

STREP RESETTLEMENT PLAN EXECUTIVE SUMMARY

The Government of Kiribati (GoK) plans to implement the South Tarawa Renewable Energy Project (STREP) with assistance from the Asian Development Bank (ADB). The Project will enable the installation of 5 MW of solar PV, and 13.0 MWh battery energy storage system (BESS), associated network connections and modern control systems on the Bonriki Water Reserve. The Project will also include assistance in regulatory reforms, particularly drafting of the Energy Act, and institutional capacity building support, for PUB, MISE and other agencies including through the Project Management Unit (PMU) and Project Implementation Consultant (PIC). The overall Project objective is to increase access to a reliable supply of affordable electricity for the residents of South Tarawa.

This Resettlement Plan has been prepared to address potential impacts on land and/or assets associated with the installation of the physical investments for solar power generation and storage in the Bonriki Water Reserve. The Resettlement Plan complies with ADB SPS Safeguard Policy Statement 2009 and national laws and regulations. The project is categorized under ADB's SPS as Category B for involuntary resettlement (IR). This resettlement plan was prepared commensurate with the nature of the impacts.

Land Requirements. STREP will require 5.3 hectares for the 5 MWp PV array, batteries, office and reception areas to be located at the Bonriki Water Reserve, within land currently leased by the government. The Water Reserve is a critical natural asset for South Tarawa. Converting grassland and tree-covered green space to solar PV arrays will have a net benefit on the infiltration rates of rainwater into the Bonriki freshwater lens. The project will help to reduce the decline in water availability and water quality, as well as avoid the risk of further encroachment of incompatible land uses and contamination. As a result, the government has earmarked an additional seven hectares of land next to the STREP site for future PV field expansion. As STREP will be conducting extensive consultations with the landowners regarding the project and the compensation of affected trees and assets, the government has indicated that the resettlement related impacts for the entire 12.3 hectares be included in this Resettlement Plan, and will ensure ADB's safeguards policies is applied to the entire 12.3 hectares. Additional consultations, a socioeconomic survey of all surrounding households and relevant impact assessments, have been conducted on the use of the Water Reserve by the nearby households with the findings informing this Resettlement Plan. The compensation and clearing of trees and fencing of the entire 12.3 hectares will be completed before the start of on-site construction.

Resettlement Impacts. The Project will utilize land within the Bonriki Water Reserve, which is currently leased by the Government. There are 16 land plots affected, one of which is under dispute. Ownership of the 15 undisputed land parcels is shared by 145 individuals. There will be no physical displacement impacts caused by the project. There is one informal settler household within the 12.3 hectares, however the STREP project will avoid impacts to structures, assets, and a cemetery belonging to this household.

Economic displacement is limited to the following:

- (i) loss of standing productive trees, in 16 affected land parcels. An inventory of losses was compiled with MELAD's assistance in November 2020, and confirmed by a recount in April 2021. The confirmed value of the standing trees is AUD 59,358.00 using current Government approved rates for compensation. The trees are owned by the landowners. For disputed lands, compensation for trees will be paid into an escrow-like bank account, until the dispute is resolved by the courts;
- (ii) loss of access to two water wells used by four households; and
- (iii) loss of access by the surrounding community to natural resources, including biomass (firewood) for cooking fuel, leaves and tree trunks used for traditional building materials, toddy and fruit.

Legacy Issues. Several reports noted that the initial land acquisition by colonial administrators via eminent domain was not widely supported by traditional landowners. GoK's decision to initiate the leasing of lands from landowners following independence in 1995, was made in this context. Bonriki landowners' dissatisfaction continued unabated according to some reports, over lease rates and the acquisition and compensation received for the airport land. A 2009 KAP II report noted the same concerns and landowners' displeasure, linking acts of vandalism of PUB facilities in Bonriki (both in the reserve and the airport) to them. Cognizant of these concerns, MELAD completed a review of lease rates in early 2020 in consultation with landowners. In 2021, the new land lease rates came into effect and was doubled. This legacy issue will continue to be monitored by PUB and MELAD.

Cut-Off date and inventory of losses. ADB Safeguards Policy 2009 requires that a cut-off date is announced publicly before the inventory of losses is carried out. The Cut-Off date is the last date after which any crops planted, or physical assets constructed or installed in the project area will not be eligible for compensation. The Cut-off date for STREP was 23 November 2019, announced in a community meeting in Bonriki on the same day.

The initial Inventory of Losses (IOL) was carried out on the 24 November 2019 by MELAD personnel. A recount was carried out on the 12- 21 April to confirm the initial results. The recount adjusted the number of trees affected from the initial count of 638 to 760. The only other assets affected are two water wells used by four households living outside the site.

A socioeconomic survey of all (100%) households in the Bonriki, Te Kawai ae Boou and Anraei communities surrounding the STREP site was carried out from 4 – 9 April 2021. There are 502 households with a total population of 2,925. The survey identified key features of this population and the likely social impacts the project will have on their well-being. The survey results confirm the general state of abject poverty faced by many households as widely reported by both GoK and international development agencies. For the surveyed population, the following findings stood out: (i) 63% of households in surveyed communities subsist on a monthly income of less than AUD500.00; (ii) 82% of all households depend on the various social protection schemes such as the Support Fund for the unemployed, Disability Support Allowance and Senior Citizens fund as their main source of income; (iii) 50% and 24% have access to PUB supplied electricity

and water respectively; and (iv) 36% of all households rely on the project site as a source for biomass for firewood, construction materials and food. These issues are incorporated into the overall project design and this updated RP, with a number of mitigating measures proposed to alleviate them.

Disclosure and Consultations. This Resettlement Plan was prepared between October 2019 and October 2021, the extended duration reflecting the restrictions the COVID 19 pandemic imposed on the TA's ability to travel and be on-site to gather planning information and to consult relevant stakeholders. Stakeholder consultations pre-COVID 19 included six face-to-face meetings with affected villages done through public consultations and individual household meetings. Additional consultations were also conducted with several key government agencies, non-governmental organizations, and individual households. Face-to-face discussions were also carried out with selected households in five communities, the one household and informal settler living in the site and with a 20-household sample surveyed in northern Bonriki. The full socioeconomic survey carried out in April 2021 is the latest engagement with affected households to finalize this RP. Following ADB approval of this updated document, the RP will then be disclosed publicly through workshops, local media and on the relevant ADB and GoK websites.

Grievance Redress Mechanism. The project is implementing a Grievance Redress Mechanism to resolve all complaints related to the project. The Grievance Redress process pays specific attention to complaints lodged by women, to ensure fair and equal treatment. Affected persons are entitled to lodge complaints regarding any aspect of the preparation or implementation of the Resettlement Plan without prejudice to gender or socio-economic position.

Resettlement Budget. A Resettlement Plan budget for financial compensation and other resettlement measures is estimated at AUD156,773.85, including contingency costs. This includes financial compensation for 145 confirmed beneficiaries who share the ownership of the trees located on 15 of the 16 land parcels affected, compensation for affected trees on the disputed plot, (which will be deposited into an escrow-like account pending confirmation by the Court of the legal landowners) and the procurement of three water storage tanks and accompanying materials/fittings for three affected households. It also includes an allocated cost for an enrichment tree planting program, within the 20m buffer zone along the northern and western ring road boundary.

Implementation agencies. The preparation and implementation of the updated Resettlement Plan will be the responsibility of the PUB with the assistance of MELAD. The Ministry of Finance and Economic Development (MFED) will provide the funds to MELAD based on the updated Resettlement Plan for the payment of compensation entitlements to all confirmed beneficiaries, and the funding of other land-based resettlement measures. The PUB (PMU) will also provide appropriate capacity building to selected PUB and MELAD personnel to support RP implementation and monitoring.

Monitoring. This updated Resettlement Plan, once approved, will be uploaded to the ADB website. PUB will monitor its implementation, prepare semi-annual safeguard monitoring reports to be submitted to ADB and have it disclosed on the ADB website. PUB will prepare a Compensation Completion Report once all compensation payments and assistances have been provided to identified affected persons and submit this report, prior to the commencement of civil works.