Semi-annual Safeguards Monitoring Report

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July–December 2017

Tuvalu: Outer Island Maritime Transport Infrastructure Project

Prepared by the Ministry of Communications & Transport – Project Management Unit.

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<table>
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<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>CEMP</td>
<td>Construction Environmental Management Plan</td>
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<td>CCECC</td>
<td>China Civil Engineering Construction Corporation</td>
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<td>CCP</td>
<td>Consultation and Communications Plan (for the project)</td>
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<td>CSS</td>
<td>Country Safeguard System</td>
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<td>DOE</td>
<td>Department of Environment</td>
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<td>EIA</td>
<td>Environmental Impact Assessment</td>
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<td>GOT</td>
<td>Government of Tuvalu</td>
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<td>GRM</td>
<td>Grievance Redress Mechanism</td>
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<td>HIV/AIDS</td>
<td>Human Immunodeficiency virus / acquired immunodeficiency syndrome</td>
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<td>MCT</td>
<td>Ministry of Communications and Transport</td>
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<td>PMU</td>
<td>Project Management Unit (in MCT)</td>
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<td>PSMPC</td>
<td>Project Support and Master Planning Consultant</td>
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<td>SPS</td>
<td>Safeguards Policy Statement 2009 (of ADB)</td>
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1. INTRODUCTION

1.1 Description of the Project

Background. The Government of Tuvalu (GOT) has agreed with Asian Development Bank (ADB) for assistance in improving its outer Island maritime facilities. The proposed Outer Island Maritime Infrastructure Project will: (i) rehabilitate and improve maritime infrastructure in selected outer islands of Tuvalu, some of which were damaged by tropical cyclone Pam in March 2015; and (ii) improve safety, efficiency, and sustainability of maritime transportation between Funafuti, the capital, and outer islands. The project will help Tuvalu overcome connectivity problems that constrain its economic and social development. The challenge results from Tuvalu’s dispersed geography: (i) a small country (land area of 26 km2) comprising nine islands, stretching over 680km; (ii) small and dispersed population – 10,800 as of 2012, with less than 1,600 people on each of the outer islands; and (iii) decreasing outer island population.

As agreed in the Memorandum of Understanding signed with the GOT (15 May 2016) the overall project is structured as follows:

- Construction of the Nukulaelae facilities, and minor rehabilitation (ramps) at Nanumaga and Niutao as works to be completed by the end of 2018;
- Feasibility study to relocate the harbor site at Nanumaga and Niutao with construction commencing once funding is sourced; and
- Preparation of a Master Plan

Project implementation. A Project Support and Master Planning Consultant (PSMPC) has been recruited to support the Ministry of Communication and Transport (MCT) Project Management Unit (PMU) deliver the project. The PSMPC project’s scope of works is aligned with the objectives and outputs and can be summarized as follows:

- Assist the government and the PMU with procurement, engineering, supervisory and managerial aspects of project implementation, including safeguards monitoring;
- Construction supervision services (as Engineer to the FIDIC contract) for the construction of a workboat harbor in Nukulaelae and the reconstruction of boat ramps at Nanumaga and Niutao;
- Institutional strengthening activities, including assessment and capacity enhancement, with a focus on sustainable maintenance and asset management responsibilities within relevant agencies in the GOT; and
- The preparation of a marine transport master plan for inter-island transport, to guide future decision-making in the transport sector.

Purpose of the report. These semi-annual safeguards monitoring report covers the period 01 July to 31 December 2017. It is prepared by the PMU and submitted to the GOT and ADB. The report is prepared in accordance with the safeguard monitoring and reporting requirements set
out in the Project Administration Manual, Project Grant Agreement as well as the ADB Safeguard Policy Statement 2009 (SPS).
2. ACTIVITIES IN THE PERIOD AND MONITORING RESULTS

2.1 Main Activities and Achievements

The construction contract was awarded to China Civil Engineering Construction Corporation (CCECC) with the Letter of Acceptance signed by GOT on 11th August 2017 with the contract signed between the parties on 22nd August 2017.

The latest construction program (11 November 2017) issued by CCECC/Nawae has all the works scheduled to be completed by 31 October 2018. The two other parts of the PSMPC are the institutional strengthening and the transport master planning are scheduled to be completed by 9th November 2018. The overall Project will be implemented over an extended period and ADB has nominated project completion by December 2019.

The Project’s Inception start up meeting was held in Funafuti on Wednesday 11th October 2017 in the PMU office.

ADB fielded a reconnaissance mission to Tuvalu on 10-17 October 2017. The GOT and the mission discussed and agreed that ADB’s next project will finance the construction of a harbor at Niutao and additional financing for the ongoing OIMIP to finance (a) a passenger terminal in Nukulaelae and (b) a possible cost overrun because of any contract variations during contract implementation and Australian dollar appreciation that may happen toward 2018.

During the site visit to Nukulaelae in November 2017 a consultation meeting with the Nukulaelae Kaupule was held on 4th November. The meeting was set up by Adam Hay (contractor’s representative) and attended by six Kaupule members, three contractor representatives, PMU representative Vete Sakai, and PSMPC members D. Legoe and T. Lauti. A. Hay discussed during the meeting the basic methodology and safeguard approach, labor policy, the grievance redress mechanism (GRM) and areas where it could impact the community.

On Monday 6th November in Funafuti there was the contract start up meeting held between CCECC and The Engineer (Cardno). The meeting further expanded on the items discussed during the Nukulaelae visit and noted that joint resolution of approach to the HIV/Aids awareness and prevention program is needed. General items discussed in the meeting included:

- Confirmed the Contract Details and representatives and contact details for the Employer, Engineer and Contractor;
- Confirmed the obligations of the parties under the contract;
- Identified status of Contract submission requirements for Performance Security, insurances, Construction Program, Contractor’s Plant and Equipment, cash flow schedules, Contractor’s plans for methodologies, QA, health and safety, environmental, social and community liaison, etc.;
- Discussed the accommodation facility options for the site supervisor;
• Confirmed logistic support for transport between project sites;
• Confirm offsite precast and manufacturing sites and arrangements; and
• There were two main key issues noted by the contractor 1) achieving initial access for the equipment and plant onto Nukulaelae and 2) the tidal datum issue for the outer islands.

The construction supervision approach was reviewed, and it is noted that the updated construction program extends the time on site at Nukulaelae until the 31st October 2018. The tendered construction program had a completion date of 22nd August 2018. While this is not a change in the scope of physical works it extends the time required for the Supervisor and the Team Leader to be in Tuvalu.

2.2 Implementation of Environmental Safeguards

The PSMPC worked with ADB staff to ensure that the required environmental safeguard provisions were included in the technical specifications and the bid documents.

CCECC submitted the construction environmental management plan to PSMPC for review on 18th November 2017. The PSMPC requested several revisions and strengthening of the plan to more fully comply with the project EMP (contained in the approved environmental assessment). CCECC is revising the CEMP and preparing detailed construction methodologies.

Physical works on the project have not yet commenced. The concrete pre-casting works in Lae in Papua New Guinea is due to start early in 2018. The pre-cast structures will be transported to Tuvalu by boat and CCECC expects to mobilize and commence works in early March 2018. The monitoring report for Jan-Jun 2018 will update the status of civil works and implementation of the approved CEMP.

Cardno has submitted an environmental permit application to the Ministry of Environment and the IEE was accepted as an appropriate proxy for a PEAR under the Environmental Protection Act by the receiving officer. Cardno has followed up on the status of this environmental assessment submission numerous times during the reporting period, however no response has yet been received. As construction is due to commence shortly, Cardno has begun the process of escalating this permit request through the appropriate channels at Department of Environment (DOE).

2.3 Implementation of Social Safeguards

The resettlement and indigenous safeguards Due Diligence Report (DDR) was finalized and issued, addressing final comments from ADB, in December 2017.

Payment of compensation occurred outside of the reporting period in April 2017, for the 2017 1-year lease period, with a copy of the lease used and a third party verification provided by a third party all presented in Appendix K of the Due Diligence Report.
Cardno has been advised by the PMU that the final lease payment for the construction periods (a) April 2018 through 2019, and (b) April 2019 through 2020, will be paid out by the Kaupule (from Home Affairs) to landowners after this reporting period in April 2018.

In preparation for construction, CCECC has provided the following plans for its safeguard activities on site at Nukulaelae due to commence April 2018:

- Community Liaison Plan (including documented Gender Action Plan and Grievance Redress Mechanism and relevant forms)
- HIV AIDS Awareness Program (HAP).

During the reporting period July – December 2017, this draft documentation was audited against requirements, with minor updates and rectifications requested, and then approved by the Cardno Social Safeguards Specialist, pending further detail closer to mobilization.

The Contractor (CCECC) has provided the CV of the proposed staff member to undertake the safeguard roles (Kilifi O’Brien). Kilifi’s work will be monitored by Cardno’s safeguards specialist, Alan Restore. CCECC have confirmed the Tuvalu Government will work with the contractor to undertake the HIV/AIDs and gender training under a Memorandum of Understanding. CCECC has also been in contact with the Nukulaelae Kaupule to identify a suitable Community Liaison Person, to be appointed closer to mobilization.

Further details will be documented in the January to June 2018 Report.
2.4. Grievance Redress Mechanism

The Grievance Redress Mechanism (GRM), as described in the Contractor's CLP, has been developed with all accompanying tools (including forms and worksheet) prepared and ready for distribution. It is not yet active, and no grievances have yet been received. The GRM will be launched at Nukulaelae, Nanumaga and Niutao in the next reporting period.