



Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: September 30, 2018 | Report No: 130558



BASIC INFORMATION

A. Basic Project Data OPS TABLE

| | | | |
|-----------------------|--------------------------|------------------------------|--|
| Country | Project ID | Parent Project ID (if any) | Project Name |
| Fiji | P163484 | | Fiji REDD+ Emission Reductions Program |
| Region | Estimated Appraisal Date | Estimated Bank Approval Date | Practice Area (Lead) |
| EAST ASIA AND PACIFIC | 3/29/2019 | 12/20/2019 | GENDR |
| Financing Instrument | Recipient | Implementing Agency | |
| Trust Fund Grant | Government of Fiji | Ministry of Forests | |

Proposed Development Objective(s)

The objective of the Program is to incentivize reduced deforestation, forest degradation and enhancement of forest carbon stocks (REDD+) in the selected Emission Reduction Program area in Fiji, through payment of verified emission reductions (ER) and to ensure that paid amounts are distributed according to an agreed benefit sharing plan.

Financing (in USD Million)

Finance OLD

| Financing Source | Amount (USD) Million |
|------------------------------------|----------------------|
| Forest Carbon Partnership Facility | 15.0 |

Environmental Assessment Category

B

Concept Review Decision

Have the Safeguards oversight and clearance functions been transferred to the Practice Manager? No.

Other Decision (as needed)



B. Introduction and Context

Country Context

1. Fiji is a small island nation in the South Pacific Ocean with a population of 870,000, and an area of 18,000 km² on 332 islands, among which 110 are inhabited. Most of the population lives on two large islands, Viti Levu and Vanua Levu. Just under half of the population live in rural areas and derive part of their livelihood from agriculture, which has been falling in recent years with a rural to urban drift. Fiji is a multi-racial society, composing of 56.8% of indigenous Fijian people (Itaukei), 37.5% Indo Fijians and 5.7% other ethnic groups. It is the second largest and most industrially advanced economy in the Pacific with substantial services and manufacturing sectors. Its dependence on sugar and garments has declined over time, with tourism becoming the leading sector and currently accounting for about 38% of the GDP. Centrally located in the region, Fiji also serves as a regional hub for transportation, business, and telecommunications, and houses several important regional institutions.
2. Fiji is a country that is prone to natural disasters such as cyclones, floods and earthquakes, incurring average annual losses of about 2 percent of GDP. These losses increase environmental pressures and affect productive investments and service delivery. Vulnerable groups including the poor suffer the most from these shocks. In response, the GoF has identified 'no-regrets' options for key sectors, including forestry, that provide both climate mitigation and resilience benefits. In particular, the 2012 National Climate Change Policy identified climate change impacts and areas for adaptation and mitigation for a broad range of sectors including forestry, agriculture, marine and fisheries, tourism and infrastructure. For forestry, improving land use planning processes that lead to sustainable forest management (SFM) and reforestation/afforestation was a key intervention. In 2014 a "Green Growth Framework for Fiji" was formulated and endorsed by the Cabinet aiming to guide the design of a Five - Year Development Plan (2015 -2020), recognizing the need to manage population growth and urbanization, unsustainable consumption and resource use and infrastructure deficiency, and impact of climate change and natural disasters.
3. Fiji's 5-year and 20-year Development Plan (2017) has identified development goals that are potentially threatened by climate change and natural risks. Global greenhouse gases will need to be significantly reduced in order to reduce the risk to Fiji's development. The government is committed to mitigating the impacts of climate change and natural hazards. Since 2013 the government's spending on investments to strengthen resilience has grown fourfold, from F\$ 89 million to F\$ 359 million in FY 2016-17. Fiji has also demonstrated international commitment. It is a signatory to the United Nations Framework Convention on Climate Change (UNFCCC) and has been playing an active role in the negotiations, chairing the AOSIS, G-77 groups and the UNFCCC SBI. It has also actively participated in REDD+ negotiations, as a member of the Coalition of Rainforest Nations. In November 2017 Fiji chaired COP 23, becoming the first Small Island Developing State to preside over the conference of parties – the annual round of the ongoing United Nations climate negotiations, held in Bonn, Germany.

Sectoral and Institutional Context

4. Fiji has large forest resources relative to its land area. More than half of the total land area, or about 1.1 million hectares, is covered with diverse types of forests. Native forest of mainly indigenous species constitutes the largest share of Fiji's forest resources, covering 47.5 percent of the total land area. Mangroves make up approximately five percent of Fiji's forest and are included in the national REDD+ program. More than 80% of the total land area is under communal ownership and about 90% of the total forest area is owned by indigenous landowners (iTaukei mataqali). Some long-term forestry leases experience vagueness of leasing procedures and agreements. Land tenure arrangements are often challenging for forest sector development. With forests covering so large a



proportion of Fiji's land area, forest sector governance is very important yet challenging as there are a large number of laws, policies and reform processes relevant to the forest sector and REDD+.

5. Historically, Fiji has seen modest rates of deforestation and forest degradation compared to other countries in the region. To date, one analysis on historic land use change has been conducted by the Applied Geoscience and Technology Division (SOPAC) of the Secretariat of the Pacific Community (SPC). The study shows that the overall forest cover increased slightly between 1991 and 2007, however, accompanied by a significant drop in closed forest cover (148,471 ha) which was offset by a doubling in open forest cover (190,180 ha) and substantial increases in plantations (65,132 ha). Furthermore, it is important to note that Fiji's wetlands have experienced significant losses in recent years, although they are not included in the National Forest Inventory.
6. The REDD+ process in Fiji began in 2009 with the first multi-stakeholder national REDD+ consultations funded by the SPC/Gesellschaft für technische Zusammenarbeit (GTZ) Pacific-German Regional Program on Adaptation to Climate change in the Pacific Island Region (ACCPIC). The National REDD+ policy was subsequently developed through a comprehensive multi-stakeholder consultation process considered by many as exemplary in the region. It helped build trust and consensus among the various stakeholders from different government agencies, resource owners, national and international NGOs, private sector and Council of Regional Organizations in the Pacific agencies. Following the endorsement of the REDD+ policy by the cabinet in 2010, the consultation process for the development of the REDD+ strategy has begun.
7. Fiji began developing its Readiness Preparation Proposal (R-PP) in December 2012 and validated the draft through a series of Steering Committee meetings and national stakeholder consultations. The R-PP includes all activities necessary for Fiji to achieve REDD+ Readiness. The original grant amount of US\$3.8 million was approved in February 2015 and became effective in May 2015. It provides US\$ 3.8 million over a period of four years (2015 to 2019) to finance a subset of the activities outlined in the R-PP. The remaining activities under R-PP were expected to be financed by the Government of Fiji, GIZ, and other donors. Although significant progresses have been achieved with the overall readiness process with the financial and technical support from the government, development partners and the FCPF Readiness Grant, financing gaps still exist. An additional financing of US\$ 2 million was approved in February 2018 by the FCPF Participants Committee and in May 2018 by the Bank to strengthen and finalize the work underway to further advance Fiji's REDD+ Readiness. The Grant Agreement was signed and became effective in July 2018.
8. The Forestry Department (FD), under the Ministry of Forests, is the lead agency, national focal point for REDD+, and the implementing agency for the FCPF Readiness Fund. The preparation of the national REDD+ program and the REDD+ National Strategy is undertaken by the National REDD+ Unit with support from the REDD+ Secretariat and the Technical Working Groups, as well as the REDD+ development partners, such as GIZ/SPC. The Fiji National REDD+ Steering Committee's (RSC) responsibility is to "coordinate and facilitate the implementation of the Fiji REDD+ program". The RSC, a multi-stakeholder committee comprised of representatives of the key stakeholder groups identified as being relevant for REDD+, serves to ensure that (i) the multi-sector REDD+ agenda is implemented and (ii) the safeguards identified under Fiji's REDD+ Policy are complied with. The RSC plays both governing and advisory functions. The Deputy Conservator of Forests serves as chairperson of the RSC.



Relationship to SCD

9. The proposed Carbon Finance transaction is fully consistent with the Systematic Country Diagnostic (SCD, FY 2017), the Country Engagement Note for FY 2015-2017, and the government's climate change policy. The SCD identifies three pathways, as well as cross-cutting issues: (i) Stronger growth; (ii) Better access to services by all; (iii) Building resilience, which are closely linked to sustainable natural resource management and capacity building that are supported by the ERP. Building rural resilience requires that the government develop an integrated set of policies to address the drivers of natural resource degradation. This requires (a) reviewing the consistency of sectoral policies, particularly in forestry, agriculture, mining, tourism, and fisheries, to eliminate negative incentives that lead to conversion or degradation of forests, including mangroves; (b) strengthening the enforcement of regulations, such as the forest harvesting code, and promoting good agricultural practices to guide agricultural intensification; and (c) expanding afforestation and reforestation programs. The proposed ERP also contributes to the principles of the Green Growth Framework given its broad cross-cutting nature and its emphasis on promoting sustainable livelihoods of local communities and "green" economic development.
10. The ER Program is consistent with the SCD as it aims to enhance forest productivity, and improve contribution to livelihoods and economic development. The proposed ER Program is also aligned with the World Bank's corporate commitments on Forests and Climate Change. In particular, the implementation of Fiji REDD+ framework will directly support several interventions under the WBG Forest Action Plan (FAP) Focus Areas (Sustainable Forestry and Forest Smart Interventions) and Cross-Cutting Themes (Climate Change and Resilience, Rights and Participation, Institutions and Governance). The proposed ER Program would also contribute to the overall WBG corporate commitment to increase climate finance from 21 to 28 percent. The Fiji Country Partnership Framework is underway to cover the priority areas for partnership cooperation from FY 2019 – 2023.

C. Proposed Development Objective(s)

11. The objective of the Program is to incentivize reduced deforestation, forest degradation and enhancement of forest carbon stocks (REDD+) in the selected Emission Reduction Program area in Fiji, through payment of verified emission reductions (ER) and to ensure that paid amounts are distributed according to an agreed benefit sharing plan.

Key Results (From PCN)

- (i) Volume of ERs measured and reported by the Recipient, verified by an independent reviewer, and transferred to the FCPF Carbon Fund (tons CO₂eq)
- (ii) Payments received by the Recipient from the FCPF Carbon Fund for ERs generated by the ER Program (USD)
- (iii) ER payments distributed in accordance with agreed Benefit Sharing Plan

D. Concept Description

12. The World Bank financing for this operation is provided by the Carbon Finance under the Forest Carbon Partnership Facility (FCPF). The FCPF is a global partnership of governments, businesses, civil society, and Indigenous Peoples to promote reducing emissions from deforestation and forest degradation, forest carbon stock conservation, sustainable management of forests, and the enhancement of forest carbon stocks (REDD+) in developing countries. The Bank financing for this operation does not involve the direct financing of any of the underlying activities generating such emission reductions (ERs). The Carbon Fund Emission Reduction Program that is being developed and finalized by Fiji will be among the first such programs internationally and the first one in the Pacific. The ongoing FCPF Readiness Project in Fiji already supports the development of a national REDD+ strategy and an enabling policy framework, as well as capacity building for REDD+ at national and sub-national level. The FCPF Carbon Fund now



builds on Fiji's enhanced readiness to engage in carbon finance, which has great potential to leverage other sources of funding, including from development partners and private sector.

13. **The instrument for the operation is carbon finance through an Emission Reduction Payment Agreement (ERPA).** As the trustee and implementing agency of the FCPF Carbon Fund the World Bank pays for GHG emission reductions (ERs) that are independently verified during implementation. The price and ER volume will be determined through negotiation between the Government of Fiji and the Bank. Thus the total amounts listed in this concept note are only indicative. As per the international framework for REDD+, Fiji will propose an emissions baseline based on historical rates of change in forest cover and quality (Reference Emission Level) and intends to use national systems to measure and report future emissions during program implementation. Payments under the ERPA will be made upon the independent verification of the results (a combination of reduced emissions and enhanced carbon sequestration), and confirmation that safeguard instruments and the Benefit Sharing Plan (BSP) have been properly implemented as per the ER Program monitoring report.
14. **Fiji's proposed ER Program is a part of the Carbon Fund pipeline of ER Programs.** Fiji's ER Program Idea Note (ER-PIN) was accepted in the Carbon Fund pipeline in early 2016 and a Letter of Intent was signed in July 2016 between the World Bank and the Government of Fiji (GoF) for the purchase of up to 3 million tons of ERs from the ER Program. The Program Implementation Period is five years, from December 2019 to December 2024. Monitoring and respective payments (i.e. disbursements) against verified REDD+ results according to the Methodological Framework of UNFCCC and the Carbon Fund are expected to occur on the second, fourth and fifth year of the operation. The proposed Carbon Finance Transaction will pay up to US\$15 million for the delivery of ERs, which will be reinvested in Program activities to support its financial viability in accordance with a BSP to be agreed with stakeholders prior to ERPA signature, and deemed acceptable to the Bank.
15. **The proposed ER Program area for Fiji will comprise of the islands of Viti Levu, Vanua Levu and Taveuni.** With 1,045,309 ha of forest area on 1,685,742 ha of land, the program covers 90 % of the total land mass and 94 % of the forest cover in Fiji. REDD+ activities will be implemented on sub-national scale, usually as community projects which are supported and administered by government and partners on a larger congregative level. With progressing government support, the size of implementation area will increase within the ERP boundary. Activities with a high carbon emission reduction potential are being selected, i.e. afforestation / reforestation mainly on unutilized grasslands and avoided forest degradation through logging and unplanned use. Moreover, Fiji will be enabled to invest more on low carbon impact projects but higher positive social and environmental impacts, including the various government programs supporting development of value chains, climate smart agriculture, diversification of markets for forest products, or utilization of forest byproducts.
16. **The ER-Program project design was drafted and is currently in the finalization stage.** Based on the design a draft financing plan was developed and a financing source analysis was conducted. The financing plan is highly scale dependent and relies partly on the information of the ER-PIN. According to the EN-PIN, historically deforestation in the program area has been estimated at 2350 ha annually which is equivalent to about 269,515 tCO₂e/year, and all degradation at 5,500 ha annually, equivalent to about 152,763 tCO₂e/year. The expected volume for emissions reduction under the program is estimated at 2.960,500 tCO₂e/year for a 5-year period. All assumptions and estimates are further subject to verification and further analysis. A draft Emission Reduction Program Document (ERPD) is expected to be submitted to the Bank for review by end of September 2018 and advanced draft for TAP review by December 2018. The draft financing plan estimates a total ER-Program budget of USD 69.2 million for the implementation time period 2020-2024. It is divided into three major components.



Component 1: Strengthening Enabling Conditions for Emission Reductions (USD 3.3 million)

17. This component focuses on the development of one integrated national and four divisional landscape land use plans, improves the regulatory framework for REDD+, and strengthens law enforcement. It also aims to invest in an improved forest information system to support forest sector planning and decision making.

Component 2: Promoting integrated landscape management (USD 63.2 million)

18. This is the core component of the ER-P and will focus on
- sustainable natural forest management and investments resulting in reduced degradation related GHG emissions;
 - afforestation and reforestation and improved planted forest management resulting in carbon stock enhancement; and
 - promotion of climate-smart agriculture and sustainable livelihoods in deforestation hotspots. This will reduce the pressure on agricultural related deforestation.
19. Sustainable natural forest management sub-component (2.1) is estimated at USD 20.3 million and will develop divisional sustainable forest management plans and promote capacity development and implementation of reduced impact logging practices and improved silvicultural practices in natural forests. The investment is estimated at a scale of 46,000 ha / year (assuming an average per ha commercial productivity of 1 m³/ha/year and Fiji's annual natural forest harvest 46,000 m³/year). In total the implementation will add up to 276,000 ha¹ during the ER-P implementation period.
20. The afforestation and reforestation component (2.2) is estimated at USD 31.7 million and will support the establishment and management of at least 24,550 ha of new plantation forests. The estimates are largely based on the estimates in the ER-PIN. In addition the sub-component will support capacity development and training to improve plantation forest management.
21. The promotion of climate-smart agriculture and sustainable livelihoods in deforestation / degradation hotspots is estimated at USD 11.2 million. This will include the development of deforestation-free alternative value chains, supporting cooperative approaches and training for improved agricultural management and investment in approximately 18,000 ha climate-smart agricultural models (including agroforestry, climate adaption crops / varieties improved cultivation land use). It will also finance natural forest conservation agreements in deforestation and degradation hotspots to reduce deforestation and degradation that will be implemented on approximately 12,000 ha.

Component 3: Program Management and Coordination (USD 2.7 million)

22. This component includes the program and financial management of the ER-P. It also includes the monitoring and evaluation, safeguards implementation and monitoring, the MRV system and will finance the communication and awareness raising of the ER-P and REDD+.



SAFEGUARDS

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

The proposed ER Program area for Fiji will comprise of the islands of Viti Levu, Vanua Levu and Taveuni. With 1,045,309 ha of forest area on 1,685,742 ha of land, the program covers 90 % of the total land mass and 94 % of the forest cover in Fiji. Although there is general consensus that the current rates of deforestation and degradation are modest compared to that in some neighboring Pacific nations, Fiji has experienced significant forest loss and forest degradation in the past due to agriculture expansion, unsustainable commercial logging, expansion of infrastructure and settlement, fuel wood collection, invasive species and sugarcane and grassland fires.

Approximately 63% of the population of Fiji is indigenous, known as iTaukei. More than 80 percent of the total land area² is owned by iTaukei under communal ownership arrangements through traditional landowning groups called mataqali. Since the majority of iTaukei live in rural areas, they are mainly dependent on forest resources for food security, livelihoods such as small-scale agriculture, collection of fuel wood and non-timber forest products. The rights of iTaukei customary landowners are protected under national law. iTaukei landowners can lease their customary lands with government support and a benefit sharing mechanism to distribute rental payments equally amongst mataqali is in place. Although female and male mataqali members share equal land rights and equal payment benefits, dialogue around land tenure tends to be male-dominated. It would be important to ensure that the role of women in decision-making about land use, resource management and benefit sharing arrangements is mainstreamed into readiness and ERPD design. Furthermore, mechanisms to ensure all Fijians (including those of Indian descent) participate in and benefit from policy developments. Non-iTaukei do not typically own land and are most often leaseholders or agricultural workers with no rights to land and may be more vulnerable to large scale changes to land uses and tenure arrangements than the iTaukei landowners.

Since 2010 Fiji has shown strong commitment in addressing climate adaptation and mitigation given its high vulnerability to the impacts of anthropogenic climate change and disaster risks. The GoF identified 'no-regrets' options for key sectors, including forestry, that provide both climate mitigation and resilience benefits. In particular, the 2012 National Climate Change Policy identifies climate change impacts and areas for adaptation and mitigation for a broad range of sectors including forestry, agriculture, marine and fisheries, tourism and infrastructure. For forestry, improving land use planning processes that lead to sustainable forest management and reforestation/afforestation were identified as 'no regrets' options. Good agricultural practices, such as the use of fuel-efficient farming equipment, agroforestry, minimal soil tillage, reduced use of fertilizers and intensification of small scale commercial and subsistence agricultural activities were seen to increase carbon sequestration and reduce emissions whilst enhancing climate resilience. A significant achievement towards REDD+ readiness for Fiji is the effective integration of REDD+ related activities and strategies into national and sectoral policies and plans.

REDD+ activities will be implemented on sub-national scale, usually as community projects which are supported and administered by government and partners on a larger congregative level. The selection of priority project areas has been and continues to be based on REDD+ eligibility, carbon impact, biodiversity and livelihoods impact, and the interest of the owners and users in joining the program. Priority areas would for example be the degraded grassland areas for afforestation, combating fire regimes, or enhancing native forests bordering infrastructure, degraded forests and

² Estimates range from 83 to 88 percent.



grasslands. The program is likely to focus on improving sustainable approaches to logging, improving forest governance, introducing climate smart crops and agroforestry – and aim to reduce impact of some of the crops currently driving deforestation and forest degradation such as kava and, to a lesser extent, taro.

The REDD+ Readiness process presents a high level of risk, as it requires extensive stakeholder engagement and coordination at all levels, involves important changes to the existing institutional framework and policies. Although the ER program interventions consists of activities that would contribute to: reducing the pressure from the forests, community based livelihoods; land use planning and sustainable management of the forests, it is expected that the environment risks of the interventions will be minor compared to the anticipated benefits. Although formal grievance procedures for iTaukei land disputes are evident, this is not comprehensive or fully inclusive of all parties involved. As such, there is a risk of excluding Fijians of Indian descent, other ethnic groups, women, and vulnerable persons, including those without secure land tenure, or in situations where power imbalances exist.

Carbon rights and benefit sharing arrangements are currently being developed. The systems are likely to build on the existing land lease benefit sharing systems for customary land, where all members of the Matagali (men and women) receive an equal share of income.

The World Bank safeguards policies will apply to all activities supported by the ER program, irrespective of the source of finance.

B. Borrower's Institutional Capacity for Safeguard Policies

The national institutional capacity for implementing WB environmental and social safeguards continues to be enhanced. Fiji has robust environmental and social policies, laws and regulations. Furthermore, there are existing legal and regulatory frameworks relating to forest and other sectors that provide good basis for the governance in relation to REDD+. Effective coordination between relevant institutions across sectors and institutional capacity to implement policies, laws and regulations has been challenging and was analyzed during the SESA process with clear recommendations for institutional strengthening. A Safeguards Working Group is already in place and has been operational since 2009. This group has done considerable work on assessing social and environmental impacts/risks associated with REDD+. The national REDD+ Unit under the Ministry of Forests has been working closely with the Safeguards Working Group, Ministry of Environment and the National REDD+ Steering Committee to mainstream social and environmental issues in all the analytic work, combined with consultations required for the various activities funded under readiness. Moreover, the borrower has benefited from several capacity building trainings on SESA by the World Bank team since 2015 and their institutional capacity to implement safeguards for this operation to date has been satisfactory.

The Environmental and Social Management Framework will identify improvements to implementation arrangements for safeguards across the relevant institutions of Government and specifically the capacity of the REDD+ Unit to supervise the implementation and monitoring of safeguards instruments. Furthermore, the ESMF will provide a program for the client to strengthen the country systems for implementing and monitoring safeguards to ensure that the ESMF (including the RPF and RF) and the World Bank policies more broadly are integrated into all activities under the ER Program, regardless of the source of finance. This may involve multiple Ministries with roles and responsibilities for the ER Program, including Ministry of Finance, Ministry of Lands and Mineral Resources, iTaukei Lands Trust Board, Department of Environment and Ministry of Forestry. During the preparation of the ER Program design the Bank task team will also conduct a capacity assessment and will integrate institutional strengthening and capacity building tasks into the project budget and work plan.



The Bank will supervise the safeguards implementation at a systems level as the ER activities are not directly financed by the Bank.



C. Environmental and Social Safeguards Specialists on the Team

Ms. Penelope Ferguson, Sr. Environmental Specialist
 Ms. Haddy Sey, Sr. Social Specialist

D. Policies that might apply

| Safeguard Policies | Triggered? | Explanation (Optional) |
|-------------------------------------|------------|--|
| Environmental Assessment OP/BP 4.01 | Yes | <p>Overall, the project should have positive environmental benefits and the recommended Category is B. Activities associated with the operation aim to promote and encourage improvements in forest cover and composition, which will help to sequester carbon and decrease GHG emissions, protect habitats for biodiversity and improve environmental services. Any potential environmental impacts will be low, localized and manageable. Mitigation measures for these situations will be addressed in the ESMF.</p> <p>A draft Strategic Environmental and Social Assessment (SESA) has been reviewed by the Bank. The draft analysis of the social environmental and gender risks and impacts associated with the REDD+ strategy options is being improved. Furthermore, the national-level ESMF together with its accompanying instruments such as Resettlement Policy Framework, Process Framework and a gender action plan will be prepared after the finalization of the SESA report.</p> <p>The consulting team is working closely with the REDD+ Unit and other key stakeholders to improve the quality of the SESA. The final SESA is expected to be submitted in November 2018, along with the safeguards instruments.</p> <p>The ESMF will ensure that adverse environmental, social, and gender impacts are avoided or appropriately mitigated and/or compensated for. The specific purposes are to (i) establish clear procedures and methodologies for the environmental and social assessment, review, approval and implementation of interventions to be financed under the project; (ii) specify appropriate roles and responsibilities, and outline the necessary reporting procedures, for managing and monitoring environmental and social concerns related to program interventions; and (iii)</p> |



determine the training, capacity building and technical assistance needed to successfully implement the provisions of the ESMF.

The GoF will be required to implement and monitor safeguards across the ER Program in accordance with all Bank Policies and the ESMF, and the Bank will supervise the implementation at the programmatic level. The ESMF will contain relevant institutional strengthening requirements.

Activities proposed in the ER program area are expected to have significant positive environmental impacts to natural habitats due to a reduction in forest loss and forest enhancement. This policy is triggered given that the ER Program will work within a variety of terrestrial habitats, including mangroves. The Program will not involve the conversion of critical natural habitats. The SESA will evaluate the possible risks associated with interventions on forest habitats within protected areas, critical habitats as well as other sensitive terrestrial habitats. The draft SESA indicates that there is high endemism amongst the islands, and this unique forest biodiversity is threatened from habitat loss and degradation. Protected area management requires strengthening.

Natural Habitats OP/BP 4.04

Yes

The ESMF will include provisions to assess possible impacts prior to any actions being undertaken on the ground as well as institutional strengthening to comply with this policy and the ESMF. This policy will help ensure that the interventions in the ER program area take into account biodiversity conservation as well as the conservation of critical natural habitats. Fiji has in place a national biodiversity strategy which will be integrated into the implementation of the ER program.

This policy will be triggered because most actions and specific activities under the ER-Program will be implemented in areas characterized by forest ecosystems. REDD+ activities in forest lands aim to reduce deforestation and forest degradation, enhance the environmental services contribution of forested areas, promote reforestation, reduce poverty, and encourage economic development. Critical issues related to forest governance, biodiversity protection,

Forests OP/BP 4.36

Yes



| | | |
|--|-----|---|
| Pest Management OP 4.09 | Yes | <p>land tenure/customary rights are assessed through SESA and potential negative impacts will be addressed in the ESMF along with activities to strengthen the relevant Government institutions and stakeholders to comply with this policy and the ESMF.</p> <p>This policy was triggered since it is conceivable that some forestry, agricultural and livelihood activities supported by activities under the ER-Program will involve the use of pesticides. Impacts and risks of any potential use of chemicals in forest management, agriculture and other activities, if needed, will be mitigated through actions in the ESMF. This will include Integrated Pest Management approaches for agricultural projects that use or promote the use of pesticides.</p> |
| Physical Cultural Resources OP/BP 4.11 | Yes | <p>This policy will be triggered since some forest areas where ER-Program activities will be implemented might be considered important cultural, spiritual, archaeological and historical places. Many activities will be carried out by communities on their own custom land, where they are also custodians of their own heritage and cultural resources. However, in cases where there may be risks to damage or destruction of Physical Cultural Resources, the ESMF will contain measures to ensure the appropriate measures are adopted in order to protect them. The ESMF will include institutional strengthening activities in the GoF to comply with this policy and the ESMF within their country systems.</p> |
| Indigenous Peoples OP/BP 4.10 | Yes | <p>The Emission Reductions Program is likely to generate significant social benefits to include benefits for Indigenous Peoples (iTaukei) where the ERP program implementation will occur predominately on the customary lands of Indigenous Peoples. The application of this policy will ensure that consultations regarding REDD+ Strategy Options and ERPD program interventions are culturally appropriate and inclusive, and provide evidence of broad community support for REDD+ activities on their lands. The REDD+ Unit will continue to consult with iTaukei and non- IPs (mainly Fijians of Indian descent) to ensure that they participate in, and benefit from REDD+ activities in a culturally appropriate way and that adverse impacts on them are avoided, or where not feasible, minimized or mitigated. As a key process to ensure this policy requirement, Free, Prior and Informed Consultation will be conducted with</p> |



affected iTaukei and their broad community support to the project would be ascertained.

An Indigenous Peoples Policy Framework will not be prepared as the majority of beneficiaries would be Indigenous Peoples. Elements of an Indigenous Peoples Policy Framework will be incorporated into the ERP, ESMF and RPF. The ESMF will include provisions for ensuring that the design of ERP activities would integrate the elements of project-specific Indigenous Peoples Plan, and will include institutional strengthening activities as necessary to incorporate the ESMF and the requirements of this policy into their country systems for ER Program activities.

While no land acquisition will be carried out under the ERP, it is conceivable that local population's access to forests, forest products, forest reserves, forest management areas or protected areas could be restricted and, although unlikely, the possibility of resettlement cannot be completely discounted at this time. Such impacts would be avoided to the extent feasible, or minimized and mitigated if they are unavoidable. The SESA will assess and identify all potential issues related to involuntary resettlement and access restriction, and the ESMF will include a Process Framework (PF) and a Resettlement Policy Framework (RPF). The PF and RPF will include institutional strengthening activities as required to integrate the policy requirements into the country systems relevant for ER Program activities.

The draft SESA has identified that the majority of land is iTaukei or custom-owned land, with separate land administration for iTaukei land and State and freehold land. Lease arrangements and benefit sharing arrangements for the use of iTaukei land are clear, and are administered by a Trust Board. Benefits are shared equally amongst individuals of a land-owning unit (Mataqali).

The ERP activities will not involve the construction of, nor will be affected by, new or existing dams.

Project will not affect international waters.

Project will not involve disputed areas.

Involuntary Resettlement OP/BP 4.12 Yes

Safety of Dams OP/BP 4.37 No

Projects on International Waterways
 OP/BP 7.50 No

Projects in Disputed Areas OP/BP 7.60 No



E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

January 2019

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

A revised SESA and ESMF (including a Process Framework and Resettlement Policy Framework) will be presented in December 2018.

CONTACT POINT

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APPROVAL

| | | | |
|---------------------------|---------------|-------------------------------|-----------|
| Task Team Leader(s): | Anis Wan | <i>Anis Wan</i> | 9/30/2018 |
| Approved By | | | |
| Safeguards Advisor: | Peter Leonard | <i>for [Signature]</i> | 10/03/18 |
| Practice Manager/Manager: | Iain Shuker | <i>[Signature]</i> | 10/03/18 |
| Country Director: | Michel Kerf | <i>Mona Sun</i> Acting CD. | 10/04/18 |