businesses.

Tuvalu joined the World Bank Group in June 2010. The country's gross domestic product is around US\$35 million a year and is the smallest of any independent state. Tuvalu has no foreign debt and is financially sound due to fiscal prudence, aid, remittances, and a series of unique monetary arrangements. The government employs some 41 percent of the work force, retail trade six percent and construction 5 percent. The unemployment rate was 6.5 percent in 2002 (latest official data). Industry barely exists. There is small-scale processing of timber (sourced locally or from New Zealand) and handicrafts. Small numbers of Tuvaluans work in the tourism industry. Tuvalu's economy is highly dependent on remittances and is considered one of the most economically and environmentally vulnerable countries in the world. Farming is subsistence and productivity is low due to poor soils, limited use of fertilizer, small plot size, lack of access to credit, inadequate market infrastructure, and the lack of mechanization. Only coconuts and pandanus grow naturally. Banana, papaya and breadfruit are cultivated and a variety of taro is grown in pits excavated from coral rock. Reef fish and tuna are the main dietary protein. Tuvalu is a net food importer and three-quarters of the food consumed on Funafuti is imported. Food, alcohol and tobacco are the major imports (32%) followed by fuel (18%). Imports reached US\$18 million in 2010 but exports are usually only around half a million dollars annually, mainly copra and handicrafts.

Sectoral and institutional Context

Funafuti International Airport (FUN) is the Tuvalu's only airport. The current runway dimensions are capable of handling turbo-prop ATR type aircraft. Recently, Tuvalu has seen an increase from two flights a week, adding an additional flight provided by Fiji Air operating from Suva, Fiji. Additional capacity could still be added by having more flights arriving instead of accommodating larger aircraft.

While the FUN would be considered functional for its purpose, there are safety and security issues that need to be addressed. Most urgent of these include upgrading of both the terminal and the control tower and a resurfacing of the runway. Emergency fire service coverage is inadequate and the lack of perimeter security is also a safety concern.

Whereas most other Pacific Island Countries (PICs) rely on their airports for bringing tourists to their countries, air connectivity is Tuvalu's strategic life-line. Given the shortage of work opportunities in Tuvalu, there is a significant migrant work culture. Mostly men spend extended

periods overseas earning an income from a variety of professions of which maritime work would be the most popular. These migrant workers often use air travel to reach their work destinations since shipping is very infrequent. Most of Tuvalu's tertiary students travel to countries such as New Zealand, Australia, United Kingdom and Fiji for their education. Tuvalu has one hospital situated in Funafuti. Simple procedures can be performed but patients in need of major treatment are relocated to hospitals in Fiji or New Zealand. Funafuti has also experienced an increased aviation passenger demand, with tourism accounting for more of its arrivals. Approximately 10% of all travel (inbound and outbound) is related to family visits. Tuvalu citizens have family spread over the whole Pacific region, with most families situated in Fiji and New Zealand.

C. Proposed Development Objective(s)

Original Project Development Objective(s) - Parent

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

Current Project Development Objective(s) - Parent

The project development objective is to improve the safety and security of air transport and associated infrastructure.

Key Results

The success of the project is monitored and evaluated through four indicators: (i) regulatory certification of safety and security at project airport; (ii) state requirements for safety and security reaches global ICAO average; (iii) modernization of air traffic management; and, (iv) implementation of a regional safety and security levy for departing international passengers. Three additional indicators were added to reflect the first Additional Finance for this project: (i) rural roads rehabilitated; (ii) Non-rural roads rehabilitated; and (iii) Roads in good and fair condition as a share of total classified roads.

D. Project Description

In December 2011, IDA approved the Pacific Aviation Investment Program (PAIP), a regional, horizontal Adaptable Program Loan that consists of a series of projects designed to ensure that critical aviation infrastructure meets operational safety requirements, as well as to measure and strengthen regulatory compliance of international air transport of the participating PICs. Major elements of the US\$155 million program focus on the upgrading of airport infrastructure and aeronautical equipment, and the strengthening of policy and regulatory capacity. Phase I of PAIP includes projects in Kiribati, Tonga and Tuvalu. Samoa entered the program in April 2014 as Phase 2, and IDA has since approved Phase 3 with Vanuatu in March 2015. IDA also approved a Pacific Aviation Safety Office Reform Project in September 2013 in support of the regional entity's regulatory mandates.

The Tuvalu Aviation Investment Project (TvAIP) was approved by the Board of Executive Directors on December 13, 2011 and became effective on March 20, 2012, with total IDA grant financing of SDR 7.5 million (US\$11.85 million equivalent). The IDA funding comprised of a US \$3.5 million national IDA grant and a US\$8.35 million IDA regional grant. There is a counterpart contribution of approximately US\$1.8 million in the form of foregone taxes. The Pacific Region Infrastructure Facility (PRIF) is contributing US\$150,000 for the direct engagement of the Pacific Aviation Safety Office (PASO) in regulatory advisory services. In 2013, an additional

IDA grant in an amount of SDR 4 million (US\$6.06 million equivalent) was provided to scale up the ongoing TvAIP with the building of a water cistern under the terminal, as well as the resurfacing of roads on Fongafale Island that provide access to the Funafuti airport.

Component Name

Component A: Aviation Infrastructure Improvements

Comments (optional)

This component will invest in the aviation infrastructure at Funafuti (FUN) airport so that it is able to meet minimum ICAO safety and security standards, while preserving and extending the service life of existing airport assets. The activities include: rehabilitation of airport pavement; terminal building and flight service center/fire rescue shelter; air traffic control equipment; VSAT communication system and associated services; airfield maintenance equipment; automatic weather station; obstacle limitation survey; security improvements; laboratory/testing equipment; fire safety equipment; and consulting services for related civil works.

Component Name

Component B: Aviation Sector Reform

Comments (optional)

This component will finance technical assistance to the MTC, including: (i) support to the MTC to strengthen its capabilities with aviation sector management, policy, safety and security oversight; (ii) a training program, including seconding of staff for industry experience; (iii) a baseline audit of the project airport safety and security; and (iv) ongoing safety and security oversight supported by the Pacific Aviation Safety Office.

Component Name

Component C: Project Management and Training

Comments (optional)

This component will finance project management and program support, including incremental operating costs.

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

Funafuti International Airport (FUN) is located on the largest island in Tuvalu, Funafuti, the width of which ranges from 20 meters to 400 meters. The airport is surrounded by villages and government buildings. There are no official protected areas on Funafuti island.

F. Environmental and Social Safeguards Specialists

Penelope Ruth Ferguson (GENDR)

II. Implementation

Institutional and Implementation Arrangements

The executing agency for the project is the Recipient through the Ministry of Finance and Economic Development (MFED). The implementing agency is the Ministry of Transport and Communications (MCT), supported by the Department of Civil Aviation. A National Steering Committee (NSC) oversees the project and monitors the project's implementation, as well as advising on any concerns

or issues that may arise with regards to project implementation. A representative of the NSC also participates in a Program Steering Committee at the regional level.

As part of the PAIP regional program, a Technical and Fiduciary Service Unit (TFSU) supports the overall Program management. These services cover planning, budgeting, engineering design, procurement, contract management, financial management, monitoring and evaluation, and reporting requirements. A Tuvalu Project Support Team (PST), comprised of a Project Manager, Accountant/ Contracts Officer and Administrative Assistant liaises with the TFSU, and provides country-based oversight and management, including inputs and reporting, as required. The PST will support the MTC in monitoring implementation progress, signing of contracts, providing authorization for contract payments, and providing information for progress reporting.

Implementation of an Environmental Management Plan (EMP) for construction activities is carried out by the Contractor. AECOM consulting engineers provide updates of the EMP as required, and supervise the Contractor’s EMP implementation, on behalf of the PST.

III. Safeguard Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>The physical interventions include (a) resurfacing of the existing runway; (b) demolishing the existing control tower and constructing a new one at a new location; (c) demolishing the existing terminal and constructing a new terminal building; (d) installing air traffic control equipment; and, (e) resurfacing the existing roads. The major civil works for the runway and road are completed.</p> <p>The project is Category B based on the screening criteria provided in the Environmental and Social Management Framework (ESMF) prepared for the Pacific Aviation Investment Project.</p> <p>The potential environmental impacts from the above interventions are mostly construction-related, temporary in nature and can be addressed through engineering design and by implementing sound environmental management of construction activities. The area of influence is very limited as the civil works will be carried out within the existing property boundary of, or on land directly adjacent to, the airport. No new issues or risks will result from the additional financing.</p>
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	

Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	Yes	In late 2014, the Government of Tuvalu learned that the leases for the airport land had expired, although they continued to pay the lease holders the annual rent. The GoTv prepared an Abbreviation Resettlement Action Plan (ARAP) to address expired leases covering the airport land and all land owners have signed new lease agreements. All lease payments are up to date. No new issues have been identified in preparation of the Additional Financing. The PAIP Resettlement Policy Framework will be used if any issues arise.
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

IV. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

<p>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</p>
<p>No new issues have been identified in preparation of the Additional Financing. The EMP for the Terminal Works identified potential impacts and mitigation measures: (i) construction-related nuisances such as noise, dust from construction; (ii) construction workers' and community safety and disruption to markets and small businesses during works; (iii) risks from the use and disposal of hazardous materials such as used fuel and lubricants (and asbestos, if found); (iv) requirement to use imported aggregates to avoid local mining of beach sand / coral and (vi) solid waste and wastewater management during construction.</p>
<p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p>
<p>No new issues have been identified in preparation of the Additional Financing. The new terminal layout will provide new public space on the apron, to replace the open space it will occupy. The terminal will collect its own rain water supply and will treat wastewater through septic tanks to minimize ongoing impacts on ground water.</p>
<p>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</p>
<p>N/A</p>
<p>4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.</p>
<p>The PST has engaged AECOM consulting engineers to assist with the preparation of EMP updates</p>

and supervision of EMP implementation by Contractors. Regular reports and oversight is provided during the construction period. The EMP is part of the bidding documents, and the Contractor's contract.
5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.
Consultation will take place with the local kaupule, stall owners, businesses and NGO's in the vicinity of the works, and the general public, before the construction starts. Feedback will be incorporated into the Terminal Works EMP and the Contractor's EMP implementation plan. The PST has a complaints number and signs at the office and construction site, informing people of the project and how to make a complaint.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	05-Feb-2016
Date of submission to InfoShop	08-Feb-2016
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Tuvalu	05-Feb-2016
<i>Comments:</i>	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	19-Oct-2015
Date of submission to InfoShop	09-Dec-2015
"In country" Disclosure	
Tuvalu	04-Jan-2016
<i>Comments:</i>	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment			
Does the project require a stand-alone EA (including EMP) report?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]

OP/BP 4.12 - Involuntary Resettlement			
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input checked="" type="checkbox"/>]
Is physical displacement/relocation expected? Provided estimated number of people to be affected	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>]	TBD [<input type="checkbox"/>]
Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods) Provided estimated number of people to be affected	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>]	TBD [<input type="checkbox"/>]
The World Bank Policy on Disclosure of Information			
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
All Safeguard Policies			
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]

V. Contact point

World Bank

Contact: Christopher J. De Serio

Title: Transport Specialist

Borrower/Client/Recipient

Name: Ministry of Finance and Economic Development

Contact: Limasene Teatu

Title: Permanent Secretary

Email: lteatu@gov.tv

Implementing Agencies

Name: Ministry of Communications and Transport

Contact: Taukave Poolo

Title: Permanent Secretary
Email: tpoolo@gov.tv

VI. For more information contact:

The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Web: <http://www.worldbank.org/infoshop>

VII. Approval

Task Team Leader(s):	Name: Christopher J. De Serio	
<i>Approved By</i>		
Safeguards Advisor:	Name: Peter Leonard (SA)	Date: 08-Feb-2016
Practice Manager/ Manager:	Name: Michel Kerf (PMGR)	Date: 09-Feb-2016
Country Director:	Name: Franz R. Drees-Gross (CD)	Date: 12-Feb-2016