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

### A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Project Name</th>
<th>Parent Project ID (if any)</th>
</tr>
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<tbody>
<tr>
<td>Kiribati</td>
<td>P165838</td>
<td>Kiribati Outer Islands Transport Infrastructure Investment Project</td>
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<thead>
<tr>
<th>Region</th>
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<th>Estimated Board Date</th>
<th>Practice Area (Lead)</th>
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<td>EAST ASIA AND PACIFIC</td>
<td>22-Jan-2020</td>
<td>23-Mar-2020</td>
<td>Transport</td>
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<tr>
<th>Financing Instrument</th>
<th>Borrower(s)</th>
<th>Implementing Agency</th>
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### Proposed Development Objective(s)

The PDO is to improve the connectivity, safety and climate resilience of transport infrastructure on Selected Outer Islands, and in the event of an Eligible Crisis or Emergency, to provide an immediate response to the Eligible Crisis or Emergency.

### Components

- **Component 1:** Safe Inter-Island Navigation
- **Component 2:** Resilient Outer Island Access Infrastructure
- **Component 3:** Strengthening the Enabling Environment
- **Component 4:** Contingent Emergency Response

## PROJECT FINANCING DATA (US$, Millions)

### SUMMARY

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (US$ Millions)</th>
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<tr>
<td>Total Financing</td>
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<td>of which IBRD/IDA</td>
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<td>Financing Gap</td>
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B. Introduction and Context

Country Context

1. The Republic of Kiribati is one of the most remote and geographically dispersed countries in the world, and comprises three island groups, namely the Gilbert Islands Group, Phoenix Islands Group, and Line Islands Group. The country’s 33 low lying atoll islands and one raised limestone island are scattered over an ocean area of 3.5 million km$^2$ of the central and western Pacific (as shown in Error! Reference source not found.), with approximately 3,200 km separating the eastern and western-most outer islands. The atolls are generally less than 2 km wide and not more than 6 m above sea level. Kiribati is constrained by geographic isolation, high transport and shipping costs, and a low population base. The relative infertility of its coral islands prohibits agricultural production on a large scale.

2. Twenty-one of the islands are inhabited by the national population of around 114,000$^1$, with the majority residing on the Gilberis group of islands (Figure 1). The outer-islands population ranges from a few thousand to less than a hundred across the different islands, with approximately 51 percent of the country’s population living in the capital on South Tarawa (within the Gilberis).$^2$ Its population is majority rural and growing, with a fertility

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$^1$ World Bank Open Data, 2016.
rate of 3.7 children and life expectancy at 66.1 years (2015).

South Tarawa is a magnet for internal migration from the outer islands as it provides opportunities for employment and consumption, as well as access to higher education and specialized social services not available elsewhere in Kiribati.

**Figure 1** Kiribati population distribution by island and distance from South Tarawa (Bairiki)

Source: 2015 Population and Housing Census

3. In Kiribati, recent economic performance has been subject to changes in donor-driven construction activity, but generally stronger than the historical average. Overall, real Gross Domestic Product (GDP) growth averaged 3.9 percent over 2013-17, compared with 0.8 percent in the preceding five-year period. Growth dipped to just 0.3 percent in 2017, with construction and trade both remaining flat according to preliminary estimates, but stronger growth of 2.3 percent is estimated in 2018, based on an uptick in GoK and donor spending in the 2018 budget. Inflation has been low and stable, averaging 1.4 percent over 2016-2018. Fishing license fees, investment income from the Revenue Equalization Reserve Fund (RERF) and current transfers have more than offset Kiribati’s significant trade deficit (over 90 percent of GDP on average), leading to current account surpluses averaging 26 percent of GDP over the past three years.

4. High fisheries revenues have allowed GoK to accumulate large reserves (A$170m) while also making major capital investments and significantly increasing recurrent spending (including a 30 percent pay rise for public servants in 2018). In late 2018 GoK announced an ambitious expansion of the national airline at a cost of circa A$120m (47 percent of GDP) over 2018-2020. Despite the continued strength of fisheries revenues, spending increases saw the budget surplus decrease to 3 percent of GDP in 2018, compared with a surplus of 23 percent

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3 International Labor Organization, Employment and Environmental Sustainability Fact Sheets 2017.
4 KOITIIP will operate on the four outer islands of Abaiang, Nonouti, Tabiteuea South and Beru, which were prioritized by the Government of Kiribati (GoK) based on criteria including island demography and condition of infrastructure.
of GDP in 2017. Outside of fisheries, the country has few natural resources, mostly infertile and porous soil, and is remote from international markets and trade routes. Private sector development opportunities are highly constrained by the lack of economies of scale possible in such a small and fragmented domestic market that is extremely remote from large markets abroad. Uncertainty driven by climate change adds to the perception of Kiribati as a risky environment to conduct business.

5. **Unemployment is estimated to exceed 30 percent and youth unemployment to exceed 50 percent.** Economic activity is dominated by the public sector, agriculture and fisheries, and a service economy underpinned by the public sector in the capital of South Tarawa. Beyond agriculture and fisheries, the private sector remains small, mostly consisting of small firms in the wholesale, retail and transport sectors. The most significant opportunities for private sector development exist in the fisheries sector, with potential opportunities also in tourism and in strengthening backward linkages from the public sector. Two thirds of migrants from the outer islands departed for South Tarawa; 42 percent of domestic migration in Kiribati is reported to occur because of employment and 14 percent because of environmental change. This environmental migration is expected to increase as a result of climate change.

6. **The 2018 UNDP Human Development Indicators placed Kiribati in the medium human development group** with a country ranking of 134. Livelihood depends mainly on subsistence farming and fishing, especially outside of the urban center of South Tarawa. Limited access to land and its limited suitability for agriculture contributes to food insecurity and malnutrition and has led the country to rely heavily on imported goods. The latest Household Income and Expenditure Survey (HIES, based on national poverty lines) done in 2006 showed food poverty to be low in Kiribati, at about 5 percent of the population, but basic needs poverty to be relatively widespread, at about 22 percent.

7. **Kiribati’s low-lying atolls are at the forefront of climate change.** Kiribati is highly exposed to the environmental hazards of sea level rise, storm surge, coastal erosion and saltwater intrusion. Access to fresh water is particularly challenging, as saltwater intrusion and drought increasingly affect Kiribati’s very limited groundwater supplies. In this same period, 81 percent reported having been impacted by rising sea levels within the period 2005 to 2015. Saltwater intrusion impacted just under half of all households. All the other hazards (storm surges, floods and droughts) were reported more frequently in the outer islands than in South Tarawa.

8. Kiribati’s transport sector is critically exposed to the effects of climate change, with all infrastructure assets at an elevation of less than 3m above sea level. These effects are likely to include higher extreme and average temperatures, sea-level rise, increased rainfall intensity and an increased intensity of wind from tropical cyclones. There is a clear need to adapt infrastructure to be more resilient to these effects.

**Sectoral and Institutional Context**

9. **Reliable and safe connectivity is critical for Kiribati outer islands development.** Informal maritime

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5 The ‘cost of basic needs’ approach defines the minimum resources needed for long-term physical well-being, usually in terms of consumption. The poverty line is the amount of spending required to obtain those resources – defined by a list of food and non-food (clothing, shelter and services) basic needs.

connection, consisting of lagoon-faring vessels and dinghies, and un-engineered unsealed roads provide for intra-island trips generated by daily activities and primary school education. Ticketed ocean-faring vessels and aviation services provide for inter-island trips generated by health, education, business and leisure activities. Investment in outer islands transport infrastructure has been minimal and has been limited to irregular regrading of roads and repairs to causeways and ramps. No large-scale, development partner funded transport works have been known to occur within at least the last 10 years.

10. **Maritime sub-sector.** There are two international seaports in Kiribati – Betio (South Tarawa) and Kiritimati (Phoenix Islands). The Marine Division within Ministry of Information, Communications, Transport and Tourism Development (MICTTD) is responsible for the regulation of domestic and international shipping, provision of navigation aids, and search-and-rescue operations. The division has a clear vision of how it wishes to improve its operations but is under-resourced in terms of finances, staff, office space, and equipment. Marine Division does not have any permanent staff in the outer islands and relies on communication with Outer Island Council contacts for operations.

11. Shipping to the outer islands is carried out by the state-owned enterprise Kiribati National Shipping Line (2 small ships) and by private sector operators (approximately 33 vessels, ranging from small outriggers to inter-island landing craft). Shipping is almost entirely unscheduled and depends on demand, which is low other than before or after the holiday periods.

12. **Safety is a major concern for the maritime sector.** Navigational aids established to notify domestic vessels of hazards are mostly inaccurate, missing or damaged, and there are no suitable nautical charts covering any of the outer islands to permit safe navigation at the standard required by modern shipping. Domestic vessels travel to outer islands using local knowledge and unorthodox methods that are not permitted by international shipping regulations. In recent years there have been several maritime incidents involving high numbers of casualties on inter-island voyages in Kiribati, including a major incident in January 2018 that resulted in the loss of 95 persons. The inability for passenger and cargo shipping to operate due to the lack of survey data represents a significant safety issue and a constraint in the development of all islands.

13. At most islands, domestic vessels must travel through narrow channels in the reef-flat, travelling as close to shore as they can safety do so before anchoring and transferring goods and passengers to shore using small dinghies which then must traverse across expansive reef flats to shore. The transfer may happen within or outside the lagoon. In the latter case, the risks of injury and damage in bad weather is much greater than in the former. There are no existing ports or jetties to facilitate vessel to land transfer, however some islands have small concrete ramps constructed to facilitate transfer of Kiribati Oil Company Limited (KOIL) 200-liter drums. In many cases where there are shallow beach gradients it is necessary to walk long distances (several hundred meters) across sand or shallow water, especially at low tide. This is particularly challenging for ill or elderly people, as well as the transfer of large or heavy quantities of cargo. Vessel to shore transfer is much more challenging at low tide than high tide, and the vessels must time their arrivals at outer islands to minimize turnaround times. In addition, this represents a constraint for the maintenance of infrastructure on the outer islands due to the dependency on shipping to deliver vehicles and heavy machinery.

14. **Hydrographic surveys and charts are urgently needed for Kiribati.** Implications for navigation safety,
connectivity, accessibility and economic development by lack of adequate and updated charts is well known to the GoK, and the need to address this is prominent in the Kiribati 20-year vision 2016-2036. Under International Conventions to which Kiribati is a signatory, including the Safety of Life at Sea (SOLAS) Convention, GoK has specific obligations for providing hydrographic services. Among others, these include: (i) ensuring that hydrographic surveying is carried out, as far as possible, adequate to the requirements of safe navigation; and (ii) preparation and issue of nautical charts, other nautical publications, where applicable, satisfying the needs of safe navigation.

15. The MICTTD is the entity responsible for delivering hydrographic services in Kiribati. It does not have the resources needed to address the hydrographic survey and charting challenges. Many existing charts were published in the 1950s and 1960s, are referenced to old datums, show depths in fathoms, and are based on surveys from around 1943 and earlier. Existing charts of outer islands are not suited to navigation via digital means.

16. These circumstances are not unusual in small island states, and for this reason International arrangements exist, such as the assignment of Primary Charting Authorities (PCAs) to nations that cannot publish their own nautical charts. PCA relationships often evolved from traditional associations, and in the case of Kiribati, the United Kingdom Hydrographic Office (UKHO) is the PCA. The UKHO is the PCA for many countries globally and has established mechanisms for contracting pre-approved hydrographic survey service providers to collect bathymetric data.

17. In 2019, under the UK’s Commonwealth Marine Economies Programme, the UK carried out Satellite Derived Bathymetry (SDB) Surveys across the three Island Groups of Kiribati, among which were the project targeted islands, and provided the dataset to the GoK. This survey delivered good quality data across a very large area, but not at a level of resolution needed for safe navigation by ships.

18. **Kiribati’s aids to navigation (AtoNs) network requires substantial upgrading.** The existing network has 134 AtoNs of differing types across all islands of Kiribati, and is comprised of locally fabricated channel markers, mainly positioned in shallow lagoons. It is intended to delineate safe channels for inter-island vessels, mark dangers to navigation, and provide navigation reference to local fishermen. Most are unlit (do not have lanterns and can’t be seen at night), and many are missing. Some channel entrances are marked by buoys moored to the seabed, but several of these are missing. The positions of all AtoNs (latitude and longitude) are recorded, however accurate depth information for each asset is not available. The Marine Division of the MICTTD is the entity responsible for AtoNs in Kiribati. A small team including a manager and technicians operate from very basic workshop facilities in Betio, Tarawa where beacons are assembled using local materials. Facilities in the outer islands are very rudimentary or non-existent. Marine Division does not possess a boat for AtoNs installation or inspection work, and maintenance staff rely on hiring local craft in the islands for this purpose.

19. **Land sub-sector.** The estimated road network length of the outer islands in the Gilberts is approximately 392 km, averaging around 22 km per island. There is typically only one road and it runs the length of the island,

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8 It is not the role of the PCA to conduct hydrographic surveys, this is a responsibility of each signatory to the SOLAS Convention.
9 For the project targeted islands, there are 16 AtoNs in Tabiteuea South, 15 in the port of Betio, 15 in Nonouti, 12 in Aibaing, and 2 in Beru.
with very short (less than 100m) feeder roads to villages that are off from the main road. All roads in the outer islands are unsealed coral mud surfacing. Most islands have less than 10 motor vehicles trucks and cars, and less than 200 vehicles when including bicycles and motorcycles as well. Children travel to school by walking or by a public transport service provided by the island council truck. The condition of the roads varies from island to island and within the island network. Pothole formation, dust management and coastal erosion are major issues for the road network. Roads on most of the outer islands have causeways and bridges, and many of these are damaged or missing, which means that crossings instead occur by boat or by foot or bicycle.

20. **Aviation sub-sector.** There are 2 international airports: Bonriki International Airport (TRW) on South Tarawa and Cassidy International Airport (CXI) on Kiritimati, and 19 domestic airports in the outer islands. The airfields in the outer islands are below international standards, constructed of reef mud and subject to frequent air operations closedowns due to poor conditions. All outer islands have similar basic domestic brick terminal buildings which need structural and aesthetic repairs to varying degrees. Maintenance of the airfields and domestic terminal is either not done or done poorly. The Civil Aviation Division (CAD) is responsible for regulatory oversight and the Airport Services Kiribati (ASK) is responsible for operations and maintenance of the airfields. Both ARD and ASD are divisions within the (MICTTD). The state-owned enterprise Air Kiribati Limited (AKL) is the primary service provider for the outer islands. Each island in the Gilberts group are serviced by 1-3 flights per week. The AKL fleet currently operating in the outer islands includes De Havilland Twin Otters, Harbin Y-12s and Dash 8 aircraft. Most flights are fully booked, but the services are unreliable, with frequent schedule changes and cancellations.

21. **Institutional Framework.** A national Transport Sector Strategic Development Plan was prepared in 2016 under the World Bank-financed Kiribati Aviation Investment Project (KAIP) with many investment, governance and regulatory recommendations, as well as estimates of passenger and goods flow to and from the outer islands. Among others, it identified the need for more regular and reliable shipping and air services to link the outer islands with the Government and commercial hub of South Tarawa.

22. The main institutions involved in outer islands infrastructure are the Ministry of Infrastructure and Sustainable Energy (MISE), MICTTD, Ministry of Internal Affairs (MIA), and the Island Councils who run the day-to-day governance on the islands. Coordination between the various institutions is not done well.

23. MISE is responsible for basic infrastructure development and maintenance to support transport, coastal protection and water conservation initiatives among others, and the island councils through MIA are responsible for routine maintenance of the roads. In practice, no routine maintenance occurs as adequate procedures including financing and island-based staffing have not been established. In recent years MISE has graded and compacted several island networks and is currently tasked to upgrade all roads and airfields to a paved surface through the GoK financed Outer Islands Roads and Airfields Upgrading Project that is under preparation.

24. MICTTD performs the functions of the maritime administration of Kiribati and looks over shipping, navigational infrastructure, administration and regulation of civil aviation, highway authority, and promotion of tourism. MIA is concerned with outer islands development and with services to outer islands. It is responsible for a variety of matters including local government, support services to island councils, decentralization of rural

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10 Estimates are based on research from 2010 and anecdotal evidence ascertained from 2018 World Bank missions.
development for all islands except the Line and Phoenix Islands, the electoral commission and national elections, community development, cultural affairs, village banks, and the outer islands development program.

25. **Donor Partnerships.** Kiribati has received assistance from multiple donors such as the World Bank, the Asian Development Bank (ADB), Australia and New Zealand for investments in the road, aviation and maritime sub-sectors. An example is the recently closed Kiribati Road Rehabilitation Project (KRRP) which was co-financed between World Bank (US$20.0 million International Development Association [IDA] grant and US$6.0 million additional financing), ADB (US$12.0 million loan and US$11.4 million grant) and Pacific Regional Infrastructure Facility (PRIF) (US$18.9 million grant). The objective of the project was to improve the condition of South Tarawa's main road network and help strengthen road financing and maintenance capacity. In the aviation sector, the recently closed KAIP was financed through a US$30.01 million IDA grant and a US$5.63 million grant from the PRIF. As part of the Pacific Aviation Investment Program (PAIP), the objective of KAIP was to improve operational safety and oversight of international air transport and associated infrastructure. Under KAIP, key aviation infrastructure such as navigation aids, terminals, improved communications equipment and fire rescue vehicles were financed for Bonriki International Airport in South Tarawa and Cassidy International Airport in Kiritimati.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The PDO to improve the connectivity, safety and climate resilience of transport infrastructure on Selected Outer Islands, and in the event of an Eligible Crisis or Emergency, to provide an immediate response to the Eligible Crisis or Emergency.

Key Results

Progress will be measured against the following PDO-level results indicators:

a. Boat crews that have up-to-date maps and understand aids to navigations (percentage);
b. Villages served by causeways rehabilitated with climate resilience measures (number);
c. Population served with improved access to social and economic services (number).

D. Project Description

26. **KOITIIP consists of the following four components that incorporate the four pillars of the PCRTP SOP.**

27. **Component 1: Safe Inter-Island Navigation (approximately US$7.5 million equivalent).** This component will finance hydrographic surveying (by Airborne Laser Bathymetry (ALB) and vessel-based Multi-Beam Echo Sounder (MBES) surveys) and maritime charts focusing on the four target islands to significantly improve the safety of navigation.\(^{11}\) In addition to hydrographic surveying services, the component will finance contractor management services, as well as seabed mounted tide gauges and current meters in certain locations on each target outer island. The component is especially important as it is a precursor to, and will directly inform, the design of the maritime works in Sub-Components 2.1 and 2.2.

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\(^{11}\) Depending on cost, the surveying effort may be extended to cover other outer islands.
28. In addition to digital chart production, and accessible bathymetric data that can be used across Government, the component will improve the hydrographic institutional capacity. To increase transfer of knowledge, the activities will also aim at exposing MICTTD staff to experiences during the delivery of all outputs that will increase hydrographic capacity and long-term self-sufficiency. Notwithstanding the safety benefits to maritime transport, the hydrographic surveying will lead to more climate resilient spatial planning by having a detailed baseline from which to monitor the impacts of climate change on lagoon marine resources, reefs and coastline.\(^{12}\)

29. **Component 2: Resilient Outer Island Access Infrastructure (approximately US$22.5 million equivalent).**\(^{13}\) Activities to be financed under this component include: (a) technical engineering studies, including climate resilience measures, and preparation of bidding documents for project related activities; (b) preparation of environmental and social safeguards instruments; (c) execution of civil works; (d) supervision of civil works; (e) maintenance of project assets; (f) third-party technical audits; and (g) third-party environmental, social, and security audits of the civil works. Activities will include on-the-job training of unskilled labor living in the project area in charge of carrying out project rehabilitation works and GoK routine maintenance, will promote the participation of women, and will include project related gender-based violence (GBV) prevention and mitigation measures (see section IV D (ii) of the PAD for details).

   a. **Sub-Component 2.1 Improvement of Ships Safety Navigation (approximately US$2 million equivalent).** This sub-component will provide assistance to design, to replace existing defective AtoNs, to fabricate and install new AtoNs, as well as technical assistance to establish a system of maintaining these assets. Activities will involve as much local participation as possible, with a specific goal of transferring skills needed to sustain the Marine Division’s AtoNs fabrication and asset management function into the future. The locations of the new AtoNs will be informed by the hydrographic and charting outputs (Component 1).

   b. **Sub-Component 2.2 Rehabilitation of Island Access Infrastructure (approximately US$12.5 million equivalent).** Following completion of the hydrographic surveys, this sub-component will finance engineering studies and civil works for a variety of maritime infrastructure improvements (including associated infrastructure), tailored to the needs of each island, as follows: (a) construction of jetty, passenger terminal and concrete ramp on Abaiang; and small-scale dredging (at Tebikerike, North Beru), passenger terminal, and seawall upgrade works on Beru; (b) construction of small multipurpose maritime facilities on Nonouti and Tabiteuea South, including concrete boat ramp, shelter, and AtoN workshop and small equipment; and (c) accompanying consulting services to support delivery of Sub-Component 2.2.(b). All infrastructure and facilities built by the project will respond to the needs of women, children, the elderly and disabled.

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\(^{12}\) During project preparation ADB has carried out a *Climate Risk and Vulnerability Assessment* for the outer islands considered under the KOITIIP, which includes modelling to predict the specific changes to temperature, rainfall, wind and wave climate, coastal processes and oceanic conditions.

\(^{13}\) Should funds permit further investment after the prioritization of the four islands already indicated by GoK, additional islands could be added to KOITIIP.

\(^{14}\) The AtoNs will be designed to meet the International Association of Lighthouse Authorities (IALA) guidelines. Additional considerations will include illumination for safe night passage, climate resilience and energy efficiency.
c. **Sub-Component 2.3 Rehabilitation of Lagoon Crossings (approximately US$8 million equivalent).** The causeways on the outer islands vary from generally good condition requiring only localized maintenance, to poor condition requiring extensive rehabilitation or reconstruction over a significant portion of the causeway. Sub-Component 2.3 will finance: (a) rehabilitation works for existing causeways\(^{15}\), including enabling works and related investments, to ensure accessibility on prioritized outer islands. The rehabilitation works will include climate resilient features such as the provision of durable wearing course (i.e. interlocking block or concrete geocell), proper drainage and erosion control. The maintenance of the causeways will be secured during the project period, by providing technical assistance and training for developing causeways maintenance programs, and promoting the participation of women on the maintenance teams (by piloting an all-female routine maintenance team for causeway/maritime facilities); and (b) accompanying consulting services\(^{16}\) to support detailed design and delivery of this sub-component, as well as additional site investigations and studies (e.g. geomorphological studies).

30. **Component 3: Strengthening the Enabling Environment (approximately US$12.0 million equivalent).** This component will strengthen MICTTD and MISE’s institutional and regulatory functions for transport sector asset management, systematically increasing the sustainability of the climate resilient transport sector investments. The component will also provide project management and operational support to KOITIIP and KFSU, as well as promote the participation of women and will include project related gender-based violence mitigation measures (see section IV D (ii) for details).

a. **Sub-Component 3.1 Institutional Strengthening (approximately US$ 2.0 million equivalent).** This subcomponent will provide technical assistance to support the capacity development for the two implementing agencies MICTTD and MISE, as follows: (a) Technical assistance activities for the Marine Division of the MICTTD will include training on the development and management of marine spatial database development, as well as assessments and studies; (b) The institutional strengthening for MISE throughout KOITIIP is expected to have long-lasting positive impacts on the overall road management. Mentored by experienced international professionals, over the course of the project MISE staff will take on increasing responsibility. Proposed technical assistance activities will include a MISE capacity investment plan, associated training, program licenses and software.\(^{17}\)

b. **Sub-Component 3.2: Operational Support for the Outer Islands Implementation Unit (OIIU) (approximately US$ 5.0 million equivalent).** This subcomponent will finance project management and operational costs - human resources or goods - associated with implementation of the proposed project. Activities to be financed will include: (a) operating costs of the OIIU, including salary of key OIIU staff and consultants, as well as support to the

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\(^{15}\) Causeways listed in Table 5 of Annex 2 will be prioritized for rehabilitation under the Project. Any additional causeways to be rehabilitated through the Project will be identified and selected in accordance with the criteria and procedures listed in the Project Operations Manual.

\(^{16}\) This consulting firm, financed through Sub-Components 2.2.c and 2.3.b, will mentor MISE staff throughout all project phases (design, construction, maintenance). The consulting firm will also conduct formal quality assurance audits of all designs financed under Component 2.

\(^{17}\) Examples of such technical assistance include: structural design software; road design software; licenses of relevant international standards; wide range of office-based and onsite training in project management, procurement, cost estimation etc.
implementing agencies for the overall technical supervision of the project; (b) relevant training for project staff; (c) acquisition of small equipment; (d) financial audits; (e) monitoring and evaluation, including the preparation of the Implementation Completion Report; and (e) IDA compliance monitoring of environmental and social safeguards, including training and capacity building to assist the Environmental and Conservation Division (ECD) to monitor safeguards implementation and compliance with national environmental legislation. Moreover, the component will support gender informed activities, including citizen engagement, outreach activities, and developing employment networks designed to increase women’s participation and prevent gender-based violence. Beneficiaries’ participation and feedback during project preparation and implementation will be facilitated through citizen engagement processes. Technical assistance will be provided to: (a) promote community dialogue and sensitization activities to be carried out with both women and men to contribute to address the gender norms that might impede women’s participation; (b) explore partnership with Kiribati Institute of Technology (KIT) to promote the employment of female graduates (in construction related courses) on KOITIP.

**c. Sub-Component 3.3: Operational Support for the Kiribati Fiduciary Services Unit (KFSU) (approximately US$ 5.0 million equivalent).** This subcomponent will strengthen the capacity of the existing KFSU, to provide implementation support to this Project and other IDA/IBRD financed or co-financed projects. It will finance project management and operational costs - human resources or goods - associated with implementation of the proposed project. Activities to be financed will include: (a) operating costs of KFSU, including salary of key KFSU staff and consultants; (b) relevant training for project staff; (c) acquisition of small equipment; (d) financial audits; (e) monitoring and evaluation. In addition to the fiduciary responsibilities, 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 project implementation units and government Ministries implementing other IDA/IBRD financed or co-financed projects.

**31. Component 4: Contingent Emergency Response (US$0 million equivalent).** Following an eligible crisis or emergency, the Recipient may request the Association to re-allocate project funds to support emergency response and reconstruction. This component would draw from the uncommitted resources under the project from other project components to cover emergency response. A CERC Project Operations Manual, acceptable to the Association, for the implementation of the Contingency Emergency Response Plan, will be prepared and constitute a disbursement condition for this component.

**E. Implementation**

**Institutional and Implementation Arrangements**

**32.** The proposed project will be housed at the Ministry of Finance and Economic Development (MFED) that

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18 A technical assistance will be provided to establish a Women in Infrastructure network to promote the importance of work of women working in non-traditional fields, build professional capacity and support the operationalization of GoK gender equality and safe workplace commitments.
will be the Executing Agency for the KOITIIP. The institutional arrangements to effectively implement the proposed project activities agreed are described below, and Figure 4 provides an overview of relationships between key KOITIIP entities.

33. **Project Steering Committee (SC).** A SC will be composed of the existing National Infrastructure Development Committee (NIDSC) to which Islands Councils focal points will be included – both already created by ministerial act. The SC will be chaired by the Cabinet Secretary or their representative and will include representatives of the MFED, MISE, MICTTD, MIA, the Ministry of Women, Youth and Social Affairs (MWYSA), the Island Councils, and the Ministry of Environment, Lands and Agriculture Development (MELAD). The SC will ensure the overarching governance and policy oversight throughout the life of the project and provide an adequate strategic direction, overall oversight, and coordination with other line ministries.

34. **Project Technical Committee (TC).** A TC, to be created by ministerial act, will be chaired by the secretary of MFED and will include designated focal points (technical experts) from MICTTD, MELAD, MISE, MIA which is concerned with outer islands development and with services to outer islands, and the key personnel of the OIIU. The TC will be responsible for the project technical oversight, the development of annual work plans and budget, and ensuring that the project meets its development objectives.

35. **Implementing Entities (IEs).** The implementing entities are organized as follows:

- **MICTTD** Marine Division will implement Component 1: Safe Inter-Island Navigation, Sub-Component 2.1 Improvement of Ships Safety Navigation, Sub-Component 2.2 Rehabilitation of Island Access Infrastructure [points (a) and (c)], and Sub-Component 3.1 Institutional Strengthening. It will only be involved in technical implementation, while the OIIU and the KFSU will cover all other aspects of project management and fiduciary compliance, as listed below.

- **MISE** will implement civil works associated with Sub-Component 2.2 Rehabilitation of Island Access Infrastructure [points (b) and (c)] and Sub-Component 2.3 Rehabilitation of Lagoon Crossings. In this regard a **MISE implementation unit** will be created by ministerial act and a **MISE implementation manual** will be developed to detail procedures to carry out civil works under force account. The expectation is that the MISE Implementation Unit includes the following personnel, (to be confirmed in the **MISE implementation manual**): (i) a Project manager; (ii) a senior civil engineer; (iii) a civil engineer; (iv) an architect; (v) an electrical and mechanical engineer; (vi) a drafterperson; (vi) two site foremen; (vii) a diesel mechanic; (viii) an assistant diesel mechanic; and (ix) an administrative assistant. MISE will also implement Sub-Component 3.1 Institutional Strengthening. MISE will only be involved in technical implementation. The OIIU and the KFSU will cover all other aspects of project management and fiduciary compliance, as listed below.

- **OIIU**, to be housed in MFED and to be created by ministerial act, will implement Sub-Component 3.2. It will have overall responsibility for project management, safeguards compliance and monitoring and evaluation of the KOITIIP. It will rely on the existing KFSU, for procurement and financial management support. This is in addition to the project management aspects to support implementation of Component 1 and Component 2. Moreover, the OIIU will include: (i) an international Chief Technical Advisor for the OIIU, with experience in project management as well as civil works to ensure that the project has the correct technical as well as managerial guidance; (ii) a national Project Manager, considering the project will focus on the remote outer

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19 The annual work plans should be prepared by no later than one (1) month after the Effective Date and June 31 of each subsequent year during the implementation of the Project.
islands, as well as potential language and cultural barriers; and, (iii) community consultation staff as it will be important to engage with the communities early on in the project and continuously during implementation of works; (iv) social safeguards officer; (v) environmental safeguards officer; (vi) gender or gender-based violence officer (as needed during implementation). The Project Operations Manual (POM) will list the division of roles and responsibilities between the implementing ministries, Project Steering Committee, Project Technical Committee, KFSU and OIIU, as well as Island Councils.

- **KFSU**, already created and housed in MFED, centralizes procurement and financial management of other IDA/IBRD financed or co-financed projects, including KOITIIP. Under this project the KFSU will be strengthened, and its role expanded, and will implement Sub-Component 3.3. The unit will be staffed with three senior specialists (i.e. international consultants) tasked to provide high-level guidance, training and hands-on support on project implementation to all agencies working on development projects in Kiribati in the areas of Procurement, Financial Management and Safeguards. Additional staff will be hired to work under these specialists and gain knowledge and capacity. Other required roles will also be hired, such as Monitoring & Evaluation and Gender personnel. A Manager will also be hired to coordinate the Unit’s activities and support for other IDA/IBRD financed or co-financed projects.

- **MFED** will be the implementing agency for the Component 4, if the CERC is activated.

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

The project activities will take place on the outer islands of Kiribati, with the first phase of works to be undertaken on the islands of Abaiang, Nenouti, Tabiteuea South and Beru. The nation comprises 32 atolls and reef islands and one raised coral island, Banaba. They have a total land area of 800 square kilometers and are dispersed over 3.5 million square kilometers. Their spread straddles both the equator and the 180th meridian. The permanent population is just over 110,000 (2015), more than half of whom live on Tarawa Atoll. Abaiang has approx. 5,000 inhabitants, Nonouti and Beru 2,300 inhabitants, and Tabiteuea South 1,300 inhabitants. With its remote location, small size, dispersed islands setting and other geographical factors, Kiribati faces many challenges in developing and maintaining sustainable internal (intra and inter-island), regional and international transport and communication linkages, all of which are crucial to the economic development and social well-being of its population. The four project components include both studies and surveys and physical works. Works may include the rehabilitation of existing causeways; limited dredging and construction of boat ramps and jetties across the four selected outer islands. In addition, the project also includes provisions for hydrographic surveys, maritime charting and the installation of maritime navigation aids.

### G. Environmental and Social Safeguards Specialists on the Team

Craig Andrew Clark, Social Specialist  
Rosemary Alexandra Davey, Environmental Specialist  
Nathalie Suzanna Noella Staelens, Environmental Specialist
<table>
<thead>
<tr>
<th>SAFEGUARD POLICIES THAT MIGHT APPLY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Safeguard Policies</strong></td>
</tr>
<tr>
<td>Environmental Assessment OP/BP 4.01</td>
</tr>
</tbody>
</table>

No physical works will be completed in the first year to allow for the completion of studies and detailed design work. As such, an Environmental and Social Management Framework (ESMF) has been developed to provide guidance on due diligence requirements for sub-projects, including ineligible activities and the safeguards measures and instruments that must be developed for each sub-project. Once investment design is completed, ESIAIs and ESMPs will be prepared for all sub-projects as defined by the ESMF screening process. Should the ESIA identify that an investment is Category A then it will be excluded from the project. An ESMF will be prepared and disclosed for the potential CERC activities prior to the component's activation. |
Impacts associated with land access will be minimal and expected to involve the clearing of a small number of non-land assets such as coconut tree. No relocation nor severe impacts on livelihoods are expected. Most labor required for works is expected to be sourced from the respective islands. Activities are included in the project to mitigate risks of GBV.

<table>
<thead>
<tr>
<th>Performance Standards for Private Sector Activities OP/BP 4.03</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Habitats OP/BP 4.04</td>
<td>Yes</td>
</tr>
<tr>
<td>The proposed causeway rehabilitation and construction works including the potential installation of culverts may impact on the local and nearby benthic and intertidal habitats. Changes in hydrodynamics resulting from the proposed works may both have positive (better flushing) and negative (erosion/accretion) impacts, which in turn may have impacts on water quality and coastal stability. These impacts are in addition to the more typical construction impacts on natural habitats associated with noise, emissions to air and water, material sourcing, etc. Impacts on natural habitats will be comprehensively assessed and mitigated as necessary in the proposed ESIA and ESMPs.</td>
<td></td>
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<tr>
<td>Forests OP/BP 4.36</td>
<td>No</td>
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<tr>
<td>Pest Management OP 4.09</td>
<td>No</td>
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<tr>
<td>Physical Cultural Resources OP/BP 4.11</td>
<td>No</td>
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<tr>
<td>While Tarawa atoll includes a number of historical relics from World War II, it is anticipated that the impacts on known relics will be avoided.</td>
<td></td>
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<tr>
<td>Indigenous Peoples OP/BP 4.10</td>
<td>No</td>
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<tr>
<td>The project activities will take place where the population is not considered to meet the characteristics of OP 4.10 due to the homogenous nature of the Kiribati population.</td>
<td></td>
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<tr>
<td>Involuntary Resettlement OP/BP 4.12</td>
<td>Yes</td>
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<tr>
<td>Potential types of involuntary resettlement impacts expected on the project are minimal as the project includes components expected to involve moderate to minor scale physical works related to island access infrastructure, upgrading of causeways and installation of maritime navigation aids.</td>
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</tbody>
</table>

Construction of resilient outer island access infrastructure (project component 2). No land acquisition is expected for causeway works as these involve the upgrading of existing causeways without
modification to the causeways footprints. The causeways are not occupied nor utilized for other purposes. The works on most proposed causeways is not expected to prevent traffic flow. Where works temporarily disrupt traffic flow on the causeways, these will be mitigated through alternative traffic arrangements. For maritime island access infrastructure related facilities (such as boat ramps and passenger and cargo holding sheds), the sites will be confirmed following the hydrographic study to be carried out during implementation. Related facilities are anticipated to mostly utilize existing Government-leased land. However, there is the potential for small areas in new sites to be acquired. Any such land acquisition is planned to be through negotiated long term Government lease. Minor losses of non-land assets (mainly coconut trees) are expected, but not anticipated to cause severe loss of livelihood resources and will be compensated at replacement cost. Impacts related to installation of maritime navigation aids are not anticipated, but could not be fully assessed during project preparation as these will be designed following the hydrological survey.

A Resettlement Framework has been prepared in accordance with the requirements of OP4.12 to guide minimization of impacts, due diligence requirements and preparation of resettlement plans as needed.

A stakeholder engagement and consultation plan has been prepared to guide meaningful consultation requirements. Community consultations commenced during project preparation phase to provide project awareness to the communities on the three components and to inform project design. Ongoing consultations will take place with local communities prior to and during civil works.

| 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  |
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 overall project impact is expected to be positive and is assessed to pose moderate social and environmental risks. An environmental and social management framework (ESMF) and a Resettlement Framework have been prepared describing possible impacts along with mitigation requirements, including the preparation of ESMPs and RPs when required.

For Component 1 the key safeguards impact is likely to relate to safety at sea during the completion of the hydrographic surveys and maritime charting. Additionally, the component outputs will define the detailed design of Component 2 potentially leading to both safety and environmental impacts if outputs are not accurate.

The proposed causeway rehabilitation and construction including the potential installation of culverts included in Component 2 may impact on local and nearby benthic and intertidal habitats. Changes in hydrodynamics resulting from the proposed culvert installation works may both have positive (better flushing) and negative (erosion/accretion) impacts, which in turn may have impacts on water quality and coastal stability. These impacts are in addition to the more typical construction impacts that include noise, emissions to air and water, material sourcing, waste disposal and occupational and community health and safety.

An ESMF will be prepared and disclosed for the potential CERC activities associated with Component 4 prior to the component’s activation.

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. This will be verified through the completion of the ESIsAs after detailed design and managed through the ESMF screening process.

The project is expected to result in positive impacts through improved marine safety after the completion of the hydrographic surveys, maritime mapping and installation and rehabilitation of navigational aids.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

Alternative investment types and locations were considered in line with the Project Development Objective and the minimization of safeguards impacts such as those relating to resettlement and land access. The situating of island access infrastructure will be informed by the results of the hydrological study and options to minimize land access impacts for the associated infrastructure. 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.

An Outer Islands Implementation Unit (OIIU) will be established to house the project management and safeguards specialists exclusive to the KOTIIP project who will cover maritime and causeway projects for both MISE and MICTTD. Safeguards oversite will be provided by national environmental, social, gender/GBV and community liaison officers will be engaged and full time after that with additional support as needed from an international consultant.
MISE and MICTTD both have previous experience in the implementation of World Bank funded projects.

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 and RF. Consultation sessions with stakeholders were held in August and November 2019 and included discussions with relevant Government agencies, civil society groups, commercial interest groups, youth and community members and potentially affected people. Consultations with potentially affected people included information about project design features, entitlement principles and the GRM. Meetings were held on each of the selected island. A stakeholder engagement plan has also been prepared.

B. Disclosure Requirements

<table>
<thead>
<tr>
<th>Environmental Assessment/Audit/Management Plan/Other</th>
<th>Date of receipt by the Bank</th>
<th>Date of submission for disclosure</th>
<th>For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;In country&quot; Disclosure</td>
<td>25-Jan-2020</td>
<td>26-Jan-2020</td>
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<td>Kiribati</td>
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<tr>
<th>Resettlement Action Plan/Framework/Policy Process</th>
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</table>

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?
No

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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Borrower/Client/Recipient

Republic of Kiribati

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| Rodrigo Archondo-Callao |

**Approved By**

| Safeguards Advisor: | Emilijan Mohora | 27-Jan-2020 |
| Practice Manager/Manager: | Almud Weitz | 27-Jan-2020 |
| Country Director: | Mona Sur | 28-Jan-2020 |