

Resettlement Policy Framework (RPF)

RMI: Sustainable Energy Development Project (SEDP)

FINAL

29 October, 2017

Prepared by MOF/DIDA for the World Bank and the Government of the Republic of the
Marshall Islands

ACRONYMS and ABBREVIATIONS

AP	Affected Persons
CESMP	Contractors Environmental and Social Management Plan
CPS	Country Partnership Strategy
DIDA	Division of International Development Assistance
DP	Displaced Persons
EA	Environmental Assessment
EPA	Environmental Protection Agency
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
FM	Financial Management
GRM	Grievance Redress Mechanism
IDA	International Development Association
KADA	Kwajalein Atoll Development Authority
KALGOV	Kwajalein Atoll Local Government
KAJUR	Kwajalein Atoll Joint Utilities Resources Inc
LRA	Land Registration Authority
MEC	Majuro Energy Company
M&E	Monitoring and Evaluation
MoF	Ministry of Finance
MWSC	Majuro Water and Sewage Company
NSC	National Steering Committee
PAD	Project Appraisal Document
PCR	Physical Cultural Resources
PSC	Project Steering Committee
PSU	Program Support Unit
RMI	Republic of the Marshall Islands
RPF	Resettlement Policy Framework
SIDS	Small Island Developing States
TA	Technical Assistance
TOR	Terms of Reference
TT	Task Team
UN	United Nations
USAID	United States Agency for International Development
WB	World Bank

Table of Contents

No.	Section Title	Page No.
	Executive Summary	4
1	Introduction	10
2	Project Description	12
3	Scope of ESMF	17
4	Principles and Objectives covering Land Access and Acquisition Preparation and Resettlement	20
5	Land Acquisition & Resettlement for Project Activities	21
6	Estimated Population Displaced, Likely Categories of Displaced People and Entitlement Matrix	22
7	Legal Framework	29
8	Methods of Valuing Assets	34
9	Organizational Procedures for RAP/A-RAP Implementation	35
10	Implementation Process	37
11	Grievance Redress Mechanism	39
12	Resettlement Budget and Financial Arrangements	44
13	Mechanism for Consultations with Participation of Displaced People	44
14	Capacity Building	47
15	Arrangements for Monitoring and Reporting	48
Annex 1	References	49
Annex 2	Voluntary Resettlement Arrangements	49
Annex 3	Terms of Reference for Resettlement Specialist for RAP or Abbreviated RAP	50
Annex 4	Outline of Abbreviated Resettlement Plan	52
Annex 5	External Monitoring Indicators	53
Annex 6	Draft Terms of Reference for External Monitoring Agency (EMA)	55
Annex 7	ESMF and RPF Stakeholder Consultations Report	57

List of Figures

Figure 1	Map of RMI showing Kwajalein in relations to Majuro	11
Figure 2	Flow Chart of Project GRM – pre-construction	42
Figure 3	Flow Chart of Project GRM – project construction	43

List of Tables

Table 1	Entitlement Matrix	23
Table 2	Gap Analysis Between WB Safeguards Policies and RMI Safeguards Laws and Regulations	31
Table 3	Institutions involved in Resettlement Implementation	35
Table 4	Grievance Redress Mechanism	38
Table 5	Matrix to Guide Consultations for RAP and A/RAP	44

EXECUTIVE SUMMARY

Project Scope

This Resettlement Policy Framework (RPF) applies to the Sustainable Energy Development Project (SEDP) - a World Bank (WB) funded project for the Republic of the Marshall Islands (RMI). The RPF addresses resettlement impacts generated by activities funded under Components 1 and 2 and provides for the resettlement planning of future RE and EE investments in Ebeye and Outer Islands.

SEDP was formulated from a WB funded study of potential solutions that addresses the Government of the Republic of the Marshall Islands (GoRMI)'s energy sector objectives of (i) increasing the use of RE to at least 20 percent by 2020 while reducing by 20 percent its greenhouse gas emissions; and ii) reducing subsidies to the sector by lowering the operating costs (i.e. by reducing the share of expensive imported fuels in its generation matrix and by increasing its energy sector utilities' efficiency. Three solutions corresponds to the development of RE in Majuro, Ebeye and the outer islands. These are:

- **Solution 1 – Majuro – Centralized storage and control system:** This option would involve building i) a centralized open protocol Battery Energy Storage System (BESS)¹ to be located at MEC power station and ii) the installation of 3.4 MW to 6.8 MW² of solar PV to increase the share of renewable energy supply between 10-20 percent for Majuro.
- **Solution 2 – Ebeye- Centralized storage and control system:** This option would involve i) a centralized open –BESS to be located at KAJUR power station and ii) up to 3.4 MW of solar PV, located at different sites due to the limited land availability on Ebeye, to increase the share of renewable energy supply to approximately 30 percent for the atoll.
- **Solution 3 – Outer islands - Mini-grids:** This solution would support conversion of the existing diesel mini-grids on three atolls: Wotje, Jaluit and Rongrong, into solar hybrid mini-grid systems and the establishment of one new solar-hybrid mini-grid in Santo (Kwajalein atoll).

For RMI to be able to reach its intended targets in 2020 and 2050, all three solutions should be implemented in a phased approach. The SEDP is built around Solution 1 on Majuro and preparing for Solutions 2 and 3, and will include the following three components:

Component 1: Renewable Energy Investments (IDA US\$28.6 million). This component will include the following three sub-components:

- (i) **Sub-Component 1.1: Renewable Energy Integrated Solution in Majuro (US\$22.6 million).** This sub-component will finance the supply and installation of an estimated 3 MW of solar power-generation capacity, a BESS, and grid-management equipment to increase the

¹ The BESS should be of open-protocol so that it is open to expansion in the future and can communicate with devices from different manufacturers.

² The final capacity would depend on component financing, technology and competitive bidding.

contribution of RE in RMI's generation system and reduce diesel generation in Majuro. The sub-component will include assistance in O&M and capacity building for MEC for at least two years. An initial assessment on potential sites (owned or leased by GoRMI) available to host the arrays of PV panels include MWSC's water reservoir near the airport, some public schools and public buildings, the empty space adjacent to the Majuro hospital, and some basketball fields in the city. The water reservoir is the primary candidate for several reasons: it would serve both MWSC and MEC generation purposes in a situation of limited land availability; it would reduce evaporation currently experienced by MWSC; it concentrates half of the potential sites' total capacity; it avoids anticipated potential distribution constraints; and, due to its size and relative proximity with MEC's existing thermal generation facilities, a power distribution feeder can easily be erected to convey the generated RE from the reservoir site to the power plant. If the reservoir is used, this would involve installation of floating or fixed solar PV panels in the reservoir.³ This component will also address the lining of the reservoir as needed during implementation. More information is provided in the Technical Assessment section below and in Annex 1.

- (ii) ***Sub-component 1.2: Design and Supervision Consultants (US\$1 million)***. This sub-component will finance the detailed survey for solution 1/sub-component 1.1 on Majuro, a preliminary design and cost, preparation of bidding documents, and supervision of the engineering, procurement and construction (EPC) contractor.
- (iii) ***Sub-component 1.3: Supply and Installation of Gensets for Majuro and Ebeye (US\$5 million)***. This sub-component will finance gensets (low/medium or high-speed depending on studies) for MEC and KAJUR's power plants in Majuro and Ebeye to improve fuel consumption and system reliability, and to help accommodate the planned grid solar capacity. Retroactive financing is also being considered for the purchase of the gensets if needed; World Bank Procurement Regulations for Investment Project Financing (IPF) Borrowers and Procedures would apply.

Component 2: Promotion of Energy Efficiency and Loss Reduction Program (US\$2 million). This component will provide technical and operational assistance and will complement Component 1 by reducing energy demand through improving the efficiency for both use and supply of electricity from MEC and KAJUR. It will include the following three sub-components:

- (i) ***Sub-Component 2.1: Supply Side Management Loss Reduction Program (US\$0.7 million)***. This sub-component will address issues related to supply-side management (SSM). A loss reduction program for MEC and KAJUR will be designed and implemented. Current losses are approximately 26 percent of 51,147 MWh in Majuro and believed to be a higher percentage in Ebeye. This is mostly caused by technical mismatches in facility configurations and operations. A loss reduction study will be prepared by external consultants to provide recommendations to achieve loss reduction in the two utilities.

³ There are existing PV arrays located on the left bank of the reservoir.

- (ii) **Sub-Component 2.2: Demand Side Management and Information, Education, and Communication (US\$1 million).** This sub-component will support a program of activities designed to enhance efficient use of energy. The program could include supply and installation of selected energy efficiency investments, such as enhanced insulation in buildings and replacement of inefficient lighting or appliances in said buildings. External consultants will provide recommendations to harness best available technologies. This sub-component will also support information awareness campaigns, workshops, training, and education on demand-side management (DSM) and energy efficiency.
- (iii) **Sub-component 2.3: Policy Framework and Regulatory Regime for Energy Efficiency (US\$0.3 million).** This sub-component will support development of policies and regulations for energy efficiency, as well as the development of standards and labeling for energy efficiency, including phasing out inefficient incandescent bulbs and more stringent standards for appliances. Activities aimed at raising consumer awareness on energy efficiency and related capacity-building activities and training will also be supported under this sub-component.

Component 3: Technical Assistance, Capacity Building, and Project Management (IDA US\$2.4 million).

- (i) **Sub-component 3.1: Technical Assistance and Capacity Building (US\$0.45 million).** A program of activities designed to enhance the capacity of MEC, KAJUR, and EPD will be carried out. These activities could include technical operation, procurement, financial management, environmental and social management, monitoring, evaluation, and reporting. This sub-component will also support a study to assert EPD's role in the sector, defines its needs as one of the key actors and further provide means for EPD to undertake a few studies essential to the energy sector development as well as potential support for staffing.
- (ii) **Sub-component 3.2: Design of RE Projects in Ebeye and the Outer Islands (US\$0.5 million).** This sub-component will support the preparation of studies for the subsequent phases of the project, including the design (up to the preparation of bidding documents) for RE projects for Ebeye and the Outer Islands (Wotje, Jaluit, Rongrong, and Santo).
- (iii) **Sub-component 3.3: Establishment of O&M Mechanism and Implementation Arrangements (US\$0.15 million).** Set up of O&M fund (i.e., Sinking Fund) to maintain generation equipment is critical to ensure its sustainability, especially in the Pacific region. This sub-component will prepare the escrow account/sinking funds mechanism and support training of MEC and/or KAJUR on the O&M strategies.
- (iv) **Sub-component 3.4: Project Management (US\$1.3 million).** This sub-component will support and strengthen MEC's capacity for project management and implementation, coordination, monitoring and evaluation, and reporting. It will support the establishment of a Project Implementation Unit (PIU) in MEC including the recruitment of a Project Manager, and procurement, financial management, social and environmental safeguards capacity as needed. It could also include an energy specialist to support EPD on the technical supervision of relevant studies. Provision of technical assistance to support mainstreaming of gender dimensions in the project will also be financed under this sub-component. The project's

incremental operating costs will be financed through this sub-component as well as office equipment and project audits.

Scope of the Land Access, Acquisition and Resettlement

Component 1 involves voluntary access to government and public building roof-tops, vacant and available government leased public spaces and land under the jurisdiction of other government agencies and authorities, for the installation of solar PV panels, and ancillary infrastructure and equipment. Any land acquisition will be voluntary, minimal and temporary to provide for contractors access and use, and or for any ancillary structures (e.g. transmission poles, and or trenching) required to connect off-grid installations to the main grid etc.

For Component 2, most replacement equipment to replace old and less efficient ones will occupy existing footprints, within power stations. A possible exception is where streetlights targeted for replacement are on transmission poles located outside the road reserve or easements. Existing informal arrangements with affected landowners may require review and where adverse impacts need mitigation, these will be addressed through contractors' ESMPs.

Land requirements for future investments envisaged under Component 3 will be confirmed following proper technical assessment and screening during project implementation. This includes investments in stand-alone PV systems in outer islands which may involve voluntary land acquisition from private and traditional landowners, where government leased lands are insufficient or for other technical reasons, not unsuitable. Likewise is the use of reef flats in Ebeye (east of the dumpsite and Gugeegu causeway) for PV installation.

On the whole, the amount of land acquisition envisaged is limited and consistent with the Category B assessment given to this Project. The emphasis on government buildings and government leased lands in the preliminary design is a conscious effort to keep IR impacts to a minimum.

For planning purposes, Abbreviated Resettlement Action Plans (A/RAP) will be required in some of these cases. The purpose of this RPF is to set out guidelines to follow in preparing detailed or specific resettlement plans to address identified resettlement impacts, in accordance with WB Safeguards policies, as well as RMI safeguards laws and regulations.

In terms of RPF implementation, MEC's Project Implementation Unit (PIU) will be responsible for the day-to-day safeguards requirements, while MOF/DIDA will have overall coordination and oversight. MOF/DIDA has a safeguards expert for the WB funded PREP Phase 2, who will also provide technical safeguards support for the SEDP. For any Majuro land acquisition, MEC will be responsible with the assistance of the Department of Internal Affairs and the Land Registration Office. In Ebeye, KAJUR will require the assistance of KADA, who in turn will seek the consent of the traditional land owners.

Internal monitoring and reporting will involve both MEC and MOF/DIDA at different levels. The use of an External Monitoring Agency (EMA) is an option available to MEC to ensure independent

oversight of RPF implementation, should it considers it necessary depending on the complexity and scale of compensation entitlements involved.

A budget of US\$150,000 is estimated to cover RPF implementation.

1. INTRODUCTION

1. The Sustainable Energy Development Project (SEDP) is designed to increase the share of renewable energy generation and improve energy efficiency in the RMI.

2. This document was prepared by an independent consultant for the Government of RMI to address the due diligence requirements of the World Bank's Safeguards Policy OP/BP 4.12. Involuntary Resettlement OP/BP 4.12 requires the preparation of a Resettlement Policy Framework (RPF) to guide the preparation of detailed resettlement plans for subprojects which are not yet identified. Detailed resettlement planning for those subprojects will be prepared during project implementation using this Framework.

3. Such resettlement planning needs are likely for future RE projects in Ebeye and the Outer Islands (Wotje, Jaluit, Rongrong and Santo) planned for subsequent phases of the Project under Component 3. Among these options are stand-alone PV installations which may require more land than available in government leased areas, or where such land are unsuitable for one reason or another. Any such ensuing land acquisition will be voluntary based on negotiated and mutually agreed terms with land owners.

1.1 Background Information

4. The Government of Republic of the Marshall Islands' (GoRMI) formally requested the Bank's support in advancing its energy sector objectives of (i) increasing the use of RE to at least 20 percent by 2020 while reducing by 20 percent its greenhouse gas emissions; and (ii) reducing subsidies to the sector by lowering the operating costs (i.e. by reducing the share of expensive imported fuels in its generation matrix and by increasing its energy sector utilities efficiency). In that context, the World Bank commissioned a pre-feasibility study to conduct the dependency on imported fuels. The recommendations of the Report are based on a technical mission to the country, a review of available studies in the energy sector and a review of a proposal from a US company – Solar City – submitted to the GoRMI for the development of a solar project on Ebeye and three outer islands. The study made by Solar City forms the basis of a US\$11 million financial request (non-concessional funding at 1% interest rate) submitted by the GoRMI to the ADFD (Abu Dhabi Fund for Development) via IRENA (Decision expected early in 2017). The Options Report proposes three options for the development of RE in Majuro, Ebeye and the outer islands. To undertake all three options concurrently would be extremely expensive, therefore a phased approach will be implemented over a period of 5 – 7 years to achieve the RE goal as proposed.

5. The SEDP will be implemented nationally, and will include investments and activities in Majuro and Ebeye in the Kwajalein atolls. It will prepare the designs and safeguards instruments for future investments on Ebeye and other outer atolls.



Figure 1: Map of RMI showing Majuro, Kwajalein and other outer islands.

1.2. Higher Level Objectives to which the Project Contributes

6. SEDP will contribute to RMI's National Energy Policy (NEP) adopted in September 2009 and reviewed in 2015. The NEP's vision is 'improved quality of life for the people of the Marshall Islands through clean, reliable, affordable, accessible, environmentally appropriate and sustainable energy services'. It has the following broad goals –

- i. strengthen financial, policy and legislative frameworks for the energy sector;
- ii. supply 100 percent of urban households with electricity by 2015;
- iii. provide 95 percent of rural outer atoll households with off-grid electricity by 2015;
- iv. provide access to modern forms of cooking to 90 percent of all households by 2020;
- v. make households and businesses 50 percent more energy efficient and government buildings 75 percent more energy efficient by 2020;
- vi. achieve a 20 percent efficiency improvement in transport sector fuel use by 2020;
- vii. reduce supply side energy losses from MEC by 20 percent by 2017; and
- viii. provide 20 percent of power generation through indigenous renewable resources by 2020.

7. The NEP also identified four priority outcomes that are (i) improved enabling frameworks for reducing dependence on imported fossil fuel; (ii) all Marshallese have equitable access to modern energy services; (iii) smarter uses of energy in households, businesses, government, transport sector and power utilities; and (iv) reliable, sustainable and affordable energy supply.

8. SEDP is thus well aligned with the strategic direction and frameworks that identify needs and priorities to respond to the effects of climate change and natural hazards identified by GoRMI and the World Bank. SEDP also contributes to strengthening RMI's economic resilience to external shocks, given its dependence on imported fossil fuel.

9. The project is in line with World Bank's planning and policy documents, including: the "Pacific Possible: Report on Climate and Disaster Resilience" (July 2016); the Engagement Note for "Disaster and Climate Resilient Development Programming in the Pacific Islands Region" (April 2014); and the Policy and Practice Note "Acting Today for Tomorrow" (2012). The project will be a practical means to fulfill these plans and policies, developed in close collaboration with donors and regional organizations, which have been well received. The SEDP also contributes to the Small Island States Resilience Initiative (SISRI) launched during the SIDS conference in Samoa in September 2014 and which forms part of the Bank's engagement in climate and disaster resilient development in small island states in the Caribbean, Indian Ocean, West Africa, and the Pacific.

10. The SEDP directly contributes to fulfilling the World Bank's twin goals of reducing the share of population living in extreme poverty, and boosting shared prosperity.

11. Women's well-being is expected to be impacted positively by SEDP with improved access to affordable electricity.

2. PROJECT DESCRIPTION

2.1 Development Objective and Indicators –

12. The SEDP's Project Development Objective (PDO) is to increase the share of renewable energy generation and improve energy efficiency in the country.

2.2 Project Success Indicators

13. The proposed success indicators for monitoring this PDO are:

PDO indicators:

- a) Generation capacity of energy constructed or rehabilitated (measured in Megawatt)
- b) Thermal (conventional) power generation capacity rehabilitated under the project (measured in Megawatt)
- c) Renewable energy generation capacity constructed under the project (measured in Megawatt)
- d) Projected energy or fuel savings (measured in Mega Joules)
- e) Projected lifetime energy savings (measured in Mega Joules)
- f) Projected lifetime fuel savings (measured in Mega Joules)
- g) Projected electricity generation savings (measured in Mega Joules)

14. The intermediate results indicators are:

Intermediate indicators	Unit of Measure
Study on loss reduction available for KAJUR and MEC	Y/N
Solar Power Plant- BESS operational	Y/N
Grievance Redress Mechanism in place	Y/N
An energy efficiency campaign targeting female consumers is implemented	Y/N

2.3 Project beneficiaries

15. Direct project beneficiaries include electricity consumers (residential, commercial, industrial and government) in RMI who will benefit from an improved and more efficient and reliable electricity supply, and eventually from more affordable and sustainable tariffs. By reducing the dependence of imported fuel with volatile prices and supplies, the Project will benefit the country as a whole by reducing the amount of subsidies to the sector that can be used for other high priority sectors such as health, education and other key infrastructure. Policy and decision makers, as well as planners and managers and technical staff of the utilities will also benefit from strengthened technical capacity. Finally, a more cleaner energy matrix will have global environmental benefits by contributing to the reduction of greenhouse gas (GHG) emissions.

2.4 Project Components

16. The Government of Republic of Marshall Island's (GoRMI) formally requested the Bank's support in advancing its energy sector objectives of i) increasing the use of RE to at least 20 percent by 2020 while reducing by 20 percent its greenhouse

gas emissions; and ii) reducing subsidies to the sector by lowering the operating costs (i.e. by reducing the share of expensive imported fuels in its generation matrix and by increasing its energy sector utilities' efficiency). In that context, the World Bank commissioned a study to conduct a preliminary analysis of potential solutions that would increase the share of RE in the country, thereby reducing the dependency on imported fuels.

17. The Bank's preliminary analysis evaluated the following three solutions corresponding to the development of RE in Majuro, Ebeye and the outer islands (all estimated monetary values are undiscounted, 2016 US\$ prices):

- **Solution 1 – Majuro – Centralized storage and control system:** 18. This option would involve building i) a centralized open protocol Battery Energy Storage System (BESS)⁴ to be located at MEC power station and ii) the installation of 3.4 MW to 6.8 MW⁵ of solar PV to increase the share of renewable energy supply between 10-20 percent for Majuro. The associated solar PV panels could be installed at the existing Majuro Water Company's (MWSC) water reservoir near the airport, in a land leased by the Government near the hospital or in various recently built school rooftops. This solution would cost approximately US\$19 million and save US\$580,000 per year on fuel cost subsidies from avoided diesel oil consumption for power generation (based on 3.4 MW capacity).

- **Solution 2 – Ebeye- Centralized storage and control system:**

19. This option would involve i) a centralized open –BESS to be located at KAJUR power station and ii) up to 3.4 MW of solar PV, located at different sites due to the limited land availability on Ebeye, to increase the share of renewable energy supply to approximately 30 percent for the atoll. This project would cost approximately US\$19 million and would save approximately US\$720,000 per year on fuel cost subsidies.

- **Solution 3 – Outer islands - Mini-grids:**

20. This solution would support conversion of the existing diesel mini-grids on three atolls: Wotje, Jaluit and Rongrong, into solar hybrid mini-grid systems and the establishment of one new solar-hybrid mini-grid in Santo (Kwajalein atoll). The project would cost approximately US\$10 million and would provide fuel cost savings to MEC of approximately US\$700,000 per year. For RMI to be able to reach its intended targets in 2020 and 2050, all three solutions should be implemented; a phase approach will be roll up for that purpose.

⁴ The BESS should be of open-protocol so that it is open to expansion in the future and can communicate with devices from different manufacturers.

⁵ The final capacity would depend on component financing, technology and competitive bidding.

The proposed project is built around Solution 1 on Majuro and will include the following three components:

Component 1: Renewable Energy Investments (IDA US\$28.6 million). This component will include the following three sub-components:

- (i) ***Sub-Component 1.1: Renewable Energy Integrated Solution in Majuro (US\$22.6 million).*** This sub-component will finance the supply and installation of an estimated 3 MW of solar power-generation capacity, a BESS, and grid-management equipment to increase the contribution of RE in RMI's generation system and reduce diesel generation in Majuro. The sub-component will include assistance in O&M and capacity building for MEC for at least two years. An initial assessment on potential sites (owned or leased by GoRMI) available to host the arrays of PV panels include MWSC's water reservoir near the airport, some public schools and public buildings, the empty space adjacent to the Majuro hospital, and some basketball fields in the city. The water reservoir is the primary candidate for several reasons: it would serve both MWSC and MEC generation purposes in a situation of limited land availability; it would reduce evaporation currently experienced by MWSC; it concentrates half of the potential sites' total capacity; it avoids anticipated potential distribution constraints; and, due to its size and relative proximity with MEC's existing thermal generation facilities, a power distribution feeder can easily be erected to convey the generated RE from the reservoir site to the power plant. If the reservoir is used, this would involve installation of floating or fixed solar PV panels in the reservoir.⁶ This component will also address the lining of the reservoir as needed during implementation. More information is provided in the Technical Assessment section below and in Annex 1.
- (ii) ***Sub-component 1.2: Design and Supervision Consultants (US\$1 million).*** This sub-component will finance the detailed survey for solution 1/sub-component 1.1 on Majuro, a preliminary design and cost, preparation of bidding documents, and supervision of the engineering, procurement and construction (EPC) contractor.
- (iii) ***Sub-component 1.3: Supply and Installation of Gensets for Majuro and Ebeye (US\$5 million).*** This sub-component will finance gensets (low/medium or high-speed depending on studies) for MEC and KAJUR's power plants in Majuro and Ebeye to improve fuel consumption and system reliability, and to help accommodate the planned grid solar capacity. Retroactive financing is also being considered for the purchase of the gensets if needed; World Bank Procurement Regulations for Investment Project Financing (IPF) Borrowers and Procedures would apply.

⁶ There are existing PV arrays located on the left bank of the reservoir.

Component 2: Promotion of Energy Efficiency and Loss Reduction Program (US\$2 million). This component will provide technical and operational assistance and will complement Component 1 by reducing energy demand through improving the efficiency for both use and supply of electricity from MEC and KAJUR. It will include the following three sub-components:

- (i) ***Sub-Component 2.1: Supply Side Management Loss Reduction Program (US\$0.7 million).*** This sub-component will address issues related to supply-side management (SSM). A loss reduction program for MEC and KAJUR will be designed and implemented. Current losses are approximately 26 percent of 51,147 MWh in Majuro and believed to be a higher percentage in Ebeye. This is mostly caused by technical mismatches in facility configurations and operations. A loss reduction study will be prepared by external consultants to provide recommendations to achieve loss reduction in the two utilities.
- (ii) ***Sub-Component 2.2: Demand Side Management and Information, Education, and Communication (US\$1 million).*** This sub-component will support a program of activities designed to enhance efficient use of energy. The program could include supply and installation of selected energy efficiency investments, such as enhanced insulation in buildings and replacement of inefficient lighting or appliances in said buildings. External consultants will provide recommendations to harness best available technologies. This sub-component will also support information awareness campaigns, workshops, training, and education on demand-side management (DSM) and energy efficiency.
- (iii) ***Sub-component 2.3: Policy Framework and Regulatory Regime for Energy Efficiency (US\$0.3 million).*** This sub-component will support development of policies and regulations for energy efficiency, as well as the development of standards and labeling for energy efficiency, including phasing out inefficient incandescent bulbs and more stringent standards for appliances. Activities aimed at raising consumer awareness on energy efficiency and related capacity-building activities and training will also be supported under this sub-component.

Component 3: Technical Assistance, Capacity Building, and Project Management (IDA US\$2.4 million).

- (i) ***Sub-component 3.1: Technical Assistance and Capacity Building (US\$0.45 million).*** A program of activities designed to enhance the capacity of MEC, KAJUR, and EPD will be carried out. These activities could include technical operation, procurement, financial management, environmental and social management, monitoring, evaluation, and reporting. This sub-component will also support a study to assert EPD's role in the sector, defines its needs as one of the key actors and further provide means for EPD to undertake a

few studies essential to the energy sector development as well as potential support for staffing.

- (ii) **Sub-component 3.2: Design of RE Projects in Ebeye and the Outer Islands (US\$0.5 million).** This sub-component will support the preparation of studies for the subsequent phases of the project, including the design (up to the preparation of bidding documents) for RE projects for Ebeye and the Outer Islands (Wotje, Jaluit, Rongrong, and Santo).
- (iii) **Sub-component 3.3: Establishment of O&M Mechanism and Implementation Arrangements (US\$0.15 million).** Set up of O&M fund (i.e., Sinking Fund) to maintain generation equipment is critical to ensure its sustainability, especially in the Pacific region. This sub-component will prepare the escrow account/sinking funds mechanism and support training of MEC and/or KAJUR on the O&M strategies.
- (iv) **Sub-component 3.4: Project Management (US\$1.3 million).** This sub-component will support and strengthen MEC's capacity for project management and implementation, coordination, monitoring and evaluation, and reporting. It will support the establishment of a Project Implementation Unit (PIU) in MEC including the recruitment of a Project Manager, and procurement, financial management, social and environmental safeguards capacity as needed. It could also include an energy specialist to support EPD on the technical supervision of relevant studies. Provision of technical assistance to support mainstreaming of gender dimensions in the project will also be financed under this sub-component. The project's incremental operating costs will be financed through this sub-component as well as office equipment and project audits.

3. SCOPE OF RPF

3.1 Typology of Potential Subprojects and assessed IR Risks

35. The SEDP comprises of RE and EE investment projects to be implemented in Majuro and studies of options for Ebeye and the Outer Islands (up to the preparation of bidding documents), for implementation in the future (not funded by this project). This RPF covers the potential involuntary resettlement impacts of all potential investments under Component 1 and options for Ebeye and Outer Islands.

1. The various types of energy investment options examined fall into the following categories -

a. Solar PV installations

- i. Solar PV installations are photovoltaic generating units comprising of photovoltaic arrays, string inverters, AC lightning-proof combiner boxes and box-type transformers, etc. Technical studies carried out as part of project preparation

identify several solar PV options with a potential installed capacity of 4.13MW across many locations in Majuro. These are (i) water reservoir (ii) airport parking (iii) school building (Delap Elementary School) roof (iv) NitiJela roof (v) Educational Cultural Centre (ECC) roof (vi) International Convention Centre (ICC) roof (vii) hospital playground (viii) College of Marshall Islands basketball/sports centre and (ix) hospital parking / green space area.

The solar PV installations will not require any involuntary land acquisition. All proposed locations are either of government or public buildings on government leased land. Should additional land be required, as may be required for contractors' use, Government-leased land will be prioritised, otherwise it will be voluntary and temporary, with lands returned to original owners fully restored to their original conditions or better, before contractors leave.

Resettlement impacts of solar PV installations for Ebeye and the Outer Islands will be the focus of studies and assessments to be carried out under Component 3. This will include (i) solar PV installations in Ebeye on the lagoon-side reef flat adjacent to the dump site and the Guugeegue causeway and (ii) stand-alone PV-diesel hybrid systems for outer islands of Wotje, Jaluit, and Rongrong. Resettlement impacts assessments for Ebeye will consider, among other issues, the targeted reef flat as a source of livelihoods and income for local households and resettlement implications associated with any environmental impacts that may be generated. Of the stand-alone PV-diesel hybrid systems envisaged for the Outer Islands, if government leased land is insufficient or unsuitable for PV arrays and ancillary infrastructure, then privately owned land will be needed. Such land use will be on a voluntary basis and a lease negotiated with land owners.

Where resettlement impacts are minor, they will be addressed as part of the ESMP and will not require a separate safeguards instrument.

b. Energy Storage Systems

Photovoltaic power generation has the features of intermittency, volatility and randomness. Thus it is critical that the 20% of total installed capacity generated through solar PVs is well smoothed out to prevent extreme fluctuations and ensure supply reliability. This is the function of the energy storage systems. SEDP will invest in a Battery Energy Storage System (BESS) having a total capacity of 2 MW and located at the MEC power station. Ancillary equipment for a functioning BESS includes investments in energy storage converter PCS and distribution equipment.

The need for a similar energy storage and control system for Ebeye to complement any solar PV installations will be considered as part of the planned assessments.

All BESS will be installed within MEC and Ebeye's KAJUR power station and will not generate any resettlement impacts.

c. Energy efficient (EE) investments including diesel generators

Replacement generators

SEDP involves the supply and installation of genset(s) for Majuro and Ebeye to replace old and inefficient ones. The replacement gensets will improve fuel consumption, system reliability and help to accommodate the planned grid solar capacity. The gensets will be installed on existing footprints within power station compounds and will not incur any resettlement issues.

Other energy efficient investments

Replacement of inefficient street lighting with more efficient LED lights, enhanced insulation of selected buildings and public education and awareness activities are other EE activities proposed. No land acquisition or resettlement impacts are envisaged.

3.2 Scope of land access and acquisition required

21. No involuntary land acquisition will be required for solar power PV installations targeting rooftops, above water reservoir, and government leased open spaces. Replacement generators will be on existing footprints while BESS installations will be accommodated within existing MEC and KAJUR power stations compounds. Similarly LED streetlights will replace inefficient ones on existing locations.

22. Stand-alone solar PV installation considered for outer islands will be examined closely during detailed planning to avoid or otherwise minimize involuntary resettlement impacts. The priority is to use existing government leased lands. Only when existing government leased lands are insufficient or unsuitable for technical and or environmental reasons will be option of land acquisition from private landowners be considered. In such cases, all land acquisition will be on a voluntary basis and will be secured through negotiations with private land owners.

23. Small parcels of land will be required temporarily for contractors' requirements during construction for storage and stockpiling, assembling of prefabricated PV panels before installation and contractors' site offices. Where government leased lands cannot accommodate contractors land needs, contractors will negotiate and make arrangements directly with interested landowners.

24. Consequently, the overall scope of land acquisition and resettlement required is

1. Voluntary access to, and use of, rooftop space on government and public buildings, government owned or leased open spaces, including above-water space in the water reservoir next to the airport.

2. Voluntary access to, and temporary use of, private land for Contractor's use during project implementation:
 - 1) Voluntary acquisition of private lands on outer islands for stand-alone PV-diesel hybrid installations and ancillary infrastructure.
 - 2) Any unintended resettlement impacts on affected land occupiers and users as a result of the acquisition of land, including possible loss of assets or access to assets, livelihood sources, including access to communal shared resources and designated protected areas, such as fishing-dependent households in Ebeye.

4. PRINCIPLES AND OBJECTIVES GOVERNING LAND ACCESS PREPARATION AND RESETTLEMENT

26. The overriding principles governing the preparation and implementation of the RPF and any resettlement action plans deemed required and based on it are –
 - a. All land acquisition (temporary or permanent) will be voluntary and will be documented via leases or similar.
 - b. To avoid or minimize involuntary resettlement of occupiers or users that are not land owners, as a result of land lease arrangements. And, where this is not feasible, to assist displaced persons (in improving or at least restoring their livelihoods and standards of living in real terms relative to pre-displacement levels or levels prevailing prior to the beginning of project implementation, whichever is higher.
 - c. To consult and inform project affected persons, host communities and local governmental organizations as appropriate, and provide them with opportunities to participate in the planning, implementation, and monitoring of the resettlement program including the process of developing and implementing the procedures for determining eligibility for compensation benefits and development assistance, and for establishing appropriate and accessible grievance mechanisms.
 - d. To inform displaced persons of their rights, consult them on options, and provide them with technically and economically feasible resettlement alternatives and needed assistance.
 - e. To give preference to land based resettlement strategies for displaced persons whose livelihoods are land based.
 - f. For those without legal rights to lands or claims to such land that could be recognized under the laws of RMI, provide resettlement assistance in lieu of compensation for land to help improve or at least restore their livelihoods.

- g. To disclose draft resettlement plans, including documentation of the consultation process, in a timely manner, before appraisal formally begins, in an accessible place and in a form and language that are understandable to key stakeholders.
- h. To implement all relevant resettlement plans before project completion and provide resettlement entitlements before displacement or restriction of access.
- i. To assess whether the objectives of the resettlement instrument have been achieved, upon completion of the project, taking account of the baseline conditions and the results of resettlement monitoring.

5. LAND ACQUISITION AND RESETTLEMENT FOR PROJECT ACTIVITIES

27. All land acquisition for known project activities is voluntary and should not generate any involuntary resettlement impacts for occupiers or users..

28. Land needs for stand-alone PV-diesel systems proposed for outer islands will be assessed during the detailed planning stage. All three outer islands (Wotje, Jaluit and Rongrong) have existing systems and it is most likely that the investments will occupy the existing or adjacent land. Small amounts of 'new land' for infrastructure may be required in addition to the existing land use.

Land required for solar investments on Ebeye will prioritise Government leased land. If private land is required, then a lease will be negotiated.

Consistent with the approach taken for known project investments in this first phase, the aim is to avoid adverse resettlement impacts, or if unavoidable, to be kept to a minimum. OP/BP 4.12 requires that where the impacts on the entire displaced population are minor, or fewer than 200 people are displaced, an abbreviated resettlement plan (A/RAP) may be prepared. In this RPF, this is the level of resettlement impacts anticipated. The procedures and requirements for preparing A/RAPs are set out in this RPF.

5.1 Abbreviated Resettlement Plans (A/RAP)

29. The screening and assessment of social impacts during the preparation of projects will identify if an A/RAP is required for each investment option examined.

30. MEC will be responsible for the preparation of any A/RAP required, and for its implementation including the payment of financial and other entitlements to confirmed beneficiaries.

31. Annex 4 provides an A/RAP outline to guide preparation. Once an A/RAP is prepared, it will be reviewed and approved by the Bank. Implementation of the A/RAP including the payment of all entitlements needs to be completed before a Bank NOL to go ahead with construction works is requested. Financial arrangements including provisions for any compensation and or remedial actions required are described in Section 11.

6. ESTIMATED POPULATION AFFECTED/DISPLACED, LIKELY CATEGORIES OF DISPLACED PEOPLE AND ELIGIBILITY CRITERIA FOR COMPENSATION

6.1 Estimate of affected population

32. For outer islands stand-alone PV-diesel hybrid installations, the selection of investment locations will make sure direct impact on homes and assets are avoided. This includes selecting sites that are readily accessible with no need for new ancillary infrastructure including new access roads.

33. Any additional land requirement beyond government leased lands are envisaged to be minimal, involving one or at most, a few landowners. Selected land should be vacant and unoccupied with no assets of value, including crops and will not obstruct local community access to sources of livelihoods or shared resources, or legally designated protected areas.

34. For outer islands, given the low density of population and the preferred land criteria, no directly affected or displaced people are envisaged. For the more populated Ebeye, the reef flat targeted for PV installation is buffered from the nearest residential area by the dumpsite and the Guuguugue causeway on the landward sides. Physical displacement is not anticipated and possible resettlement impacts would likely be with respect to access to the targeted reef flat for fishing and or gleaning. Where the impacts are not significant, and will not require compensation of losses, resettlement mitigation measures can be incorporated into EMPs. Where an A/RAP is assessed to be required, for purposes of the RPF, a maximum of 20 people, is estimated as affected a result of future projects on Ebeye. The affected people are expected to be legal occupiers and Marshallese.

6.2 Likely categories of project affected/displaced people.

35. Where selected locations for for any investments involves resettlement impacts, the following categories of affected/displace people are planned for.

Group 1 Legal occupants

36. These are households of tenants whose lands will be affected by permanent land occupation by structures, by earthworks, or by temporary land use for access to working

sites. Some houses or other assets (e.g. fences) may be damaged or removed, and or households may have to temporarily vacate their homes and be relocated to avoid project impacts during construction. Permanent relocation is unlikely and not envisaged.

Group 2 – Occupants with no recognizable legal rights or claim to the land they occupy and informal occupiers of land

37. Some households and people occupy land without any formal lease arrangements but the verbal consent of the Traditional Landowners. Households / people may be affected by permanent land occupation by structures, by earthworks, or by temporary land use for access to working sites. Some houses or other assets (fences) may be damaged or removed, and or households may have to temporarily vacate their homes and be relocated to avoid project impacts during construction. Some households may be permanently relocated.

Group 3 – Non-occupiers, but economically displaced

38. There are no foreseeable economically displaced people. However in the event that RAP/ARAP discover people who are earning a livelihood from resources in the project footprint, then these people will be considered affected parties.

6.3 Criteria for Eligibility for Benefits and Entitlement matrix

39. The following criteria apply when determining eligibility of displaced/affected people for resettlement benefits. Displaced/affected people may be categorized into one of the following three groups:

- (a) Those who have formal rights to land (including customary and traditional rights recognized under the laws of the country);
- (b) Those who do not have formal rights to land at the time the census begins but have a claim to such lands or assets – provided that such claims are recognized under the laws of the country or become recognized through a process identified in the resettlement plan; and
- (c) Those who have no recognizable legal right or claim to the land they are occupying.

40. The entitlements for the various categories are set out in the matrix below –

Table 1: Entitlement Matrix for SEDP

Type of losses	Entitled Persons	Entitlements	Implementation Issues
Permanent loss of productive land (garden land, forest land, aquaculture land)	Persons with legal/formal rights to land; in the process of acquiring legal rights; owners eligible to acquire formal rights and public organizations;	For marginal loss of land (<20% of total land holding): <ul style="list-style-type: none"> •Cash compensation at replacement cost which is equivalent to the current market value of land with the community, of similar type, category and productive capacity, free from transaction costs(Taxes, administration fees); 	If the remaining land is not economically viable i.e. too small to be economically cultivated, and at the request of the affected people, the Project will acquire the entire land. The size of the entire land holding will be the basis for providing replacement land or cash compensation and relevant allowances. MEC should take care of this issue during DMS implementation.
		For severe loss of land (> or = 20% of the total productive land holding): <ul style="list-style-type: none"> •As a priority, replacement land compensation of similar type, category and productive capacity of land within the weto or atoll, with land title or land use certificate without any fees, OR cash compensation at replacement cost in case replacement land is unavailable or at the request of the project affected people (PAP); AND entitlement to receiving rehabilitation and allowance package as defined below. 	
	Persons without legal/formal rights and or unlegalizable	Compensation for land at replacement cost if no dispute and no violation with announced planning. If it does not meet the conditions for compensation, MEC will consider other support.	MEC will work closely with affected landowners, local government representatives and the Land Registration Authority to identify correct boundaries.
Residential land	Persons with legal/formal rights; owners in process of acquiring legal rights; owners eligible to acquire legal rights	<ul style="list-style-type: none"> • With remaining land sufficient to rebuilt houses/structures – (i) cash compensation at replacement cost which is equivalent to the current market value of land of similar type and category, and free from transaction costs (taxes and admin fees) and (ii) cash for improvement of remaining residential land (e.g. filling or levelling) so PAPs can move back and build houses on remaining plot. • Without remaining land sufficient to rebuild houses/structures: (i) Replacement land compensation in resettlement sites or in commune, with the same 	PAPs may voluntarily give their residential land to the project. However, voluntary donation of minor strips of residential land will only be allowed by the Project when the following criteria are strictly complied with – (i) the PAPs total residential land area is not less than 300m ² ; (ii) the strip of land that can be donated cannot be more than 5% of the total land area; and (iii) there are no houses, structures, or fixed assets on the affected portion of land.

		<p>area, type and category without charge for taxes, registration and land transfer, with land title or land use certificate, OR</p> <p>(ii) cash compensation at replacement cost which is equivalent to the current market value of land of similar type and category, free from transaction costs (taxes and admin fees) plus allowance for levelling and registering land.</p>	
	Persons without legal/formal rights and are unlegalizable	<ul style="list-style-type: none"> • Compensation for affected land by replacement land or cash at replacement cost if no dispute and no violation with announced planning, otherwise no compensation for land but support for losses. • If affected people have no other resident place, MEC considers allocating residential land or house and allowance package for AP's. 	MEC will identify eligibility of land for compensation.
Temporary Use of Land	Persons with legal/formal right to use or to occupy land	<ul style="list-style-type: none"> • For agricultural and residential land to be used by the Project, (i) cash compensation but should not be less than the unrealized income and revenue that could be generated by the property during the period of temporary use of the land; (ii) cash compensation at replacement cost for affected fixed assets (e.g. structures, trees, crops); and (iii) restoration of the temporarily used land within 1 month after completion of construction. If the Project could not restore the temporarily used land, MEC would negotiate with the APs and pay costs for AP's to restore the land themselves. • In case of contractors use temporary land for camping or storing materials etc., they should negotiate with the APs about compensation and restoration after use. 	The construction supervision consultant and MEC will ensure that the (i) location and alignment of the temporary use area to be proposed by the civil works will have the least adverse social impacts; (ii) that the landowner is adequately informed of his/her rights and entitlements as per the investment project resettlement policy; and (iii) agreement reached between the landowner and the civil works contractor are carried out.
Totally affected houses/shops and secondary structures or partially affected but no	Owners of affected houses whether or not land is owned;	<ul style="list-style-type: none"> • Cash compensation at replacement cost for new house/shops, structure with no deduction for depreciation or salvageable materials; and 	<ul style="list-style-type: none"> • Adequate time provided for AP's to rebuild/repair their structures; • Affected houses and shops that are no longer

longer viable		rehabilitation and allowances package for AP's, including housing rent during construction of new house.	viable are those whose remaining affected portions are no longer useable/habitable.
Partially affected houses, shops and secondary structures but remaining part is viable;	Owners of affected houses whether or not house is owned	<ul style="list-style-type: none"> • Cash compensation at replacement cost for the affected part and cost for repairing the remaining part. 	<ul style="list-style-type: none"> • Restoration costs should be negotiated with the AP's by MEC.
Loss of business income during relocation or during dismantling / repair of affected portion (without relocation)	Owners of shop/business regardless of whether or not business is registered	<ul style="list-style-type: none"> • Cash compensation equivalent to the average daily income rate multiplied by the number of days of business disruption. 	<ul style="list-style-type: none"> • The number of days of business disruption and rate will be verified through interviews with informal shop owners to get an estimate of daily net profit.
Crops and Trees	Owner of crops and trees whether or not land is owned	<ul style="list-style-type: none"> • If standing annual crops are ripening and cannot be harvested, cash compensation at market price equivalent to the highest production of crop over the last three years multiplied by the current market value of crops; • For perennial crops and trees, cash compensation at current market value based on type, age, and productive capacity; • For timber trees, cash compensation at current market value based on type, age, and diameter at breast height (DBH)of trees. 	<ul style="list-style-type: none"> • MEC should inform Affected Peoples at least 3 months before land acquisition.
Permanent loss of physical cultural resources/public structures/village or collective ownership	Weto/village or weto households;	<ul style="list-style-type: none"> • Compensation at replacement cost for present/existing structures based on its present value. OR reconstruction, reinstallation, restoration if required by the owner. 	<ul style="list-style-type: none"> • MEC should inform Affected Peoples at least 3 months before land acquisition.
Graves located in the affected area	Owners of graves	<ul style="list-style-type: none"> • Compensation for removal of graves will be paid directly to AP's, including cost of excavation, relocation, reburial, purchasing/obtaining land for relocation of graves and all other reasonable costs in accordance 	<ul style="list-style-type: none"> • MEC should inform Affected Peoples at least 3 months before land acquisition.

		with local rituals.	
Electricity poles	Electricity companies	<ul style="list-style-type: none"> • Compensation for cost to dismantle, transfer and rebuild; 	<ul style="list-style-type: none"> • Negotiations with affected landowners well in advance (3 months) of project implementation
Transition subsistence allowance	Relocating households – relocating on residual land or to other sites	<ul style="list-style-type: none"> • Relocating AP's will be provided with cash or in-kind assistance equivalent to 30kg of rice at current market value for 6 months per household member. 	<ul style="list-style-type: none"> •
	Severely affected AP's losing 20% or more of their productive income	<ul style="list-style-type: none"> • AP's directly cultivating on the affected land and losing: • From 20% - 50% of their productive land/income will be provided with cash or in-kind assistance equivalent to 30kg of rice at current market value for 6 months per household member if no relocation to sites with harsh socio-economic conditions. • From more than 50% - 70% of their productive land/income will be provided with cash or in-kind assistance equivalent to 30kg of rice at currently market value for 9 months per household member if no relocation, 18 months if relocation, and 24 months if relocation to sites with harsh socio-economic conditions. • From more than 70% of their productive land/income will be provided with cash or in-kind assistance equivalent to 30kg of rice at current market value for 12 months per household member if no relocation, 24 months if relocation, and 36 months if relocation to sites. 	<ul style="list-style-type: none"> •
Transportation allowance	Relocating households – to other sites	<ul style="list-style-type: none"> • Support for transfer all old and new building materials and personal possessions by cash with maximum of US\$___/relocating HH's 	<ul style="list-style-type: none"> • MEC to confirm entitlement with WB.
Housing rent	Relocating households	<ul style="list-style-type: none"> • Support for renting house during construction of new house, for 6 months per HH's. MEC decides the rent but not less than US\$__ per month in rural areas and US\$__ in urban areas. 	<ul style="list-style-type: none"> • This support should be provided at the time of compensation. <p>MEC to confirm entitlement with WB</p>
Severe impacts on vulnerable Affected Peoples (APs)	Severely affected vulnerable AP's such as the poor household or	<ul style="list-style-type: none"> • An additional allowance of 30kg rice per person in the non-poor HH's; • An additional allowance of 30kg of rice per person for 	<ul style="list-style-type: none"> • The poor households will be those meeting the poverty (MOLISA) criteria.

(Relocating APs and those losing 20% or more of their productive assets)	households headed by women, the elderly, or disabled, and ethnic groups	<p>not less than 3 years and lower than 10 years in the poorest HH;</p> <ul style="list-style-type: none"> • Eligible to participate in income restoration program; • The contractors will make all reasonable efforts to recruit severely affected and vulnerable AP's as labourers for project works. 	
Vocational training/job creation	AP's losing 20% or more of their productive land	<ul style="list-style-type: none"> • An additional allowance for vocational training/job creation equal to 1.5 times of affected area value but not exceeding quota of agricultural land in locality. 	<ul style="list-style-type: none"> • MEC will decide the level of the allowance.
Incentive Bonus	Relocating households	<ul style="list-style-type: none"> • Cash bonus up to a maximum of US\$___ per household for relocating households that dismantle structures from affected land in a timely fashion. 	<ul style="list-style-type: none"> • Payment to be made directly to HH's immediately upon removal. MEC to determine incentive bonus in consultation with WB

7. LEGAL FRAMEWORK

41. The legal framework for land acquisition and resettlement is based on the laws and regulations of the Republic of the Marshall Islands Government and the World Bank's Safeguards Policies.

42. The principal Marshall Islands laws governing land acquisition, resettlement and compensation presently include (i) RMI Constitution (ii) Land Acquisition Act 1986 (iii) Coast Conservation Act 1988 and (iv) the Public Lands and Resources Act 2008. MWSC's lease of private land for the water reservoir is being renewed. The Master Plan between the Traditional Landowners of Kwajalein and KADA 2016 is also relevant. These legislation and legal instruments are discussed in detail in the following section.

7.1. Constitution of the RMI

43. The Constitution of the Republic of the Marshall Islands came into effect in 1979 and amendments were made in 1995. The Constitution sets forth the legitimate legal framework for the governance of the Republic.

44. The Marshall Islands has a bicameral legislature consisting of the lower house or Nitijela (legislative power) and the upper house or Council of Iroij (customary power). The legal system comprises legislature, municipal, common and customary laws.

The Judiciary of the RMI

45. Regarding the Judiciary, according to the Constitution, the judicial power of the RMI "...shall be independent of the legislative and executive powers and shall be vested in a Supreme Court, a High Court, a Traditional Rights Court, and such District Courts, Community Courts and other subordinate courts as are created by law, each of these courts possessing such jurisdiction and powers and proceeding under such rules as may be prescribed by law consistent with the provisions of this Article."

In relations to resettlement, the Constitution states as follows:

"The jurisdiction of the Traditional Rights Court shall be limited to the determination of questions relating to titles or to land rights or to other legal interests depending wholly or partly on customary law and traditional practice in the Republic of the Marshall Islands."

Traditional Rights to land

46. The Constitution preserves the traditional rights of land tenure, stipulating in 'Article X Traditional Rights' that:

1. Nothing in Article II shall be construed to invalidate the customary law or any traditional practice concerning land tenure or any related matter in any part of the Republic of the Marshall Islands, including, where applicable, the rights and obligations of the Iroijlaplap, Iroijedrik, Alap and Dri Jerbal.

2. Without prejudice to the continued application of the customary law pursuant to Section 1 of Article XIII, and subject to the customary law or to any traditional practice in any part of the Republic, it shall not be lawful or competent for any person having any right in any land in the Republic, under the customary law or any traditional practice to make any alienation or disposition of that land, whether by way of sale, mortgage, lease, license or otherwise, without the approval of the Iroijlaplap, Iroijedrik where necessary, Alap and the Senior Dri Jermal of such land, who shall be deemed to represent all persons having an interest in that land.

3. Title to land or any land right in RMI may be held only by a citizen of the Republic, a corporation wholly owned by citizens of the Republic, the Government, or local government, or a public corporation or other statutory authority constituted under the law of the Republic.

7.2 Land Acquisition Act 1986

47. The RMI Land Acquisition Act 1986 makes provision for the acquisition of lands and servitudes for public use for payment of just compensation in terms of Article II, Section 5 of the Constitution of the Marshall Islands and to provide for matters connected therewith and incidental thereto.

48. The Act defines “land” to include “things attached to the earth”. It also defines “persons interested”, with reference to land, to not include a monthly tenant. The act covers the general provisions, preliminary investigation and declaration of intended acquisition, proceedings in court, payment of compensation, possession and disposal, divesting of land and general items pertaining to such land acquisition. The following summary is given of the Parts of the Act:

- The Preliminary Investigation and Declaration of Intended Acquisition details the process for investigations for selecting land, compensation for any damage done during investigations and issuing notices of intended acquisition.
- Where the Minister decides that particular land or a servitude in any area should be acquired under this Chapter [Proceedings in Court], he shall direct the Attorney-General to file an application in the High Court praying for a declaration by the High Court, that such taking of land for public use is lawful. The Proceedings in Court details the process for determination by the High Court, the procedure before the High Court, the assessment of compensation.
- The Payment of Compensation details tender and payment, compensation which cannot be paid, renunciation of right to compensation, interest on compensation, exchange, finality as to payment of compensation and exchange with other landowners.

- Possession and Disposal details the vesting order for taking possession of land and acquiring servitudes, effect of vesting order, possession, immediate possession on urgency and immediate possession after proceedings commenced.
- Divesting of Lands details the divesting orders.
- General details the compulsory acquisitions authorized by any other written law, abandonment of acquisition proceedings, serving of notices, application of constitutional provisions and payment. Of particular note in this Part is that:
 - *Where any other written law authorizes the acquisition of land under this Chapter and the Minister decides that any land is reasonably required under such other written law by any authority, person or body of persons, the purpose for which that land is required shall be deemed to be a public use and the provisions of this Chapter shall apply accordingly to the acquisition of that land for that authority, person or body of persons.*

7.3. Coast Conservation Act 1988

49. This Act makes provision for a survey of the coastal zone and the preparation of a coastal zone management plan; to regulate and control development activities within the coastal zone; to make provisions for the formulation and execution of schemes for coast conservation; and to provide for matters connected therewith or incidental thereto;

50. Part IV sets out a Permit procedure for obtaining permission to engage in any development activity within the coastal zone. It requires the proposed activity to

- (a) be consistent with the Coastal Zone Management Plan and any regulations made to give effect to such Plan,
- (b) not otherwise have any adverse effect on the stability, productivity and environmental quality of the Coastal Zone.
- (c) Furnish an environmental impact assessment report;

51. Part V 319 empowers the Director or any officer authorized by him in writing, to issue permits subject to such conditions as he may impose having regard to the Plan, for the occupation, for any period not exceeding three (3) years, of any part of the foreshore or bed of the sea lying within the Coastal Zone.

7.4 Public Lands and Resources Act 2008

52. This Act defines 'public land' (s.102), rights in areas below the high water mark (s.103), grant of public lands in exchange for use of privately owned lands (s.104) and title to land-filled and land reclaimed from marine areas (s.105).

53. Section 103 also stipulates that the owner of land abutting the ocean or lagoon shall have the right to fill in, erect, construct and maintain piers, buildings, or other construction on or over the water or reef abutting his land and shall have the ownership and

control of such construction; provided, that said owner first obtains written permission of the Chief Secretary before beginning such construction.

54. Section 105, which stipulates that title to new land created through land fill or other land reclamation processes, from marine areas below the ordinary high mark by the government, or by any other person, corporation or other legal entity, for any purpose whatsoever, shall vest in the owners of the adjoining land or lands. [§105 inserted by P.L. 2008-2].

55. This legislation is potentially relevant given the lack of available land and the possibility of public or privately owned reclaimed land being required by SEDP for temporary or long term lease in Majuro and outer islands.

7.5 Government lease agreements for private lands

56. The Majuro Water and Sewage Company (MWSC) is a government SOE operating on government leased lands. Part of MWSC leased lands is that occupied by the water reservoir. The lease is due for renewal in three years' time (2020) and negotiations are in progress. There are no problems anticipated.

57. The KAJUR power station is located on land leased by KADA from traditional landowners under the 2016 Master Lease. Similarly areas likely to be affected by any future plans for PV installation on the reef flat are KADA leased lands. However, the Master Lease with the Kwajalein traditional landowners requires KADA to seek landowners consent prior to any development. Also, any new land reclaimed from the sea for the Project is the property of the traditional landowners, as per stipulation of the Public Lands and Resources Act 2008.

7.6 Gap Analysis between WB Safeguards Policies and RMI Safeguards Requirements

Table 2: Gap Analysis

World Bank Safeguard Policies	RMI Policies	Gap-Filling Measures
OP 4.12 requires that Resettlement Plans must be prepared based on consultations with Affected People, and that poorer and vulnerable people are also consulted and informed of their entitlements and resettlement options.	No specific requirement for the preparation of RPs. Where traditional lands are involved, prior consultations with landowners are required but there is no explicit requirement for similar consultations with other AP's.	Where RAP/ARAPs are necessary, they will be prepared in consultation with Affected People, including vulnerable groups, and properly disclosed by the implementing agency.
It is necessary to improve or at least restore livelihoods of Displaced Persons by a range of strategies targeted at Affected People. Nobody is to be worse off	Fair compensation is explicit in the legislation and lease agreements in relations to damaged residences and business premises, but not generally to include other sources of	There is partial equivalence. WB policy will apply to ensure all losses are covered and compensated for.

as a result of the development project.	livelihoods, other assets and or lost access to shared resources.	Where losses are temporary and minor, these will be addressed as part of the ESMP.
Requires that Displaced Persons are compensated for all losses, including non-land assets, at full replacement cost.	The principle of 'just compensation' is stipulated in the Constitution and reflected in leases between GoRMI and traditional landowners (e.g. Master Plan for Ebeye). The concept of 'comparable alternatives' is also stipulated for replacing residences and business premises which bears equivalence to the WB principle of replacement cost.	There is agreement on the need for just compensation although RMI policies are not specific as to the method for calculating compensation. WB's principle of 'replacement cost' using current market values for compensation of affected assets will apply, where applicable.
OP 4.12 requires that resettlement outcomes be monitored and assessed.	No specific requirement for the monitoring and assessment of resettlement outcomes.	Where applicable, WB policy applies. RAP/ARAPs will include indicators and baseline data to monitor impacts on living standards of Affected People. The monitoring reports will also be disclosed including to Affected People.
OP/BP 4.11 Physical and Cultural Resources – PCR includes resources of archaeological, paleontological, historical, architectural, religious (incl. graveyards and burial sites), aesthetic, or other cultural significance.	RMI's Historic Preservation Act 1991 promotes the preservation of the historic and cultural heritage of the Republic of the Marshall Islands. Section 206 (b) provides for the issuing or denial of permits, after review by the Council, for use, access, and development of land containing cultural and historic properties...	Equivalent.
OP4.04 Natural Habitats Bank supports the protection, maintenance, and rehabilitation of natural habitats and their functions; expects borrower to apply a precautionary approach to natural resource management to ensure opportunities for environmentally sustainable development.	The RMI National Environment Protection Act 1984 provides for – <ul style="list-style-type: none"> • the protection and management of the environment, and for matters connected therewith or incidental thereto. • to preserve important historical, cultural and natural aspects of the nation's culture and heritage, maintaining at the same time an environment which supports multiplicity and variety of individual choice 	Equivalent
Bank promotes and supports natural habitat conservation and improved land use, and rehabilitation of natural habitats.	EIA Regulation 1994 provides for the protection of rare or endangered species, or their critical habitats; as part of the EIA process.	Equivalent

Bank does not support projects that, in its opinion, involve significant conversion or degradation of critical natural habitats.	The same principle is implied in the NEPA 1991 and EIA Regulation 1994.	Equivalent.
Bank expects the borrower to take into account the views, roles, and rights of groups including NGOs and local communities affected by the Bank financed project...in the planning, designing, implementing, monitoring and evaluating of such projects.	Part V of the EIA Regulation 1994 provides for public disclosure of EIA and for public hearings to allow the public to comment etc..	Equivalent.

8. METHODS OF VALUING ASSETS

57. The following methods for valuing assets are applicable to losses anticipated in SEDP -

- (i) For *residential land*,
 - a. Annual rent or lease payment is a negotiated settlement based on the current market value of land of similar type and category, and free from transaction costs (taxes and administration fees);
 - b. permanently lost as a result of the project, replacement cost is equivalent to the current market value of land within the village, of similar type, category and free from transaction costs (taxes and administration fees).
- (ii) For *productive cultivable land*,
 - a. Annual rent or lease payment is a negotiated settlement based on the current market value of the land within the village, of similar type, category and production capacity, and free from transaction costs (taxes and administration fees);
 - b. Permanently lost as a result of the project, land value is equivalent to the current market value of the land within the village, of similar type, category and production capacity, and free from transaction costs (taxes and administration fees).
- (iii) For *any houses, fences etc* lost or damaged, compensation will be calculated at full replacement cost using current market prices for materials. The definition of replacement cost will comply with that of the WB⁷
- (iv) For *the loss of Crops and Trees* (these refer to crops and/or trees that may be affected either by temporary or permanent land acquisition).
 - a) Cash compensation for crops will be based on market values at the time of anticipated harvest;
 - b) Cash compensation for marketable trees will be based on species and merchantable volume calculated using Diameter at Breast Height (DBH).

⁷ Operational Manual – Annex A OP 4.12 – Involuntary Resettlement Instruments

- c) Cash compensation for fruit trees based on type, age and productivity; also reflecting current market prices.
- (v) *Income losses from employment or business (permanent or temporary interruption).*
 - a) For permanent impact, cash compensation for one year net business income or salary;
 - b) For temporary impact, cash compensation of net income or salary for the number of months of business or employment stoppage for a period of up to 1 year.
 - c) Assessment to be based on paper evidence or oral testimony and Weto leader confirmation. At least the legal minimum wage will be provided.
- (vi) *Unforeseen impacts.*

58. All other types of impacts not foreseen will be assessed using the principles of the RPF, including full and meaningful consultations with the affected parties and documented in the A/RAP or RAP.

9. Organizational procedures for RPF and ARAP implementation

59. MEC will be responsible for the implementation of the day-to-day safeguards requirements for all components of SEDP as set out in the RPF. This includes projects in Majuro as well as Outer Islands, but not Ebeye which will be under KAJUR's responsibility. Where resettlement impacts are minor, mitigation measures will be incorporated into project EMPs, and MEC will ensure contractors are liable for their implementation, as part of their contracts.

60. Providing overall coordination and oversight for project safeguards is MOF/DIDA. MOF/DIDA will ensure the availability of an adequate budget for RPF implementation including the payment of compensation. Both MOF/DIDA and MEC will be supported in these roles by a Project-funded Safeguards Specialist based in MOF/DIDA.

61. Where A/RAPs need to be prepared, for instance as possible for outer island projects, MOF/DIDA will prepare terms of reference and will engage a resettlement planning consultant for this purpose, guided by the RPF. The resettlement planning consultant will be assisted by MEC (or KAJUR if in Ebeye), the Land Registration Authority and the relevant Local Government authority in A/RAP preparation activities such as in conducting detailed measurement surveys of any affected assets, in identifying and or ascertaining the rightful landowners and beneficiaries, and land boundaries. A draft TOR for the resettlement planning consultant is annexed.

62. For A/RAP monitoring, MEC (and KAJUR for Ebeye) will be responsible but may require the assistance of the relevant Local Government authority to ensure effective and impartial monitoring, particularly where payment of financial compensation and physical relocation are unavoidable. The alternative option is to engage the services of an independent NGO acting as an External Monitoring Agency (EMA) but this is not considered necessary given the small scale of entitlements and number of beneficiaries envisaged. The MEC (and KAJUR for Ebeye) will monitor, assess and report on the effectiveness of procedures and processes for A/RAP implementation, and the impacts of resettlement on Project AP's.

63. If however, the level of involuntary resettlement, entitlements and the number of displaced people is significant, then MEC (and KAJUR for Ebeye) should consider engaging an independent and well reputed EMA to monitor A/RAP implementation and prepare a report to support the WB NOL. The draft EMA TOR is annexed should it be required.

64. The following table summarizes the roles of relevant institutions during the preparation and implementation of a RAP or A/RAP.

Table 3: Institutions Involved in Resettlement Implementation

Activities	Agency Responsible
A. Land Due Diligence	
Public consultation in Majuro, Ebeye and outer islands as necessary for each subproject. Identifying potential land options, prioritising government leased land.	MOF/DIDA, MEC, KAJUR, relevant local government authority for outer island;
Due diligence of land ownership, options for leasing under voluntary arrangements. Due diligence of occupiers, tenants, informal users, sources of economic livelihood that could be affected. Confirmation of lease process.	MOF/DIDA Safeguards Specialist
Where it is determined that there are affected / displaced people from involuntary resettlement, as defined in the RPF, then the following occurs:	
B. Preparation of ARAP	DIDA to manage.
- Survey and marking of core subproject sites	MEC, KAJUR, relevant local government authority for outer island;
- Verification survey of affected lands	MEC, KAJUR, relevant local government authority for outer island; Land Registration Authority (LRA)
- Census of affected persons; inventory of losses; establishment of replacement value	Resettlement planning consultant supported by MEC, KAJUR, relevant local government authority for outer island;
- Consultation and agreement of compensation	Resettlement planning consultant, MEC, KAJUR, relevant local government

	authority for outer island;
- Preparation of the draft A/RAP	Resettlement Planning Consultant supervised by MOF/DIDA
- Concurrence of updated A/RAP with DPs	DIDA
-WB clearance	MEC/MOF/DIDA
- Internal Monitoring	MOF/DIDA
- External monitoring	MEC (EMA as necessary)
B. RAP Implementation	
- Approval and release of funds for compensation	MoF/DIDA
- Verification of affected agencies and DPs	MEC / LRA
- Internal monitoring/oversight	MOF/DIDA (C.1., C.3.)
- Grievance and redress	MEC; KAJUR; National Steering Committee
- Payment of compensation	MOF/DIDA; MEC
- Internal Monitoring/Oversight	MOF/DIDA
- External Monitoring	MEC (EMA as necessary)
- Submit compliance documents to WB	MEC and MOF/DIDA
- Validate compliance of RAP implementation	WB
C. Construction Stage	
- Confirm "No Objection" for the award of civil works	WB
- Tendering and award of civil works	MEC
- Hiring of DPs and mobilization of labour force.	Civil Works Contractor
- Core subproject construction	Civil Works Contractor
- External Monitoring	EMA
D. Post Construction	
- Restoration of temporarily affected lands and assets	Civil Works Contractor

10. Implementation Process

65. All activities for implementing the A/RAP will precede and will not overlap the activities in the construction phase. The only exceptions are arrangements for the full restoration of sites used by the contractor(s) before their departure from affected sites. This applies to all A-RAP prepared under SEDP.

65. The two implementing agencies – MOF/DIDA and MEC - will satisfactorily complete the payments for compensation and the lands are free of all obstructions and encumbrances before a request to WB for its "No Objection" for the award of civil works contract. In support of claim for satisfactory compliance, MOF/DID and MEC will submit the following duly authenticated documents to the WB, for each A/RAPs prepared and implemented:

- List of Affected / Displaced Persons (DPs) and their corresponding compensation;
- Copy of Project Information Document (PID) distributed to DPs;
- Minutes of consultations with DPs including details of gender;
- Minutes of consultations involved in agreeing the contents of RAP including gender of participants;
- Individual agreement on compensation reached with the DPs, if applicable;
- Journal voucher(s) or equivalent document(s) showing the payments for compensation and entitlements to DPs.
- EMA Monitoring report.

67. The WB will issue its “No Objection” for the award of civil works contract when it is satisfied that MEC has satisfactorily completed the implementation of the A/RAP. The WB will be assisted in its review of MEC’s report and supporting documentation by an External Monitoring Agency’s (EMA) report on the same, should one be engaged.

11. GRIEVANCE REDRESS MECHANISM

68. The following GRM applies to the resolution of complaints received. Details discussion is provided in the Environmental and Social Management Plan for SEDP.

Table 4: Grievance Redress Mechanism

Stage	Process	Duration
A/RAP Preparation and Implementation Pre-construction		
Step 1	<p>Grievances may include (i) differences over land ownership, boundaries, ownership of assets, valuation of crops and other affected assets, benefits for relocation, or transitional arrangements and compensation.</p> <p>Due diligence on affected lands – MEC/KAJUR with Land Registration Authority and local government agency. Uninterested or difficult private landowners to be eliminated in favour of those who are interested and willing to enter into voluntary negotiation for land. This due diligence will also confirm the appropriate resettlement instrument to be prepared.</p>	1 – 2 weeks
Step 2	<p>Public consultation 1 - to introduce and explain the resettlement planning requirement and process, and to clarify all questions asked to ensure affected persons fully understand the criteria for eligibility for compensation, actions taken or methods used in counting affected crops, their valuation etc..</p> <p>Responsible parties - Resettlement Planning consultant together with MEC or KAJUR representatives. Any unresolved issues from here will be referred to the Project Manager MEC/KAJUR for resolution.</p>	<p>½ day meeting;</p> <p>1 week at most.</p>
Step 3	<p>Detailed measurement survey (DMS) – any disputes will be addressed on site; if not resolved satisfactorily on site, will be referred to Project Manager MEC/KAJUR for resolution; or traditional landowner if it's a privately owned land issue such as disputes over boundaries, or ownership of crops. If it's the landowner who has a grievance, Project Manager MEC/KAJUR to respond. Responsible party – MEC working with Land Registration Authority/KAJUR working with KADA</p>	2 – 4 weeks depending on number and complexity of issues.

Step 4	Public consultation 2 – to present and discuss of draft A/RAP and entitlement matrix. This consultation will reconfirm all listed beneficiaries and their respective entitlements. All unresolved disputes regarding beneficiaries and benefits valuation will be reviewed by DIDA/MEC/KAJUR, and corrected as necessary. Responsible party – Resettlement Planning Consultant assisted by with MEC/KAJUR	½ day meeting 1-2 week at most
Step 5	Draft A/RAP is finalized having all areas of dispute resolved satisfactorily.	1 day after completion of Step 4
Step 6	Payment of compensation as per Entitlement Matrix – <ul style="list-style-type: none"> • Arrangements for absent beneficiaries to be made, and public notification made. 	1, 2 days at most
A/RAP Implementation during construction		
Step 1	The Aggrieved Party (AP) will take his/her grievance to Construction Site Supervisor (CSS) who will endeavour to resolve it immediately. Where AP is not satisfied, the CSS will refer the AP to the Project's Designated Contact Person (CP). For complaints that were satisfactorily resolved by the CSS, he/she will inform the DCP and the DCP will log the grievance and the actions that were taken.	Any time.
2	On receipt of the complaint, the Project DCP will endeavour to resolve it immediately. If unsuccessful, he/she then notify the MEC-PIU Project Manager. In the case of genset installations in KAJUR, Ebeye, the CP will refer the matter to the KAJUR General Manager.	Immediately after logging of grievance.
3	The MEC-PIU Project Manager / KAJUR General Manager will address and resolve the complaint and inform the aggrieved party.	2 weeks.
If the matter remains unresolved, or complainant is not satisfied with the outcome at the project level		
4	The MEC-PIU Project Manager / KAJUR General Manager will refer to matter to the National Steering Committee in its next meeting for a resolution.	1 month.
5	If it remains unresolved or the complainant is dissatisfied with the outcome proposed by the NSC, he/she is free to refer the matter to the appropriate legal or judicial authority. A decision of the Court will be final.	Anytime.

6	If it's a land related issue, MEC may seek the assistance of the relevant Traditional Land owners, and their decision will be final. For Ebeye, KAJUR will consult with KADA who will communicate with the traditional landowners as necessary.	Immediately after Stage 3.
---	---	----------------------------

Figure 2: Flow diagram showing GRM – pre construction

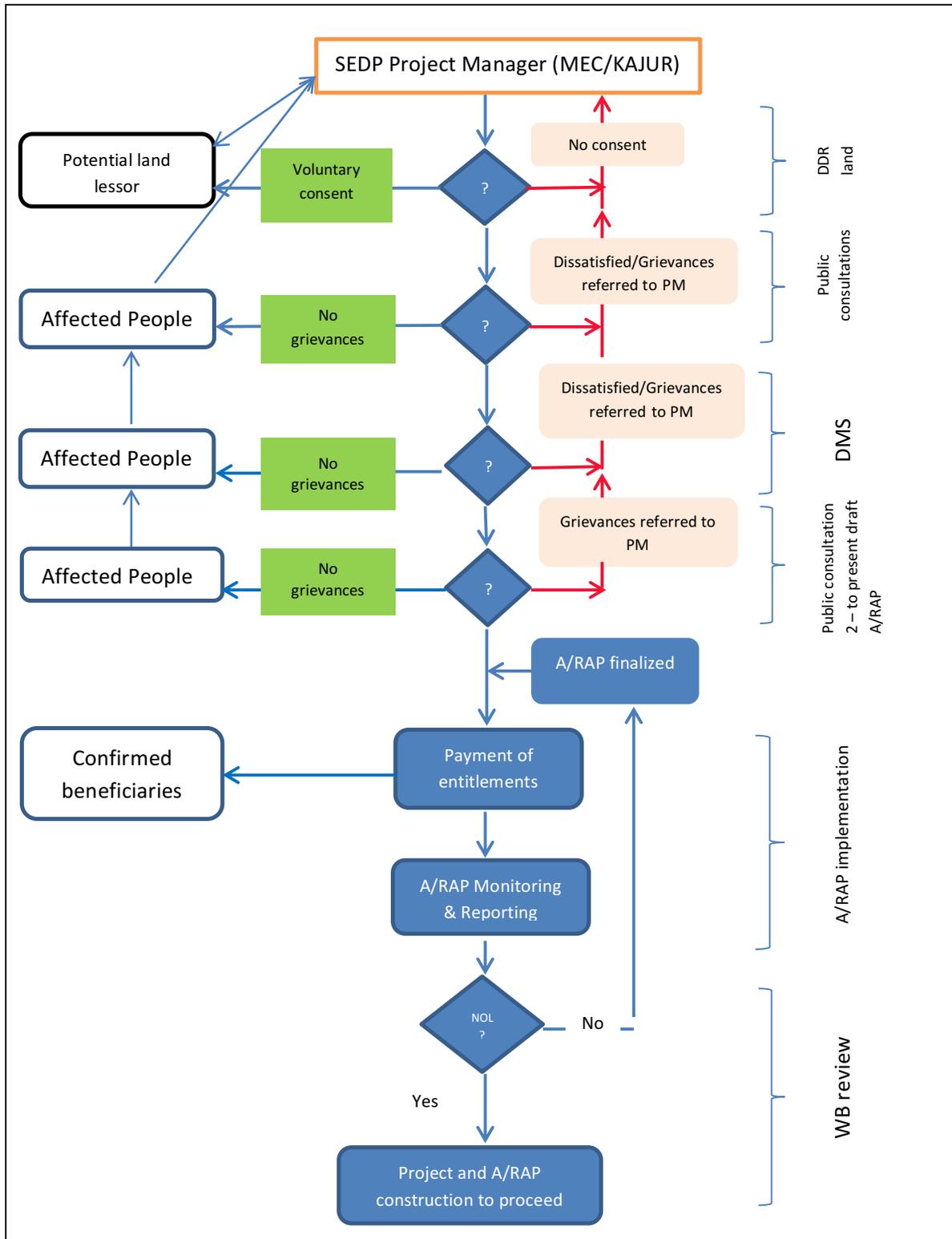
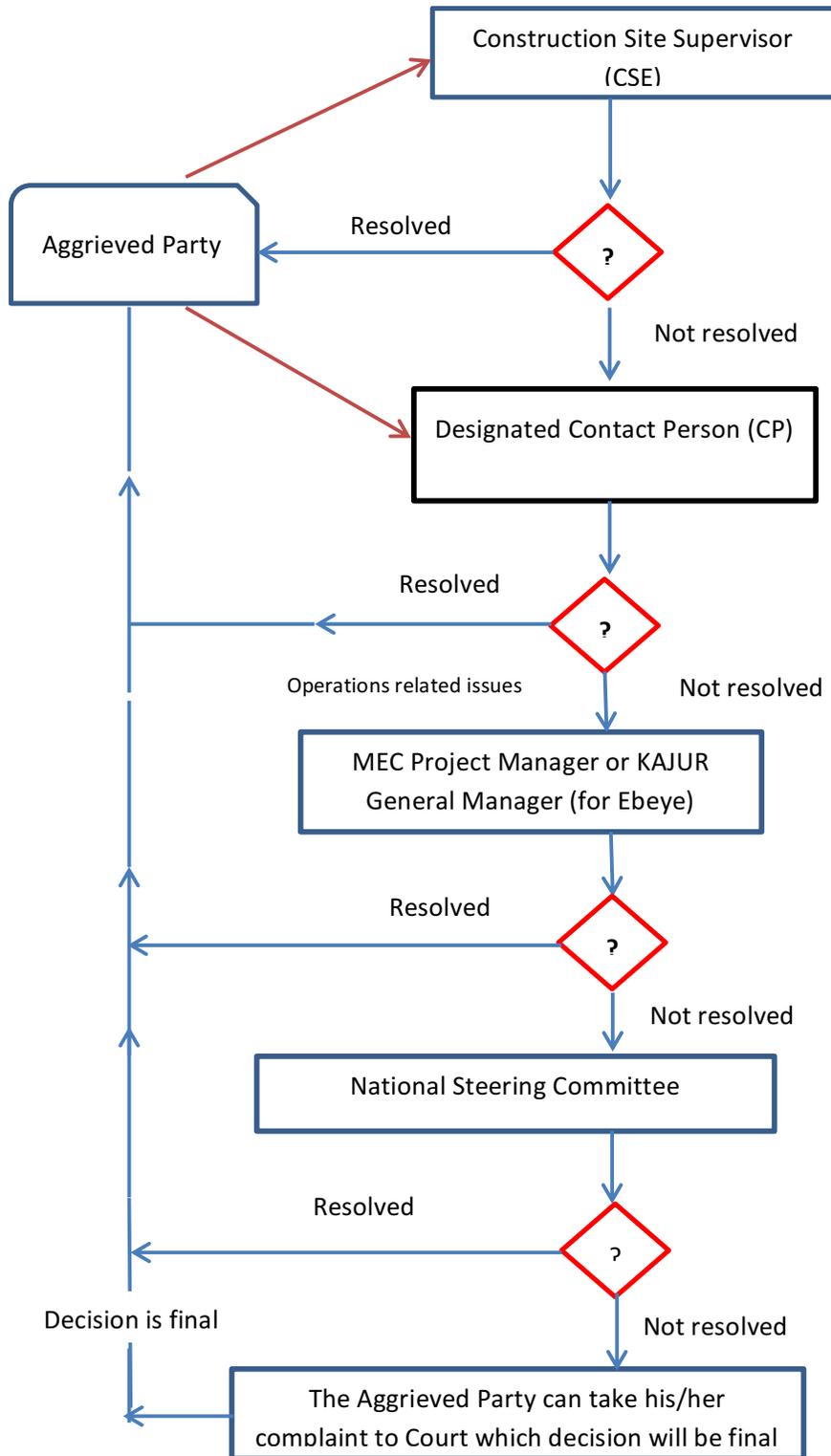


Figure 3: Flow Diagram showing GRM – during construction



12. RESETTLEMENT BUDGET AND FINANCIAL ARRANGEMENTS

69. Budget provisions for resettlement impacts include rent or lease payments⁸ for all voluntary land acquisitions and financial entitlements for DP for loss of land, other assets including crops and other sources of livelihoods. These are tabulated and summarized in separate sheets as supporting schedule in the RAP or A/RAP document. MOF/DIDA will also ensure cost of A-RAP preparation is incorporated into project budget for future phases for Outer Islands and Ebeye project implementation.

70. The costs of implementing an RAP or A/RAP will be the Government of RMI's responsibility as its equity contribution to the subproject investments. The MOF/DIDA shall ensure that the total cost of compensation and entitlement are budgeted for and shall cover the following: (a) project disclosure, (b) public consultations and focus group discussions, (c) detailed measurement surveys (DMS) and (f) internal monitoring and implementation of the RAP. In addition, the RMI will cover contingencies for the total of compensation and administrative cost.

71. The budgets for compensation will be approved by the MoF/DIDA (in consultation with MEC) on behalf of RMI Government. MOF/DIDA will also ensure timely availability of adequate budgetary support and the release of funds for any subproject A/RAPs. Prior to implementation, the MOF/DIDA will set up the accounting chart of accounts for capturing the expenses for compensation and administrative costs.

13. MECHANISMS FOR CONSULTATIONS WITH AND PARTICIPATION OF AFFECTED / DISPLACED PERSONS

72. Consultation for SEDP is a process that starts with the preparation of the ESMP and RPF and continues with the preparation of any resettlement plans that may be required. Reference to potential resettlement impacts will be made during these early discussions.

73. A Stakeholder Engagement Plan (SEP) is provided in the ESMP, and will detail the necessary engagements with local relevant government agencies and institutions, local authorities, land owners and local communities. MOF/DIDA is responsible for SEP implementation and will work closely with MEC and KAJUR to ensure effective consultation for land acquisition and resettlement planning particularly the involvement of affected/displaced people.

74. The SEP will also include the two essential consultations for resettlement planning. The first consultation takes place once land due diligence confirms the extent of resettlement impacts and the type of resettlement plan required. It will raise awareness of the project's land requirements, voluntary land acquisition needs, resettlement impacts and measures for mitigation, the role of a resettlement plan in addressing them, the information required for resettlement planning and the

⁸ This does not include lease payments or rent associated with the Master Lease between the Kwajalein landowners and KADA including any new easements which requires no additional cost.

methods for information gathering. This consultation also presents the appropriate opportunity to set the cut-off date (usually the date of the consultation) for crops and other assets eligible for compensation.

75. The second consultations will be held when a draft resettlement plan is completed. Its target audience are the affected people. This consultation will present the draft resettlement plan, in particular the list of confirmed beneficiaries and their respective entitlements. It is also an opportunity to respond to and re-clarify eligibility criteria for beneficiaries, as well as questions regarding the valuation of damaged assets and crops. Following this consultation, the resettlement planning consultant will be in a position to finalize the resettlement plan.

76. Following is a matrix to guide consultations planning for land acquisition and resettlement planning which MEC and MOF/DIDA may use as a guide when preparing the SEP.

Table 5: Matrix to guide consultations for land acquisition and resettlement planning

	Stage	Subject of Consultation	Role(s) of landowners, community leaders and DPs, including Women	Reasons for Community Participation
Pre-Implementation	<ul style="list-style-type: none"> ▪ Consultation and focus-group discussions 	<ul style="list-style-type: none"> • Understanding the subproject, its land requirements and preferred (voluntary) approaches to land acquisition, if required. • Understanding the resettlement planning process, its information needs (land boundaries, DMS and inventory of APs), criteria for eligibility for compensation etc.. • Gaining affected people's support. 	<ul style="list-style-type: none"> • Participate in subproject disclosure, public meetings and consultations. • Encourage and invite women to attend Project disclosure, public meetings and consultations. • Assist voluntary land acquisition and information gathering for resettlement planning. • Promote the project and its benefits. 	<ul style="list-style-type: none"> • Ensure that participants fully understand the proposed subproject, its potential impacts and its benefits to the community. • Promote an informed and collective decision-making process.
	Consultations with affected landowners	<ul style="list-style-type: none"> • To gain their support for the use of land and for access to transmission poles on private lands for LED lights replacement; • To explore options 	<ul style="list-style-type: none"> • To raise landowners awareness about the project's objectives, expected benefits and beneficiaries. • Agree to voluntary use of land for the project and or unhindered 	<ul style="list-style-type: none"> • Not applicable

		for and possible interest in the voluntary land acquisition.	access to existing ancillary structures including transmission poles for LED lights replacement.	
	Planning for RAP or A/RAP	<ul style="list-style-type: none"> • Subproject design, and any identified land needs 	<ul style="list-style-type: none"> • Understand and support the land requirements and the technical design of the project. • Agree on the compensation and entitlement packages. • Review and agree on the contents of the RAP/ARAP before submission to the Bank. • Assist with the resolution of any land related disputes that may arise during resettlement planning. 	<ul style="list-style-type: none"> • To inform, generate interest and support.
	Formulating compensation and entitlement packages.	Compensation and entitlement packages	<p>Validate list confirmed beneficiaries;</p> <p>Assist with resolving any disputes that may arise.</p>	To obtain agreement on the RAP.
	Agreement on the content of A/RAP	Contents of the A/RAP	Assist with resolving any disputes that may arise.	To obtain agreement on the A/RAP.
Implementation	Additional assistance to DPs.	Types of additional assistance where relevant.	<ul style="list-style-type: none"> ▪ DPs or any of their household members shall be offered employment during the construction of the subproject. 	Strengthen communities' support for project implementation, and ensure project benefits are maximized for displaced persons.

	<ul style="list-style-type: none"> ▪ Grievance and redress. ▪ Grievance and redress mechanism. ▪ Provide information to assist in redressing of grievances. ▪ Assist with resolving any disputes that may arise. ▪ Ensure that problems are address within reasonable time.
Post Implementation	<ul style="list-style-type: none"> ▪ Monitoring and evaluation ▪ Monitoring and evaluation system ▪ Provide inputs to monitoring and evaluation ▪ Gain experience and lessons in shaping resettlement policies for future MPW subprojects.

14. CAPACITY BUILDING

77. Capacity gaps will be filled by recruiting experienced safeguards specialists for key roles in the project. MEC will be supported by the PREP Phase 2 Safeguards Advisor attached to MOF/DIDA. Other short term consultants may be engaged from time to time to perform specific tasks including, as necessary, the land due diligence of options for future projects prepared under Component 2 and preparation of RAP/A/RAPs for sub-projects.

78. The Safeguards Advisor under MOF/DIDA will train and mentor local counter-part staff and others. They will also contribute to capacity building of NEPA through the technical support and advisory role delivered during the screening of proposals, the review of safeguards instruments including A/RAPs, and in ESMP monitoring and reporting.

79. Areas recommended for MOF/DIDA, MEC, KAJUR and NEPA training include the following –

- World Bank's Safeguards Policy OP4.12;
- Roles and responsibilities of different key agencies in RPF implementation.
- How to effectively review WB safeguards instruments and to implement the RPF and RAP,
- Detailed measurement surveys of losses for RAP preparation and entitlement calculation;
- Training on how to prepare TORs, review consultants proposals, and manage consultant's outputs.

80. Training in the above areas is recommended to be held within three (3) months of project effectiveness.

81. On-going support will be provided by the World Bank Task Team for the duration of the project including for the initial activities environmental screening, categorization and review of prepared safeguards instruments.

15. ARRANGEMENTS FOR MONITORING AND REPORTING

Internal Monitoring –

82. MOF/DIDA will be responsible for the internal monitoring and reporting of RPF and A/RAP implementation. Twice yearly monitoring reports shall be prepared and submitted as part of its reporting responsibilities as Implementing Agency. The information on internal monitoring reports shall contain the following: (a) accomplishments to-date; (b) objectives attained and not attained during the period; (c) problems encountered / complaints received and progress with resolving grievances; and (d) targets for the next period.

External Monitoring -

83. It is estimated that the level of compensation likely to be paid is not significant. However, DIDA retains the option of engaging an independent external monitoring agency to monitor A/RAP implementation if deems necessary, especially if the level and number of entitlements is significant. MEC will be responsible for the recruitment of a competent and credible EMA for this task and for ensuring that it receives the appropriate level of logistical and financial support for it to perform its role effectively.

84. The EMA will assess the implementation of RAP/ARAP. It will report the key findings to DIDA who will share them with the World Bank.

Annex 1: References

World Bank. 2005. *Safeguards Policies Basics*. QACU, OPCS. World Bank. Internal Document.

Pacific Islands Legal Information Institute (2014) PacliI Documents Collections, Marshall Islands Laws, *Marshall Islands Consolidated Legislation, Constitution of the Republic of the Marshall Islands*, http://www.pacii.org/mh/legis/consol_act/cotrotmi490/ [accessed August – September, 2017]

Annex 3: D r a f t Terms of Reference for the Resettlement Specialist

Objective/Purpose of the Assignment:

The objective of the assignment is to assist the Government of Republic of the Marshall Islands to implement the RPF and comply with World Bank Policy 4.12 Involuntary Resettlement, in the preparation of energy investments under the Sustainable Energy Development Project (SEDP).

Background:

To include the background of the SEDP and the description of the proposed subproject(s) subject to this TOR.

Scope of Work:

The consultant will assist the Implementing Agencies – Majuro Energy Company (MEC) to prepare Land Due Diligence Report and, if required, Resettlement Action Plan(s) that may be required for relevant subprojects/activities under this Project. The RAPs/ARAPs will comply fully with WB requirements as set out in Social Safeguards Policy OP 4.12 and the RPF. The consultant will use the Resettlement Policy Framework (RPF) developed during the Project Preparation phase. Subprojects requiring RAPs or A-RAPs are those identified during the subproject screening and categorization process by the Safeguards Specialists embedded in MEC to support the SEDP.

Detailed Tasks:

The Resettlement Specialist will –

1. Prepare and finalize questionnaires for socio-economic survey, census of affected persons and inventory of affected assets.
2. Conduct a half-day to one-day workshop for selected MEC, Land Registration Authority and possibly MOF/DIDA staff to assist them in implementing the required surveys; to familiarize them with questionnaires and the recording of survey data;
3. Conduct due diligence to confirm ownership of relevant lands as necessary.
4. Implement the required data surveys with the assistance of trained local staff.
5. Analyse socio-economic data and compute compensation entitlements for each Displaced Persons (DPs) based on the RPF Entitlement Matrix.
6. Develop a Compensation Entitlement Form summarizing this information for each DP, including a signature space for DPs to sign on when receiving compensation.
7. Prepare a Resettlement Action Plan using the Outline in Annex 4 of the RPF, and using the survey results and entitlement matrix derived from surveys conducted.
8. Ensure that, in preparing RAP, the displaced persons are i) informed about their options and rights pertaining to resettlement; (2) consulted on available choices for compensation and provided with technically and economically feasible

- resettlement alternatives; and (3) provided prompt and effective compensation at full replacement costs for losses of assets attributable directly to the project.
9. Work closely with MEC and or MOF/DIDA as required, to conduct consultations with DPs to discuss the draft Resettlement Plan.
 10. Finalize Resettlement Plan taking into account comments received from public consultation and in consultations with MEC and or MOF/DIDA.
 11. Liaise closely with the in-house Project Safeguards Specialists in other MOF/DIDA projects (i.e. PREP Phase 2) in reviewing the draft RAP/A-RAP.
 12. Finalize RAP/A-RAP budget taking on board the entitlements calculated.
 13. Finalize the draft RAP following consultations proposed in (9) above, and submit finalized Resettlement Action Plan to MEC.
 14. Ensure that the RAP/ARAP is translated into Marshallese for subsequent disclosure by MEC.

Output/Reporting Requirements:

The following outputs are required:

- (i) A Resettlement Plan
- (ii) Brief consultant's report discussing the work undertaken, issues faced and conclusions with recommendations on how similar work can be improved in future. Include as annex a report of training conducted for MPW staff.
- (iii) Documentation of the consultations, noting attendees, feedback and concerns.

Annex 4: Outline of an Abbreviated Resettlement Plan

An Abbreviated Resettlement Plan covers the following minimum elements:

- a. A census survey of displaced persons and valuation of assets;
- b. Description of compensation and other resettlement assistances to be provided;
- c. Consultations with displaced people about acceptable alternatives;
- d. Institutional responsibility for implementation and procedures for grievance redress;
- e. Arrangements for monitoring and implementation; and
- f. A timetable and budget.

Annex 5: External Monitoring Indicators

Type of Indicators	Indicators	Information Required in Monitoring and Reporting
Process Indicators	Staffing	<ul style="list-style-type: none"> Amount of safeguards specialist time devoted to project implementation in the field.
	Consultation, participation and Grievances Resolution	<ul style="list-style-type: none"> No. of consultations and participation programmes held with Affected Peoples' and various stakeholders; Number and names of representatives who participated in the consultations and in the implementation of subprojects safeguards instruments;
	Operational Procedures	<ul style="list-style-type: none"> Efficiency of coordination between PMU and project personnel and other stakeholders in the outer islands/field; Efficiency of PMU and outer island staff in RFP implementation; Assess if the project policies in RAPs have been adequately complied with.
	Compensation and Entitlements	<ul style="list-style-type: none"> The completeness of the census of affected people and inventory of affected assets, to be implemented by MEC to ensure all affected people, and their assets and crops are recorded fully and accurately. Transparency in the calculation of AP's entitlements; Number of AP's beneficiaries and the types of compensation received;
	Social rehabilitation	<ul style="list-style-type: none"> Indicate the number of women who participated in project training, consultations, and other activities; Assess the quality of living of relocated AP's using relevant parameters such as quality of sanitation facilities, access to clean drinking water, etc..
	Issues and problems encountered	<ul style="list-style-type: none"> Indicate the issues and problems encountered in the implementation of subprojects safeguards requirements including implementation of ARAP or RAP as necessary, payment of compensation and entitlements and social rehabilitation of APs.
Outcome Indicators	Household Earning Capacity	<ul style="list-style-type: none"> No. of AP's employed in sub-project No. of APs with income generating activities

		<p>linked to and either partially or fully dependent on the sub-project;</p> <ul style="list-style-type: none"> • Present vs pre-project incomes of AP's employed in the subproject or otherwise benefiting from it;
	<p>Changes in socio-cultural patterns</p>	<ul style="list-style-type: none"> • Present vs pre-project levels of women participating in subproject dependent microenterprises; • Problems/issues related to impacts of influx of expatriate population

Annex 6: Draft terms of Reference for External Monitoring Agency (EMA)

Background –

SEDP for Marshall Islands is a World Bank funded project aimed at reducing RMI's dependence on imported fossil fuels by investing in renewable energy technologies to reduce reliance on diesel generation, and in improving efficiency of existing energy generation options including replacing old generation and storage systems with new and more efficient ones, replacing existing incandescent street light bulbs with more energy efficient LED bulbs, and a host of other policy changes to promote and support EE shift, and public support.

The Project triggers the following three WB Safeguards Policies, (OP/BP 4.01 Environmental Assessment; OP/BP 4.04 Natural Habitats; and OP/BP 4.12 Involuntary Resettlement. After an initial WB screening, the Project is assigned a Category B for safeguards which means potential adverse impacts are less significant, site specific, mostly reversible and that a range of potential measures for mitigation can be readily designed in the majority of cases.

To guide the preparation of environmental and social safeguards instruments to be prepared at the subproject detailed planning stage, an Environmental and Social Management Plan (ESMP) and Resettlement Policy Framework (RPF) have been prepared. The implementation of both requires close monitoring and reporting. That responsibility is assigned largely to the MOF/DIDA

One possible agent is an External Monitoring Agency (EMA), a local NGO who may be tasked with monitoring and reporting on the implementation of any project RAP/A-RAP. The engagement of an EMA is a decision to be made by DIDA, if in the interest of impartiality and objectivity, this engagement is deemed necessary. This may be necessary if DIDA assesses the amount of resettlement impacts, and the number of affected people with entitlements considerable.

Objective/Purpose of the Assignment:

The objective of the assignment is to support the implementation of SEDP, a World Bank funded project for Government of Republic of the Marshall Islands.

Scope of Work:

The EMA will assist the DIDA to monitoring and report on the implementation of the RAP. The focus on monitoring and reporting is set out in the Monitoring and Reporting Indicators described in Annex 6.

Detailed Tasks:

The EMA will monitor and report full on all the Monitoring and Reporting indicators described in Annex 6 of the RPF.

Outputs and Reporting requirements –

- Two monitoring reports per RAP – inception and final.
- The EMA Monitoring Report will be submitted to DIDA who will submit to the World Bank as part of the Progress Reports of the Project Implementing Agencies.

Annex 7: ESMF and RPF Stakeholders Consultations

SEDP RMI

Stakeholder Consultations Report, 31 July, August, 2017

Introduction –

Stakeholder consultation is mandatory in the preparation of safeguards instruments for all the four safeguards policies triggered under SEDP. These policies are OP/BP 4.01 Environmental Assessment, OP/BP 3.6 Natural Habitats, OP/BP 4.11 Physical Cultural Resources and OP/BP 4.12 Involuntary Resettlement.

The following report documents the consultations undertaken to disclose the draft safeguards instruments: An Environmental and social Management Framework (ESMF⁹) and Resettlement Policy Framework (RPF), held on 31 July 2017.

Target groups

The following groups of stakeholders were targeted for the consultations –

- a. Government agencies, authorities and SOEs in Majuro and Ebeye
- b. NGOs, non-governmental institutions and organizations, and civil society groups
- c. Donor agencies especially those with experience and involvement in RMI's renewable energy sector.

Methods

Invitation and solicitation –

Formal invitations were sent out by MOF-DIDA to targeted government agencies, state owned enterprises, donor organizations for the first formal consultation to discuss and disclose the safeguards instruments. Similar invitations were sent out for non-governmental organizations, academic institutions and other civil society organizations.

Both consultation meetings were held at the Ministry of Finance Conference Room in Majuro.

Schedule –

The consultations for the various groups took place according to the following schedule -

Stakeholder group	Date and time
1. Relevant Government agencies, SOEs, donors	• 31 July, 2017; 10am MOF Conference Room
2. NGOs, civil society and local community at Majuro	• 31 July, 2017; 2:00pm MOF Conference Room

⁹ Note that following consultations, an Environmental and Social Management Framework has been updated to be an Environmental and Social Management Plan. This came about through a change in project design and updated assessment of risks and mitigation options.

Consultations Format and Presentations –

The consultations agenda consisted of the following –

- Introductory remarks by Ms Jennifer Tseng
- First presentation – Overview of the Project covering objectives, rationale, components, delivered by Jennifer Tseng, MOF-DIDA;
- Questions and Answers session
- Second presentation – Environmental and Social Management Framework (ESMF), and Resettlement Policy Framework (RPF) delivered by Sam Sesega, Safeguards Consultant
- Questions and answer session
- Close of consultation.

Each consultation ran for two hours, from 10 – 12 noon, and 2 – 4 pm respectively.

Powerpoint presentations of both presentations are annexed to this report.

Questions and Issues raised and discussed during Consultation 1 for Government agencies, SOE's and donors

1. On discussions of waste oil storage facility in MEC's Majuro compound, the MEC and ADB representatives advised that ADB is funding a project to refurbish the tank farm in Majuro.
2. One of the targeted schools for possible roof-top installations is a private school, the Majuro Co-operative School. All other buildings assessed on the recommendation of MOF-DIDA are government or public owned. If this is a mistake (because presentation says targeted buildings are government and public buildings), please include this.
3. A strong plea to include private buildings that are suitable was received including the private school buildings, in the context of ensuring there is sufficient surfaces and spaces to help achieve the RMI RE target by the year 2020.
4. In response to the interest expressed about private buildings, the MEC representative intervened to explain that proper structural assessments of all buildings are necessary to ensure they are structurally sound and capable of carrying PV panels. There is also the issue of liability involved in the on-going repairs and maintenance of buildings hosting PV installations that complicates project financing. Part of the preference given to government buildings in the current design is to simplify project design and to avoid such complications which are often likely to delay and or disruptions to project preparation and implementation.
5. Participants were also advised that all compensation payments associated with the Project will be RMI's responsibility and will not be funded out of the Project grant. It is therefore in the best interest of RMI that compensation is minimized.
6. In response to discussions over the issue of the cumulative impact of the project on the issue of accumulated waste oil in both MEC and KAJUR's compound, the JICA representative informed the consultation that JICA is funding a feasibility study for ways of reusing waste lubricant oils. The feasibility team is currently in RMI and have visited MEC and KAJUR's facilities to assess their facilities and capacities, and to collect used oil samples for testing.

The JICA representative invited the Safeguards Specialist to meet with the JICA Feasibility Team before their return.¹⁰

7. A participant from KAJUR asked if there are resettlement impacts, and if so, how are these handled? Will the Project ensure that compensation owed are settled and paid out and not ignored? In response, it was explained that a resettlement action plan (RAP) will be prepared if there are resettlement impacts and all compensation and entitlements identified in the RAP will be paid out. Moreover, the Project will not start until WB is satisfied, based on the RAP Implementation report to be prepared and submitted by Government of RMI, that all entitlements have been fully paid to the rightful people.
8. There was clarification of the term resettlement which one participant misunderstood to mean there will be relocation of affected people. It was explained that the term is much broader and also refer to losses and or damage to assets, and that if people needed to be relocated temporarily from their homes, the Project will be responsible for their relocation including all costs associated with it.
9. Why is Ebeye not included in targeted areas for the replacement of incandescent streetlight bulbs with LED bulbs? The Ebeye participant noted that safety at night is an important issue for their densely populated atoll.
10. Who is in the Project Steering Committee?
11. When will the next mission be?
12. What is the timeframe for the SEDP?
13. Ongoing operation and maintenance costs need to be properly calculated and considered.
14. In Ebeye, with the installation of R.O. units, the energy need and consumption is expected to be increased. The need for Renewable Energy Project in Ebeye is strong.
15. Donor coordination needs to be further strengthened to ensure complementary between approaches and investments.
16. Private sector engagement: Private buildings/spaces could be considered for solar PVs installation but the structure and the suitability of those buildings/spaces needs to be evaluated.
 - a. In response, it was explained that from a safeguards' perspectives, the project is targeting the public buildings/spaces for solar PVs installation to avoid the issues associated with building/spaces ownership and compensation which would be a cost to GRMI. Also dealing with private buildings will likely to complicate and project preparation.
17. Ministry of Public Works has been working with BECA (consulting firm) to design and construct public buildings with a specific consideration that solar PVs installation can be accommodated in the future.
18. Ministry of Public Works commented that the proposed flexible support structure for the solar PVs on water reservoir should be designed to withstand high wind speed. Typhoon is not very common in the RMI but the designing firm/consultant should also consider the impacts of typhoon.
19. MWSC requested that the technical feasibility study once finalized should be shared with stakeholders.

¹⁰ This meeting took place on the 1 August, 2017 at the JICA Office. Present were the Safeguards Specialist, Mr Nobuaki Matsui – JICA Resident Representative, and six members of the Feasibility Study Team (Refer to Annex 11 - People Consulted for details).

Comments and views expressed and discussed in Consultation 2 for NGOs, civil society groups, academic institutions etc.

1. RMI EPA noted that a shipment of used batteries (~16,000 lbs) was despatch to South Korea in June; an initiative led by MEC. This was partly donor funded (under a NEPA implemented project).
2. A few participants recalled there were whirlwinds in Delap that affected roof buildings in this location, and it's a regular occurrence in this area. Would this not have any impact on the proposed roof-top installations for schools in Delap?
3. Contrary to ESMF narrative that work opportunities from the Project for local people are likely to favour men over women, WUTMI Executive Director noted that the ESMF should not assume so, and that equal job opportunity should be offered to both genders.
4. Would the quality of drinking water in the reservoir be adversely affected by sunlight passing through PV panels?
5. CMI research on possible location of PV panels on reefs would be damaging to reef ecosystem.
6. WUTMI Executive Director also advised that should there be a sizeable amount of foreign workers involved, proper orientation of workers regarding the local culture and traditions should be conducted. WUTMI also offered their services to conduct orientation.
7. Multiple NGO representatives have shared the similar comments on the operation and maintenance costs, including the necessary policy, the institutional mechanism, and the sinking funds management capacity to ensure 1) saving from RE investment is contributed to the future O&M and 2) the GRMI is committed to financially support the future O&M costs. O&M should be both MEC and GRMI's shared responsibility.
8. In addition to the RE facilities maintenance, the hosting building/structure maintenance needs to be included in the O&M plan.
9. The usage of batteries has significant environmental impacts and practical recycling plan needs to be looked into.
10. Gender needs to be addressed, including gender-based violence from local workers.
