Public Disclosure Authorized

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

Appraisal Stage | Date Prepared/Updated: 23-Jan-2020 | Report No: PIDISDSA26254

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Project Name	Parent Project ID (if any)
Kiribati	P165821	Kiribati: Pacific Islands Regional Oceanscape Program	
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Practice Area (Lead)**
EAST ASIA AND PACIFIC	28-Jan-2020	18-Mar-2020	Environment, Natural Resources & the Blue Economy
Financing Instrument	**Borrower(s)**	**Implementing Agency**	
Investment Project Financing	Republic of Kiribati	Ministry of Fisheries and Marine Resources Development	

Proposed Development Objective(s)

To improve management of selected fisheries and seafood safety in the Recipient's territory.

Components

Strengthening Monitoring, Control and Surveillance of Large-Scale Oceanic Fisheries
Diversifying Marine-Based Revenue Streams for Outer Island Coastal Communities
Improving Seafood Toxicology and Safety Measures in Selected Fisheries
Delivering Effective Project Management

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	19.50
Total Financing	19.50
of which IBRD/IDA	19.50
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	19.50
IDA Grant	19.50

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

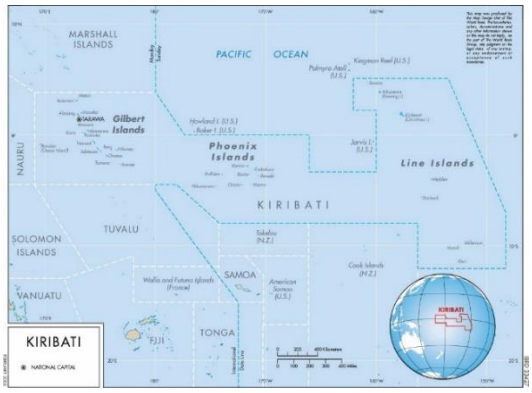
Other Decision (as needed)

B. Introduction and Context

Country Context

1. **Kiribati is one of the smallest and most geographically dispersed countries in the world.** The Republic of Kiribati is a sovereign state in Micronesia consisting of 32 atolls and one raised coral island with a land area of 800 square kilometers spread over one of the world's largest Exclusive Economic Zones (EEZ) of about 3.5 million square kilometers. Kiribati is comprised of three island chains with the Gilbert Islands in the West, the Phoenix Islands in the center and the Line Islands in the East all of which straddle the equator (Figure 1). Kiribati was part of a former British colony of the Gilbert and Ellice Islands and gained independence in 1979. Today, Kiribati has a population of 114,000, more than half of whom live on the Tarawa Atoll in the Gilbert Islands.

Figure 1: Map of the Republic of Kiribati



2. **Kiribati is one of the most 'fisheries dependent' countries in the world**. Located 4,000 kilometers from its trading partners, Kiribati is faced with extremely limited growth prospects beyond fisheries**.** The Kiribati

Development Plan and Kiribati Vision 2020 (KV20) emphasize that increasing sustainable returns from fisheries is critical to ensuring inclusive growth and private sector development. In 2016, upwards of 75% of total Government revenue was generated from fisheries access payments by foreign purse seine fleets fishing under bilateral and multilateral access arrangements and transshipment fees operating in the Kiribati EEZ[1,2]. In 2015, estimated exports of fish and fishery products were valued at USD 121.4 million, with tuna as the main species exported. Tuna catches increased from 30% of total catch in 2005 to 96% in 2016. In addition, the sector provides direct benefits through subsistence coastal fisheries and jobs in fishing, processing and transshipment operations. Coastal fisheries resources also underpin the well-being of coastal communities. As such, Kiribati's long-term revenue generation and food security are predicated on the sustainability of its fisheries resources which in turn depend on good management of its resources and an effective system of Monitoring, Control and Surveillance (MCS) to prevent or deter Illegal, Unreported and Unregulated (IUU) fishing.

3. **Poverty trends in Kiribati are difficult to assess given the infrequency of data collection.** The last Household Income and Expenditure Survey (HIES) was conducted in 2006 and showed that the poverty rate was 34.6% based on the lower Middle-Income Country (MIC) poverty line and 12.9% based on the international poverty line. Poverty rates were relatively higher in South Tarawa (24.2%), where population pressure is high and land/sea resources limited, compared to the Line and Phoenix Islands (8.9%). The Gini Coefficient was 37. Women who head households with dependent children, are more vulnerable to poverty than others.[3] Unemployment is particularly high for youth (73% of women and 62% of men aged 15-24). The need to create employment for Kiribati youth is critical as 2,000 young people enter the labor market each year[4], while there are less than 600 formal employment positions available and less than 400 places available in training institutions. People in formal employment often support many others (i.e., the income of approximately 20,000 people supports 103,000)[5]. Of special note, Kiribati has important achievements in advancing gender equity in public sector employment (e.g., women hold 54% of Ministerial Secretary positions).[6] However, women face added structural barriers to running businesses compared to men including access to finance, credit and land plus they bear primary responsibility for care of children and the elderly.[7] Poverty, high dependency rates, the lack of opportunities for new entrants into the labor market and barriers to entrepreneurship, leave many I-Kiribati vulnerable to economic and environmental shocks.

4. **Kiribati is one of the most vulnerable countries in the world to climate change.** It is widely recognized that Pacific Island nations are among the world's most physically and economically vulnerable to climate change and extreme weather events. The effects of sea level rise, storm surge, coastal erosion and saltwater intrusion increase Kiribati's vulnerability given that most of its atolls are only 1.8 meters above sea level. A 2016 World

[1] The most recent review was completed in 2017: Ministry of Fisheries and Marine Resources Development (MFMRD) and Ministry of Finance and Economic Development (MFED). 2017. Fishing license revenues: 2017 Report. 16 pages.

[2] The Government recognizes the fluctuations in the regional dispersal of fishing effort in the purse seine fishery results in some volatility in fishing revenue which is a key fiscal consideration (MFMRD and MFED, 2017).

[3] Nationally, one in five households have a female head, and in the poorest areas of South Tarawa and South Gilbert Islands one in four households are headed by females. Source: Ministry of Women, Youth, Sports and Social Affairs (2019) National Policy on Gender Equality and Women's Development. Tarawa: Government of Kiribati.

[4] Government of Kiribati, 2019: 14

[5] DFAT, 2014: 8

[6] Kiribati has achieved gender parity in primary school education and in secondary school.

[7] See Asian Development Bank (2018) Women and Business in the Pacific, Manila: Asian Development Bank & Caulfield, T. (2018) Women's Economic Empowerment Feasibility Study Kiribati, Tarawa: Prepared for Pacific Women Shaping Pacific Development.

Bank study showed that the thickness of the underground freshwater lens was projected to decrease by 12% with a 0.4-meter sea level rise and 10% reduction in rainfall[8] and potentially as high as 38% when other factors are considered; rendering Kiribati uninhabitable (through loss of its freshwater lens) well before it is submerged. Notwithstanding the negative impacts expected through climate warming events, Kiribati is also expected to be a net beneficiary of increased abundance of tuna in its EEZ before 2050 due to an eastward shift in key stocks such as skipjack and yellowfin. Under a predicted Intergovernmental Panel on Climate Change (IPCC) warming scenario, Kiribati is expected to see a 17.7% gain in revenues from tuna fees, provided the country is positioned to take advantage of such changes which includes ensuring more effective management of fishing vessels operating within its EEZ.

Sectoral and Institutional Context

Western and Central Pacific Ocean

5. **The Western and Central Pacific Ocean (WCPO) is home to some of the world's most abundant populations of tuna representing a multi-billion-dollar industry.** Tuna is worth an estimated USD 5 billion annually in the global market of which USD 2.6 billion comes from Pacific Islands Forum Fisheries Agency (FFA)[9] member countries. The WCPO tuna catch averaged 2.7 million tonnes per year between 2014 and 2018, with harvests from the EEZs of Pacific Island Countries (PICs) accounting for 58% of this catch. Purse-seine fishing produces an average of 70% of the WCPO tuna catch. The main tuna species targeted in the region are skipjack, yellowfin, bigeye and albacore[10]. The purse-seine catch is dominated by skipjack tuna (76%), with yellowfin and bigeye tuna comprising 20% and 4%, respectively. Given the migratory nature of tuna resources, through numerous areas under national jurisdiction and the high seas, there is a need for close cooperation between coastal states, who are themselves developing their own fishing capability, and other countries outside the region that support fleets fishing and transshipping these stocks. In this regard, the link between management actions taken at national and regional levels to sustain these resources is critical.

6. **Effective fisheries management in PICs is vital to regional governance of oceanic fisheries.** In 2007, Forum Leaders[11], reaffirmed the importance of fisheries and national tuna industries to the economies and communities of all Pacific Forum countries, and committed themselves to promoting domestic fisheries and developing national tuna industries. Leaders also committed to maintaining regional solidarity, upholding existing regional and national arrangements, and implementing appropriate conservation and management measures to ensure sustainability of the region's tuna resources. Within this context, fisheries management actions taken by Kiribati can significantly contribute to the maintenance of regional solidarity to increase national benefits flowing from their oceanic fisheries. Specifically, with an EEZ representing 22% of all FFA member countries EEZs, management actions taken by Kiribati have a significant impact on regional highly migratory tuna stocks. Accordingly, actions taken to minimize the risks from IUU fishing not only benefit Kiribati, but all PICS that share these stocks. Key risks to sustainability of tuna across the WCPO include: (i) effectiveness of conservation and management measures

[8] World Bank. 2016. Urban Water Supply and Sanitation Sector Project (P165872) Project Information Document/Integrated Safeguards Data Sheet; Report No: PIDISDSC24841; World Bank: Washington, DC, USA, 2016.
[9] FFA Member Countries: Kiribati, Niue, Cook Islands, Solomon Islands, Vanuatu, Federated States of Micronesia, Republic of the Marshall Islands, Tonga, Tuvalu, Samoa, Fiji, Nauru, Papua New Guinea, Palau, Tokelau and Australia and New Zealand.
[10] Lehodey P., Senina I., Titaud O., Calmettes B., Nicol S., Hampton J., Caillot S. and Williams P. 2013. SEAPODYM applications in WCPO — Progress report Rev 1 (8 August 2013). WCPFC-SC-EBWP-03. Western and Central Pacific Fisheries Commission.

[11] Thirty-Eighth Pacific Islands Forum Nuku'alofa, Tonga 16 -17 October 2007 Forum Communiqué PIFS(07)12.

decided at the regional level by the Western Central Pacific Fisheries Commission (WCPFC)[12] to limit overfishing; and, (ii) effectiveness of individual efforts by each country to ensure vessels operating within their EEZ and on the high seas do so in full compliance with measures set nationally and internationally.

7. **A critical milestone in the exercise of Pacific States' sovereign rights over their 200-nautical mile EEZs was conclusion of the Nauru Agreement which marked the beginning of a new era in Pacific Island cooperation in the management of the region's tuna stocks.** In February 1982, the Nauru Agreement Concerning Cooperation in the Management of Fisheries of Common Interest process began. The Nauru Agreement had been negotiated by seven Pacific Island states – Federated States of Micronesia (FSM), Kiribati, the Republic of the Marshall Islands, Nauru, Palau, Papua New Guinea (PNG) and Solomon Islands. This group of countries (later joined by Tuvalu) is known collectively as the Parties to the Nauru Agreement (PNA). The PNA group accounts for most of the tuna catch in the Pacific Island region. In 1999, it produced 98 percent of the tuna catch taken from the EEZs of FFA members; 70 percent came from three PNA members: PNG, FSM and Kiribati. The group also accounted for 94 percent of the access fees paid to Forum Fisheries Agency Pacific Island states. By controlling access to these fishing grounds, the PNA group collectively wields enormous influence and power.

8. **The most important fishery management tool of the PNA is the Purse Seine Vessel Day Scheme (PS VDS)**. In 2000, a study suggested that the PNA purse-seine management scheme that was then based on vessel numbers be replaced by a scheme based on purse-seine fishing days. The transition was made seven years later. In 2007, the PNA began implementing the VDS, transitioning from permitting a total number of purse-seine vessels in the region (205) to permitting a total allowable effort (TAE) in number of purse-seine fishing days (44,703 for 2012; 44,890 days for 2016). Given the volume, value and multi-jurisdictional nature of the fishery, it is arguably one of the most complex fishery management arrangements ever put in place. Key features of the VDS are:
   - A system of tradable fishing effort (days) allocated to the eight Parties
   - A limit on TAE of ~ 45,000 days
   - A TAE is allocated to Parties based on zonal biomass and historical effort as Party Allowable Effort
   - Fishing days sold to fleets for fishing in each EEZ
   - A minimum benchmark price for VDS days sold to foreign vessels
   - Fishing days are monitored by satellite-based Vessel Monitoring System (VMS)
   - VMS monitoring is supported by observers on board all vessels
   - Days are tradable between Parties
   - The Scheme costs are financed by levies on vessels

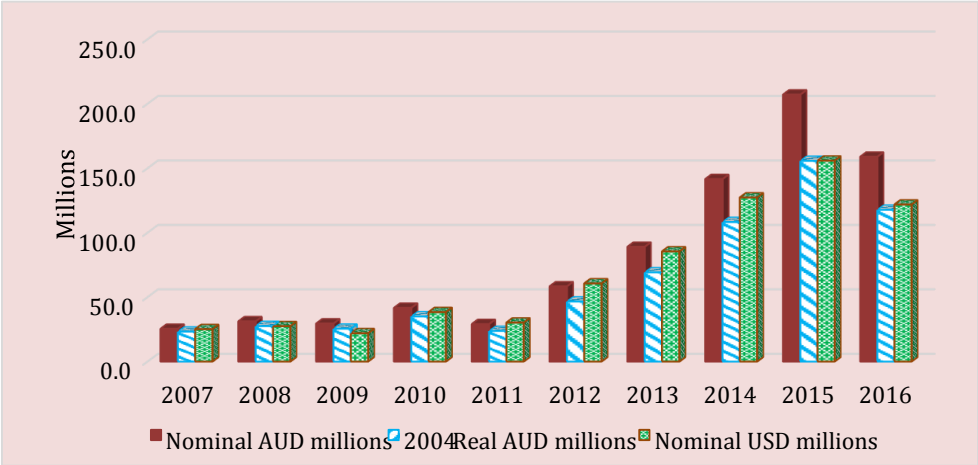
9. **The PS VDS creates competition for a limited number of days, thereby increasing the value of each day.** In practice, the value of a fishing day before the VDS was roughly USD 1,350, but the value increased to USD 5,000 in July 2011 and by 2016, days were sold for over USD 12,000. Another benefit is that the PS VDS moves fisheries management in the region to a more desirable rights-based system. That is, fishing rights (such as vessel days) can be defined, allocated, and traded.

[12] The WCPFC was established by the Convention for the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean (WCPF Convention) which entered into force on June 19, 2004. The WCPF Convention draws on many of the provisions of the UN Fish Stocks Agreement (UNFSA) and aims to address challenges with management of high seas fisheries resulting from unregulated fishing, over-capitalization, excessive fleet capacity, vessel re-flagging to escape controls, insufficiently selective gear, unreliable databases and insufficient multilateral cooperation in respect to conservation and management of highly migratory fish stocks.

Kiribati Offshore Fisheries

10. **Kiribati has the most productive EEZ in the WCPO in terms of fisheries.** Of the fishing nations in the Pacific, Kiribati has the highest volume of catch, contributing 28.4% to the regional total in 2016. And, since introduction of the VDS, Kiribati has enjoyed a significant increase in revenue from fishing licenses and transshipment fees (Figure 2, Table 1).

Figure 2: Total Fishing Revenue (Excl. Development Fund), Kiribati, 2007-16



Sources: MFED, Reserve Bank of Australia (RBA) and Australian Bureau of Statistics (ABS)

Table 1: Total Fishing Revenue (Excl. Development Funds), Kiribati, 2007-2016[13]

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Nominal AUD millions	25.4	31.2	29.5	41.7	29.1	58.3	89	141.6	207.1	158.9
2004 Real AUD millions	23.3	27.6	25.5	35.1	23.7	46.6	69.2	108.2	155.7	117.7
Nominal USD millions	25.1	27.5	22	38.4	30.3	60.6	85.4	127.3	155.8	121.8

11. **Kiribati does not yet have the capacity to fully domesticate its tuna fisheries** and operates its offshore industrial fisheries through charter or partnership arrangements with other countries and commercial entities. In 2018, 42 industrial longline vessels were registered to fish in Kiribati waters including chartered long-liners flagged to China (37) and Fiji (2) and the three Kiribati flag vessels. In the same year, the domestic purse seine fleet consisted of 10 joint-venture (Kiribati and Korean fishing companies) chartered purse seiners, 10 Chinese-flagged purse seiners chartered by KFL and one Kiribati flagged vessel. Purse seiners from distant water fishing nations such as Korea, Taiwan, Japan, the United States and other Pacific Islands' flagged vessels also operate within the EEZ under bilateral or multilateral (the US-flagged fleet and vessels flagged to other FFA member countries operating under the regional

[13] Sources: MFED, RBA, ABS

Federated States of Micronesia (FSM) Arrangement) arrangements. Although most licensed vessels offload in foreign ports, licensing conditions oblige some vessels to offload a proportion of their catch in Kiribati including fisheries by-products that are sold locally.

12. **In an effort to stimulate domestic participation in the tuna industry, Kiribati has supported investment in domestic tuna fisheries.** This investment includes 100% ownership of Central Pacific Producers Ltd (CPPL), a fishing company that operates three small long-liners based at Betio. CPPL also provides ship agency services for purse seiner transshipment and has a subsidiary office in Kiritimati offering similar services to purse seine fleet. In Betio, CPPL sells the catch from its longline operations to Kiribati Fishing Limited (KFL). The Government has a 20% share in KFL. KFL is also based in Betio where it supports the operations of a chartered longline fleet. In addition, as part of Kiribati's domestication of the offshore fishery, twenty-four of the forty-two industrial longline vessels are scheduled to land their catches at a new fisheries processing center in Kiritimati in the near future.

13. **Kiribati's transition to a fully domesticated tuna fishery will require upscaling investments in its fisheries management capacity to ensure all fishing operations are in full compliance with WCPFC Conservation and Management Measures and that risks from IUU fishing occurring in the Kiribati EEZ have been minimized**. A recent national analysis of MCS capacity identified forty-three high and severe risks associated with MCS that should be addressed as a priority. These include: training in acquisition, storage and sharing of MCS information among relevant agencies, review and strengthening fisheries legislation, training in investigations and prosecutions and capacity building for at-sea surveillance and observer support for port inspections and controls, and systems supporting transshipment monitoring, among others.

14. **While the PS VDS is implemented as part of the WCPFC Conservation and Management Measure for Bigeye and Yellowfin Tuna in the Western and Central Pacific Ocean (2005-01), this is not same for the longline VDS which currently does not play any role in the management of the stocks, since day allocations remain aspirational.** The collection and analyses of data from the Kiribati longline fishery, through e-monitoring and e-reporting, can inform further refinements in the scheme which is expected to be reviewed in 2021, after which its role as a fisheries management tool will be reconsidered with respect to reporting, monitoring and compliance. This is important because of the disparity between rates for human observer coverage on longline vessels (5%) compared to purse seine vessels (100%).

15. **Kiribati is working to strengthen efforts to prevent and deter IUU fishing.** One of the greatest challenges to effective fisheries management is tackling IUU fishing which undermines national and regional efforts to manage fisheries sustainably. IUU fishing exploits weak management regimes in countries lacking the capacity and resources for effective MCS. IUU fishing occurs on the high seas and in areas within national jurisdiction and it concerns all aspects and stages of the capture and utilization of fish. Products derived from IUU fishing can find their way into overseas markets thereby reducing local food supplies of fresh, nutritious fish. Under the European Commission's IUU Regulation[14], non-EU countries identified as having inadequate measures in place to prevent and deter IUU fishing may be issued a formal warning (yellow card) to improve. If they fail to do so, they face having their fish banned from the EU market (red card). In 2016, the Commission concluded that Kiribati was failing to discharge its duties under international law as a flag, port, coastal or market State and to take actions to prevent, deter and eliminate IUU fishing. As a consequence, Kiribati was issued a yellow card. Kiribati is currently cooperating with the EU and working towards removal of the yellow card, but further actions are required. The absence of dedicated

[14] Council Regulation (EC) No 1005/2008 of 29 September 2008 establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing

MCS facilities and equipment to effectively discharge boarding and inspection responsibilities along with inadequately trained MCS officers are significant factors associated with issuance of the yellow card. The Commission has encouraged Kiribati to strengthen its Port State controls, including through implementing the Food and Agriculture Organization (FAO) Port State Measures Agreement. The Commission noted that by doing so, Kiribati would send a strong message to fishing nations regarding Kiribati's commitment to prevent, deter and eliminate IUU fishing.

Kiribati Coastal Fisheries

16. **Kiribati has one of the highest per capita fish consumption rates in the world.** The I-Kiribati rely heavily on fishing for subsistence and commercial purposes. FAO estimates that the per capita seafood consumption in Kiribati was 76.3 kg in 2013 (global average is 20.2 kg). Kiribati's coastal fisheries are subsistence and small-scale commercial fisheries that operate in lagoons, reefs, reef slopes and nearshore ocean areas with women, youth and children involved in gleaning and coastal fishing. Some coastal fisheries are also export oriented, mainly for aquarium fish and invertebrates. Subsistence and small-scale commercial fishing are conducted throughout the islands using traditional canoes powered by sail or paddle, plywood canoes with outboard motors, and larger crafts powered by outboards. Small-scale commercial fishing is concentrated around Tarawa, where a sizable population, cash-oriented economy, and ice and cold-store facilities provide suitable market conditions. In terms of fishing communities, the Kiribati 2015 census found that 12,196 households (67% of households) had at least one member who fished regularly. Most of these households fished for consumption purposes.

17. **Unless actions are taken to reduce pressure on over exploited coastal fish species, further declines in productivity will occur affecting domestic supply.** The total number of coastal artisanal fishing vessels operating in Kiribati in 2015 was 1,669[15]. Coastal commercial fisheries production for 2014 was 7,600 tonnes valued at USD 13 million, with coastal subsistence fisheries production volume of 11,440 tonnes valued at USD 14 million. However, the main trend in coastal fisheries is increased exploitation of coastal resources close to urban markets coupled with a decrease in fisheries production due to overexploitation and habitat degradation in the Tarawa lagoon and highly populated coastal areas of Kiritimati. Catches from small-scale coastal fisheries are primarily landed in Tarawa, however, small-scale landing of shallow water lagoon species at locations outside Tarawa have expanded in recent years due to increased ice production in select outer islands. Some islands also have cold storage, enabling storage for local sale and shipment to Tarawa. Investing in such efforts as well as migrating nearshore effort onto nearshore Fish Aggregating Devices (FADs), targeting tuna, is an effective way to increase domestic supply while allowing near shore resources to rebuild, provided that such actions are part of a broader coastal fisheries management strategy.

18. **Management of coastal fisheries is weak but remains a Government priority.** MFMRD's Coastal Fisheries Division (CFD) is responsible for ensuring sustainable management, development and conservation of coastal fisheries resources in Kiribati. In tandem, Island Councils hold primary authority to regulate management of their adjacent waters out to three nautical miles, including fisheries activities. Compliance with coastal fishery conservation and management measures remains weak due to insufficient institutional capacity, lack of clarity concerning access rights and limited community participation in decision-making. Introduction of an open access regime over customary access rights has exacerbated conflict over resource management and control of coastal fisheries, particularly around urban areas. To address these issues, in October 2018, CFD initiated formulation of a roadmap for coastal fisheries development reflecting four objectives: (i) empowered communities; (ii) effective and conducive coastal governance; (iii) healthy and productive coastal fisheries; and (iv) vibrant,

[15] IBID

healthy, wealthy and responsible people. In addition, the Kiribati Fisheries (Conservation and Management of Coastal Marine Resources) Regulation 2019 now provides the framework for improved coastal fisheries management and community participation. Going forward, to support increased sustainable fisheries production, complementary efforts in capacity building and shore-based infrastructure development along the cold chain will be required.

Kiribati Seafood Safety

19. **Kiribati faces several environmental challenges adversely affecting the health of its coastal fisheries.** Key challenges include depletion of coastal fisheries resources and increasing waste and pollution in lagoons and coastal areas. These challenges are most evident in the heavily populated urban centers of Betio, South Tarawa and Kiritimati. The main types of waste and pollutants affecting the health of Kiribati's coastal fisheries are mismanaged solid waste and sewage discharge as well as run off from port areas. Increasing solid waste, sewage and liquid waste discharges overwhelm the capacity of existing disposal and management systems and threaten lagoon ecosystems. The Kiribati Integrated Environment Policy (2012) confirms that the National Marine Pollution Advisory Committee prepared a national marine spill contingency plan to address discharge of oils, chemicals and hazardous and noxious materials into the marine environment. However, lack of integrated waste management of these pollutants is a key threat to the marine environments of Kiribati and the health of I-Kiribati that consume fish from these areas. Further attention to the impacts of pollution, from all sources, on the health of coastal fisheries and the ecosystems upon which they depend, is essential to ensuring the long-term viability of these resources and the health of the I-Kiribati.

20. **Improved data on the human health risks associated with specific hazards present in Kiribati's seafood has raised concerns with respect to domestic and export consumption of seafood.** There are many toxic substances that can contaminate Kiribati's seafood and seafood products. They include inorganic and organic substances that originate from a wide range of anthropogenic sources as well as naturally occurring sources. The Tarawa lagoon and ocean-side reef are economically strategic assets that provide a foundation for sustainable livelihoods from fishing and recreation, but which are producing well below potential due to fouling of coastal waters from sewage. The polluted coastal waters are a known vector of waterborne disease (from skin contact, accidental ingestion of the water, and consumption of seafood from polluted areas) and constitute a significant health hazard.[16] It is anticipated that emerging waterborne pathogens, many of fecal origin, will likely pose additional challenges.[17]

21. **Ensuring the safety and quality of seafood promotes domestic and international trade**. The application of risk analysis provides the foundation for a robust food safety system. It offers governments a framework to assess, manage and communicate food safety risks. However, in Kiribati at this time, national food control systems are unable to ensure an adequate supply of safe food for domestic consumers or to meet international sanitary and phytosanitary requirements for food exports. To adequately address this challenge, investment in capacity building and improved infrastructure to improve seafood toxicology testing and coastal fisheries pollution management are critical for Kiribati to secure the safety of its seafood products consumed domestically and exported.

C. Proposed Development Objective(s)

Development Objective(s)

[16] South Tarawa Sanitation Improvement Sector Project (RRP KIR 43072) https://www.adb.org/sites/default/files/linked-documents/43072-013-kir-oth-02.pdf
[17] WHO 2003, 2004

To improve management of selected fisheries and seafood safety in the Recipient's territory.

Key Results

Indicator
Percentage of domestic long-line fishing trips under continuous monitoring coverage (percentage)
Number of coastal communities participating in new and existing marine-based revenue streams as a result of project support (Number)
Number of community fisheries management plans endorsed by MFMRD (Number)
Number of high risk products subject to routine food safety monitoring (Number)

D. Project Description

22. The Project is designed as a six-year, USD 19.5 million Investment Project Financing (IPF) operation organized in four components.

23. **Component 1**: **Strengthening Monitoring, Control and Surveillance of Large-Scale Oceanic Fisheries** (**USD 6.62 million comprised of USD 2.20 National IDA and USD 4.42 Regional IDA**)**.** This component will support MFMRD to strengthen management and compliance of large-scale oceanic fisheries which, in turn, will function to strengthen Kiribati's participation and contribution to the PNA VDS and meeting its obligations with WCPFC. The activities in this Component are organized in two sub-components:

24. ***Sub-Component 1.1 Strengthening Monitoring, Control and Surveillance Capacity (USD 1.44 million)*** The rapid growth of the Kiribati offshore fishing fleet has placed significant pressure on MFMRD to meet its national and regional obligations for effective MCS of fishing activities in its EEZ. This Sub-Component will finance a package of TA to strengthen Kiribati's capacity to carry out its MCS duties. TA for capacity building and training to support effective implementation of MFMRD IUU counter measures and refinements to the Legal and Policy Framework will include the following:

    a. **The Project will finance activities to strengthen the capacity of officers to implement MCS activities to improve IUU countermeasures, in compliance with international law.** Specifically, this TA will support: (i) evaluation of observed and unobserved fishing trips; (ii) studies, training and capacity building activities on compliance with the Recipient's obligations under Article 73 of UNCLOS and on market state measures under international law, including implementation of the FAO Port State Measures Agreement; (iii) reviewing, updating and publishing the Kiribati National Plan of Action on IUU (NPOA IUU); and (iv) reviewing and updating the Recipient's legislation and procedures for compatibility with Article 73 of UNCLOS.

b. **The Project will finance policy work to support Electronic Monitoring (EM) roll-out to the longline fleet**, including through**:** i) development of the regulatory and procedural framework, within which the system will operate; ii) development of a Memoranda of Understanding (MOU) template that MFMRD will sign with each vessel operator to proceed with installation and implementation of the up to 50 Electronic Monitoring Systems (EMS). The TA will also finance: (i) development of clear and transparent criteria regarding which vessels are required to have the monitoring equipment installed and enter into the MOU with MFMRD; (ii) documentation that the requirements included in the MOUs are applied consistently across different vessels; (iii) detailed plans for sustaining the EMS beyond the life of the Project, including cost recovery schemes; and, (iv) arrangements to integrate external ICT support (e.g., from Ministry of Communications) into the Project.

25. ***Sub-Component 1.2 Investing in Improved MCS Enforcement (USD 5.18 million)*** Implementation of the activities indicated under this Sub-Component will be conditional upon the Kiribati fisheries laws and regulations being consistent with provisions of Article 73 of UNCLOS, which will be supported through the set of Project-financed activities indicated in Sub-Component 1.1. Once Kiribati is found to be fully compliant with the conditions set out in Article 73 of UNCLOS, the Project will invest in the following activities:

a. **Establishment of fit-for-purpose MCS facilities in Betio and Kiritimati**. The Project will finance design, construction and equipping of two fit-for-purpose MCS facilities in Betio and Kiritimati as part of Government's MCS efforts to ensure large-scale tuna fishing is conducted legally and sustainably.

b. **EM/ER for vessels operating in Kiribati's EEZ**. The Project will finance installation, operation and maintenance of three camera EM/ER systems in up to 50 domestic longline vessels with whom MFMRD has secured an MOU with the vessel owner to install, operate and maintain the systems during the life of the Project. Costs will include training for MFMRD officers, procurement of hardware and software and other costs associated with trialing the system on commercial vessels.

c. **Enhancing the regional observer program to facilitate boarding inspections of fishing vessels in Betio and Kiritimati.** To expedite boarding and inspections in the two designated transshipment ports, the Project will finance procurement of two tender craft (one each for Betio and Kiritimati) to safely transport observers and fisheries inspectors to and from the fishing boats.

26. **Component 2**: **Diversifying Marine-Based Revenue Streams for Outer Island Coastal Communities (USD 5.97 million).** The Kiribati Fisheries (Conservation and Management of Coastal Marine Resources) Regulation 2019 provides the framework for improved coastal fisheries management and community participation in Kiribati. This Component aims to strengthen coastal community participation in new and existing sustainable marine-based revenue streams in the Gilbert and Line Islands in support of this Regulation. Four specific activities will be financed under this Component:

a. **Securing the ocean economy of Kiritimati.** To support development of Kiritimati's ocean economy, the Project will: (i) prepare a Kiritimati ocean resources master plan, (ii) develop a Kiritimati sport fishing management plan, including specific CMM for bonefish which will in turn be implemented

under the Project, and (iii) support implementation of the Kiritimati Island Marine Aquarium Trade Management Plan 2017. Each plan will identify viable options for generating long-term, meaningful employment for women and youth in Kiritimati's ocean economy.

b. **Strengthening evidence-based decision-making and compliance for coastal fisheries management.** The Project will deliver a package of technical support, including strengthening coastal resources licensing systems nationwide, enhancing community participation in coastal resources management and strengthening the capacity and operational effectiveness of MFMRD's Coastal Fisheries Division.

c. **Accelerating development and diversification of sustainable supply chains in the Gilbert Islands.** This activity will identify and catalyze specific sustainable fisheries supply chains in the Gilbert Islands. Specifically, this activity will deliver a package of technical support and capacity building interventions, including: establishing a marine spatial planning for Tarawa; preparing sustainable supply chain development plans in accordance with the Fisheries (Conservation and Management of Coastal Marine Resources) Regulations 2019 for up to four candidate outer islands, and: invest to catalyze development of sustainable supply chains in up to four candidate outer islands, including through targeted CMM in in the nearshore FAD fishery (a multi-species fishery that focuses on neritic tunas and includes tuna associated species).

d. **Accelerating development and diversification of sustainable supply chains within the Line Islands.** To facilitate development of the small-scale fisheries sector in the Line Islands, the Project will finance a needs assessment for a CPPL-operated small-scale fisheries development and production center to land, process and assist with fish product development and marketing. The assessment will help determine the economic viability of small-scale fisheries supply chains in the Line Islands, including identification of barriers and initial development of a facility design, identification of necessary installed equipment and an estimation of maintenance and operation costs for such a facility. These studies will include analysis of the impact of the facility on men, women and youth livelihoods and employment.

27. **Component 3: Improving Seafood Toxicology and Safety Measures in Selected Fisheries (USD 4.97 million).** This Component will finance a core set of TA and civil works designed to reduce the risk of contaminated seafood and seafood products from entering domestic and international markets. The five activities financed under this Component include:

e. **Development of a Tarawa lagoon and coastal fisheries pollution and seafood toxin assessment and management plan.** The Project will finance studies that: (i) identify primary fish species associated with ciguatera fish poisoning (CFP) and scombroid fish poisoning (SFP); and, (ii) identify sources of chemical contaminants, their release mechanisms, exposure points, routes and impacted populations, including Chemicals of Potential Concern[18] from the Tarawa and Kiritimati landfills, vessels in ports, harbors and berthing areas as well as shore-based discharged effluent into the Tarawa lagoon and selected coastal ecosystems in Tarawa and Kiritimati. The assessment will inform preparation of the Tarawa Lagoon and coastal ecosystems management plans in Tarawa and Kiritimati that will include clear pollution and seafood toxin mitigation plans.

[18] A chemical of potential concern (COPC) is a chemical found in tank waste vapors that may pose a hazard in the work environment.

f. **Seafood toxicology training and capacity building program.** This activity will finance three outputs: (i) a capacity needs assessment of MFMRD technical staff working on seafood toxicology and coastal fisheries seafood safety, in particular, civil servants tasked with operating the seafood toxicology and coastal research lab modules of the centralized lab and implementing the Kiribati Seafood Safety Scheme; (ii) design of a multi-faceted, multi-year training and capacity building program to address the accredited technical lab skills and knowledge gaps identified in the needs assessment; and, (iii) roll-out of the training and capacity building program for both cohorts (i.e., seafood toxicology lab technicians and coastal fisheries lab technicians).

g. **Design, Construction and Outfitting of the two MFMRD laboratories on seafood toxicology and coastal fisheries research within the centralized Kiribati One Health Support Institute (KOHSI) to be located in Betio[19].** The Project will first finance a feasibility study for construction of the two MFMRD laboratories of KOHSI in Year 1 of implementation and, if deemed a sound and cost effective investment, and once the aforementioned formal training and capacity building program is well underway training accredited seafood toxicology and coastal fisheries lab technicians, in Year 3 the Project will finance design, construction and equipping of the MFMRD laboratories of KOHSI to be operated under the Kiribati Seafood Safety Scheme. Project support will include: (i) preparation of the two MFMRD modules of the KOHSI lab design, associated tender documents and construction of two modules of the centralized lab; and, (ii) development of equipment specifications for the MFMRD laboratory modules followed by subsequent purchase and installation of lab equipment as well as procurement of necessary field equipment to facilitate and support coastal fisheries field sampling. However, if the original feasibility study does not support investment in the design and construction of the labs, funds earmarked for this activity will be reallocated to Component 2 to expand work on supply chain development in additional outer islands in the Gilbert Island Group.

h. **Improved Seafood Safety Legal and Regulatory Framework.** This activity will finance preparation of draft legislation to enhance the Fish Export Regulation (2012). Specific investments include: (i) preparation of a draft seafood safety policy; (ii) preparation of draft amendments of relevant fisheries and food laws to incorporate seafood safety measures; and, (iii) preparation of draft legislation to support implementation of the Kiribati Seafood Safety Scheme.

i. **Development of a Kiribati Seafood Safety Scheme.** The Project will finance development of a national seafood safety scheme to guide and deliver annual seafood risk assessments, risk management plans and actions for selected fish and shellfish consumed domestically and exported, along with preparation of guidelines and standard operating procedures for the MFMRD modules of the KOHSI.

28. **Component 4: Delivering Effective Project Management (USD 1.94 million; comprised of USD 1.06 National IDA and USD 0.88 Regional IDA)**. This Component will ensure effective and efficient project management through support for a Project Management Unit (PMU). The PMU will hold primary responsibility for preparing annual work plans and budget for the Project as well as manage standard project reporting, the procurement plan and diligent application of the Project Operations Manual (POM).

[19] Cabinet approved centralized testing and biosecurity facility for Kiribati.

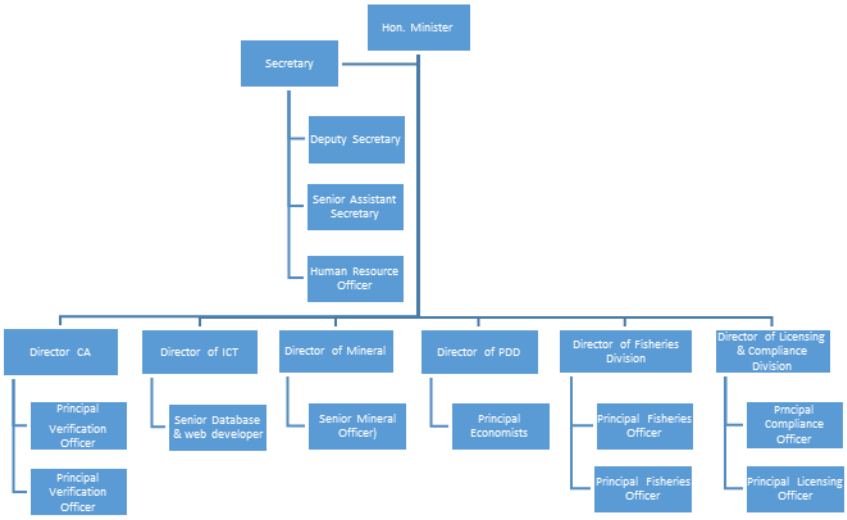
E. Implementation

Institutional and Implementation Arrangements

29. The **Executing Agency for the Project is the MFED,** entrusted with overall responsibility for execution (and any future amendment) of the Financing Agreement. MFED is tasked with enhancing sustainable economic growth and financial stability for the welfare of the I-Kiribati through promotion of appropriate economic and financial management methods and systems, computerized accounting and control systems, tax administration, customs enforcement and provision of accurate and quality national statistical information. MFED also hosts KFSU, which will provide direct support for procurement, safeguards, financial, and M&E, through employment of specialists, for all World Bank-funded Projects in Kiribati.

30. **MFMRD is the sole Implementing Agency** for the Project and holds primary responsibility for coordination and implementation of the Project. MFMRD is the ministry charged with a key role in helping Kiribati achieve a sustainable and vibrant economy for its citizens through development of fisheries and marine resources and to take a lead role in the implementation of the objectives of the Kiribati Development Plan. MFMRD is specifically responsible for sustainable development of the fisheries and marine resources of Kiribati, including development of domestic and joint ventures of tuna industry harvesting, processing and fish marketing and coordinating development of coastal marine resources. It is mandated to negotiate bilateral fishing access rights for local and foreign fishing vessels, MCS activities, management and harnessing of non-living deep-sea mineral resources. MFMRD provides avenues for scientific research on existing natural or human-made resources and represents Kiribati at international and regional fisheries conventions. MFMRD holds the core mandate within the Government to deliver on all project activities involving offshore fisheries, coastal fisheries and seafood processing, handling and export. The MFMRD Secretary serves as the Project Director. The MFMRD structure is outlined in Figure 3.

Figure 3: MFMRD Organizational Chart



31. A **Project Steering Committee** (PSC) will be established for strategic oversight and coordination of the Project. Functions will include providing overall policy guidance and decision making on issues relating to the Project, facilitating coordination and collaboration among relevant agencies, reviewing and endorsing the annual work plan and budget, and end of year reports and annual audits with support from the PMU and KFSU. The PSC will meet annually or more frequently, as deemed necessary. The PSC shall be chaired by the Minister responsible for fisheries, and comprised of, inter alia, representatives of MFMRD, MFED, KFSU, MLPID, MELAD, MHMS and OAG. MFMRD's PMU will be the Secretariat for the PSC. Since collaboration with multiple agencies will be necessary to successfully implement this Project, the role of the PSC will also be to support MFMRD to coordinate annual work program planning for specific activities, as noted herein, with these agencies, in the following areas:

32. **MLPID:** The Ministry of Line and Phoenix Islands Development has the mandate to oversee Government interventions in the Line and Phoenix Group of islands and is tasked to lead and coordinate all sustainable developments initiated in these groups of islands. MLPID specifically manages and facilitates development activities across all sectors, including fisheries in close collaboration with MFMRD, to create employment and income generating opportunities in the Line and Phoenix Island Groups. The Ministry will play an overarching facilitator role for all MFMRD-led Project activities in Kiritimati and the wider Line Island Group. MLPID will liaise with MFMRD on implementation of specific Project-financed activities on an as needed basis. The Project is not expected to finance any direct activities led by MLPID nor extend any financial support for MLPID specific activities, beyond necessary financial support to assist MFMRD in the delivery of Project-approved activities in the Line Islands, in particular in Kiritimati. MLPID will play a leading role in supporting MFMRD to coordinate any actions across agencies active in Kiritimati such as KPL and CPPL, for example as well as the Tourism operators active in sport fishing. MLPID's institutional capacity is deemed to be limited. Pro-active engagement by MFMRD supported by MFED and the PSC will

be necessary to ensure MLPID remains fully engaged in supporting implementation of MFMRD Project-financed activities in Kiritimati and other Line Island Group islands.

33. **MELAD:** The Ministry of Environment, Lands and Agricultural Development's mandate is to safeguard the natural environment upon which life depends and to protect human health in Kiribati. MELAD is tasked with managing the use and development (in both urban and rural settings) of land resources (including for organic agriculture, water resource management and eco-tourism projects). MELAD is also responsible for water quality and environmental pollution monitoring and management measures. Through the Project, MFMRD will collaborate on seafood toxicology-related data sharing schemes, conducting joint analyses and development of management plans to ameliorate the health of domestically consumed and exported seafood products. In addition, the Competent Authority (housed in MFMRD), will hold a formal seat on the National Committee on Mercury, led by MELAD. MELAD's institutional capacity is deemed to be weak. Pro-active engagement by MFMRD supported by MFED and the PSC will be necessary to ensure MELAD remains fully engaged in supporting implementation of MFMRD Project-financed activities on environmental management monitoring, in particular collaboration on coastal pollution monitoring.

34. **MHMS**: The Ministry of Health and Medical Services is responsible for oversight and management of health and medical services provided to all I-Kiribati. For this Project, MHMS will collaborate with MFMRD on food security measures, water quality testing and associated seafood quality control measures. Through the Project, MFMRD will establish channels of collaboration with this ministry on seafood toxicology-related data sharing schemes, conducting joint analyses and development of management plans to ameliorate the health of domestically consumed and exported seafood products. In addition, the Competent Authority (housed in MFMRD), will hold a formal seat on the National Food Standards Committee led by MHMS. MHMS's institutional capacity is deemed to be limited. Pro-active engagement by MFMRD supported by MFED and the PSC will be necessary to ensure MHMS remains fully engaged in supporting implementation of MFMRD Project-financed activities on seafood toxicology testing and monitoring.

35. **OAG**: The Office of the Attorney General is designated by the Republic of Kiribati as the Central Authority with primary responsibility and power to receive requests for mutual legal assistance. The general business of the Government for the conduct of which the Attorney General is responsible include instituting criminal prosecutions; providing legal advice to Government; legal representation of Government in civil matters; legislative drafting; law reviews; and law reforms. For this Project, MFMRD will collaborate with OAG to present the new draft legislations prepared under Components 1, 2 and 3. The OAG will also be represented on the PSC. The OAG is deemed to have sufficient capacity to carry out its mandate. The PSC will be instrumental in ensuring MFMRD and OAG collaborate to process draft legislation prepared with Project financing.

36. **MFMRD has established a Project Management Unit (PMU)** that will be staffed with a full-time Project Manager, two full time Operations Officer (to support procurement and financial management activities and coordination with the KFSU), a full time M&E Officer, a full time Stakeholder Engagement and Safeguards Specialist, a full time Kiritimati Island Operations Officer and a full time Gender Specialist. To

support implementation, MFMRD will prepare and adopt a Kiribati PROP POM. It will include institutional arrangements for day to day execution of the Project, including procurement, safeguards, financial management and M&E. In addition, MFMRD will prepare the first annual work plan and budget within two months of the effective date of the Financing Agreement with subsequent annual work plans and budgets to be completed by February 1 each year the Project is active once approved by the PSC. The PMU will also prepare annual work plans and budgets for the Project as well as manage standard Project reporting, the procurement planning process and diligent application of the POM.

37. **Implementation Arrangements.** As indicated above, Project implementation tasks will be shared between the PMU and KFSU. Under the Kiribati Outer Islands Transport Infrastructure Investment Project (KOITIIP – P165838) the KFSU's scope and resources will be expanded to include not only financial management and procurement, but also safeguards, M&E, and other activities, as needed. The KFSU will provide support across all donor funded projects, including PROP, as well as relevant training for Project staff. The KFSU will be staffed with international experts (e.g. Procurement, Safeguards and Financial Management Specialists) who will provide advice, as well as capacity building and guidance for the different PMUs and Ministries implementing donor-funded projects. The roles and responsibilities of the KFSU in relation to the PROP PMU will be defined in the KOITIIP implementation manual and PROP POM.

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

The project activities will take place in Kiribati, with a focus on oceanic fisheries in the EEZ and coastal fisheries around Tarawa and off the coast of Kiritimati Island. The nation comprises 32 atolls and reef islands and one raised coral island, Banaba. They have a total land area of 800 KM2 and are dispersed over 3.5 million KM2 and the permanent population is just over 110,000 (2015), more than half of whom live on Tarawa Atoll and 5,115 on Kiritimati. Kiribati's EEZ is an important tuna fishing zone for industrial fleets from a number of distant-water fishing nations (DWFNs). Fishing revenue is the main source of income for the Government accounting for 75% of total government revenue in 2016 and surveys by the Fisheries Division indicate 88% of the households in Kiribati participate in fishing. Of those that do fish, 17% fish commercially full time, 22% fish commercially part-time, and 61% fish only for subsistence. The country's transition from a traditional subsistence lifestyle to a market-based economy has brought with it several environmental challenges adversely affecting the health of Kiribati's coastal fisheries. Key challenges include unsustainable depletion of coastal fisheries resources and increasing waste and pollution in lagoons and coastal areas.

These challenges are most evident in the heavily populated urban centers of Betio, South Tarawa and Kiritimati Island. The main types of waste and pollutants affecting the health of Kiribati's coastal fisheries and associated ecosystems are mismanaged solid waste and sewage discharge, landfill seepage and run off from port areas.

G. Environmental and Social Safeguards Specialists on the Team

Rosemary Alexandra Davey, Environmental Specialist
Joyce Onguglo, Social Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project objective is to enhance the safety and value of selected fisheries and will involve various technical assistance components as well as some minor construction activities. The construction activities have the potential to cause a number of environmental and social impacts such as land access and acquisition, gender issues, resettlement, land disturbance and construction worker occupational health and safety which are addressed through the ESMF and RPF. Technical assistance projects will consider the potential impacts from over fishing as well as contamination and the associated fish toxicology issues. The project is expected to have overall positive environmental and social impacts on the coastal community and natural habitats. Due to the uncertain nature of the specific sub-projects, and as with the other PROP projects in the PIC region, a project-specific ESMF has been developed to provide guidance on due diligence requirements for sub-projects as they are defined. The ESMF also includes a stakeholder engagement plan (SEP), grievance redress mechanism (GRM) and a chance find procedure.

Performance Standards for Private Sector Activities OP/BP 4.03	No	The project will not fund private sector activities.
Natural Habitats OP/BP 4.04	Yes	The project activities will take place within the marine and coastal zones of Tarawa lagoon and Kiritimati Island where there is also a bird sanctuary. The project will promote the sustainable development of a shore-based value addition industry for the offshore tuna fisheries sector. It will also identify and promote other sources of blue revenue for coastal communities, which all depend on the sustained presence and health of coastal and marine habitats. In addition, the project will seek to reduce coastal and marine pollution impacts on the fisheries sector. No critical habitats will be impacted. The project's negative list prohibits support to sub projects that would involve the conversion, clearance or degradation of any critical natural habitats (as per OP 4.04); forests (including mangroves); environmentally sensitive areas; ecosystems of importance (especially those supporting rare, threatened or endangered species of flora or fauna); significant biodiversity; and/or protected conservation zones. All TA activities will be planned in a manner to preserve natural habitats.
Forests OP/BP 4.36	No	The project is not expected to involve the conversion, clearance or degradation of forests (including mangroves).
Pest Management OP 4.09	No	NA
Physical Cultural Resources OP/BP 4.11	No	While Tarawa atoll includes a number of historical relics from World War 2, it is anticipated that the project will have no impacts on known relics. Although unlikely, this policy will be triggered if project activities are directly impacting physical cultural resources. A chance find procedure has been included in all safeguards documentation and any contractual documentation for physical works undertaken as part of the project.
Indigenous Peoples OP/BP 4.10	No	No social groups meet the characteristics of OP 4.10 in the proejct effected areas.

Involuntary Resettlement OP/BP 4.12	Yes	The construction projects may require resettlement triggering OP 4.12. A RPF has been prepared to manage potential impacts.
Safety of Dams OP/BP 4.37	No	NA
Projects on International Waterways OP/BP 7.50	No	NA
Projects in Disputed Areas OP/BP 7.60	No	NA

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:
The Project is not expected to generate and large scale, significant nor irreversible impacts. Rather the Project is designed and expected to generate an overall positive impact on coastal communities and associated natural habitats in the Gilbert and Line Islands through dedicated capacity building interventions in sustainable fisheries management and prevention of IUU fishing, addressing critical health and safety issues associated with fishing vessel use and fish toxicology to help protect local consumer health.

An environmental and social management framework (ESMF) has been prepared describing potential impacts including those resulting from: short-term demolition and construction activities relating to the two MCS facilities, laboratory modules and the renovation of small scale processing, ice storage and aquarium fish holding facilities in the selcted outer islands (e.g. hazardous materials, waste disposal, noise, dust, pollution, health and safety); toxicology sampling (e.g. biological sample disposal); provision of small boats and safety-at-sea gear for accessing nearshore FADs (e.g. safety at sea) and laboratory chemical storage and disposal as well as potential downstream impacts of the technical assistance investments in areas such as overfishing or changes to livelihoods, the possibility of inadequate stakeholder engagement and negative reactions to the perceived fairness of resource distribution such as through the selection of the outer-islands beneficiaries. The potential adverse impacts on offshore fisheries due to use of the nearshore FADs is considered to be negligible due to the limited scale of the artisanal fishing.

It is anticipated that project activities will mostly take place on government land as identified by the Ministry. However, some subprojects may require access to private land for which a resettlement policy framework has being developed to address land access and potential resettlement approach, which will include community consultation and stakeholder engagement.

The project includes components that address the health and safety issues associated with fishing and vessel use and investigate contamination and fish toxicology with a focus on protecting local consumer health. Additional positive impacts include the completion of studies and management plans to support well managed, safe and sustainable sports fishing permitting, aquarium fish quota setting and the strengthening overall coastal fisheries governance.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
The project is not expected to cause any indirect or long term negative impacts. There is potential for cumulative

issues to arise in future, particularly in relation to the increassed levels of commerical fishing activities. Ongoing monitoring of biological resources and fishing practices will provide insights into medium/longer term impacts and will inform any necessary management measures as they emerge, and will be based on consultation with affected communities. The Project will not involve significant changes to existing land use, and construction-related impacts can be managed through implementation of the ESMF. The project is expected to result in positive health and environmental impacts through improved marine management practices, engagement with local communities on sustainable fishing and technical assistance activities relating to seafood toxicology.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
The project is not expected to cause any indirect or long term negative impacts. There is potential for cumulative issues to arise in future, particularly in relation to the increased levels of commercial fishing activities. Ongoing monitoring of biological resources and fishing practices will provide insights into medium/longer term impacts and will inform any necessary management measures as they emerge, and will be based on consultation with affected communities. The Project will not involve significant changes to existing land use, and construction-related impacts can be managed through implementation of the ESMF. The project is expected to result in positive health and environmental impacts through improved marine management practices, engagement with local communities on sustainable fishing and technical assistance activities relating to seafood toxicology.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
Alternatives were discussed including investment in the construction of the transshipment hub and rebuilding the ministry building. The components selected were deemed to provide the most positive impact and no significant or long-term negative safeguards impacts.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.
The ESMF includes the actions that will be taken by the borrower to mitigate impacts including the use of a screening checklist for both civil works, goods and equipment and technical assistance sub-projects. The screening checklists define additional safeguards instruments that may be required, noting that all construction or renovation projects will require, at least, a health and safety management plan and a waste management plan.

Technical assistance investments will assist with the optimization of commercial and subsistence fishing projects and, as such, will include an assessment of potential impacts from over fishing and propose the required control measures. Lagoon species will be protected through implementing better management processes and also by replacing some lagoon fishing with offshore species caught using well managed nearshore FADs. All vessels used or funded by the project must meet safety specifications and be maintained and stocked with international standard safety equipment e.g. flares, life jackets and emergency locator beacons.

The environmental monitoring included in Component 3 may identify coastal fishery products that are not suitable for consumption. Should this be the case a response plan will be developed based on the scale and nature of the contaminants. Potential response actions are outlined in the ESMF and may include TV radio campaigns to raise awareness, signage and guidance to affected communities, community engagement meetings and fostering constructive intra-ministerial dialogue and action by Cabinet in those sectors polluting the lagoon and densely populated coastal areas. Potential mitigation measures the Project and MFMRD may invest in include the sourcing of alternative supplies of fish to affected communities from outer islands and finance, training and roll-out of a multi-

ministerial emergency response task force to address major contamination issues.

To mitigate impacts from technical assistance activities, such as the Tarawa Marine Spatial Plan, environmental and social specialists will be included in the planning team and safeguards officers will contribute to and review the sub-project terms of reference and deliverables to ensure that they comply with the ESMF and World Bank Policies. Environmental and social safeguards clauses, the preparation of preliminary impact assessments by specialists, and the requirement for meaningful stakeholder and citizen engagement will be included in the relevant consultants' terms of reference and activities.

The implementing agency (Ministry of Fisheries and Marine Resources Development) lacks experience in applying World Bank safeguards policies. However, the ESMF was developed by an international safeguards consultant and safeguards officers will be recruited to the Kiribati Fiducutary Services Unit who will be responsible for implementation of the ESMF. A stakeholder engagement and safeguards officer will also be recruited to the PMU.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

A range of stakeholders have been consulted as part of the development of the Project and in the preparation of the ESMF. Consultation sessions with stakeholders were held in December 2019 at both South Tarawa and Kiritimati for the ESMF and included discussions with relevant Government agencies, civil society groups, commercial interest groups, youth and community members. Meetings were held in South Tarawa and Kirimatati. A stakeholder engagement plan has also been prepared. The ESMF was disclosed on the MFMRD website and hard copies will be provided to the relevant local councils.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
08-Nov-2019	17-Jan-2020	

"In country" Disclosure

Kiribati

23-Jan-2020

Comments

https://www.mfmrd.gov.ki/wp-content/uploads/2020/01/ESMF-Kiribati-PROP-Final-for-Disclosure___Cleared-by-NV-1-21-2020.pdf

Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank	Date of submission for disclosure

08-Nov-2019	17-Jan-2020

"In country" Disclosure

Kiribati

23-Jan-2020

Comments

https://www.mfmrd.gov.ki/wp-content/uploads/2020/01/ESMF-Kiribati-PROP-Final-for-Disclosure___Cleared-by-NV-1-21-2020.pdf

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

OP/BP/GP 4.01 - Environment Assessment

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

Yes

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

Yes

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

Yes

OP/BP 4.04 - Natural Habitats

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

No

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

NA

OP/BP 4.12 - Involuntary Resettlement

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

Yes

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

Yes

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

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

All Safeguard Policies

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

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

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

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

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