

Environmental and Social Monitoring Report

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Nauru: Solar Power Development Project

Prepared by Nauru Utilities Corporation for the Government of Nauru and the Asian Development Bank (ADB).

TABLE OF CONTENTS

	PAGE
I. INTRODUCTION	1
II. PROJECT OVERVIEW	1
2.1 Background	1
2.2 Project safeguards categorization and approval	2
2.3 Compliance with national regulations and international standards	2
2.4 Brief project description	3
2.5 Progress during this reporting period	3
III. KEY ACTIVITIES JULY TO DECEMBER 2023	4
IV. APPROACH AND METHODOLOGY FOR MONITORING	8
V. ENVIRONMENTAL AND SOCIAL MONITORING	8
5.1 EHS daily monitoring checklists	8
5.2 EHS weekly auditing checklist and additional weekly visits	8
5.3 EHS fortnightly status updates	9
5.4 EHS summary	9
5.5 Summary of key observations of improvement opportunities and non-conformances	11
5.6 Recommendations	14
5.7 Capacity building and training records	15
5.8 Stakeholder engagement and community consultation	15
5.9 Grievance redress mechanism and register	16
5.10 Land leases and payments	16
VI. CONCLUSION	16
APPENDIX A – PROJECT SPECIFIC COVENANTS: SAFEGUARDS	18
APPENDIX B – DAILY MONITORING CHECKLISTS, WEEKLY AUDIT CHECKLISTS AND HOLD POINT CHECKLISTS	20
APPENDIX C – FORTNIGHTLY STATUS UPDATES AND PHOTOS	21
APPENDIX D – NON-CONFORMANCES	22
APPENDIX E – MEETING MINUTES FROM IN-COUNTRY VISITS	23

TABLES

Table IV-1. Monitoring, auditing, and reporting schedule for site preparation activities	8
Table V-1. July to December 2023 EHS key indicators summary	10

FIGURES

Figure II-1. Site location and layout	2
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ABBREVIATIONS

ABF	–	Australian Border Force
ADB	–	Asian Development Bank
BESS	–	Battery Energy Storage System
CEMP	–	Construction Environmental Management Plan
CHEC	–	China Harbour Engineering Company Ltd
CLO	–	Community Liaison Officer
CSS	–	Country safeguard systems
DCIE	–	Department of Commerce, Industry, and Environment
DEMA	–	Department of Environment, Management and Agriculture
EMP	–	Environmental Management Plan
EHS	–	Environment, Health & Safety
ESHO	–	Environmental Safety and Health Officer
GHD	–	GHD Limited
IEE	–	Initial Environmental Examination
IES	–	International Environmental Specialist
LES	–	Local Environmental Specialist
MFAT	–	Ministry of Foreign Affairs and Trade
NRC	–	Nauru Rehabilitation Corporation
NUC	–	Nauru Utilities Corporation
PIC	–	Project Implementation Contractor
PPE	–	Personal Protective Equipment
RPC	–	Regional Processing Centre
SEMP	–	Site-specific Environmental Management Plan
SMR	–	Safeguards Management Report
SPS	–	Safeguard Policy Statement 2009
UXO	–	Unexploded ordnance

WEIGHTS AND MEASURES

kW AC	–	kilowatts air conditioner
MW	–	megawatt
MWh	–	megawatt hour
W DC	–	watts direct current
m	–	meter

NOTE{S}

- (i) The fiscal year (FY) of the Government of Nauru and its agencies ends on 30 June. FY before a calendar year denotes the year in which the fiscal year ends, e.g., FY2011 ends on 30 June 2011.
- (ii) In this report, "\$" refers to United States dollars unless otherwise stated.

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I. INTRODUCTION

1. This report is the ninth semi-annual Environmental and Social Safeguards Monitoring Report (SMR) for the Solar Power Development Project, financed by the Government of Nauru (the government) and the Asian Development Bank (ADB). The SMR covers the period of construction and installation works between July 2023 to December 2023. The works are being undertaken by the China Harbour Engineering Company Ltd (CHEC) and HNAC Technology Co., Ltd. (HNAC), on behalf of Nauru Utilities Corporation (NUC) as the implementing agency. GHD has been engaged as the Project Implementation Contractor (PIC) role, to support NUC in the implementation of the construction contract and delivery of the project.

2. Prior to the construction and installation works, site clearance and preparation activities were undertaken by the Nauru Rehabilitation Corporation (NRC). The implementation of environmental and social mitigation measures for the site clearance and preparation works was guided by the site-specific environmental management plan (SEMP) prepared by NRC and reviewed and cleared by Department of Commerce, Industry, and Environment (DCIE) and ADB. The site clearance activities were reported in the following previous SMRs:

- a. ADB Semi-annual Environmental and Social Safeguards Monitoring Report – July to December 2019 (dated January 2020)
- b. ADB Semi-annual Environmental and Social Safeguards Monitoring Report – January to June 2020 (final dated February 2021)
- c. ADB Semi-annual Environmental and Social Safeguards Monitoring Report – July to December 2020 (final dated February 2021)

3. The purpose of the SMR is to report on the status of NUC's compliance with the overall safeguard's commitments and to follow-up on CHEC and HNAC's implementation of environmental and social mitigation measures for the construction and installation works, as stated in approved project documents.

II. PROJECT OVERVIEW

2.1 Background

4. The Solar Power Development Project comprises the installation of a 6.0 megawatt (MW) solar array combined with a 2.5 MWh/5.0 MWh BESS. The project requires the installation of 15,360 solar panels (240 x 455 W DC and 14120 x 450 W DC panels) and 106 string inverters (60 kW AC). The panels, batteries and inverters are imported and transported into Nauru by sea.

Figure II-1 shows the site location.



Figure II-1. Site location and layout

5. Due diligence assessments were undertaken during preparation of the project, and instruments setting out the safeguard's risks and impacts and how these were to be mitigated were approved by the government and ADB.

6. The instruments were prepared in accordance with ADB's country safeguard systems (CSS) and *Safeguard Policy Statement 2009* (SPS) and identify the mitigation and monitoring requirements and processes.

2.2 Project safeguards categorization and approval

7. The project was categorized as a Category "B" project as per ADB's SPS. The Initial Environmental Examination (IEE) (May 2017) for the project was conducted in compliance to the SPS. The IEE was approved by the DCIE in June 2019.

2.3 Compliance with national regulations and international standards

8. The project is governed by the applicable laws and regulations of Nauru and ADB's SPS. The IEE (2017) states all relevant Nauruan environmental and other legislations applicable to the project. It is noted that the Nauruan *Environmental Management and Climate Change Act 2020*, came into force following preparation of the IEE. This Act includes the following pollution control and waste management requirements which are relevant to the project:

- a. (clause 30 (1)) – All litter shall be placed in a contained manner, separate from vegetation material and in a place where it can be collected for disposal.
- b. (clause 33 (1)) – Any substance containing plastic, or any hazardous material shall not be disposed of by burning.

- c. (clause 35 (1)) – No person shall cause or allow the discharge of any substance, waste or hazardous waste into a body of water that; (a) results in a change in the physical, chemical or biological condition of the water; (b) causes a visible change to the water or surface of the water; (c) makes or is likely to make the water detrimental to the health or safety of persons, property, animals or plants; or (d) interferes with or is likely to interfere with, the exercise or enjoyment of any person’s right in relation to the water.
- d. (clause 36 (1)) – No person shall discharge any hazardous wastes, chemicals, oil or mixture containing oil into any place.

9. As of December 2023, no issues have been observed around conformance to national regulations or international standards. Contaminated soil generated during construction was stored in a tarp lined area. An appropriate method of rehabilitating this soil was discussed and agreed upon with DCIE, Department of Environment, Management and Agriculture (DEMA) and NRC. The contaminated soil was removed from the site by NRC for off-site remediation in July 2023.

2.4 Brief project description

10. The scope of works for the construction and installation works by CHEC and HNAC comprise the following key steps:

- a. Preparation and approval of all project documentation, including detailed design, quality management plan, construction environmental management plan (CEMP) including health and safety management plans and environmental and social management plans.
- b. Site establishment and preparation on the project site, including the installation of a site office and laydown areas, fencing, environmental and traffic controls and site fencing.
- c. Construction of a campsite for the accommodation of the up to 44 foreign workers in the southwest of the project site.
- d. Excavation (to a maximum depth of about 1.5 – 2.0 metres below ground surface), and construction of the structural foundation for the solar inverters and building.
- e. Installation of underground cabling (trenching)
- f. Installation of PV panels
- g. Installation of PV modules
- h. Installation of Combiner boxes
- i. Installation of PV Inverters
- j. Installation of 11kV Step-up substation (including battery energy storage system)
- k. Site demobilisation consisting of removal of all temporary construction facilities, equipment and waste, and rehabilitation of any disturbed areas not being used for the solar farm.

2.5 Progress during this reporting period

11. During this reporting period construction of the MV pits was completed, as was the installation of the solar panels to all areas. The switchgear room, guardhouse and site fencing

was completed. Trench excavations for cabling and installation of solar panels continued. AC and DC conduits were installed. MV and LV pit installation also continued.

III. KEY ACTIVITIES JULY TO DECEMBER 2023

12. **Scope of this SMR.** This report presents the status of the compliance of the project with required environmental and social safeguards for the period July to December 2023. Appendix A contains the safeguards covenants and the status of each. This is the ninth SMR and its scope is to assess the compliance status on the environmental and social safeguards as per the loan agreement; this SMR is the sixth report covering the construction and installation activities.

13. The assessment of compliance focuses on the implementation of the CEMP and sub-plans prepared by CHEC to appropriately minimise and mitigate environmental and social impacts that may occur during the construction and installation works. Key activities undertaken during the July to December 2023 period are summarised below. Meeting minutes from meetings taken with external stakeholders, and training logs from training sessions run during this period are provided in Appendix E.

July 2023

- The 11kv switchgear room and guardhouse had external and internal installations completed. CHEC continued to install solar panels across most areas. MV and LV pits were constructed. Water tank 1 and 2 were connected to the solar panel water collection systems.
- GHD's IES, Ms Evie Packett, and design engineer Mr Oliver Wishart visited Nauru and worked from site between 3 July to 7 July 2023. During the in-country visit numerous safety, constructability and environmental issues were identified and discussed. A number of meetings with relevant stakeholders were undertaken. Meetings were also undertaken with the CLO (to discuss work plan and outstanding actions) and with CHEC (to discuss back pay issue).
- Contaminated soil was removed from the site on 25 and 26 July and disposed of by NRC.
- One non-conformance was issued to CHEC on 17 July 2023 for the following issue:
 - NCR017 – Approved Project Workers and Correct Pay. Worker overtime and super pay complaints are not being addressed adequately. Workers need to be paid for all worked hours ASAP.
- Twelve employees were handed termination notices on 29 July 2023. Nine were terminated based on disciplinary action with the remaining three terminated as services were no longer required.
- The following IRs were reviewed by GHD and closed out:
 - IR concrete spill - LES reported a concrete spill on 6 July 2023.

August 2023

- CHEC continued to install solar panels. Electrical cabling of the solar arrays was about 85% complete. Underground conduit installation across the site was completed. The 11kv switchgear room's external and internal installations were completed. MV pits

were constructed with final rendering also completed. Inverter foundation excavations progressed in a number of areas.

- CHEC were issued contractual correspondence on 2 August 2023:
 - CC027 - Local Worker Dismissal. CHEC were requested to investigate this matter to ensure all aspects of Nauruan law and their Labour Management Plan were met and grievances were addressed.
- Three workers subsequently submitted grievances regarding a range of issues including their abrupt dismissal, site safety, bullying and being punished for complaining. The three grievances received in August, Grievance Case No. 03, 04 and 05, are included in Appendix D.
- Haseldon Buraman was selected for the role of the LES (replacing Tyrone Deiye).
- Site security was an ongoing issue with the boom gates regularly being unmanned.
- There were seven incidents reported in August 2023, six of these were concrete spills. The need to clean up spills immediately was discussed with workers in toolbox talks and CHEC was reminded during the fortnightly meeting. This is required to meet the CEMP, the contract and Nauruan Law.
- The following IRs were reviewed by GHD and closed out:
 - IR cleanliness incident - LES reported deterioration of cleanliness across the site on 24 August 2023.
 - IR concrete spill - a spill identified by the LES that occurred on 23 August 2023 at the second entrance in Area D.
 - IR concrete spill - a spill identified by the LES that occurred on 23 August 2023 at the switch gear building in Area D.
 - IR concrete spill - a spill identified by the LES that occurred on 23 August 2023 in Area E.
 - IR concrete spill - a spill identified by the LES that occurred on 23 August 2023 at the old concrete mixer.
 - IR concrete spill - a spill identified by the LES that occurred on 15 August 2023 in the concrete mixer area.
 - IR concrete spill - a spill identified by the LES that occurred on 15 August 2023 in the material stockpile area.
- Issues regarding site cleanliness and maintenance were observed as were issues with the fuel depot shed and storage of fuels.
- Fuel depot sheds required repair to roofing to ensure the depot was weatherproof.

September 2023

- Foundations for the inverter and combiner boxes were prepared. The MV pits were constructed and rendering was complete. LV cables were installed across the site. Interconnector and field feeder cables in Area E were also installed. The BESS foundation was completed.
- IMF delegation visited the project site on 12 September 2023.

- PIC team member Mathew Jones (Project Manager) arrived in Nauru and worked from the site office between 25 September to 29 September 2023 and held a number of meetings with internal and external stakeholders to identify and resolve issues. This included a meeting with the CLO (who did not attend) and with workers who raised grievances.
- A stakeholder engagement meeting was held with RPC on 22 September 2023 to talk through any issues of relevance.
- Security services were inconsistent and then ceased operating on 19 September 2023.
- The following IRs were reviewed by GHD:
 - IR oil spill - there was an oil spill near the kitchen fuel storage area on 22 September 2023. This occurred when the chef was refilling the kitchen drum, resulting in overflow and leakage onto the ground.
 - IR concrete spill – A concrete spill was observed on 22 September 2023 near the concrete mixing area requiring removal of contaminated land.
- Issues regarding site cleanliness and maintenance were observed.
- Site maintenance of vegetation was noted as being required across the site. Large weeds are growing throughout the site and the solar array. Weeds were also covering safety signs, including speed limit and project signs. Large rocks underneath and around solar panels also required removal.

October 2023

- Preparations for the inverter foundations were completed and the remaining cables were pulled through. No other notable work was performed due to a lack of materials.
- Procurement training was conducted on 17 October 2023. There were nine participants, with eight women.
- On 24 October 2023 NUC Management visited site.
- During this month the CHEC translator stopped attending toolbox talks to translate instructions. Lack of adequate project communication impacted multiple environmental safeguard management areas and the completion of documentation in an accurate and timely manner.
- There was a break-in at the site during the night of Tuesday 17 October 2023. Security fencing in Area A at the back of the camp site was cut through and items were stolen from the secured storage containers.
- The provision of security services was partially addressed with 24/7 security services operating on site from 20 October 2023 however issues required resolution.
- During October 2023 heavy rains were experienced leading to erosion within the solar farm.
- Contractual correspondence 29 was issued on 26 October 2023:
 - CC029 – Provision of a CLO to perform role on the Nauru Solar Farm Project. The CLO has been non-contactable for at least two months, and hasn't been performing role adequately since July 2023.
- The following incident reports (IR) prepared by CHEC in September 2023 were reviewed by GHD and closed out:

- IR diesel spill in Kitchen Fuel Area on 22 September 2023.
- IR concrete spill in Area D on 22 September 2023.
- A stakeholder engagement meeting was held with RPC on 30 October 2023.

November 2023

- Concrete foundations for the solar inverters and combiner boxes were poured. Cable pulling progressed in readiness for the combiner boxes and solar inverters.
- Security issues continued on site. Security guards were regularly not on site and access to the solar farm was not being controlled. The boom gate was regularly left open.
- On 28 November 2023 NUC management visited site to assess progress of the solar farm project.
- Deliveries were made to site on 29 November 2023 following customs clearing the shipment of solar inverters and combiner boxes that landed in Nauru.
- A stakeholder engagement meeting was held with RPC on 30 November 2023.

December 2023

- Foundations for the solar inverters and combiner boxes were poured. AC Combiner boxes were installed in all areas with cabling yet to be completed.
- No CLO attended site or performed duties. There has not been a CLO working on the project since July 2023.
- Security services continued to not secure the site. Unregistered and unauthorised visitors were found on site by the LES.
- Translation services were interrupted on site with the departure of certain CHEC staff. As this is a safety issue, the matter was escalated to CHEC senior management to be addressed. A non-conformance was also raised (see below).
- Issues regarding site cleanliness and maintenance were observed.
- There was inconsistent waste management on site during December.
- One non-conformance was issued in December:
 - NCN – 019 Loss of Translation Services during toolbox meetings. The loss of translators is a safety issue as communication about upcoming tasks and environmental and safety concerns isn't possible. CHEC were reminded English is the project language and this needs to be rectified immediately.
- The following IRs were reviewed by GHD and closed out:
 - IR concrete spill - a concrete spill was observed near Area D on 13 December 2023.
 - IR concrete spill - a concrete spill was observed near Area A during transportation of wet concrete on 18 December 2023.

IV. APPROACH AND METHODOLOGY FOR MONITORING

14. Monitoring has been undertaken and compared against the objectives of safeguards set out in the IEE's EMP upon which the CEMP and associated management plans have been developed; these are to avoid and/or minimise environmental and social impacts from the camp site and project site construction works. To monitor compliance with the CEMP, SEMP and associated plans and CHEC's performance, the following monitoring, auditing and reporting are ongoing throughout the works:

Table IV-1. Monitoring, auditing, and reporting schedule for site preparation activities

Person responsible	Type of monitoring, audit, or progress reporting	How often?
LES	Completes the daily site checklists three to four times a week and weekly audit checklist. Coordinates remotely with the International Environmental Specialist (IES).	Several times during week/ Weekly
IES	Undertakes calls as required, and weekly catch ups with the LES, social and gender safeguard specialists and PIC Project Manager.	Weekly and as required
IES	Reviews daily and weekly checklists, site visit notes and provides safeguards input into fortnightly status updates that are submitted to NUC and ADB.	Fortnightly
PIC Engineer	Weekly updates and photos logs of project construction and progress including all engineering specifications.	Weekly

V. ENVIRONMENTAL AND SOCIAL MONITORING

5.1 EHS daily monitoring checklists

15. The LES completes daily site checklists to identify any obvious non-conformances or areas where improvements are required. The focus of the daily checklist is to visually observe any potential behaviours on the site which are indicative of environmental and social safeguards not being implemented. Refer to Appendix B for the completed daily site checklists for the reporting period. A change in LES personnel saw some inconsistency of checklists provided during this reporting period. However, site visits were still undertaken frequently to confirm compliance and fortnightly meetings were attended. Regular discussions with the IES during this period enabled issues to be discussed and compliance checked.

5.2 EHS weekly auditing checklist and additional weekly visits

16. The LES completes weekly auditing checklists to identify non-conformances and provide feedback and recommendations to CHEC's ESHO. The weekly checklist allows for a more detailed audit of CHEC's procedures, including the review of documentary evidence to ensure compliance with the CEMP, SEMP, and associated plans. Refer to Appendix B for the completed weekly monitoring checklists for the reporting period. Note this is a live document

that continues to be updated as different issues and associated mitigation measures are identified.

5.3 EHS fortnightly status updates

17. The IES undertakes review of daily and weekly checklists and site visit notes provided by the LES, to monitor compliance with the CEMP and associated plans and provide recommendations and capacity building to the LES. These are undertaken fortnightly, and a status update of these reviews is emailed to ADB and NUC. The number of fortnightly reviews appears low, however, the majority of status updates were provided for multiple weeks, ranging from two to five weeks with the majority of the reporting period covered by the fortnightly reviews, with one exception of six weeks during July 2023 and early August 2023. Meetings with the CHEC and NUC were generally held fortnightly during this reporting period. Refer to Appendix C for a record of the fortnightly reviews emailed to ADB and NUC, including photos showing progress of works or issues identified.

5.4 EHS summary

18. **Table V-1** provides a summary of the key indicators being tracked during the solar farm construction works.

Table V-1. July to December 2023 EHS key indicators summary

EHS Key Indicators	Month (no.)						Total
	July	August	September	October	November	December	
No. of daily checklists completed	14	16	16	11	15	17	89
No. of weekly audits completed	4	4	4	4	4	5	25
No. of fortnightly reviews completed*	0	1	1	1	2	2	7
No. of environmental incidents reported by CHEC	1	7	2	0	0	2	12
No. of grievances registered	0	3	0	0	0	0	3
No. of non-conformances raised	1	0	0	0	0	1	2
No. of Contractual Correspondences raised	0	1	0	1	0	0	2

*Some fortnightly reviews covered a period of up to five weeks.

5.5 Summary of key observations of improvement opportunities and non-conformances

19. Key observations of improvement opportunities noted by the LES during site visits and the IES during fortnightly reviews were communicated to the CHEC Site Supervisor or ESHO either as they occurred, or during fortnightly meetings held with CHEC, NUC, ADB and the PIC. Improvement opportunities were also communicated via fortnightly status updates issued by the IES to ADB and NUC as actions for the LES to follow up on during their weekly audits. The LES then confirmed if these actions had been closed out and the status updates were either updated accordingly to show these actions were closed out or the status of the actions continued to be monitored. Refer to Appendix C for evidence of the action status issued with fortnightly updates.

20. Non-conformances were noted by the LES during site visits and spot checks and were communicated to the PIC as they occurred. Formal non-conformance notifications were immediately issued to CHEC, who were then required to investigate why the non-conformance occurred and provide corrective actions to ensure the non-conformance would not be repeated. Refer to Appendix D for copies of the non-conformances issued in this reporting period and CHEC's responses (when received).

21. It was noted that the on-site reality of a number of CHEC's CEMP and SEMP commitments are not being met and required resolution through discussions and correspondence with the PIC. Key observations, improvements and non-conformances noted are summarised below.

- **Provision of Essential Personnel** – during this reporting period essential personnel required by the contract have not been provided consistently, in particular a CLO and translation services. The CLO had not attended site or undertaken work obligations since July 2023. Repeated attempts by PIC and CHEC have not resulted in the CLO undertaking their work duties. This issue was discussed in each fortnightly contractor meeting as it's a critical requirement of the CEMP to communicate and manage stakeholder liaison for the project. As CHEC have not rectified this situation, contractual correspondence 29 was issued on 26 October 2023. This issue remains unresolved by the close of this reporting period (December 2023).

Similarly, regular translation services have not been provided on site. This is critical at toolbox talks when matters of work requirements, safety and environmental safeguards are discussed with all workers on site and potential hazards are raised. The lack of translation services has been repeatedly raised by the PIC in fortnightly contractor meetings with CHEC to be addressed immediately. Despite these requests, CHEC have not provided consistent translation services onsite. The lack of translation services had also impacted communication between the LES and ESHO on matters of environmental safeguards, especially documentation requirements. A non-conformance (NCR19) was raised on 21 December 2023 as this issue is yet to be addressed.

- **Employee relations** – In July 2023, 12 employees were terminated, nine on the basis of disciplinary action with the remaining three as services were no longer being required. Three grievances were raised in relation to these terminations. The PIC raised these issues with CHEC through meetings and contractual correspondence (CC027) on 2 August 2023. Ultimately the grievances were provided to the steering committee and

ADB. The grievances have since been escalated to the appropriate Nauruan government department to be reviewed and addressed if necessary.

The PIC has raised concern that the gender equality targets for the project are not being met with few women being employed on the project. CHEC was requested to provide a report on the number of women employed both on and off site that are associated with the solar farm project.

- **Worker health and safety** – there have been direct and indirect issues with worker health and safety during the reporting period. A lack of PPE continues to be an ongoing issue for workers onsite. PPE has been removed from local workers following toolbox talks by CHEC and some workers have also been removing their PPE in hot weather. The PIC has raised the importance of PPE to all workers on site on regular inspections and during toolbox talks. The PIC has also raised this issue regularly with CHEC at fortnightly meetings and the LES continues to monitor and address this issue through onsite education and awareness raising.

The lack of translation services also had an indirect impact on worker safety. With safety issues not being effectively communicated during toolbox talks local workers do not understand work tasks and potential hazards adequately. The lack of a translator also prevents workers being able to raise concerns or clarify their understanding of site conditions and requirements. The PIC had repeatedly raised these issues at fortnightly meetings and a non-conformance (NCR19) was raised on 21 December 2023 following the ongoing lack of translation services onsite, which is a contractual requirement.

- **Security/site access** – Provision of security services was an ongoing issue for this reporting period. The front entrance boom gate was regularly left open with inconsistent security guards on site. Security services were no longer provided from 19 September 2023 due to non-payment of invoices by CHEC. The PIC had raised the need for security services to be provided as a contractual requirement with CHEC and NUC at fortnightly meetings. Several break-ins were experienced during this period, in early July a water pump was stolen when security services were not present on site. This was reported to NUC on 6 July 2023. On the evening of 17 October 2023 a break-in occurred at the site when thieves cut through the fence in Area A and items were stolen from the secured storage containers. The change in government arrangements during October brought further uncertainty to the ongoing management of security services and if the government was to provide such services. Non-payment of invoices was also still an issue. When security guards do attend site the LES discusses expectations for controlling access to site, documenting visitors and the purpose of their visit, ensuring all visitors have PPE and an appropriate project chaperone on site. This is seen as a temporary measure until more consistent security services are provided.
- **Incident management** – CHEC has continued to have environmental incidents on site, with one diesel spill and ten concrete spills during this reporting period. These incidents are regularly identified during site inspections undertaken by the LES rather than proactive identification and management by CHEC as set out in the CEMP. Preventing, identifying and cleaning up spills is a core element of the CEMP which is a contractual requirement. Although CHEC's response has improved, preventative processes should be in place to prevent the majority of spills. The spill in the kitchen area that occurred

during refuelling during September 2023 could have been prevented if bunding was in place that could have captured the spill and prevented contamination of the soil. CHEC has since remedied this, however these preventative measures, which are well understood, should already be in place. The PIC undertook audits of emergency response equipment during the reporting period and found these were inadequate in areas of high risk - where fuel and chemicals are stored and used. Spill kits and fire extinguishers were required to be upgraded, this has been addressed in two of the high risk areas due to a lack of equipment available on Nauru.

A significant number of concrete spills were experienced this period. The majority of these were minor occurring where the concrete was being mixed or during transportation and could have been prevented. These issues have been raised in the fortnightly contractor meetings to discuss prevention and, in the case of incidents, a quick clean-up. The LES worked with CHEC informally on site to raise awareness and look at options to prevent spills occurring. In some instances this material was spread on site rather than disposed of as waste as advised by PIC. It was raised in the fortnightly contractor meeting by PIC that concrete removed from spill areas is only to be disposed in rubbish/landfill as is non-hazardous materials.

- **Waste management** – Overall there has been an improvement to waste management and documentation during this reporting period. Waste logs were provided with greater consistency and accuracy since October 2023. There was also an improvement to waste segregation on site following the bins being labelled in December 2023. For the system to continue to work well, waste needs to be removed from site regularly. Contaminated material generated by diesel spills was stored in a tarp lined area so it could be collected for processing as per the arrangement with NRC from the previous reporting period.
- **Site management and maintenance** – This period has seen a reduction in maintaining the site, especially in relation to removal of weeds and site vegetation and large rocks throughout the solar farm. Construction rubbish and litter have also been evident across the solar farm. The PIC has raised this issue regularly with CHEC during the fortnightly contractor meetings. Although it was agreed that priority should be given to completing the construction program of works, the PIC understood that workers would then work on removing the overgrowth of vegetation on site. Weeds and construction rubbish were removed and reduced in most areas during late October – early November 2023. However, vegetation grows back very quickly and is not being maintained consistently. The PIC has requested that local workers be employed to manage this issue. CHEC are yet to implement this solution.

22. If an opportunity for improvement or non-conformance is raised by the PIC, the Site Supervisor and ESHO appear to be cooperative initially however time to respond and rectify has been varied. Additionally, environmental and safeguard issues are not consistently addressed proactively. Twelve incident reports were submitted by CHEC at the request of the PIC due to incidents identified, with the PIC issuing two non-conformances and two contractual correspondences related to environmental and safeguard issues. Some issues such as concrete and diesel/refuelling spills continue to occur despite continued requests for process rectification. Regular awareness and education is occurring informally on site with the LES, ESHO and workers at toolbox talks and during operations. However, this is difficult with a lack of regular translation

services on site. Requests to CHEC to supply essential personnel on site are not interpreted as being critical during periods of low activity despite being contractual requirements.

5.6 Recommendations

23. A summary of the key recommendations provided to CHEC via correspondence from the PIC Project Manager or communication during the fortnightly meetings are provided below.

- (i) **Provision of Essential Personnel** – CHEC need to provide essential personnel for the duration of the project, especially the CLO and translation services, including during periods of low activity on site.
- (ii) **Employee relations and transparency** – CHEC should confirm how the three grievances with the employees terminated in July has been resolved, in the interests of transparency and to ensure any opportunity for improvement can be captured for future employee relations. CHEC should continue keep records of contracts, workers hours, overtime, superannuation and payslips (including those on WeChat). These should be made available to PIC, as required, so spot checks can be performed. These have been requested but not provided to date. CHEC take photographic records of workers to record their arrival and departure times so that their payslips can be checked for accuracy. CHEC to confirm workers have been paid in accordance with Nauruan law and the approved Labour Management Plan and that all backpay has been paid.
- (iii) **Security and site access** – Security services are to be provided consistently, 24 hrs a day, 7 days a week to secure the project site. The boom gate at the front of the site needs to be left down to enable access to the site to be controlled. Security guards need to record all the information required in the visitor log, including names, company and purpose of visit. All visitors must have PPE to enter site and need to be accompanied by an appropriate project representative.
- (iv) **Site management and maintenance** – A regular and consistent schedule is required to manage site maintenance and cleanliness. A regular program of weed and site vegetation management needs to be scheduled due to the rapid overgrowth of vegetation across the solar farm. Consistent cleaning services and waste removal at campsite facilities are needed for site cleanliness and good waste management practices.
- (v) **Incident Management** – Spills need to be cleaned up when they happen. Further training and using preventative measures to reduce the number of spill incidents on site is required.
- (vi) **Project documentation** – Incident reports should be provided proactively by CHEC when an incident occurs. These should be filled in accurately and document corrective actions taken and recommendations to prevent reoccurrences. CHEC to provide regular and accurate documentation as outlined in the CEMP including waste logs, oil consumption and records of equipment maintenance. Other project documentation should be maintained in a logical filing system to enable regular inspection by the LES to ensure compliance with the CEMP.

- (vii) **Diesel spill management** – Provide roofing and bunding at locations where equipment is refuelled and fuel and chemicals are stored. Emergency response equipment needs to be provided at high risk areas. This includes well-maintained spill kits and fire fighting equipment. Reinforce the importance of refuelling correctly at morning toolbox talks. Provide additional training to workers if spills continue.
- (viii) **Concrete spill management** – Provide plywood and tarps for mixing the concrete so that workers do not need to search to find them. Ensure that equipment used in mixing is placed on these protective materials and not on the ground. Ensure that concrete is not spilling when moving the concrete around the site in the ‘wet cement transporting box’ in the back of the truck. When spills happen they need to be cleaned up immediately. Emphasise the importance of correct concrete mixing and transporting procedures at morning toolbox meetings.
- (ix) **Waste management** – Store contaminated waste in the designated location and engage NRC to rehabilitate this material. Any oil spills and disposal methods will be captured in incident reports and photos of contaminated soil are requested to monitor quantities. Concrete spills that contaminate soil are considered non-hazardous and can be disposed of in normal non-hazardous waste to minimise waste charges. Maintaining labels on bins enables workers to segregate the waste on site. Regularly emptying bins also enables workers to implement good waste management practices.

5.7 Capacity building and training records

24. Procurement training was conducted on 17 October 2023. There were nine participants, with eight women. The training was well attended and there was good engagement with participants.

25. Due to the low activity on site during this reporting period formal training has not been carried out as regularly as in previous periods. The LES and ESHO regular use the morning toolbox talks to raise awareness about spill prevention for both concrete and oil/diesel. The LES also informally educates workers during site inspections to raise awareness and introduce more preventative measures.

26. During in-country visits the PIC Project Manager and IES have undertaken on-the-spot training to address issues that have arisen during site visits. These have included issues relating to waste, housekeeping, security requirements, concrete spills and avoidance, fuel spills and avoidance. On the job training has also been provided directly to the CLO and the LES.

27. The IES and LES have continued to work closely together so that the LES understands what potential issues to identify when undertaking site inspections. This has been facilitated through the preparation of checklists by the IES which check compliance with the CEMP and associated plans, as well as weekly meetings with the IES.

5.8 Stakeholder engagement and community consultation

28. Mrs Joan Scotty, the CLO appointed in January 2023, stopped performing her duties and coming to site during July 2023. The role of the CLO is still vacant despite this issue being raised in fortnightly meetings and contractual correspondence (CC029, 26 October, 2023). Stakeholder engagement with RPC Management was continued with the IES (during an in-country visit) and LES with meetings being held on 5 July 2023, 22 September 2023, 30 October 2023 and 30

November 2023 to discuss any potential impacts the project was having on their site. No issues with the project have been raised. The site was visited by a number of key stakeholders during the reporting period:

- i) IMF delegation visited the project site on 12 September 2023.
- ii) NUC management team visited site on 24 October, 2023 to review project progress. NUC Chairman/CEO Mr Abraham Aremwa was accompanied by two Executive Managers and the Manager from Vital Group (Bulk Fuel).
- iii) NUC management visited site on 28 November 2023 to assess progress of the solar farm project. The NUC Chairman and two board directors were in attendance, Mr Ruswell Angar and Mr Rocky Olsson. Full site management accompanied the visitors around the project.

29. During in country visits, the following meetings with key stakeholders and community were undertaken:

- i) Meeting on 5 July 2023 with Damien Adeang the Deputy Operations Manager for RPC 1 to discuss the impacts of the project on the RPC1 site. No impacts were identified.
- ii) During the July in-country visit the IES met with Ms Mavis, Acting CEO of NRC.

30. Further information regarding these meetings is provided in section 3 and the meeting minutes are provided in Appendix E.

5.9 Grievance redress mechanism and register

31. Implementation and recording of the project Grievance Redress Mechanism is being monitored by the LES and IES. The notification of works informed the community of the proposed works and provided contact information for raising grievances. Grievances can be raised through various channels, mainly via the NUC Project Manager. No community grievances were raised during the period of July to December 2023. Three workers raised grievances that have been referred to CHEC and ADB.

5.10 Land leases and payments

32. CHEC has a system in which any rock taken off site is tallied and monitored for payment to the landowners. As of December 2023, no rock had been taken off site during this period. Other stockpiled material has been removed from the site and reused at the NUC site in Aiwo for ground levelling.

33. It is noted that the area on which the site office is located is subject to private lease, and arrangements regarding this area are being dealt with by the Nauru Lands Committee.

VI. CONCLUSION

34. This period focussed on implementation of the approved CEMP, SEMP and supporting management plans during project construction to manage the impacts from the works.

35. Implementation of the CEMP and associated plans by CHEC has been inconsistent. A number of instances of non-compliance with the plans have been identified during site inspections undertaken by the LES, largely relating to concrete spills, oil spills, incident reporting, site

cleanliness and maintenance (especially overgrowth of weeds), fuel storage, site security and labour management/employee relations. Corrective actions associated with these incidents have generally been implemented following PIC's involvement however there are a number of outstanding issues that continue to remain unresolved. Pro-active identification and resolution by CHEC is not consistently evident and needs to be improved to consistently meet the approved project plans.

36. There is scope for further improvement in areas such as providing essential personnel, reporting of incidents, providing and using spill kits, refuelling practices, waste management, site security and access and procedures in order to bring the implementation to a higher level. Recommendations provided in this report have been communicated to CHEC through fortnightly meetings and follow up of actions identified in the fortnightly status updates. Serious issues that have not been addressed adequately have also been raised in either contractual correspondence or a non-conformance notification.

37. Items to focus on in the next reporting period shall be around closing out recommendations and actions identified in this report, addressing outstanding contractual correspondence and non-conformance notifications, continued capacity building for NUC and the LES through collaboration with the IES and ensuring any lessons learnt from this phase of the project are shared via capacity building to the NUC.

APPENDIX A – PROJECT SPECIFIC COVENANTS: SAFEGUARDS

Product	Schedule	Para No.	Description	Type	Compliance status
Grant 0664	4	2	Environment. The Recipient shall ensure and cause NUC to ensure that that the preparation, design, construction, implementation, operation and decommissioning of the Project and all Project facilities comply with (a) all applicable laws and regulations of the Recipient relating to environment, health and safety; (b) the Environmental Safeguards; and (c) all measures and requirements set forth in the IEE, the EMP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.	Environment	Complying
Grant 0664	4	3	Involuntary Resettlement and Indigenous Peoples. The Recipient shall ensure and cause NUC to ensure that the Project does not have any involuntary resettlement or indigenous peoples impacts, all within the meaning of SPS. In the event that the Project does have any such impacts, the Recipient shall take all steps required to ensure that the Project complies with the applicable laws and regulations of the Recipient and with the SPS.	Resettlement	Complying
Grant 0664	4	4	Human and Financial Resources to Implement Safeguards Requirements The Recipient shall make available necessary budgetary and human resources to fully implement the EMP.	Environment	Complying
Grant 0664	4	5	Safeguards – related Provisions in Bidding Documents and Works Contracts. The Recipient shall ensure and cause NUC to ensure that all bidding documents and contracts for Works contain provisions that require contractors to: (a) comply with the measures relevant to the contractor set forth in the IEE and the EMP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report; (b) make available a budget for all such environmental and social measures; (c) provide the Recipient and NUC with a written notice of any unanticipated environmental risks or impacts that arise during construction, implementation or operation of the Project that were not considered in the IEE and the EMP; (d) adequately record the condition of roads,	Environment	(a) Complied (b) Complying (c) Complying (d) Complying (e) Not yet due

Product	Schedule	Para No.	Description	Type	Compliance status
			agricultural land and other infrastructure prior to starting to transport materials and construction; and (e) reinstate pathways, other local infrastructure, and agricultural land to at least their pre-project condition upon the completion of construction.		
Grant 0664	4	6	Safeguards Monitoring and Reporting. The Recipient shall do or cause NUC to do the following: (a) submit semi-annual Safeguards Monitoring Reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission; (b) if any unanticipated environmental and/or social risks and impacts arise during construction, implementation or operation of the Project that were not considered in the IEE and the EMP, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan; and (c) report any actual or potential breach of compliance with the measures and requirements set forth in the EMP promptly after becoming aware of the breach.	Environment	(a) Complying (b) Complying (c) Complying
Grant 0664	4	7	Prohibited List of Investments The Recipient shall ensure and cause NUC to ensure that no proceeds of the Grant are used to finance any activity included in the list of prohibited investment activities provided in Appendix 5 of the SPS.	Environment	Complying

**APPENDIX B – DAILY MONITORING CHECKLISTS, WEEKLY AUDIT CHECKLISTS
AND HOLD POINT CHECKLISTS**

APPENDIX C – FORTNIGHTLY STATUS UPDATES AND PHOTOS

APPENDIX D – NON-CONFORMANCES

APPENDIX E – MEETING MINUTES FROM IN-COUNTRY VISITS