



ADAPTATION FUND

AFB/PPRC.38/Inf.26
25 September 2026

Adaptation Fund Board
Project and Programme Review Committee
Thirty-eighth Meeting
Bonn, Germany, 19-23 October 2026

PROPOSAL FOR PALAU



ADAPTATION FUND

**ADAPTATION FUND BOARD SECRETARIAT
TECHNICAL REVIEW OF PROJECT PROPOSAL FOR
"PALAU RESILIENT SCHOOLS"**

Project Title Palau Resilient Schools

Project ID AF00000566

Category Regular size project (over \$1 million)

Type Single country project

Stage Concept

Country Palau

Implementing Entity SPREPWS

Financing Requested USD 24,957,170.00

Reviewer Jonathan Cook

Co-reviewer(s)

IE Contact Person

Filomena Nelson,Joeli Bili,Salome Tukuafu,Timoci Nakalevu

Secretariat's Overall Comment

The project “Palau Resilient Schools” aims to reduce climate and disaster risk to essential education services in Palau by relocating Melekeok Elementary School, a climate-exposed coastal facility, to a resilient inland site in Ngchesar State, consolidating education services currently delivered across Melekeok, Ngchesar and Ngiwal States and delivering Palau's second government-owned high school within the same campus, and delivering a multi-functional, climate-resilient education campus that safeguards learning continuity, strengthens community resilience, and supports long-term sustainable development.

A PFG of 150,000 USD is requested.

The initial technical review raises several issues, such as the lack of a sufficient Gender Analysis, the need for more detailed information on the Initial Stakeholder Consultations, and more detailed information about indicators and targets, as is discussed in the number of Clarification Requests (CRs) and Corrective Action Requests (CARs) raised in the review.

Country Eligibility

Is the country party to the Kyoto Protocol, or the Paris Agreement?

Response: Yes

Secretariat: Acceded to the Kyoto Protocol on December 10, 1999.

Ratified the Paris Agreement on April 22, 2016.

Is the country a developing country particularly vulnerable to the adverse effects of climate change?

Response: Yes

Secretariat: Yes, Palau is a Small Island Developing State (SIDS) and is particularly vulnerable to climate change due to its low-lying coastal geography, which exposes critical public infrastructure and essential services to accelerated sea-level rise, coastal inundation, and storm surges, compounded by increasing heat stress, severe El Niño–driven droughts, and frequent tropical cyclones.

Project Eligibility

Has the designated government authority for the Adaptation Fund endorsed the project/programme?

Response: Yes

Secretariat: As per the Endorsement letter dated April 23, 2026.

Does the length of the proposal amount to no more than Fifty pages for the project/programme concept, including its annexes?

Response: Cleared

Secretariat: Yes. The proposal is 48 pages including annexes.

CAR1: Please break up some of the paragraphs in the proposal, which are very long.

The PFG request on the cover sheet is for \$150,000, but the budget on the PFG request form is for \$149,226.56.

CAR2: Please standardize the requested amounts.

The header on the concept note reads "Annex 5 to OPG Amended in October 2017" which seems to refer to another document.

CAR3: Please update the header appropriately.

Response: Not Cleared

Secretariat: CAR3.1: The concept note needs to be signed by IE coordinator in the Implementing Entity certification section.

Does the project / programme support concrete adaptation actions to assist the country in addressing adaptive capacity to the adverse effects of climate change and build in climate resilience?

Response: Not Cleared

Secretariat: Yes. However, more information is needed.

The project supports concrete adaptation actions that go well beyond "business-as-usual" development to build long-term adaptive capacity and climate resilience. Tangible adaptation outcomes (the relocation and construction of a climate-resilient school campus and associated services) are identified. Activities align with the project's overall goal and objectives, and they support several AF Strategic Objectives and Outcomes. The proposal demonstrates a clear causal logic linking climate hazards to concrete adaptation activities and AF strategic outcomes, and notes that a Theory of Change was validated during stakeholder consultations. However, there is no visual representation of the theory of change, no consolidated discussion of how climate

risks affect different groups, and no quantitative targets at the output level.

CAR4: Is recommended to add a coherent Theory of Change diagram that illustrates the explicit causal pathways, key assumptions, and risk drivers

CR1: Please provide a concise but thorough analysis of how climate risks affect different population groups (children, women, the elderly, etc). Some of this information is included in the text, but it should be organized into a table or a dedicated sub-section.

CAR5: Please include quantitative targets for the expected outputs in the Project/Programme Components and Financing table (pp. 18-19), and break down the budget by individual outputs under each component.

Does the project / programme provide economic, social and environmental benefits, particularly to vulnerable communities, including gender considerations, while avoiding or mitigating negative impacts, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?

Response: Not Cleared

Secretariat: Yes. However, more information is needed.

Part 2.1 (pp. 25-27) discusses how the project is expected to generate economic, social, and climate adaptation benefits for vulnerable communities. There is some consideration of environmental benefits, though they are not explicitly called out in the section title. However, there is not a clear and concise presentation of those benefits with quantitative estimates when possible. While some quantitative estimates of potential beneficiaries are implied by the text (e.g. the number of students in different schools), they are not explicitly linked to the project and its objectives.

CR2: Please quantify and present expected economic, social and environmental benefits in a table or consolidated format. When exact figures are not available, please include estimates or proxies to support the identified project's impact alongside a brief explanation of the method used for these calculations.

The concept note recognizes that vulnerability differs across groups and provides tailored benefits for children as well as single-parent households, elderly residents, and persons with disabilities. There is some basic discussion of gender issues and gender-responsive design commitments. However, additional detail is needed.

CAR6: Please expand Part 2.1 and Annex I with an Initial Gender Analysis reflecting statistics that highlight differences and disparities between men, women, in areas such as education, employment, health, income, and political participation. This data can be broader and not necessarily tied to a specific project, focusing instead on national or sector-wide trends related to gender.

Is the project / programme cost effective?

Response: Cleared

Secretariat: Yes.

The proposal presents a robust cost-effectiveness analysis supported by a logical options comparison, local unit-

cost benchmarking, and whole-of-life sustainability reasoning.

Is the project / programme consistent with national or sub-national sustainable development strategies, national or sub-national development plans, poverty reduction strategies, national communications and adaptation programs of action and other relevant instruments?

Response: Not Cleared

Secretariat: Yes. However, more information is needed.

The concept note demonstrates alignment with national and sub-national policy frameworks. It cites specific mandates in the Palau Climate Change Policy 2025–2035, the Palau Development Plan 2023–2026, and state-level land-use master plans. However, the information is not presented in a clear and comprehensive format.

CR3: Please include the identified plans/instruments/strategies in a table, which should include the following columns:

- (i) specific name of the plan/strategy,
- (ii) years of implementation,
- (iii) goals/objectives,
- (iv) relevance with the proposed project
- (v) project's compliance status.

Does the project / programme meet the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund?

Response: Cleared

Secretariat: Yes.

The proposal provides a logical overview of national technical standards, explicitly detailing planned compliance with environmental regulations, land tenure protocols, UXO clearance SOPs, and building codes.

Is there duplication of project / programme with other funding sources?

Response: Not Cleared

Secretariat: No. However, more information is needed.

The concept note reviews past, ongoing, and planned initiatives in Palau, identifies potentially overlapping initiatives and establishes a lack of duplication. Some operational lessons from past typhoon events are discussed in the narrative.

CAR7: Please include a comprehensive table listing of relevant and/or complementary projects. For each, please include the following details:

- (i) Project title, donor/funding Entity
- (ii) Main project interventions,
- (iii) Timeline and specific location within the country,

- (iv) Target population,
- (v) Implementing entity,
- (vi) Lessons learned (if applicable)
- (vii) Overlaps and synergies with the proposed project, including how proposed project will build upon an existing or previous project

CR4: Please include a brief discussion of any coordination mechanisms that will help to ensure operational synergies during project execution.

Does the project / programme have a learning and knowledge management component to capture and feedback lessons?

Response: Not Cleared

Secretariat: Yes. However, more information is needed.

The concept note embeds a learning and knowledge management framework within Component 3 and identifies specific, high-value adaptation themes of particular relevance to other Small Island Developing States (SIDS). A brief description is included in Part 2.G (p. 38). However, not much detail is provided on how these efforts will work.

CR5: Please provide additional detail on learning and KM activities, responsibilities, the collection and dissemination of information, and post-project sustainability in this section.

Has a consultative process taken place, and has it involved all key stakeholders, and vulnerable groups, including gender considerations in compliance with the Environmental and Social Policy and Gender Policy of the Fund?

Response: Not Cleared

Secretariat: Yes. However, more information is needed.

Part 2.H (pp. 38-39) describes a comprehensive, inclusive consultative process that included national and subnational discussions and culminated in a national validation workshop. The process integrated the needs of women, children, PWDs, and coastal residents into project design. However, specific information about the process is limited.

CR6: Please provide more detailed information on the consultative process, covering at least the following elements:

- (i) the participants of each meeting, including the total number of attendees disaggregated by sex,
- (ii) date and location for each meeting,
- (iii) a brief summary of the subjects discussed, and any agreements reached, where applicable,
- (iv) explanation of the gender considerations (and those related to other vulnerable groups) addressed during the process, including how their interests were reflected in the proposed project.

Is the requested financing justified on the basis of full cost of adaptation reasoning?

Response: Cleared

Secretariat: Yes.

The requested financing is justified under full cost of adaptation reasoning. The concept note demonstrates that replacing high-risk coastal infrastructure with an inland, climate-resilient campus is an explicit risk-avoidance adaptation measure rather than baseline development. The project scope is fully standalone and capable of delivering all intended adaptation outcomes without reliance on external co-financing.

Is the project / program aligned with AF's results framework?

Response: Not Cleared

Secretariat: Yes. However, more information is needed.

The proposal demonstrates clear alignment with the Adaptation Fund's Strategic Results Framework, explicitly mapping its components to AF outcomes and indicators (as shown in Part III, pp. 45-46). However, the project objective indicators are too general.

CAR8: Please develop SMART indicators that include quantitative targets and baselines.

Response: Not Cleared

Secretariat: CAR8.1: Please adhere to the guideline: <https://www.adaptation-fund.org/document/alignment-with-adaptation-fund-results-framework-template-and-guidance-dec-2025/>

Has the sustainability of the project/programme outcomes been taken into account when designing the project?

Response: Not Cleared

Secretariat: Yes. However, more information is needed.

The concept note provides information on how adaptation benefits will be sustained, including through embedding long-term campus maintenance into the Ministry of Education's budget. All key areas of sustainability are addressed to some extent. However, there is limited information on plans for replication and scaling beyond the project.

CR7: Please explain clearly how replication and scaling up of the proposed project activities and benefits will be achieved.

Does the project / programme provide an overview of environmental and social impacts / risks identified, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?

Response: Not Cleared

Secretariat: Yes. However, more information is needed.

The concept note identifies some potential environmental and social impacts and risks and classifies the project as Category B (Medium Risk). Part II.K (p. 44) provides a checklist of initial screening against the 15 Adaptation Fund Environmental & Social Principles. However, there is no information provided to substantiate those rankings, and no information is provided about mitigation and management of identified risks.

CAR7: Please update the table to discuss all potential impacts (direct, indirect, transboundary and cumulative), to state whether the risk is low, medium or high, and to describe initial plans to mitigate and manage risks that have been identified.

There is some basic discussion of gender issues and gender-responsive design commitments. However, additional detail is needed.

CAR5: Please expand Part 2.1 and Annex I with an Initial Gender Analysis reflecting statistics that highlight differences and disparities between men, women, in areas such as education, employment, health, income, and political participation. This data can be broader and not necessarily tied to a specific project, focusing instead on national or sector-wide trends related to gender.

Resource Availability

Is the requested project / programme funding within the cap of the country?

Response: Cleared

Secretariat: Yes.

Is the Implementing Entity Management Fee at or below 8.5 per cent of the total project/programme budget before the fee?

Response: Cleared

Secretariat: Yes.

The Implementing Entity Management Fee represents exactly 8.5% of the total project budget before fees (\$23,000,000). All financial values are rounded to whole numbers and consistent across all budget summary tables.

Are the Project/Programme Execution Costs at or below 9.5 per cent of the total project/programme budget (including the fee)?

Response: Cleared

Secretariat: Yes.

Execution Costs represent 7.59% of the total budget including fees. Figures match consistently across all proposal tables and are presented as whole numbers. SPREP (the Implementing Entity) is not serving as the

Executing Entity.

Eligibility of IE

Is the project/programme submitted through an eligible Implementing Entity that has been accredited by the Board?

Response: Cleared

Secretariat: Yes.

The Secretariat of the Pacific Regional Environment Programme (SPREP). Accreditation valid through October 30, 2027.



CONCEPT NOTE PROPOSAL FOR SINGLE COUNTRY

PART I: PROJECT/PROGRAMME INFORMATION

Title of Project/Programme: Palau Resilient Schools
Country: Palau
Thematic Focal Area: Education
Type of Implementing Entity: Regional Implementing Entity
Implementing Entity: SPREP
Executing Entities: Ministry of Education
Amount of Financing Requested: 24,957,170.00 (in U.S Dollars Equivalent)
Project Formulation Grant Request (available to NIEs only): Yes ☒ No ☐
Amount of Requested financing for PFG: 150,000 (in U.S Dollars Equivalent)
Letter of Endorsement (LOE) signed: Yes ☒ No ☐

NOTE: LOEs should be signed by the Designated Authority (DA). The signatory DA must be on file with the Adaptation Fund. To find the DA currently on file check this page: <https://www.adaptation-fund.org/apply-funding/designated-authorities>

Stage of Submission:

- ☐ This concept has been submitted before
☒ This is the first submission ever of the concept proposal

In case of a resubmission, please indicate the last submission date: Click or tap to enter a date.

Please note that concept note documents should not exceed 50 pages, including annexes.

Project/Programme Background and Context:

Provide brief information on the problem the proposed project/programme is aiming to solve. Outline the economic, social, development and environmental context in which the project would operate.

Brief introduction to Palau

The Republic of Palau is an archipelagic state, located within the Western Pacific Ocean and made up of 340 islands, most of which are uninhabited. Its four larger islands include Babeldaob, Koror, Peleliu and Angaur. The capital is Ngerulmud, situated on the island of Babeldaob, while Koror is the largest city and main town center. The country's total land area is approximately 458 – 466 square kilometers made up of volcanic high islands and raised coral reefs¹. Featuring a coastline of 1,529 kilometers or 944 miles with a dense forest cover of 419 square kilometers and covers 90% of its total landmass². The indigenous population of Palau consists of native Palauans (Rechad er Belau) who make up 70.6% of the country's total population. Ethnically Palauans belong to the Micronesian group of people with historically Malayan and Melanesian ancestral mixtures³

Socio Economic Development context

The population is approximately 17,000 to 18,000 people with 70.2% of the population made up of working age adults (15 – 64) and 17.9% children (0-14)⁴. 82% of the population reside in urban centers, primarily clustered along the coast of Koror making it the most populous city of Palau⁵. While absolute extreme poverty (living under \$1.90/day) is nonexistent, localized poverty remains a challenge with a household income and expenditure survey indicating that roughly 22% of household heads navigate transient unemployment or function as the 'working poor' due to elevated consumer price inflation⁶. To cope with this, households routinely rely on local community – sharing networks (custom obligations) or drawing down on personal savings to buffer against expensive imported food and fuel supplies

In terms of economic development, Palau's gross domestic product is approximately US\$0.3 – 0.4 billion with its service driven economy, largely from tourism, marine based activities, small scale fisheries and infrastructure construction among its important contributors⁷. While the economy is dominated by the service sector and eco-tourism, the primary sector of agriculture and fisheries employs a minor portion of the labor force but is important as it supports local food security⁸. Following sharp contractions from global travel disruptions, real GDP had expanded to 11.9% with subsequent projections stabilizing growth at 6.0% due to recovering visitor arrivals⁹. The government also stabilized its ledger through the landmark introduction of the Palau Goods and Service Tax (PGST) and also from injections from the 2023 renegotiated Compact of Free Association agreement (COFA)¹⁰

Gender

Palau has a traditional matrilineal society meaning women inherit land, titles and make clan

¹ United Nations (n.d.) Republic of Palau country profile. Available at www.refresilience.org

² U.S. Forest Service (USFS), 2021. Palau's Forest Resources. United States Department of Agriculture. Available at: usda.gov [Accessed 20 May 2026]

³ Central Intelligence Agency (CIA), 2024. Palau: People and Society. The World Factbook. Available at: cia.gov [Accessed 20 May 2026]

⁴ World Bank (2024) Palau Human Capital and Economic Indicators Overview. World Bank Human Capital Data Portal. Washington, D.C.: World Bank Group

⁵ Garrity, M. (2025) Palau: Analysing Land, Infrastructure, and Population

⁶ United Nations Children's Fund (UNICEF) (2024) The Situation of Children in Palau. Suva: UNICEF Pacific Office.

⁷ Worldometer (2026) Palau Population (2026). Available at: <https://www.worldometers.info/world-population/palau-population/> (Accessed: 20 May 2026)

⁸ Graduate School USA (2026) Palau FY25 Economic Review. Honolulu: Pacific Islands Training Initiative (PITI-VITI).

⁹ International Monetary Fund (2026) Republic of Palau: 2025 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for the Republic of Palau. IMF Staff Country Reports, No. 26/22. Washington, D.C.: International Monetary Fund

¹⁰ Graduate School USA (2026) Palau FY25 Economic Review. Honolulu: Pacific Islands Training Initiative (PITI-VITI).

membership decisions and senior women playing a central role in selecting traditional male chiefs¹¹. Due to consistent social investment Palau ranks 64th globally on the United Nations Human Development Index, placing it in the ‘Very High Human Development’ tier¹²

Environmental context

75% to 80% of Palau’s landscape is covered by lowland forests and features 1,400 plant varieties and nearly 200 endemic species¹³. Its physical landscape is defined by dense, ancient rainforests that transition directly into extensive mangrove fringes and complex barrier reef system that hosts a biodiverse marine ecosystem. Palau is globally recognized for its marine biodiversity, coral reefs, lagoons and forest ecosystems, that plays a major role in tourism, food security and livelihoods¹⁴. Additionally, Palau has banned commercial fishing in 80% of its territorial waters by enacting the world’s first nationwide shark sanctuary¹⁵

Climate context

Palau has a maritime tropical rainforest climate characterized by year – round high humidity, heavy rainfall and an annual average temperature that sits consistently at 27 to 28 degrees Celsius¹⁶. Driven by the steady Northeast Trade Winds, the dry season extends from December to April with lower-than-average rainfall, stronger northeast trade winds and calmer ocean surfaces within the southwest lagoons¹⁷. The Wet season runs from May to November and is driven by the Southwest Monsoon and the positioning of the Intertropical Convergence Zone (ITCZ) directly above Palau. This is characterized by severe heavy rainfall peaks from June through to August.

Observed and projected temperature

As shown in Figure 1 below, Palau is experiencing a clear warming trend. While annual temperatures vary year to year, data from 1850 to 2020 reveals a distinct long-term rise, which has accelerated sharply since 2000. In fact, every year in the 21st century has exceeded pre-industrial climate averages. This steady increase is corroborated by the USINDOPACOM Climate Change Impact Study (CCIS), that notes that the shift is stark with an increase of approximately 0.8 to 0.9 degrees Celsius in annual temperatures when comparing 2000 – 2017 period to the 1900 – 1917 baseline.

¹¹ Government of Palau (2023) *Palau Development Plan 2023–2026*. Koror: Government of Palau.

¹² International Monetary Fund (2026) *Republic of Palau: 2025 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for the Republic of Palau*. IMF Staff Country Reports, No. 26/22. Washington, D.C.: International Monetary Fund.

¹³ One Earth, 2024. *Palau Tropical Moist Forests*. [online] One Earth. Available at: oneearth.org [Accessed 21 May 2026]

¹⁴ PICRC (2024) *New research expedition uncovers Palau’s rich marine life*. Palau International Coral Reef Centre

¹⁵ Palau International Coral Reef Center (2024) *Palau National Marine Sanctuary: Science and Management Plan*. Available at: picrc.org (Accessed: 20 May 2026)

¹⁶ Republic of Palau National Weather Service Office, 2024. *Climate Statistics*. [online]

Climates to Travel, 2026. *Palau climate: temperature, rain, when to go*. [online] *Climates to Travel*. Available at: <https://www.climatestotravel.com/climate/palau> [Accessed 21 May 2026]

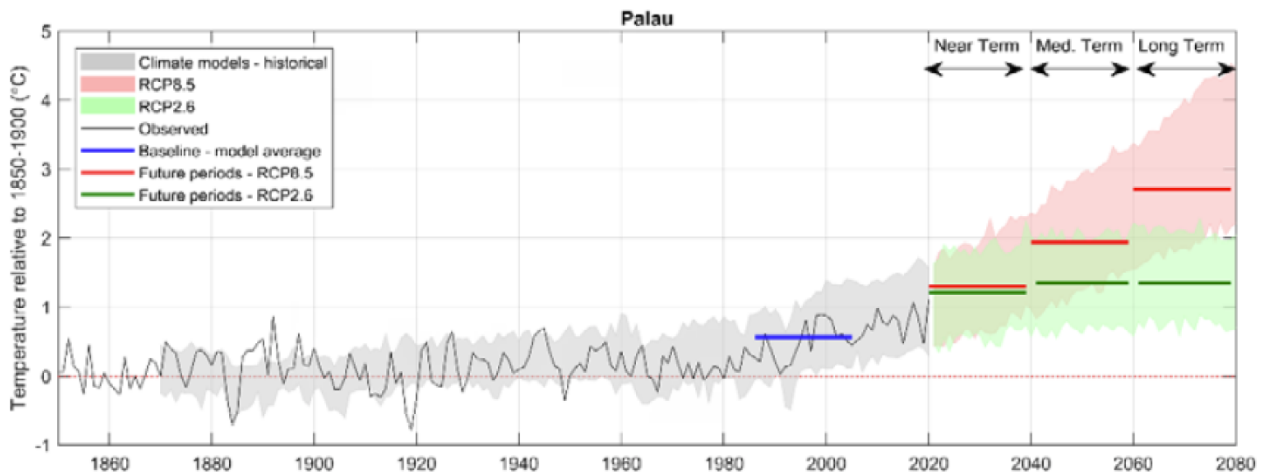


Figure 1: Average annual temperature relative to 1850 – 1900 in degrees Celsius derived from observations (Berkeley shown; grey solid line) and simulated in CMIP5 models, showing the range of all models for the past period (grey band), the future under a very high emissions pathway (pink band) and a very low emissions pathway (green band). Thick horizontal lines show the mean of all models in 20 year periods of the baseline 1986 – 2005 (blue) and future 20 year periods centered on 2030, 2050 and 2070 (RCP8.5; red horizon lines, RCP2.6; green horizon lines)

The frequency of extremely hot days has already increased substantially, with the number of days exceeding 90°F rising from fewer than 50 days annually during the twentieth century to approximately 100 days per year in the 2010s. Simultaneously, cooler nighttime temperatures have become less frequent. Climate projections based on the IPCC under a very low emission pathway (RCP2.6) and a very high emissions pathway (RCP8.5) suggest a continuing upward temperature trend over the next 50 years, relative to the 1986–2005 period. While the projected temperature changes between RCP2.6 and RCP8.5 are similar for the near term (2020–2039), a wider gap emerges between the two pathways in the longer term. Overall, this increase in average temperature will lead to a rising number of hot days and warm nights alongside a decline in cooler weather. Ultimately, these changing temperature conditions contribute to increasing heat stress, reduced thermal comfort within school buildings, and heightened pressure on energy and water systems.

Observed and projected rainfall

Palau has a high humidity and significant humidity with an annual rainfall of 3050 to 4060mm¹⁸. While historical multidecadal gauge data and climate data sets reveal no clear trend in overall rainfall in Palau since 1950, a shift in the rainfall distribution is observed along with an observed rise in the maximum length of consecutive dry spells¹⁹.

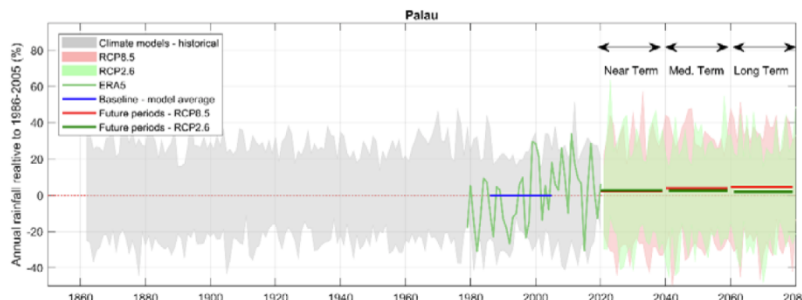


Figure 2: Average annual rainfall in Palau regions relative to 1850 – 1900 (%) in three gridded datasets using observations (colored lines, as marked) and simulated in CMIP5 models, showing the range of all models for the past period (grey), the future under a very high emissions pathway (pink band) and a very low emissions pathway (green band). Thick lines show the mean of all models in 20-year

¹⁸ *Britannica*, 2026. Palau: Climate, Tropical, Humid, Rainfall. Available at: Encyclopedia Britannica [Accessed 22 May 2026]

¹⁹ World Bank Group, 2024. Average annual precipitation: Palau Islands – yearly historical data, chart (Data source: CCKP). Available at: StatBase [Accessed 22 May 2026]

periods: the baseline 1986-2005 (blue) and future 20-year periods centered on 2030, 2050 and 2070 (RCP8.5; red lines, RCP2.6; green lines)

Future projections indicate a large range of possible changes in mean rainfall across the Near, Medium and Long term from little baseline change to a notable decrease. There is also a very large variability in rainfall making the definition of long-term trends unclear over shorter periods. Compounding this predictive ambiguity is the very large natural variability in regional rainfall, which heavily obscures underlying long term climate signatures²⁰

Observed and projected sea level rise

Palau's sea level rose by roughly 0.35inches (9mm) per year between 1993 – 2009 and a total increase of 15cm over the past three decades²¹. Sea level projections for Palau that incorporate a higher Antarctic contribution demonstrate an accelerated risk across all major emissions pathways. In the near term, evaluations show an imminent sea level rise of between approximately 0.09m and 0.18m by 2030²². Looking toward the end of the century, the median value of sea level rise for RCP8.5 in 2100 is 0.10m higher, with the upper end of the range pushed 0.11m higher²³. For the moderate and lower emissions pathways (RCP4.5 and RCP2.5), the projected change demonstrates a generally similar median increase, though it is slightly narrower in its overall range²⁴

However, this long-term upward trend will not be linear, as the interannual variability of sea level will continue to lead to distinct periods of lower and higher regional sea levels. In the past, after the removal of the seasonal signal, this interannual variability has been about 0.36m, spanning the 5–95% range. It is highly likely that a similar range of volatility will persist through the 21st century²⁵. Compounding these fluctuations, the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report emphasizes that a 'low-likelihood, high-impact' outcome - resulting in a much more catastrophic sea level rise under high-emissions pathways - cannot be ruled out due to potential ice-sheet instability²⁶.

Observed and projected drought occurrence

The 1997 – 1998 El Nino pushed Palau into an unprecedented hydrological crisis, domestic water supplies depleted rapidly, agricultural outputs collapsed by more than 50% and uncontrolled fires swept across multiple outer islands²⁷. Shorter, intense dry spells continue to emerge on multi-year intervals, such as localised events in early 2018 and 2020. During these intervals, the National Emergency Committee (NEC) is routinely forced to trigger Phase 1 or Phase 2 of its national Drought Action Plan, enacting mandatory public conservation and emergency municipal water reductions²⁸. Long term global climate models project that the frequency and duration of severe droughts in Palau are expected to decrease the end of the 21st century as the regional climate is driving towards a

²⁰ Pacific-Australia Climate Change Science and Adaptation Planning Program (PACCSAP), 2014. *Climate Change in the Pacific: Scientific Assessment and New Research. Volume 2: Country Reports - Palau*. Bureau of Meteorology and CSIRO.

²¹ Bureau of Meteorology, 2011. *Pacific Climate Change Science Program: Current and Future Climate of Palau*. Melbourne: Australian Government Bureau of Meteorology.

²² Fox-Kemper, B., Hewitt, H.T., Xiao, C., Aðalgeirsdóttir, G., Drijfhout, S.S., Edwards, T.L., Endayan, N.R., Fitch, V.A., Goelzer, H., Kopp, R.E. and Nauels, A., 2021. Ocean, Cryosphere and Sea Level Change. In: *Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*. Cambridge: Cambridge University Press.

²³ Fox-Kemper, B., Hewitt, H.T., Xiao, C., Aðalgeirsdóttir, G., Drijfhout, S.S., Edwards, T.L., Endayan, N.R., Fitch, V.A., Goelzer, H., Kopp, R.E. and Nauels, A., 2021 (shortened citation referring to footnote 21)

²⁴ Pacific-Australia Climate Change Science and Adaptation Planning Program (PACCSAP), 2014. *Climate Change in the Pacific: Scientific Assessment and New Research. Volume 2: Country Reports - Palau*. Bureau of Meteorology and CSIRO

²⁵ Fox-Kemper, B., Hewitt, H.T., Xiao, C., Aðalgeirsdóttir, G., Drijfhout, S.S., Edwards, T.L., Endayan, N.R., Fitch, V.A., Goelzer, H., Kopp, R.E. and Nauels, A., 2021 (shortened citation referring to footnote 21)

²⁶ Intergovernmental Panel on Climate Change (IPCC), 2021. *Summary for Policymakers*. In: *Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*. Geneva: IPCC.

²⁷ Palau National Emergency Committee (NEC), 2016. *Drought Action Plan and Response: Emergency Water Infrastructure*. Koror: Government of the Republic of Palau

²⁸ Pacific Met Desk, 2020. *Online Climate Outlook Forum (OCOF) No. 149: Palau Historical Data*. SPREP. Available at: [Pacific Met Desk Reports](#) [Accessed 22 May 2026]

wetter baseline climate²⁹. However, Palau's short-term risk remains entirely vulnerable to severe interannual volatility as climate change is projected to intensify extreme El Niño events, meaning that when droughts do occur, they will trigger immediate shocks³⁰

1.1 National Climate Risk Context

The Republic of Palau is a Small Island Developing State (SIDS) facing increasing climate-related risks that directly threaten critical public infrastructure and essential services.

Intensifying extreme rainfall, prolonged droughts associated with the El Niño–Southern Oscillation (ENSO), coastal flooding, and more severe tropical cyclones are driving rising exposure of assets located in low-lying coastal and flood-prone areas. These hazards are already resulting in recurrent damage, service disruption, and escalating maintenance costs, particularly for infrastructure that was not designed to withstand current or projected climate conditions.^{31,32} Within this context, the education sector represents a clear and immediate adaptation priority due to the exposure of essential service infrastructure to climate hazards. Several public-school facilities, constructed decades ago without consideration of future climate risk, are now located in areas subject to recurrent flooding, surface water ponding, and access disruption during extreme weather events.³³ These conditions are not isolated incidents but reflect a structural exposure problem. Continued investment in maintaining or retrofitting such facilities would perpetuate climate risk, increase lifecycle costs, and undermine the continuity and safety of education service delivery. Addressing this exposure through relocation and climate-resilient infrastructure is therefore a necessary adaptation response.³⁴

1.2 Climate Impacts

Observed climatic changes over recent decades demonstrate that climate change is no longer a future threat for Palau, but an ongoing national development challenge with increasing implications for infrastructure planning, public safety, and service delivery. Existing climate stresses are particularly important for the education sector, where school infrastructure must remain operational during extreme weather events and continue providing safe learning environments for students and teachers. Observed temperature trends indicate a clear warming pattern across Palau.

²⁹ World Bank Group, 2021. *Climate Risk Country Profile: Palau*. Washington DC: Climate Change Knowledge Portal. Available at: [World Bank CCKP](#) [Accessed 22 May 2026]

³⁰ World Bank Group, 2021 (shortened citation, referring to footnote 29)

³¹ Intergovernmental Panel on Climate Change. (2022). *Climate Change 2022: Impacts, Adaptation and Vulnerability*. Cambridge University Press.

³² Government of Palau. (2015). *Palau Climate Change Policy: For Climate and Disaster Resilient Low Emissions Development*. Koror: Government of Palau.

³³ Secretariat of the Pacific Regional Environment Programme. (2023). *Palau National Environmental Management Strategy 2022–2030*. Apia: SPREP.

³⁴ National Environmental Protection Council. (2019). *State of the Environment Report 2019: Republic of Palau*. Koror: NEPC.



Drought

- Drought is closely related to the El Niño Southern Oscillation (ENSO) cycle, typically occurring during La Niña years.
- During the 2016 drought, the two main reservoirs dropped to 20% capacity, causing water shortages, malnutrition, poor sanitation, wildfire, and crop failure.



Riverine Flooding - Precipitation

- No significant change in the trend of average annual rainfall amounts over the last century.
- Palau relies primarily on surface water runoff (reservoirs) for freshwater.



Wildfire

Wildfire commonly associated with drought years. Between 2012 and 2022 more than 5,600 acres (9 sq miles) burned.



Coastal Flooding - Sea Level Rise and Storm Surge

- Palau's sea levels have risen at roughly the global average.
- At the tide gauge at Malakal Island, between 1969 and 1999 there were just 6 recorded flood events above 1.5 feet (MHHW). However, since 2000 Palau has experienced 13 such events.



Temperature & Heat

- Average annual increase has accelerated to 0.7°F per year since 2000.
- The number of hot days (90°F or above) have increased from < 50/year during the 20th century to 100/year in the 2010's. The number of cool nights has decreased from 40 per year, to 13 per year, over the same period.



Extreme Weather (Tropical Cyclones & Heat Waves)

- Palau experiences an average of 28 tropical cyclones per decade, 24% of cyclones since 1981 reached major status (Cat 3 or higher).
- Typhoon Bopha passed 65 miles south of Koror, but brought extreme storm surge, wind, and rain in 2012.

Figure 3: Current and Historical Trends (USINDOPACOM 2025)

Palau is also experiencing increasing coastal flooding and sea-level rise impacts. Tide gauge observations indicate that sea levels around Palau have risen consistently over recent decades, contributing to more frequent coastal inundation events and shoreline instability. The CCIS reports that between 1969 and 1999, only six flood events exceeding 1.5 feet above mean higher high water were recorded at Malakal Island, whereas thirteen such flood events have occurred since 2000. These impacts are particularly concerning for low-lying coastal infrastructure, including schools, roads, water systems, and community facilities located within exposed shoreline areas. Extreme weather events continue to present major risks to Palau. The country experiences frequent tropical cyclones and typhoons, with approximately 28 tropical cyclones occurring per decade. Recent events, including Super Typhoon Bopha and Super Typhoon Haiyan, caused extensive damage to coastal areas, reefs, infrastructure, and public services. Palau's Climate Change Policy further identifies increasing storm intensity, storm surge exposure, and extreme rainfall events as major national climate risks affecting economic sectors, infrastructure systems, and human safety.³⁵ The most recent regional guidance confirms that this exposure will intensify. Sea-level-rise projections prepared for Pacific Island Countries, based on the IPCC Sixth Assessment Report and adjusted for Palau's land subsidence, indicate a rise of approximately 0.28 metres by 2050 and 0.92 metres by 2100 under a high-emissions pathway, with broadly similar near-term values across emissions scenarios.³⁶ Critically, because Palauan tidal ranges are narrow, even modest sea-level rise sharply increases the frequency of extreme water levels: the present-day one-in-100-year extreme sea level for Palau is projected to recur approximately once every four years by 2050 - an amplification of about twenty-five times. As mean sea level rises, the same guidance explains that the destructive processes acting on the coast

³⁵ Government of Palau, *Palau Climate Change Policy for Climate and Disaster Resilient Low Emissions Development*, 2015.

³⁶ Asian Development Bank / Pacific Region Infrastructure Facility (PRIF). *Guidance for Managing Sea Level Rise Infrastructure Risk in Pacific Island Countries. Sea-level rise projections for Palau (relative to the 1995–2014 mean), adjusted for vertical land movement (subsidence of -1.0 mm/year): approximately +0.28 m by 2050 and +0.92 m by 2100 under the Very High emissions scenario (SSP5-8.5); the intermediate scenario (SSP2-4.5) gives approximately +0.26 m by 2050 and +0.70 m by 2100.*

compound one another: higher baseline water levels drive greater wave energy at the shoreline, more frequent and severe coastal erosion, and more regular wave run-up and overtopping of shoreline defences and roads, while elevated sea levels also impede drainage and worsen flooding during heavy rainfall. For a low-lying coastal site such as Melekeok Elementary School, the practical consequence is direct and cumulative: the shoreline road that provides the school's only access is increasingly subject to wave overtopping, erosion and inundation, so that access is cut off more frequently and for longer, and the safe usable life of infrastructure on the coastal plain steadily declines. Declining levels of service such as road access is itself recognised in international coastal-adaptation guidance as a key threshold signalling that incremental protection is no longer sufficient and that relocation to higher ground is warranted.³⁷³⁸



Figure 4: Coastal Erosion & Inundation of Melekeok State adopted from Palau National Communication 2013

Rainfall variability and drought conditions are also becoming increasingly significant. Although annual rainfall totals have remained relatively stable over the long term, rainfall patterns are becoming more variable and extreme. Palau remains highly dependent on surface water reservoirs for freshwater supply, making the country vulnerable to prolonged dry periods. These conditions highlight the vulnerability of critical infrastructure systems, including schools that rely on stable water and sanitation services to remain operational. The impacts of climate change on coastal environments are already evident throughout Palau. The 2019 State of the Environment Report identifies increasing risks associated with sea-level rise, sedimentation, coastal erosion, coral reef degradation, flooding, and changing weather patterns.³⁹ The Palau National Environmental Management Strategy 2022–2030 similarly identifies climate change, extreme weather events, flooding, drought, and coastal erosion as major environmental and development pressures facing the country.⁴⁰ These observed climate impacts

³⁷ Asian Development Bank / PRIF, *Guidance for Managing Sea Level Rise Infrastructure Risk in Pacific Island Countries*, Table 5.8. For Palau, sea-level rise to 2050 reduces the return period of the present-day 1-in-100-year extreme sea level to approximately once every 4 years (amplification factor of about 25). The same source notes that rising sea levels result in higher wave energy near the shore, more frequent coastal erosion and inundation, and exacerbate catchment flooding during high-rainfall events.

³⁸ Asian Development Bank, *Sea-Level Change in the Pacific Islands Region: A Review of Evidence* (2024); and Ministry for the Environment (New Zealand), *Coastal Hazards and Climate Change Guidance* (2024), which identifies declining levels of service – such as road access – as a key adaptation threshold as relative sea-level-rise exposure increases.

³⁹ National Environmental Protection Council, *State of the Environment Report 2019*, Republic of Palau, 2019.

⁴⁰ SPREP, *Palau National Environmental Management Strategy 2022–2030*, 2023

have direct implications for the education sector and form the basis for the proposed relocation of Melekeok Elementary School. Stakeholder consultations undertaken during the project mission confirmed that the existing Melekeok school site is increasingly exposed to flooding, coastal inundation, sea spray intrusion, and storm surge impacts. The school currently serves students from Melekeok, Ngchesar, and Ngwal States and plays an important role in maintaining education continuity for surrounding communities. However, worsening environmental exposure is placing increasing pressure on school operations, infrastructure maintenance, student safety, and long-term service sustainability. Mission consultations with the Ministry of Education further confirmed that the current school facility is deteriorating and increasingly unsuitable for long-term educational delivery under existing and future climate conditions. Existing climate-related impacts are already contributing to unsafe learning environments, operational disruption during severe weather, and growing maintenance challenges. These observed impacts demonstrate the urgent need for climate-resilient education infrastructure planning and support the rationale for relocating critical education services to a less exposed inland site in Ngchesar State. Projected future climate conditions raise serious concerns regarding the long-term viability of maintaining critical school infrastructure in highly exposed coastal locations. Continued reliance on vulnerable coastal education facilities is expected to result in increasing operational disruption, maintenance costs, physical damage, and safety risks over time. Existing climate hazards affecting Melekeok Elementary School are therefore expected to worsen under projected future climate conditions. The proposed relocation of education infrastructure inland to Ngchesar State represents a proactive long-term climate adaptation measure designed to reduce future exposure to coastal hazards while strengthening the resilience of Palau's education sector. Relocation to a less exposed inland site provides an opportunity to integrate climate-resilient planning, safer infrastructure design, improved emergency preparedness capacity, and more sustainable long-term education service delivery under future climate scenarios. The project therefore addresses both current climate impacts and projected future risks, while supporting broader national adaptation priorities for resilient public infrastructure development.

Hazard and Risk Reduction Achieved through Relocation

The central adaptation rationale for the project is that relocation reduces the hazard exposure of essential education infrastructure. The existing Melekeok Elementary School sits within the narrow coastal plain, where the surrounding community is mostly located less than two metres above the high-water level and the main road runs along the shoreline, leaving it exposed to coastal flooding, storm surge, wave action and sea-spray intrusion.⁴¹

The scale of this coastal exposure is reflected in the National Disaster Preparedness Baseline Assessment, which estimates that combined storm-surge and sea-level-rise exposure affects around 46% of the Melekeok coastal community, with 28.8% of critical infrastructure exposed; sea-level rise alone affects an estimated 42.8%. It is important to be precise about the nature of the risk reduction: the benefit comes from moving to higher, inland ground and away from the shoreline, not from one State being inherently safer than another. Indeed, at the whole-of-State level the aggregate coastal-hazard figures for Ngchesar are not lower than those for Melekeok, because State-level statistics average across each State's own low-lying coastal areas. What matters for this project is the specific relocation site, which the project's topographic survey shows elevates into higher terrain set back from the coast, placing the campus outside the storm-surge and tidal-inundation zone that affects the existing school.⁴²

Hazard / risk dimension	Existing site (Melekeok coastal plain)	Relocation site (elevated inland ground, Ngchesar)
-------------------------	--	--

⁴¹ Melekeok State Government / Melekeok Planning Commission. (2016). *Development of Climate Smart Guidance Documents for Resilient Development in Melekeok State* (the Melekeok community is "mostly located in the narrow coastal plain" with many houses "less than 2 meters above the high water level"; the shoreline road is prone to wave damage).

⁴² Pacific Disaster Center. (2023). *National Disaster Preparedness Baseline Assessment (NDPBA) Palau - State Profiles for Melekeok and Ngchesar (Multi-Hazard Exposure estimates)*. State-level figures are whole-of-state aggregates that include each State's coastal areas; they are not site-specific and are cited here only to characterise the exposure of the existing low-lying coastal school site.

Hazard / risk dimension	Existing site (Melekeok coastal plain)	Relocation site (elevated inland ground, Ngchesar)
Site elevation / position	Narrow coastal plain; many surrounding dwellings less than 2 m above the high-water level; main access road runs along the shoreline.	Higher inland ground; topographic survey contours show the site elevates into moderately steep terrain set back from the shoreline.
Coastal flooding & sea-level rise	High and worsening: storm-surge-plus-sea-level-rise exposure affects an estimated 46% of the surrounding coastal community, with 28.8% of critical infrastructure exposed.	Materially reduced: elevation and distance from the shoreline place the campus outside the coastal storm-surge and tidal-inundation zone that affects the existing site.
Wave action, sea-spray & shoreline erosion	Direct exposure; shoreline road and seawall repeatedly damaged (e.g. Typhoon Bopha destroyed the Melekeok pier and seawall).	Removed: the inland site is not exposed to wave action, sea spray or shoreline erosion.
Tropical cyclone wind	Exposed (100%, as for all of Babeldaob) - addressed only by resilient structural design.	Equally exposed to wind (100%); addressed through resilient, code-based design in Component 2 rather than by siting.
Access & service continuity during events	Shoreline access road prone to wave overtopping and flooding, cutting off the school during events.	Inland access less exposed to coastal flooding, supporting the campus's role as an evacuation centre when coastal areas are cut off.

The table below compares the existing coastal site and the elevated inland relocation site across the principal climate hazards. Relocation removes or materially reduces the coastal hazards (flooding, storm surge, wave action, sea-spray and shoreline erosion) that drive recurrent damage at the current site. Tropical-cyclone wind exposure is common to all of Babeldaob and is therefore addressed through resilient, code-based structural design under Component 2 rather than through siting. By removing the coastal-flooding and surge exposure that cannot be designed out at the existing location, relocation delivers a permanent reduction in residual climate risk and underpins the campus's additional role as a safe evacuation centre when low-lying coastal areas are cut off.

Melekeok's own planning documents confirm this exposure. The Climate Smart Resilient Development Guidance for Melekeok State notes that most of the community sits on the narrow coastal plain, that many houses stand less than two metres above the high-water mark and flood easily, and that residents have said they want to move off the coast to higher ground. The State has no zoning, building code or flood-zone rules in place. The 2021 LiDAR survey of the school site shows that it sits on the low coastal terrace, mostly below the 5 m contour (Figure 5).



Figure 5: LiDAR contour map of the existing Melekeok Elementary School site (Cadastral Lot 005 C 008), showing the 1 m and 5 m elevation contours. The school grounds sit on the low coastal terrace below the 5 m contour, just behind the shoreline. Source: 2021 LiDAR, Office of the Palau Automated Land and Resource Information System (PALARIS).

1.2 Strategic School Relocation Initiative

The proposed project responds directly to this challenge through the planned relocation of a single (Melekeok Elementary School), climate-exposed coastal school to higher, safer ground in the state of Ngchesar. This relocation is not a stand-alone intervention but a strategic consolidation that will combine education services currently delivered across three states. The approach reflects national education policy aimed at consolidating schools in response to demographic change, consistent enrolments, and the need to sustain service quality across the large island of Babeldaob, while simultaneously reducing exposure to climate hazards.⁴³ In addition to relocating the existing school, the project will deliver Palau's second government-owned high school⁶. The new facility will provide an integrated education campus serving pre-school, primary, and secondary levels, addressing a recognized gap in public secondary education provision on the largest island. This integrated model strengthens education pathways, reduces travel burdens for students and families, and supports more efficient use of teaching and administrative resources.^{5, 44} Beyond its education function, the facility will be designed as a multi-purpose community asset. Schools in Palau routinely serve as community hubs and are relied upon as safe gathering points during emergencies. The proposed campus will therefore function both as a center of social activity during normal conditions and as a designated evacuation and shelter facility during climate- and disaster-related events. This dual role strengthens local disaster preparedness and response capacity and aligns national priorities for climate resilience and disaster risk management.⁴⁵

For orientation, the following figures introduce the facility being relocated and its setting. Figure 6 maps

⁴³ Government of Palau. (2023). *Palau Development Plan 2023–2026*. Koror: Ministry of Finance.

⁴⁴ Asian Development Bank. (2020). *Koror–Babeldaob Island Resilient Urban Development Strategy and Action Plan*. Manila: ADB.

⁴⁵ Government of Palau. *National Disaster Risk Management Framework*. Koror: National Emergency Management Office

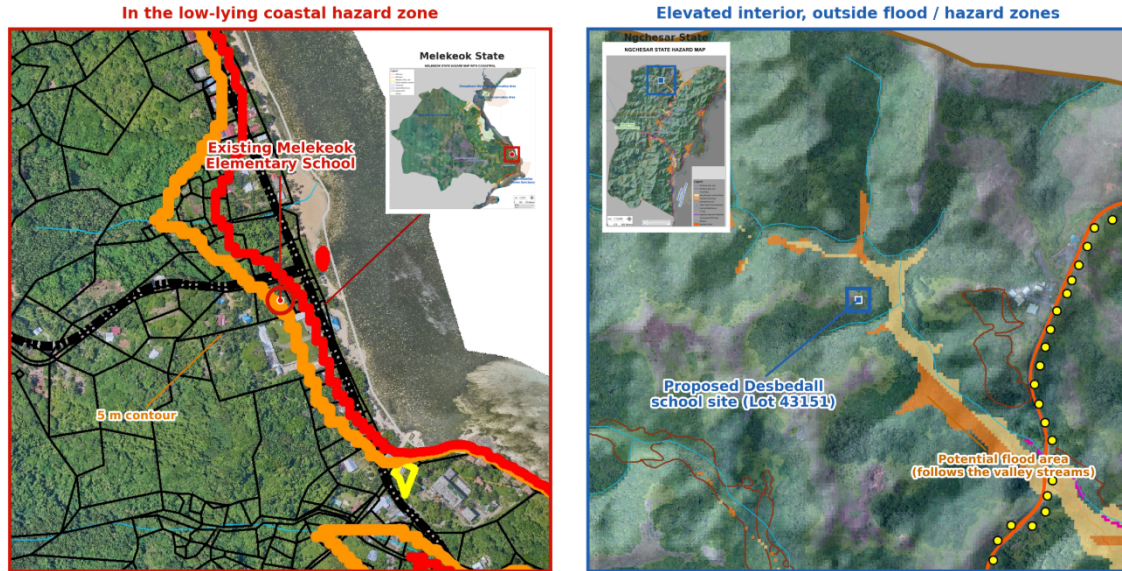
the location of the existing low-lying coastal Melekeok Elementary School and the proposed inland Desbedall relocation site (Lot 43151, Ngchesar State) on Babeldaob; Figure 8 shows the existing single-storey school and a classroom in use; and Figure 9 shows the school's exposed shoreline setting in aerial view.



Figure 6: Location of the existing Melekeok Elementary School (low-lying eastern coast) and the proposed Desbedall relocation site (Lot 43151, inland Ngchesar State), Babeldaob, Palau. Orientation map (not to survey accuracy); base island geometry generalised from Natural Earth, site coordinates from the project topographic survey and Google Earth.

Moving homes and key public buildings to higher ground is already a stated priority for Palau. The national Palau Development Plan 2023-2026 lists providing alternative sites for homes as an immediate priority for coastal communities at risk. The State Hazard Maps in the Melekeok Master Plan (2023-2032) and the Ngchesar Master Plan (2024-2034) show the contrast plainly (Figure 7). The existing school falls inside the low-lying coastal hazard zone, below the 5 m sea-level contour, while the proposed Desbedall site (Lot 43151) sits on higher inland ground of about 35 to 60 m, outside the mapped flood and coastal-hazard areas. Relocating the school to higher ground takes an exposed public building out of the coastal hazard zone, which is a well-established way for Pacific communities to adapt to rising seas.

Coastal hazard exposure: existing Melekeok Elementary School vs proposed Desbedall relocation site



Between the 3 m and 5 m sea-level contours, on the reef-fronted shoreline (under 5 m elevation). On elevated forested upland (about 35 to 60 m); the mapped flood areas follow the valley streams, not the site.

Source: Melekeok State Hazard Map (Melekeok Master Plan 2023-2032) and Ngchesar State Hazard Map (Ngchesar Master Plan 2024-2034), PALARIS / State Land Use Planning. Site locations indicative; maps not to be used for official survey purposes.

Figure 7: Coastal hazard exposure of the existing school compared with the proposed relocation site. Each site is marked on its State Hazard Map and shown close up. The existing Melekeok Elementary School sits in the low-lying coastal hazard zone, between the 3 m and 5 m sea-level contours, while the proposed Desbedall site (Lot 43151) is on higher inland ground outside the mapped flood and hazard zones. Source: Melekeok State Hazard Map (Melekeok Master Plan 2023-2032) and Ngchesar State Hazard Map (Ngchesar Master Plan 2024-2034), PALARIS. Site locations are indicative; the maps are not for survey use.



Figure 8: The existing Melekeok Elementary School - exterior buildings (left) and a furnished classroom in use (right). Source: Micronesian Seminar (micsem.org).

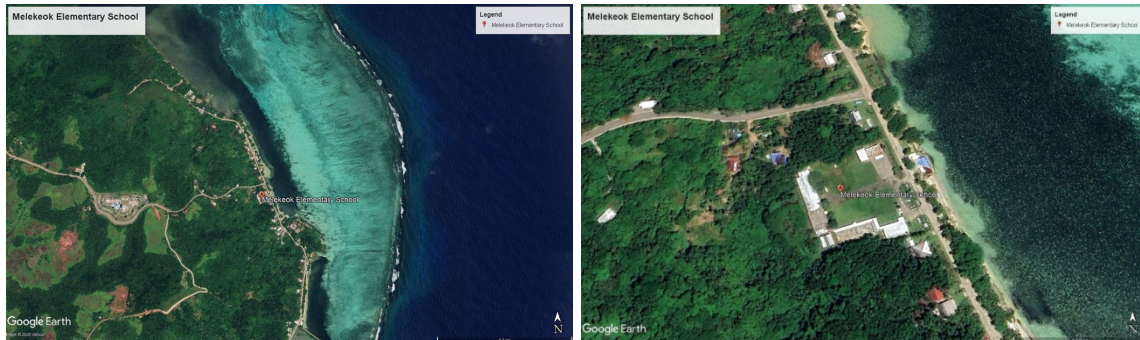


Figure 9: Aerial view of the existing Melekeok Elementary School on the exposed eastern shoreline of Babeldaob - wider reef-front setting (left) and the school buildings immediately adjacent to the coast (right). Source: Google Earth / Airbus.

1.3 Description of Proposed Relocation Site – Ngchesar State

The proposed site for the consolidated Desbedall School is located inland of Ngchesar state, approximately 8km by road from the existing Melekeok Elementary School. The designated area for the project will occupy a 60-hectare parcel of State land known as 'Mlonguis Ked' (approximate coordinates 7°28'44.0"N, 134°35'01.0"E).

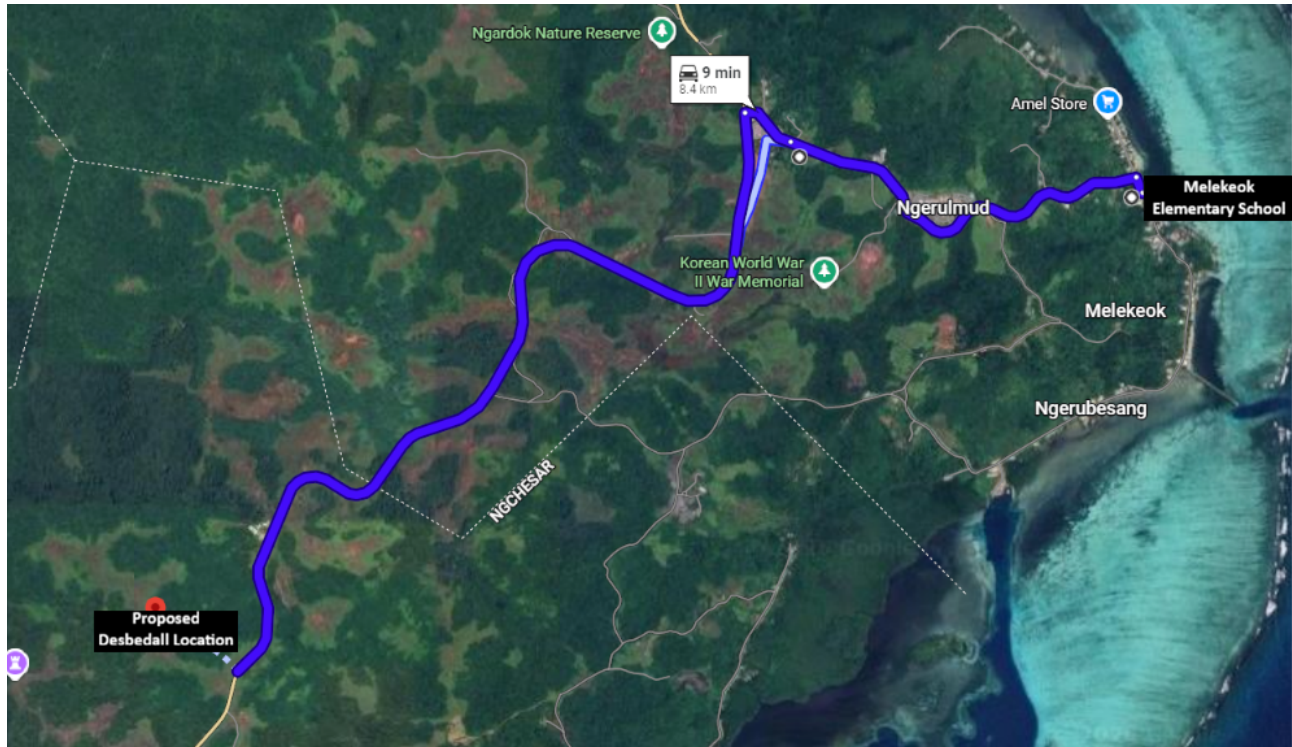


Figure 10: Distance between Melekeok E. School and proposed site

A review of the existing cultural heritage records for the Ngchesar region indicates that the broader area has archaeological and historical significance. The Ngchesar Survey report obtained for this proposal documents several recorded sites in the surrounding region (also noted in *Figure 11 below*), including historic remains dating to the Japanese administration period. In recognition of this, an archeological survey of the proposed site has been planned to be undertaken as part of this pre-feasibility stage. The findings of the survey had not been finalized at the time of this report but will inform subsequent documents/assessments, and guide any necessary avoidance or mitigation measures prior to ground disturbance or clearing activities.

Unexploded Ordnance (UXO): Given Palau's Second World War history and the recurrent encounter of unexploded ordnance during earthworks across Babeldaob, UXO risk was identified during the project mission and incorporated into the environmental and social screening process; UXO clearance is also a prerequisite for the EQPB permit. A Non-Technical Survey of the Ngchesar area of interest (3.14 km²), conducted under Palau National Police Standard Operating Procedures, identified one suspected hazardous area associated with a former Japanese anti-aircraft battery and trench system. A subsequent Technical Survey in December 2025, covering 25 per cent of the suspected area through systematic visual and subsurface investigation, found only empty anti-aircraft casings, with no live ordnance or further contamination. The area was formally assessed as posing no additional risk and released for normal civilian use under Palau land-release procedures.

Land Tenure: The Ngchesar State Public Lands Authority holds registered title to the land. For purposes of the project, land use has been secured through a Memorandum of Understanding (MOU) signed by the Republic of Palau National Government, Palau Public Lands Authority, Ngchesar State Government, and Ngchesar State Public Lands Authority, registered on the 29th December 2025. The MOU as a legally binding agreement, designates the land or Lot No. 43151 to the National Government for the construction and long-term operation of the consolidated Desbedall School – free of charge. Supporting the MOU includes a formal resolution (introduced and approved in May 2023) noting the unified consensus from the Governments of Melekeok, Ngchesar and Ngiwal towards the proposed project and use of land.

Existing school site: The existing Melekeok Elementary School stands on privately owned land, in contrast to the State-owned relocation site. Demolition of the existing school is not currently planned; any future decision on the site - retention, re-use or demolition, including the identification and management of any legacy hazardous materials - would rest with the private landowner and the Ministry of Education, and falls outside the scope of this project.

Existing features: The site which can be accessed by the main public road, is currently uninhabited and undeveloped, and therefore there will be no physical or economical displacement to be carried out to accommodate the proposed project. Based on the topographic survey plan presented as Figure 11 below; contours indicate areas that elevate into moderately steep terrain mainly at the eastern bound of the site (along or near the main road).

A 2025 LiDAR survey records the elevation and shape of the proposed site (Figure 11). The 60-hectare parcel sits on higher inland ground at roughly 35 to 65 m and drains toward interior streams, which keeps it clear of the coastal flood and storm-surge zone that affects the existing school. The survey also picks up nearby historical-remains sites, which fits the cultural-heritage points noted above.



Figure 11: LiDAR 5 m contour map of the proposed Desbedall school site (Lot 43151; about 60 ha), Ngchesar State. The site occupies higher inland ground at roughly 35 to 65 m, well above the coastal hazard zone, and drains to interior streams. Nearby historical-remains sites are marked, and an archaeological survey of the site is planned. Source: 2025 LiDAR, PALARIS (Chart No. 4010/23).



Figure 12: Site visit December 2025 - image showing secondary vegetation and moderately steep terrain at proposed site.

Utility services including power, telecommunications and water supply will need to be further assessed and established to support the operation of the school. Preliminary observations identified that existing power lines are located within the vicinity of the site and are assumed to be accessible for connection. A household dwelling located adjacent to the site uses water tanks for water harvesting and supply, which shows that public water supply infrastructure will need to be further assessed during the feasibility and subsequent phases of the development to ensure the school has sufficient supply of water during its operational phase.

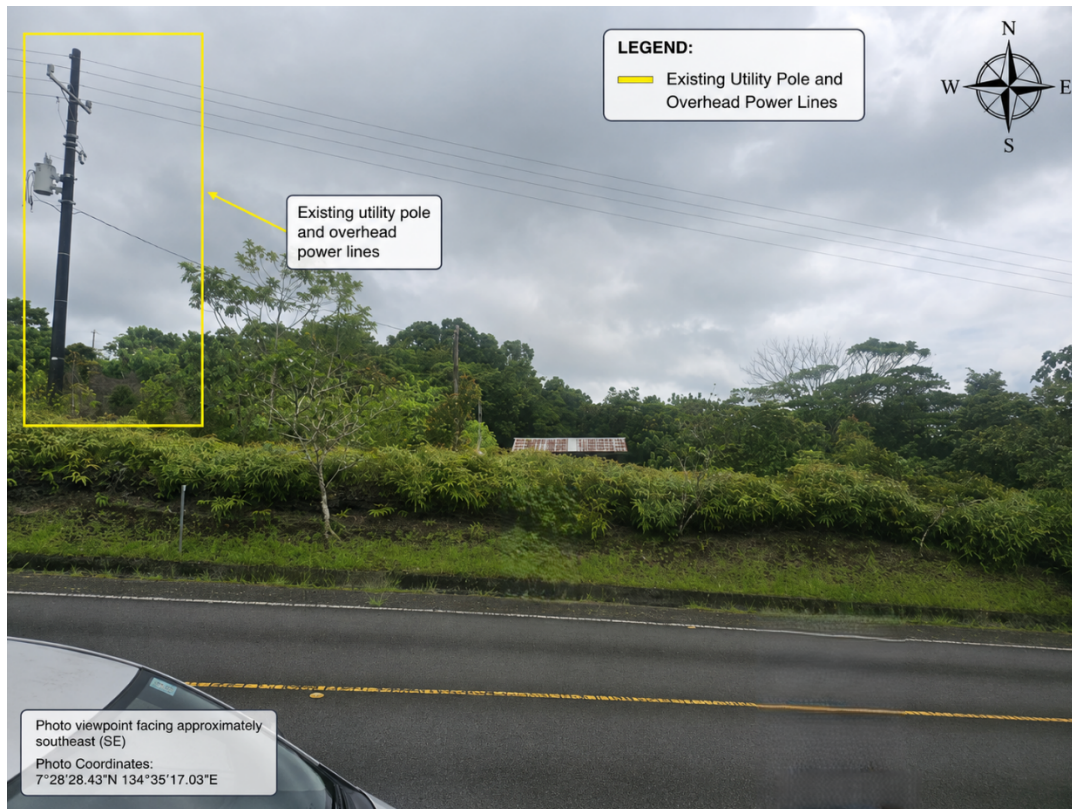


Figure 13: Existing power line within the vicinity

1.4 Economic and Development Rationale

From an economic and development perspective, Palau's narrow economic base and reliance on tourism and public services mean that disruptions to education infrastructure have long-term implications for human capital development and social stability. Repeated repair and maintenance of

climate-exposed infrastructure represent a less cost-effective pathway than planned relocation to resilient sites such as Ngchesar. Lifecycle considerations indicate that investment in climate-resilient, well-sited public infrastructure provides stronger value for money while reducing residual climate risk. Environmentally and socially, the project benefits from formal land approvals at both state and national government levels, reducing tenure uncertainty and enabling full compliance with Palau's environmental management framework. Project design is consistent with Palau's customary governance systems, including the central role of women in land stewardship and community decision-making, supporting socially inclusive and culturally appropriate adaptation outcomes.⁴⁶ The proposed project addresses a clearly defined climate adaptation problem through a targeted and strategic intervention: relocating a single climate-exposed school to higher ground, consolidating education services across three states, and delivering Palau's second government-owned high school⁴⁷. By integrating education provision, community functions, and disaster response capacity within one resilient facility, the project strengthens social resilience, safeguards essential services, and supports sustainable development under a changing climate.

1.5 Adaptation Outcome and Strategic Contribution

The education sector in Palau faces a combination of structural and climate-driven barriers that directly undermine continuity, quality, and safety of learning, particularly in climate-exposed coastal areas. Increasing frequency of storm surge, coastal flooding, sea spray intrusion, and extreme rainfall events have resulted in repeated disruption of school operations at Melekeok Elementary School, including temporary closures, damage to facilities, and unsafe learning conditions. These impacts reduce instructional time, affect student attendance, place additional strain on teachers, and compromise the delivery of essential education services. A key barrier is the location of critical education infrastructure in low-lying coastal zones where incremental climate impacts interact with aging buildings that were not designed for future climate conditions. Limited fiscal space and competing national priorities further constrain the Government's ability to repeatedly repair or retrofit vulnerable facilities, creating a cycle of reactive maintenance rather than long-term resilience. In addition, schools in Palau play an important role in emergency coordination and sheltering, yet climate exposure limits their ability to safely perform these functions when they are most needed. There are also institutional and service delivery challenges. Consolidation of education services across states has increased reliance on a small number of facilities to serve multiple communities, meaning that disruption at a single site has system-wide consequences. Climate impacts therefore pose not only a localized infrastructure risk, but a national education service risk affecting students from Melekeok, Ngchesar, and Ngiwal States. The proposed project directly addresses these barriers by relocating a climate-exposed school to higher ground and integrating climate-resilient design, disaster preparedness, and multi-functional education infrastructure. By doing so, the project reduces long-term climate risk to education delivery, ensures continuity of learning under future climate conditions, strengthens the education sector's role in disaster response, and provides a scalable model for addressing climate impacts on education services across Palau.

Project/Programme Objectives:

List the main objectives of the project/programme.

The overall objective of the project is to reduce climate and disaster risk to essential education services in Palau by relocating Melekeok Elementary School, a climate-exposed coastal facility, to a resilient inland site in Ngchesar State, consolidating education services currently delivered across Melekeok, Ngchesar and Ngiwal States and delivering Palau's second government-owned high school within the same campus, and delivering a multi-functional, climate-resilient education campus that safeguards learning continuity, strengthens community resilience, and supports long-term sustainable development.

⁴⁶ Fitzpatrick, S. M., Napolitano, M. F., & Stone, J. H. (2021). *Disaster Risk and Climate Change Impact Survey in the Republic of Palau*. Koror: Bureau of Cultural and Historical Preservation.

⁴⁷ Secretariat of the Pacific Community. (2024). *Palau Enhanced Nationally Determined Contribution 2025–2030*. Nouméa: SPC.

Specifically, the project aims to:

1) Objective One: Reduce physical climate risk and ensure continuity of education services through relocation and resilient infrastructure

Reduce exposure of essential education infrastructure to climate-induced hazards by relocating Melekeok Elementary School from a highly exposed coastal location to higher, safer ground in Ngchesar State, and constructing a climate-resilient, multi-functional education campus. This objective focuses on permanent risk reduction through improved site selection, resilient design, and removal of critical infrastructure from high-risk zones, ensuring that facilities are safe, durable, and fit for purpose under current and projected climate conditions.

2) Objective Two: Strengthen Adaptive capacity of the education sector through integrated structural and non-structural measures

Enhance the resilience of Palau's education sector by combining climate-resilient infrastructure with non-structural measures that support system-level adaptation. This includes consolidation of education services into a well-sited facility to reduce overall system exposure, incorporation of climate-responsive design standards, and integration of emergency shelter and evacuation functions that enable schools to operate as critical community assets during climate-induced hazard events.

3) Objective Three: Build institutional, community, and governance capacity for climate-resilient education delivery

Strengthen the capacity of institutions, schools, and communities to prepare for, respond to, and manage climate-induced hazard events affecting education services. This includes development of preparedness and response plans, training and drills, operational systems for safe facility use during emergencies, and strengthened governance and coordination mechanisms. This objective ensures that education services can continue to function during and after climate shocks through effective systems, planning, and community-level readiness.

Project/Programme Components and Financing:

Project/Programme Components	Expected Concrete Outputs	Expected Outcomes	Amount (US\$)
Component 1: Climate Risk Assessment and Adaptation Planning for the Education Sector	Output 1.1: Climate hazard, vulnerability, and risk assessment reports for existing and proposed school sites.	i. Improved understanding of climate risks affecting education infrastructure.	1,500,000
	Output 1.2: Technical, environmental, and geotechnical surveys completed.	ii. Evidence-based adaptation planning and decision-making across the education sector.	
	Output 1.3: Climate-informed site selection and design parameters established.	iii. Strengthened	

	Output 1.4: National and state personnel trained on climate risk assessment methodologies and application.	national capacity to assess and manage climate-induced risks.	
Component 2: Climate-Resilient School Adaptation and Infrastructure Intervention	Output 2.1: Detailed campus master plans incorporating future climate conditions, expansion needs, and education demand. Output 2.2: Climate-resilient architectural and engineering designs completed. Output 2.3: Construction of an integrated education campus serving pre-school, primary, and secondary levels. Output 2.4: Climate-resilient water, sanitation, energy, and access systems established. Output 2.5: Fully operational facility serving Melekeok, Ngchesar, and Ngiwal States.	i. Reduced exposure of education infrastructure to climate hazards. ii. Improved continuity and reliability of education services under climate stress. iii. Strengthened system-level resilience through consolidation into safe, well-sited infrastructure.	17,500,000
Component 3: Capacity Building, Preparedness, and Community Resilience	Output 3.1: School-level climate preparedness and response plans developed. Output 3.2: Training and simulation drills conducted for staff, students, and communities. Output 3.3: Backup systems for power, water, sanitation, and emergency shelter established. Output 3.4: Increased awareness of climate risks at institutional and community levels.	i. Enhanced adaptive capacity of schools and surrounding communities. ii. Improved preparedness and safe use of facilities during climate hazards. iii. Strengthened social resilience and protection of essential education services.	2,200,000
4. Project/Programme Execution Cost			1,802,000

5. Total Project/Programme Cost	23,002,000
6. Project/Programme Cycle Management Fee (Implementing Entity)	1,955,170
Amount of Financing Requested	24,957,170.00

Projected Calendar:

Indicate the dates of the following milestones for the proposed project/programme

Milestones	Expected Dates
Start of Project/Programme Implementation	July 2027
Mid-term Review (if planned)	June 2029
Project/Programme Closing	December 2031
Terminal Evaluation	March 2032

A. Describe the project/programme components, particularly focusing on the concrete adaptation activities of the project, and how these activities contribute to climate resilience. For the case of a programme, show how the combination of individual projects will contribute to the overall increase in resilience.

The programme is structured as a set of mutually reinforcing components that together address a clearly identified climate adaptation challenge: the high and increasing exposure of critical education infrastructure to climate-related hazards, including flooding, extreme rainfall, storm surge, and disruption during disaster events. The combination of upstream technical work, institutional strengthening, and targeted capital investment ensures that adaptation outcomes are durable, cost-effective, and embedded within national systems rather than delivered as isolated infrastructure works. The project is envisioned to have 3 components that are complimentary in achieving a climate resilient school and community:

Component 1:	Climate Risk Assessment and Adaptation Planning for the Education Sector
Component 2:	Climate-Resilient School Adaptation and Infrastructure Intervention (<i>Core Adaptation Investment</i>)
Component 3:	Capacity Building, Preparedness, and Community Resilience

Component 1: Climate Risk Assessment and Adaptation Planning for the Education Sector:

The first component focuses on detailed studies, environmental and social safeguards, and climate-resilient design to establish the technical foundation of the programme that supports site selection and informs infrastructure master planning and design in Component 2. This component delivers site-specific climate risk assessments, hydrological and geotechnical investigations, environmental and social safeguard instruments, and detailed architectural and engineering designs. These activities ensure that the relocated school and associated facilities are deliberately sited and designed to withstand current and projected climate conditions, rather than replicating historical exposure patterns. By integrating climate projections, disaster risk reduction principles, and applicable building standards into the design stage, this component directly reduces long-term vulnerability and avoids maladaptation. Environmental and social safeguard screening, including cultural heritage considerations, is incorporated to ensure that adaptation measures are implemented in accordance with national regulatory requirements and good practice, and do not result in unintended social or environmental impacts⁴⁸. Component 1 is distinct from Component 2: it delivers the upstream, sector-level evidence base and safeguards instruments (climate hazard and vulnerability assessments, site-selection and design parameters, environmental and social impact assessment and management plans, and institutional capacity building) that establish whether and how to build, whereas Component 2 delivers the project-specific master planning, detailed design and physical construction of the campus itself. Where preliminary geotechnical and environmental and social studies are financed through the Project Formulation Grant, those studies will be accounted for separately and netted out of Component 1 to avoid any duplication of funding, with Component 1 covering only the remaining assessments not met by the grant.

Output 1.1: Climate hazard, vulnerability, and risk assessment reports for existing and proposed school sites.

Output 1.1 will provide the evidence base required to identify current and future climate risks affecting education infrastructure and support informed adaptation planning. These assessments will help ensure that school infrastructure investments are resilient to hazards such as sea-level rise, storm surge, flooding, extreme rainfall, drought, and typhoons, which are increasing in frequency and intensity in Palau.

⁴⁸ Fitzpatrick, S. M., Napolitano, M. F., & Stone, J. H. (2021). Disaster Risk and Climate Change Impact Survey in the Republic of Palau. Bureau of Cultural and Historical Preservation.

Output 1.2: Technical, environmental, and geotechnical surveys completed.

Output 1.2 is necessary to determine the suitability, safety, and long-term resilience of proposed school sites and infrastructure. These surveys will support climate-informed engineering design, identify environmental and social risks, and ensure compliance with national safeguards and adaptation requirements.

Output 1.3: Climate-informed site selection and design parameters established.

Output 1.3 will ensure that future education infrastructure is located and designed to minimize climate and disaster risks while supporting long-term operational resilience. This approach supports Palau's national priorities for climate-resilient development and reduces future vulnerability and adaptation costs.

Output 1.4: National and state personnel trained on climate risk assessment methodologies and application.

Output 1.4 will strengthen local institutional capacity to integrate climate resilience into education planning, infrastructure development, and disaster risk management. Capacity building is critical to ensuring long-term sustainability, national ownership, and continued application of adaptation measures beyond the project lifecycle.

Component 2: Climate Resilient School Master Planning, Design & Construction (Core Adaptation Investment):

Component 2 represents the core adaptation investment and delivers the majority of the project's resilience benefits by reducing exposure of essential education services to climate-induced hazards. The focus of the investment will be on climate resilient classrooms.⁴⁹ It includes the full master planning, design and construction of an integrated education campus at the Desbedall site in Ngchesar State, comprising the relocated Melekeok Elementary School, Palau's second government-owned public high school serving Babeldaob, and shared education and community facilities. In addition, the school will serve as an emergency evacuation center⁵⁰ for surrounding communities. The facilities are deliberately sited on higher ground and designed to climate-resilient standards, thereby removing students, staff, and critical services from areas exposed to coastal flooding, storm surge, and extreme rainfall. Considering the Component 1 studies, assessments, and education projections, two school master plans will be developed and presented for stakeholder consultation prior to starting design. By consolidating education services previously distributed across multiple climate-exposed sites into a single, well-sited and resilient facility, this component reduces system-wide climate risk to education service delivery and enhances continuity under current and future climate conditions. Alignment with national education consolidation policies is therefore a supporting outcome of the adaptation intervention, rather than its primary driver, and contributes to more resilient and efficient use of public resources⁵¹.

Component 2 also includes early-stage physical adaptation through site preparation and initial construction works at the Ngchesar relocation site informed by studies prepared in Component 1 that are reinforced by Master planning and Design Activities. It is envisioned that early procurement construction activities will include site clearance, earthworks, access improvements, drainage, bulk services, and foundational structural works. It is intended that these works be low impact while ensuring that the core investment budget is allocated to the construction of classrooms rather than towards large site clearance and fill operations. Investing in these interventions should reduce exposure to surface

⁴⁹ The priority focus of the investment will be on classrooms, supporting basic facilities, and basic road access; including a designated classroom building that can serve as an evacuation center. Gymnasiums, sports fields, teacher accommodation are not envisioned to be included in this project.

⁵⁰ Design will integrate emergency and evacuation center features in the master planning and design. This could include planning for storage of furniture/NFIs, backup water and power systems, renewable energy solutions where appropriate to ensure operational continuity during climate- and disaster-related emergencies.

⁵¹ Government of Palau. (2023). *Palau Development Plan 2023–2026*. Ministry of Finance.

flooding and waterlogging, stabilize the site against erosion, and ensure that subsequent construction occurs on a climate-safe platform. Early investment in drainage and land shaping is particularly important in Palau's high-rainfall environment, where inadequate site preparation has historically contributed to infrastructure failure⁵². This will be delivered to ensure that works align with environmental and archaeological considerations. By addressing these risks upfront, the component reduces both construction-phase and long-term climate vulnerability. In order to ensure continuity of knowledge from design through to construction, a firm should be engaged in both the master-planning, design, and construction supervision stage to ensure that climate resilience and institutional knowledge is retained and embedded and throughout the project cycle; to increase the quality and intent that the what is constructed is in alignment with the climate resilient school designs.

Output 2.1: Detailed campus master plans incorporating future climate conditions, expansion needs, and education demand.

Output 2.1 will ensure that the proposed education campus is strategically planned to accommodate long-term population, infrastructure, and climate resilience requirements. The master planning process will support efficient land use, future school expansion, disaster preparedness functions, and sustainable education service delivery for surrounding communities.

Output 2.2: Climate-resilient architectural and engineering designs completed.

Output 2.2 will ensure that all proposed facilities are designed to withstand projected climate hazards, including typhoons, flooding, extreme rainfall, heat stress, and sea-level rise. The designs will integrate resilient construction approaches, sustainable materials, and low-maintenance infrastructure appropriate for Palau's environmental and operational context.

Output 2.3: Construction of an integrated education campus serving pre-school, primary, and secondary levels.

Output 2.3 will provide a safe, modern, and climate-resilient learning environment capable of supporting continuous education delivery despite increasing climate and disaster risks. The consolidated campus approach will improve education accessibility, operational efficiency, and long-term resilience for vulnerable communities.

Output 2.4: Climate-resilient water, sanitation, energy, and access systems established.

Output 2.4 will strengthen the operational reliability and self-sufficiency of the education facility during both normal operations and disaster events. Resilient utility systems, including renewable energy, secure water supply, sanitation infrastructure, and all-weather access, are critical for ensuring uninterrupted school functionality and emergency response capacity.

Output 2.5: Fully operational facility serving Melekeok, Ngchesar, and Ngiwal States.

Output 2.5 will improve equitable access to safe and resilient education services for students and communities currently exposed to climate risks. The facility will also strengthen regional disaster preparedness by functioning as a community resilience asset and emergency evacuation center during extreme events.

Component 3: Capacity Building, Preparedness, and Community Resilience

The third component enhances the adaptive value of the infrastructure by ensuring that the constructed school facilities have emergency and operational continuity plans, function as multi-purpose resilience assets, and that communities are prepared and aware of climate risks. This component focuses on equipping and stocking designated emergency/evacuation buildings (classrooms) with the required furniture and non-food items, providing preparedness training for school staff, students, and surrounding communities, conducting emergency drills, and supporting activities that promote community awareness of climate risks and locally appropriate adaptation measures. Schools in Palau

⁵² Government of Palau. (2019). *State of the Environment Report*. National Environmental Protection Council.

play a recognized role as community hubs and emergency shelters, and strengthening this function increases community-level adaptive capacity during climate-induced hazards such as typhoons, extreme rainfall events, and tsunami warnings. This component will also establish practical knowledge management and learning mechanisms to capture, document, and share lessons from preparedness planning, training, and emergency response activities. Knowledge generated will be used to strengthen school-level systems, inform continuous improvement of preparedness measures, and support replication of effective approaches across the education sector. By integrating disaster preparedness and learning into everyday public infrastructure, this component extends resilience benefits beyond the education sector to surrounding communities, particularly vulnerable groups⁵³. By integrating disaster preparedness into everyday public infrastructure, this component extends resilience benefits beyond the education sector to surrounding communities, particularly vulnerable groups.

Output 3.1: School-level climate preparedness and response plans developed.

Output 3.1 will strengthen the capacity of schools to anticipate, prepare for, and respond effectively to climate-related hazards and disasters. These plans will establish clear procedures for evacuation, emergency coordination, continuity of education, and protection of students, staff, and infrastructure during extreme events.

Output 3.2: Training and simulation drills conducted for staff, students, and communities.

Output 3.2 will improve awareness, preparedness, and practical response capacity to climate and disaster risks. Regular drills and capacity-building activities will help ensure that school communities can respond safely and efficiently during emergencies while strengthening a broader culture of resilience and disaster preparedness.

Output 3.3: Backup systems for power, water, sanitation, and emergency shelter established

Output 3.3 will ensure that the education campus remains operational and capable of supporting surrounding communities during disaster events and service disruptions. These systems will enhance the facility's role as a resilient community asset and emergency evacuation center during extreme weather and climate-related emergencies.

COMPONENT ACTIVITIES:

Project / Programme Component	Key Adaptation Activities	Primary Climate Risks Addressed	Contribution to Climate Resilience
Component 1: Climate Risk Assessment and Adaptation Planning for the Education Sector	Site-specific climate risk, hazard and vulnerability assessments; hydrological and geotechnical investigations; environmental and social safeguard screening and detailed assessments including cultural heritage considerations; preparation of detailed climate-resilient architectural and engineering designs informed by climate projections and applicable building standards.	Flooding, extreme rainfall, storm surge, long-term climate exposure, maladaptation risk.	Ensures education infrastructure is deliberately sited and designed for current and projected climate conditions, avoiding replication of historical exposure patterns, reducing long-term vulnerability, and preventing maladaptation through early integration of climate risk considerations into planning and design.

⁵³ National Emergency Management Office. (2021). *National Disaster Risk Management Framework*. Government of Palau.

Project / Programme Component	Key Adaptation Activities	Primary Climate Risks Addressed	Contribution to Climate Resilience
Component 2: Climate Resilient School Master Planning, Design & Construction (Core Adaptation Investment):	Construction of the relocated elementary school, a new government-owned public high school, and shared education and community facilities on higher ground in Ngchesar State, consolidated into a single integrated campus and designed to climate-resilient standards.	Coastal flooding, storm surge, extreme rainfall, disruption to education services under climate stress.	Removes critical education services from high-risk coastal zones, reduces system-wide exposure through consolidation into a well-sited facility, and ensures continuity of education service delivery under current and future climate conditions.
Component 3: Capacity Building, Preparedness, and Community Resilience	Evacuation and shelter fit-out; backup water and power systems, including rainwater harvesting and storage and renewable energy solutions where appropriate to ensure operational continuity during climate-related emergencies; emergency storage; accessibility features; preparedness training for school staff, students, and surrounding communities; and commissioning activities.	Climate-induced hazard events lead to service disruption and reduced community preparedness.	Enhances adaptive capacity by enabling education facilities to function safely during periods of climate stress, extending resilience benefits beyond the education sector and supporting community preparedness without altering the core education function of the infrastructure.

This integrated approach aligns with Palau's national climate change policy, disaster risk management priorities, and long-term development strategy, and represents a full-cost adaptation response to an identified climate risk.

B. Describe how the project/programme provides economic, social and environmental benefits, with particular reference to the most vulnerable communities, and vulnerable groups within communities, including gender considerations. Describe how the project/programme will avoid or mitigate negative impacts, in compliance with the Environmental and Social Policy and Gender Policy of the Adaptation Fund.

2.1 Economic, Social, and Climate Adaptation Benefits

The proposed relocation of climate-exposed education infrastructure from a low-lying coastal site to higher elevation constitutes a strategic and cost-effective adaptation investment. Recurrent flooding, storm surge exposure, and access disruption at the existing coastal school site impose ongoing economic costs on government and households through emergency repairs, premature infrastructure deterioration, lost instructional time, and disruptions to livelihoods when parents and caregivers must respond to school closures. Relocation to a safer site reduces long-term public expenditure associated with climate damage while protecting human capital development; a critical component of Palau's economic resilience given its narrow economic base and reliance on skilled labor⁵⁴. The consolidation

of education services serving Ngchesar (population 319), Melekeok (population 318), and Ngiwal (population 312)⁵⁵ into a single climate-resilient campus improves efficiency of public service delivery while safeguarding continuity of education. The primary direct beneficiaries of the project are students and teachers from these three states, who will benefit from safer, climate-resilient learning environments, reduced disruption to schooling during climate-induced hazard events, and improved access to education services. Children are among the most climate-vulnerable population groups, particularly when disasters interrupt schooling and expose them to unsafe infrastructure and transport conditions. By relocating education services to higher ground and designing facilities to maintain functionality during extreme weather events, the project directly reduces exposure to climate risks and supports uninterrupted learning. Indirect beneficiaries include families and caregivers, surrounding communities, and vulnerable groups such as the elderly and persons with disabilities (PWD)⁵⁶, who will benefit from the facility's function as a multi-purpose community hub and emergency shelter during climate-related events. The integration of education and community functions strengthens local adaptive capacity and enhances protection of essential services under climate stress. The beneficiary base is best understood as a long-term and expanding investment rather than a single present-day enrolment figure, and it spans two distinct catchments. The education catchment draws on the combined population of three States - Melekeok, Ngchesar and Ngiwal - which together account for roughly 950 residents within a national population of 17,614 (2020 Census). Nationally, public schools enrolled 1,712 elementary and 547 secondary students in school year 2020-2021 (Palau Development Plan 2023-2026); the consolidated campus serves the pre-school, primary and lower-secondary cohorts of the three States from opening, and the addition of Palau's second government-owned high school draws a national secondary catchment, since the only existing public high school is in Koror. As the Desbedall campus matures it is designed to grow into the principal education and training hub for central-eastern Babeldaob, consistent with the Melekeok Master Plan's vision of the State as a centre of development for neighbouring States; current enrolment therefore represents a starting point, not the ceiling, for the asset's service over its multi-decade life. The evacuation-centre catchment is broader still and serves a different population: during cyclones, storm surge and flooding it provides a designated safe-haven for residents of all three States, including those whose own communities lie in low-lying coastal areas, so the shelter function benefits the wider district rather than only the enrolled student body. Counting the full education catchment across three States, the national high-school cohort, and community evacuation-centre users over the lifecycle of the infrastructure gives a substantially larger and more accurate beneficiary base than enrolment at any single point in time.⁵⁷ Concrete enrolment data confirm the scale and trajectory of this beneficiary base. Melekeok Elementary School - the facility that physically relocates - enrolled 83 students across kindergarten to Grade 8 in school year 2025-26 (Ministry of Education official enrolment). It is the only elementary school remaining in the eastern-Babeldaob catchment of Melekeok, Ngchesar and Ngiwal: the Ministry consolidated three eastern-Babeldaob elementary schools into one in 2011 (Palau Development Plan 2023-2026), which is why Ngchesar and Ngiwal no longer operate their own schools. Current enrolment therefore understates the resident school-age population the campus is designed to serve, because many catchment children are bused out of the district to Koror and rural enrolment has declined with low birth rates and out-migration. When the three States last operated their own elementary schools (2005), they enrolled 43, 39 and 40 students respectively - a combined cohort of 122 (Palau Education Master Plan 2006-2016) - and, with near-universal primary enrolment in Palau (an adjusted net enrolment rate of about 99 per cent, World Bank), a quality local campus is well placed to retain the full three-State catchment rather than losing children to the long daily journey to Koror. The 2020 Census of Population and Housing confirms the scale of this resident catchment: 135 children of elementary-

⁵⁵ Government of Palau (2020) Population Census, https://www.palau.gov.pw/executive-branch/ministries/finance/budgetandplanning/population-census/#:~:text=Table_title:%20Population%20Census%20Table_content:%20header:%20%7C%20State,%7C%20Population:%20320%20%7C%20:%20114%20%7C

⁵⁶ Intergovernmental Panel on Climate Change. (2022). *Climate Change 2022: Impacts, Adaptation and Vulnerability*. Cambridge University Press.

⁵⁷ Office of Planning and Statistics, Republic of Palau. (2022). *2020 Census of Population and Housing, Volume I; and Palau Development Plan 2023–2026 (public-school enrolment: 1,712 elementary and 547 secondary, SY2020–2021)*.

school age (5-13) live in the three States (Ngchesar 51, Ngiwal 45 and Melekeok 39), of whom 124 are of grades 1-8 age (6-13) - almost identical to the 122 enrolled across the three State schools in 2005 - together with a further 47 of secondary-school age (14-17), giving a resident school-age catchment of 182. Set against Melekeok Elementary School's current enrolment of 83, this indicates that roughly fifty of the catchment's elementary-age children are presently educated outside it (chiefly bused to Koror), and it establishes a firm, census-based catchment for the consolidated K-12 campus even before the wider Babeldaob secondary intake of the second government high school is taken into account.

Critically, the project is not a stand-alone proposition but the implementation of long-standing national policy, and its strategic value is that it consolidates education for the catchment from elementary through to high school. The consolidation of the Ngchesar, Ngiwal and Melekeok elementary schools is the Ministry's own plan, established as Phase 3 of the school-consolidation programme under Republic of Palau Public Law (RPPL) 5-15 (1999) and reaffirmed in the Palau Development Plan 2023-2026, which records the 2011 eastern-Babeldaob consolidation and the need to relocate the consolidated coastal schools to higher ground because of climate change and sea-level rise. The second government high school is equally well established: a new school in Babeldaob has been a Ministry priority since at least the Palau Education Master Plan 2006-2016 (which set out a plan to build a Babeldaob high school combining elementary and high-school grades), and the Palau Development Plan 2023-2026 records that the proposal for a second public high school in Babeldaob has recently gained traction through an executive order of the Office of the President creating a task force to establish a K-12 public school on Babeldaob. The proposed Desbedall campus is precisely that strategic K-12 facility - elementary, lower-secondary and the second government high school on one resilient inland site - and it directly relieves the daily busing of Babeldaob high-school students to Palau High School in Koror that has been in place since 2009. Palau High School, the only existing public high school, enrolled 526 students in 2025-26, indicating the scale of the secondary catchment a second government high school would serve.

2.2 Gender Equality, Social Inclusion, and Environmental Sustainability

The project incorporates gender equality and social inclusion as core design and implementation principles, aligned with the AF Gender Policy. Gender considerations will be integrated across planning, consultation, design, procurement, construction, and operational phases. Infrastructure design measures will include safe and well-lit access routes, gender-responsive sanitation facilities, inclusive evacuation space planning, and accessibility features to ensure equitable use by women, girls, PWD, elderly persons, and caregivers⁵⁸. Consultation processes will ensure meaningful participation of women and vulnerable groups, consistent with Palau's matrilineal land tenure system where women play a central role in land stewardship and community governance⁵⁹. Recruitment and staffing of the PMU, to be primarily composed of Palauan nationals, will promote inclusive employment practices and professional development opportunities, including for women in technical and infrastructure delivery roles. Environmental benefits are achieved through climate risk-informed site selection, avoidance of high-risk coastal zones, and alignment with Palau's national environmental management framework. Relocation away from vulnerable coastal areas reduces pressure on fragile ecosystems and avoids maladaptive investment in high-exposure zones. The project will comply with the AF Environmental and Social Policy (ESP), including all relevant Environmental and Social Principles, and will apply a precautionary and risk-based approach to impact management.

2.3 Environmental and Social Safeguards Framework

Environmental and social risk management will be undertaken through a structured and integrated safeguard process. The project will undergo formal environmental and social screening under SPREP's Environmental and Social Management System (ESMS) to determine risk categorization and confirm the scope and level of safeguard instruments required. This screening will be aligned with Adaptation Fund ESP requirements and updated as necessary during detailed design to ensure that risks are

⁵⁸ Fitzpatrick, S. M., Napolitano, M. F., & Stone, J. H. (2021). *Disaster Risk and Climate Change Impact Survey in the Republic of Palau*. Bureau of Cultural and Historical Preservation.

⁵⁹ Asian Development Bank. (2018). *Gender-Responsive Infrastructure Projects: A Guide for the Transport and Energy Sectors*. ADB.

systematically identified and addressed prior to construction. National regulatory compliance will be ensured through close coordination with the Palau Environmental Quality Protection Board (EQPB) and relevant state authorities. The project will adhere to Palau's environmental [impact] assessment (EA) and permitting requirements, and all regulatory approvals and conditions issued by EQPB will be incorporated into site-specific Environmental and Social Management Plans (ESMPs) and contractual obligations of contractors. This is to ensure national regulatory systems and Adaptation Fund safeguard standards operate concurrently and reinforce one another.

2.4 Construction Impact Management and Grievance Redress

Potential adverse impacts associated with construction activities including temporary noise, dust, traffic disruption, soil disturbance, and waste generation will be managed through site-specific ESMPs, contractor codes of conduct, occupational health and safety provisions, and supervision by the Design and Supervision Firm and PMU. Attention will be given to drainage management, erosion and sediment control, waste handling, and protection of nearby habitats. Cultural heritage screening will be undertaken to avoid inadvertent impacts on sites of significance. The project does not involve involuntary resettlement, and land tenure arrangements have been confirmed through state and national approvals prior to advancement of detailed design. A grievance redress mechanism (GRM) will be established and operational throughout implementation to ensure that concerns from communities, including women and vulnerable groups, are received, addressed, and documented in a transparent and timely manner⁶⁰. Safeguard performance will be monitored through periodic reporting, supervision missions, and regulatory oversight, with adaptive management measures applied where necessary. Climate-resilient design standards, gender-responsive planning, formal safeguard screening under SPREP's ESMS, and alignment with the Adaptation Fund ESP and Gender Policy form the core implementation framework for the project. Coordination with the Palau EQPB and other regulatory bodies will ensure full compliance with national requirements. Environmental and social risks will be assessed and managed systematically to secure long-term economic, social and environmental benefits.

Benefit Area	Key Beneficiaries	Main Benefits Delivered	Gender and Vulnerable Group Considerations	Risk Avoidance and Mitigation Measures
Economic Benefits	Government of Palau, households in Ngchesar, Melekeok and Ngiwal States	Reduced recurrent damage and maintenance costs, avoided service disruption, protection of long-term human capital, more efficient use of public education infrastructure	Reduced economic burden on caregivers, particularly women, who are disproportionately affected by school closures and disaster recovery responsibilities	Climate-informed siting and design, lifecycle cost optimization, avoidance of investment in high-risk coastal zones
Social Benefits	Children, youth, teachers, families, surrounding communities	Continuity of education during climate and disaster events, improved access to safe and uninterrupted learning environments, strengthened role of schools as community hubs and evacuation centers	Children, elderly persons, persons with disabilities, and single-parent households prioritized through safe access, inclusive design, and shelter capacity. Improved opportunities to enhance numeracy and literacy.	Universal access design, safe circulation, emergency preparedness planning, grievance redress mechanisms

⁶⁰ Secretariat of the Pacific Regional Environment Programme. (2023). *Palau National Environmental Management Strategy 2022–2030*. SPREP.

Benefit Area	Key Beneficiaries	Main Benefits Delivered	Gender and Vulnerable Group Considerations	Risk Avoidance and Mitigation Measures
Gender Equality and Women's Empowerment	Women and girls across the three states, female educators and public servants	one of Palau's first gender-responsive infrastructure projects, setting national precedent; safer, inclusive facilities; increased participation of women in planning and oversight	Alignment with UN Women guidance and ADB gender-responsive infrastructure frameworks; recognition of Palau's matrilineal land governance system; inclusive consultation processes	Gender-responsive design standards, gender-sensitive sanitation and shelter spaces, inclusive PMU recruitment and monitoring
Environmental Benefits	Local ecosystems, communities reliant on natural resources	Reduced pressure on vulnerable coastal areas, improved land-use planning, climate-resilient drainage and water management	Environmental protection supports livelihoods, food security, and cultural practices that women often manage at community level	EIA, erosion and drainage controls, waste management plans, compliance with national regulations
Institutional and Governance Benefits	Ministry of Education, state governments, SPREP	Strengthened national capacity to manage climate-resilient infrastructure, improved coordination and accountability	Opportunities for women's participation in PMU roles, training, and decision-making processes	Embedded safeguards oversight, reporting to SPREP, transparent procurement and supervision
Risk Management and Safeguards	All project stakeholders	Avoidance of involuntary resettlement, protection of cultural heritage, minimized construction impacts	Safeguard processes ensure that vulnerable groups are not disproportionately affected	Environmental and Social Management Plans, contractor codes of conduct, cultural heritage screening, grievance mechanisms

By aligning with national policies and international best practice on gender-responsive adaptation, the project sets a precedent for future public infrastructure investment in Palau and contributes to systemic improvements in resilience, equity, and sustainability under a changing climate.

C. Describe or provide an analysis of the cost-effectiveness of the proposed project/programme.

3.1 Cost-Effectiveness of the Proposed Programme

The proposed programme represents a cost-effective adaptation investment because it addresses climate risk at its source by removing critical education infrastructure from a high-risk coastal location and consolidating services into a single, climate-resilient site, rather than repeatedly repairing or

retrofitting assets that remain exposed. The approach reflects widely recognized adaptation principles that prioritize risk avoidance and long-term resilience over repeated repair in high-exposure zones ⁶¹. As covered extensively, Melekeok Elementary School has been subject to recurrent flooding, access disruption, and increasing maintenance demands, conditions that are projected to intensify under future climate scenarios. Continued investment at this location would require repeated expenditure on repairs, drainage upgrades, and emergency response, while still leaving residual risk unaddressed. Such expenditures would represent sunk costs that do not materially reduce long-term vulnerability. In contrast, relocation to the higher-elevation Desbedall site in Ngchesar State permanently reduces exposure to coastal flooding and storm surge, thereby avoiding future losses and locking in resilience benefits over the full lifecycle of the infrastructure ⁶². Cost-effectiveness is further enhanced through consolidation of education services. By combining pre-school, primary, and secondary education for Ngchesar, Melekeok, and Ngiwal States into a single integrated campus, the programme reduces duplication of facilities, utilities, staffing, and maintenance. This consolidation is consistent with long-standing national education policy and demographic trends and allows limited public resources to be concentrated on one well-designed, climate-resilient asset rather than dispersed across multiple vulnerable sites. The proposed unit costs are consistent with established Palauan and Pacific benchmarks. Palau's current government school-construction benchmark - the Airai Two-Storey Elementary School CIP estimate (October 2025) - prices a single two-storey, twelve-classroom elementary building at approximately USD 5.99 million, equivalent to about USD 2,627 per square metre, which sits between the "standard" (USD 2,450/m²) and "superior" (USD 3,500/m²) building rates published in the National Infrastructure Investment Plan (NIIP) 2021-2030. By comparison, the proposed campus delivers the relocated elementary school, Palau's second government-owned high school, a designated evacuation centre, resilient inland siting and independent water, power and sanitation systems for the combined catchment of three States - for a construction component of USD 17.5 million, broadly proportionate to delivering several times the scope of a single conventional school building. The NIIP itself already provides for consolidation of schools on Babeldaob (project Edu-1: three new buildings to consolidate seven schools, USD 11 million), confirming that the proposed approach operationalises an existing national plan rather than introducing a new cost commitment.^{63,64}

Comparison of Adaptation Options: No-Action, Retrofit and Relocation

In line with the Adaptation Fund's requirement to assess cost-effectiveness against a no-action option and feasible alternatives, three options were considered for securing safe, continuous education services for Melekeok, Ngchesar and Ngiwal States: (A) no action; (B) retrofit and repair the existing school in place; and (C) relocate and consolidate education services in a new climate-resilient campus on higher ground (the proposed project). The table below summarises the indicative costs and outcomes of each option. Figures are order-of-magnitude estimates drawn from the National Infrastructure Investment Plan unit costs and project records, and are intended to compare options rather than to serve as final budget estimates. This costed comparison complements, and should be read alongside, the qualitative options table presented earlier in the benefits section, which compares the same three options by relative cost, residual climate risk and long-term value.⁶⁵

Adaptation option	Indicative capital cost	Indicative recurrent cost (30-yr)	Residual climate risk and outcomes delivered	Assessment
A. No action -	Nil	~USD 0.6	Coastal exposure	Not viable:

⁶¹ Intergovernmental Panel on Climate Change. (2022). *Climate Change 2022: Impacts, Adaptation and Vulnerability*. Cambridge University Press.

⁶² Government of Palau. (2019). *State of the Environment Report*. National Environmental Protection Council.

⁶³ Pacific Region Infrastructure Facility (PRIF) / Government of Palau. (2021). *Palau National Infrastructure Investment Plan 2021–2030, Appendix 5 (Infrastructure Condition Assessment) and per-unit building construction costs*.

⁶⁴ Government of the Republic of Palau. (2025). *Capital Improvement Program (CIP) Cost Estimate: Proposed Airai Two-Storey Elementary School & Cafeteria* (28 October 2025).

⁶⁵ Pacific Region Infrastructure Facility (PRIF) / Government of Palau. (2021). *Palau National Infrastructure Investment Plan 2021–2030, Appendix 5 (Infrastructure Condition Assessment) and per-unit building construction costs*.

Adaptation option	Indicative capital cost	Indicative recurrent cost (30-yr)	Residual climate risk and outcomes delivered	Assessment
retain Melekeok Elementary on its coastal site and repair after each event		million routine upkeep, plus repeated post-disaster repairs	unaddressed and projected to worsen; recurrent damage and lost school-days; forced relocation still likely in future. Delivers no consolidation, high school or shelter.	accumulates losses with no resilience gain; contrary to the national mandate to relocate exposed schools.
B. Retrofit / repair-in-place at the existing site (NIIP project Edu-2)	~USD 2.2 million	~USD 165,000/yr (≈ USD 5.0 million over 30 yr; ≈7.5% of capital/yr)	School remains on the flood-exposed coastal site; hazard not removed (maladaptation risk). No consolidation, no second high school, no evacuation centre.	Cheapest upfront but does not solve the core problem; capital becomes a sunk cost if the site is later abandoned.
C. Relocate, consolidate and build a resilient campus (proposed project)	USD 24.96 million (AF request)	Lower per function - one modern, code-built asset replacing several aging, exposed schools	Coastal exposure permanently removed; delivers three-State consolidation, Palau's second government high school, a designated evacuation centre and resilient water, power and sanitation.	Cost-effective per unit of resilience and service delivered; the only option that fulfils Intervention H.6 and Action E.2.3.

The comparison shows that retrofitting in place (Option B) is the cheapest in first-cost terms but does not remove the underlying hazard: the school would remain on a flood- and surge-exposed coastal site, would deliver none of the consolidation, second-high-school or evacuation-centre benefits, and would carry a high risk of maladaptation and of becoming a sunk cost if the site must later be abandoned. No action (Option A) avoids capital outlay but allows recurrent damage, lost instructional days and rising residual risk to accumulate, with eventual forced relocation still likely. Option C costs more upfront, but it is the only option that permanently removes the exposure and simultaneously delivers consolidation across three States, Palau's second government-owned high school, and a designated community evacuation centre. On a full-cost-of-adaptation and whole-of-life basis, and measured per unit of resilience and service delivered, relocation is therefore the cost-effective choice.

This mirrors the approach the Adaptation Fund accepted for the Pacific nature-based seawalls project in Fiji, where cost-effectiveness was demonstrated by comparing the proposed investment against the cost of the alternative (community relocation). Here the logic is the reverse but equally valid: one-time relocation to a safe site is more economical over the lifecycle than repeatedly repairing, and ultimately abandoning, an asset in a worsening hazard zone. Critically, Option C is also the option mandated by national policy, which calls expressly for the relocation of public schools in vulnerable coastal areas.⁶⁶

Importantly, the proposed campus represents the first phase of a planned, climate-safe inland

⁶⁶ Republic of Palau. (2025). *Palau Climate Change Policy 2025–2035, Pillar 1 (Climate Change Adaptation): Section E (Critical Infrastructure) Action E.2.3 and Section H (Education) Intervention H.6.*

development node rather than a standalone facility, and its cost-effectiveness improves over time. By establishing modern, resilient infrastructure on State-owned higher ground, the project creates anchor infrastructure around which further public investment and population can consolidate. This is consistent with the Melekeok Master Plan 2023-2032, which envisages the State becoming a centre of development for neighbouring States, and with State planning that has already identified an upland residential subdivision at Ngerubasang to move households away from the hazard-exposed coast. As families relocate to higher ground and enrolment grows across successive phases, the cost of the campus is spread over a steadily larger beneficiary base, lowering the effective cost per beneficiary over the asset's service life. The site also provides a logical location for the future co-location of other government and community services. Locating such services where families already travel each day to drop off and collect children reduces duplication of access infrastructure, lowers travel and transaction costs for residents of all three States, and concentrates scarce public resources on a single, well-sited resilient hub, extending the project's value-for-money well beyond the education sector and reinforcing the dynamic, whole-of-life cost-effectiveness of the investment.⁶⁷⁶⁸

3.2 Integrated Education and Risk Reduction Benefits

The addition of Palau's second government-owned high school within the same campus further strengthens the adaptation value of the investment by reducing the number of climate-exposed education assets across Babeldaob⁶⁹. Rather than maintaining separate facilities with varying levels of exposure to climate-induced hazards, consolidation into a single, well-sited and climate-resilient campus lowers overall system-wide risk and reduces the likelihood of future climate-related damage and service disruption. This integrated approach avoids reinvestment in vulnerable sites and reduces long-term exposure of students, staff, and critical services to flooding, storm surge, and extreme rainfall. While the model improves value for money by combining multiple functions within one investment, its primary adaptation benefit lies in avoided future losses, reduced duplication of climate risk, and strengthened continuity of education services under projected climate conditions. The facilities are designed to function not only as education spaces but also as community hubs and designated evacuation centers during climate-related events. By embedding these functions within regularly used public infrastructure, the project reduces the need for separate emergency shelter construction and ensures that resilience assets are maintained and operational⁷⁰. In the context of SIDS, where fiscal space is limited and reconstruction costs are high, such integrated, risk-reducing investments are widely recognized as cost-effective adaptation measures⁷¹.

Option Considered	Costs	Residual Climate Risk	Long-Term Value
Continued use and repair of coastal school	Recurrent repair, drainage upgrades, emergency response costs	High – exposure to flooding and storm surge remains	Low – repeated losses and service disruption
Retrofitting at existing coastal site	High capital cost plus ongoing maintenance	Medium to high – risk cannot be fully eliminated	Moderate – residual risk persists
Proposed relocation and consolidation	Higher upfront investment	Low – exposure largely removed	High – avoided losses, multi-use benefits, lifecycle savings

The table above sets out the three options in qualitative terms (relative cost, residual climate risk and long-term value). These same three options are quantified, with indicative dollar figures and a whole-

⁶⁷ Melekeok Planning Commission. (2012/2023). *Melekeok State Master Plan and Land Use Plan; Melekeok Master Plan 2023–2032*.

⁶⁸ Melekeok State Government / Melekeok Planning Commission. (2016/2023). *Climate Smart Guidance Documents for Resilient Development in Melekeok State; Melekeok Local Early Action Plan; and planned upland residential subdivision at Ngerubasang*. See also *National Infrastructure Investment Plan 2021-2030 (resilient urban development and municipal services for housing subdivisions on public land in Babeldaob)*.

⁶⁹ Government of Palau. (2023). *Palau Development Plan 2023–2026*. Ministry of Finance.

⁷⁰ National Emergency Management Office. (2021). *National Disaster Risk Management Framework*. Government of Palau.

⁷¹ United Nations Framework Convention on Climate Change. (2019). *Adaptation in Small Island Developing States*. UNFCCC.

of-life assessment, in the cost-effectiveness analysis in Section C below (see “Comparison of Adaptation Options: No-Action, Retrofit and Relocation”). The two tables are intended to be read together: the qualitative comparison here establishes the strategic logic, and the costed comparison in Section C provides the supporting quantification required for the full-cost-of-adaptation assessment.

3.3 Avoided Losses and Social Cost Considerations

When considered against the avoided costs of future damage, service disruption, emergency response, and lost education outcomes, the proposed investment of USD 25 million represents a justified and efficient use of adaptation finance⁷². These avoided costs are substantial and recurrent in the Palauan context. Super Typhoon Bopha (2012) caused damage estimated at approximately USD 10.1 million nationally, with repair costs estimated at USD 15-20 million and the most severe impacts recorded in Melekeok, Ngirwal and Ngaraard - States within the project catchment; Super Typhoon Haiyan (2013) caused an estimated USD 5.95 million in damage across sectors including education; and Typhoon Surigae (2021) caused approximately USD 4.8 million in damage. Regional evidence reinforces the scale of avoided education-sector losses: in Tonga, Tropical Cyclone Gita (2018) damaged 72% of schools (compared with 35% of houses), and disasters are estimated to cost the Tongan education sector around USD 7.4 million per year and some 100,000 lost school-days annually. Set against repeated losses of this magnitude, together with the disproportionately high recurrent maintenance of aging exposed school stock (the NIIP budgets renovation-and-repair of existing schools at maintenance costs approaching 7.5% of capital value per year), one-time relocation to a climate-safe site is the cost-minimising option over the asset lifecycle^{73,74}. The project does not introduce significant adverse social impacts associated with relocation. Education in Palau is publicly provided, with no tuition costs, and existing support systems such as school transport and student welfare services will continue to be maintained. While consolidation may result in some students for the primary level travelling slightly longer distances, this is mitigated through established government transport arrangements and is offset by the provision of safer, more reliable, and climate-resilient education facilities. For the secondary students, the new national high school will significantly decrease travel time as the only single existing Government high school is based in the capital city.

D. Describe how the project/programme is consistent with national or sub-national sustainable development strategies, including, where appropriate, national adaptation plan (NAP), national or sub-national development plans, poverty reduction strategies, national communications, or national adaptation programs of action, or other relevant instruments, where they exist.

4.1 Consistency with National and Sub-National Sustainable Development Strategies

The proposed project is strongly aligned with Palau's national climate, disaster risk management, and sustainable development policy framework, and directly operationalizes priorities that have already been identified by the Government of the Republic of Palau. Rather than introducing a new policy direction, the project translates existing strategies into a concrete, site-specific adaptation investment that addresses long-recognized vulnerabilities in public education infrastructure. This alignment is grounded in national recognition of increasing coastal exposure and residual climate risk affecting critical public infrastructure. The project responds directly to these documented risks by shifting essential education services away from high-risk coastal zones and reducing long-term vulnerability. Palau's national climate commitments, as articulated through its National Communications to the United Nations Framework Convention on Climate Change (UNFCCC), identify coastal flooding, sea level rise, extreme rainfall, and intensifying storm events as priority risks to both social infrastructure and human development outcomes. National Communications explicitly highlights the exposure of public facilities,

⁷² Secretariat of the Pacific Regional Environment Programme & SUCON International. (2025). *Prefeasibility Study: Palau Resilient Schools*. Prepared for the Government of the Republic of Palau.

⁷³ World Bank. (2022). *Pacific Safer Schools Programme / Resilient Public Facilities in Pacific Island Countries*; figures for Tropical Cyclone Gita (Tonga, 2018) education-sector losses.

⁷⁴ Government of the Republic of Palau. (2013). *Super Typhoon Haiyan – Initial Damage Assessment Report*; and National Emergency Management Office damage assessments for Super Typhoon Bopha (2012) and Typhoon Surigae (2021).

including schools, due to their concentration in low-lying coastal areas and acknowledges the need for long-term adaptation measures that reduce exposure rather than relying on repeated post-disaster repairs. The relocation of Melekeok Elementary School from a flood-prone coastal location to higher ground in Ngchesar State directly responds to this national assessment by permanently removing critical education infrastructure from a high-risk zone. This is also reflected in the Ngchesar State Master Plan. The Master Plan provides the states vision to move its infrastructure toward safer inland areas and promotes development on higher ground to reduce long-term exposure to coastal flooding and storm surge. The proposed relocation is therefore consistent with sub-national land use planning that prioritizes risk-informed design of critical facilities. The project is also fully consistent with the Palau Climate Change Policy (2015), now updated as the Palau Climate Change Policy 2025-2035, which establishes climate adaptation and disaster risk reduction as central pillars of national development. The Policy adopts a “no-regrets” approach to adaptation, emphasizing proactive risk reduction for critical public infrastructure and the integration of climate and disaster considerations into sector planning, including education. It identifies education facilities as part of the country’s critical infrastructure stock and calls for site-specific risk assessments, improved resilience standards, and strengthened preparedness measures. Most directly, the current Palau Climate Change Policy 2025-2035, endorsed at the highest level of Government, contains an explicit national mandate for this project: under Pillar 1 (Climate Change Adaptation), Section H (Education), Intervention H.6 is to “upgrade or relocate public school facilities to address climate change impacts,” and under Section E (Critical Infrastructure), Action E.2.3 calls to “relocate critical infrastructures such as the National Hospital and schools in vulnerable coastal areas,” with success measured by the relocation of at least one such critical facility. The project is the concrete means by which Palau delivers this commitment for the education sector. This mandate is reinforced at the sub-national level: the National Disaster Preparedness Baseline Assessment records that “Melekeok State has developed a plan to relocate its coastal community to higher ground since it is at risk from floods,” and identifies the resulting Melekeok Disaster Response Relocation Plan as developed but awaiting central-government funding for implementation - precisely the gap this project fills. The relocation is further consistent with the Melekeok Master Plan (2023-2032) and the Melekeok State Master Plan and Land Use Plan, which set out the State’s vision to move development to safer inland ground and to serve as a centre of development for neighbouring States. The Palau Development Plan 2023-2026 likewise records that the Ministry of Education “has identified new investments needed to relocate low-lying schools, consolidate inefficient small schools in Babeldaob,” and that the Ministry’s consolidation strategy “will also address the need to relocate three of these elementary schools to higher ground because of climate change and sea level rise.” The executive branch has repeatedly mandated this consolidation: under Executive Order No. 259 (2009) the Office of the President established a Special Presidential Task Force to study, report and make recommendations on the consolidation of schools in Palau, and Executive Order No. 281 subsequently constituted the School Consolidation Task Force - executive instruments that, together with RPPL 5-15 (1999), provide the standing national mandate this project implements. Strategic alignment extends to the secondary level: the Palau Development Plan 2023-2026 (p.64) further records that the long-standing proposal for a second public high school in Babeldaob has “recently gained traction through an executive order issued by the Office of the President creating a task force to initiate work on establishing a K-12 public school in Babeldaob.” The proposed Desbedall campus is the physical realisation of that nationally-endorsed K-12 objective - delivering elementary, lower-secondary and the second government high school on one resilient inland site - together with the Ministry of Education’s consolidation and school-relocation strategy, demonstrating that the project operationalises an established executive-level national direction rather than a stand-alone proposal.⁷⁵⁷⁶⁷⁷⁷⁸

⁷⁵ Republic of Palau. (2025). *Palau Climate Change Policy 2025–2035, Pillar 1 (Climate Change Adaptation): Section E (Critical Infrastructure) Action E.2.3 and Section H (Education) Intervention H.6*.

⁷⁶ Pacific Disaster Center. (2023). *Palau National Disaster Preparedness Baseline Assessment (NDPBA); Melekeok Disaster Response Relocation Plan (developed, awaiting central-government funding)*.

⁷⁷ Melekeok Planning Commission. (2012/2023). *Melekeok State Master Plan and Land Use Plan; Melekeok Master Plan 2023–2032*.

⁷⁸ Republic of Palau. (2023). *Palau Development Plan (PDP) 2023–2026, Education sector (school consolidation and relocation of low-lying schools to higher ground)*.

4.2 Alignment with Environmental Management and Development Planning Frameworks

From an environmental management and implementation perspective, the project aligns with the Palau National Environmental Management Strategy (NEMS) 2022–2030, which provides the overarching framework for integrating climate change, disaster risk management, and environmental safeguards into national and state-level development. NEMS emphasizes the need to move from planning to implementation, strengthen institutional capacity, and ensure that climate responses consider social and gender dimensions alongside environmental risk. The project's structure, including the establishment of a Ministry of Education–based PMU supported by SPREP, directly supports NEMS objectives related to institutional strengthening, coordinated implementation, and safeguard compliance. The project is further aligned with Palau's medium-term development priorities as set out in the Palau Development Plan (PDP) 2023–2026. The PDP recognizes the fiscal and operational challenges associated with maintaining multiple small, dispersed schools and constrained public budgets. It supports consolidation and efficiency improvements in delivery service, provided that access and equity are maintained. In addition to improving efficiency, consolidation reduces the number of climate-exposed education assets requiring maintenance and emergency repair, thereby lowering overall system-wide exposure and residual climate risk. By situating services within a single, well-sited and climate-resilient campus, the project strengthens continuity of education delivery while avoiding reinvestment in vulnerable coastal locations.

E. Describe how the project/programme meets relevant national technical standards, where applicable, such as standards for environmental assessment, building codes, etc., and complies with the Environmental and Social Policy of the Adaptation Fund.

The project is designed and will be implemented in full compliance with applicable national technical standards and regulatory requirements of the Republic of Palau, including environmental assessment procedures, building and safety codes, land use and cultural heritage protections, and national disaster risk management protocols. National systems provide the primary framework for planning, design, procurement, construction, and operation of the infrastructure. Compliance with the Environmental and Social Policy (ESP) of the Adaptation Fund will be achieved through alignment with, and where necessary strengthening of, Palau's existing environmental and social governance systems. SPREP, as the Accredited Entity, will provide fiduciary oversight and safeguards assurance, while implementation through a Ministry of Education-based Project Management Unit (PMU) ensures that national regulatory processes and Adaptation Fund safeguards are applied consistently and transparently throughout the project lifecycle. At the full-proposal stage, compliance will be set out standard-by-standard, identifying for each applicable requirement the specific regulatory process and how the project meets it - including the Environmental Quality Protection Board (EQPB) environmental assessment and permitting process, the building permit, the land/registration instrument for Lot 43151, earthworks and land-clearing approvals, and utility-connection approvals - together with the responsible Palau authority and, in the absence of a formal national building code, the international structural, wind, seismic, electrical, water and sanitation standards to be adopted and adapted to Palauan practice.

Standard / Policy Framework	Relevant Requirement	How the Project Meets the Requirement
Palau EIA Regulations	Environmental screening and assessment for public infrastructure projects	Environmental and Social Impact Assessment (ESIA) to be undertaken during the design phase, with mitigation measures incorporated into design and construction contracts
Palau Climate Change Policy (2015)	Integration of climate adaptation and disaster risk reduction into public	Climate risk assessments and no-regrets adaptation principles embedded in site selection, design standards, and facility function

Standard / Policy Framework	Relevant Requirement	How the Project Meets the Requirement
	infrastructure	
Palau NEMS 2022–2030	Environmental protection, institutional coordination, safeguard compliance	Project structure aligns with NEMS priorities through national implementation, safeguards oversight, and cross-sector coordination
International Building Codes and Engineering Standards	Structural safety, durability, accessibility, and hazard resistance	Designs to comply with applicable international standards aligned to Palau practices for structural, electrical, water, and sanitation systems
National Disaster Risk Management Framework	Preparedness, evacuation capacity, and disaster-resilient infrastructure	School campus designed to function as a designated evacuation center with backup power, water, sanitation, and safe access
Land and Cultural Heritage Protection Requirements	Protection of customary land rights and cultural heritage	Land formally approved for national use; cultural heritage screening conducted to avoid or manage impacts
Adaptation Fund ESP – Compliance with the Law	Projects must comply with national laws and regulations	All works implemented through Government of Palau processes and regulatory approvals
Adaptation Fund ESP – Access and Equity	Fair access to project benefits	Inclusive facility design ensuring access for children, women, elderly persons, and PWD.
Adaptation Fund ESP – Gender Equality and Women’s Empowerment	Gender-responsive planning and implementation	Project identified as one of Palau’s first gender-responsive infrastructure projects, aligned with UN Women and ADB guidance
Adaptation Fund ESP – Indigenous Peoples	Respect for customary governance and rights	Engagement with traditional land governance systems, recognizing Palau’s matrilineal structures
Adaptation Fund ESP – Involuntary Resettlement	Avoidance of displacement	No involuntary resettlement involved; relocation is of infrastructure only
Adaptation Fund ESP – Physical and Cultural Heritage	Protection of heritage sites	Screening and mitigation measures integrated into design and construction supervision
Adaptation Fund ESP – Pollution Prevention and Resource Efficiency	Minimization of environmental impacts	Construction environmental management plans addressing waste, erosion, drainage, and resource efficiency
Adaptation Fund ESP – Public Health and Safety	Protection of community health and safety	Safe construction practices, emergency preparedness features, and disaster-ready facility design

F. Describe if there is duplication of project/programme with other funding sources, if any.

6.1 Absence of Duplication with Other Funding Sources

The proposed project does not duplicate any ongoing or planned initiatives financed by the Government of Palau, development partners, or climate finance mechanisms. Reviews undertaken during project preparation, together with consultations with national and state authorities, confirm that no existing project addresses the relocation of Melekeok Elementary School, the consolidation of education services across Ngchesar, Melekeok, and Ngiwal States, or the construction of Palau's second government-owned public high school at the Desbedall site. There are, however, complementary education investments currently underway or recently completed. These include construction of a new school building in Airai State funded through the Compact (COMPACT) program. The complementary investments are also geographically distinct: the COMPACT-funded school is located in Airai State at the southern end of Babeldaob, whereas the proposed campus is in Ngchesar State (central-eastern Babeldaob), serving the Melekeok, Ngchesar and Ngiwal catchment, so there is no overlap in location, catchment or scope. The Airai project provides a useful national cost reference rather than a competing investment.

6.2 Coordination with Existing Programmes and Development Partners

Consultations with the Office of the President, Ministry of Education, National Climate Change Office, Bureau of Lands and Survey, National Emergency Management Office, and relevant development partners confirm that current initiatives focus primarily on policy support, preparedness activities, or small-scale improvements, and do not overlap in scope or financing with the proposed adaptation intervention. The project has been developed in coordination with SPREP and national and state authorities to ensure alignment with existing programmes and to avoid parallel investments. Any future complementary funding will be clearly delineated to prevent duplication. The table below provides a side-by-side comparison:

Initiative / Funding Source	Scope of Intervention	Key Activities	Limitations / Gaps	How Proposed Project Addresses the Gap
COMPACT-funded school construction (Airai State)	New school infrastructure at a single site	Construction of school facilities to support education delivery	Focused on standard infrastructure provision; does not address relocation from climate-exposed sites or system-level climate risk	Relocates climate-exposed infrastructure to a safer inland site and integrates climate-resilient design to reduce long-term exposure
IOM-supported education and preparedness initiatives	School-level and community preparedness support	Small-scale infrastructure improvements, accessibility upgrades, and disaster preparedness activities	Limited to site-specific upgrades and preparedness; does not address underlying exposure of infrastructure to climate hazards	Addresses root cause of risk through relocation and complements preparedness with structural risk reduction
Government of Palau education sector investments	Ongoing maintenance and incremental upgrades of school facilities	Routine maintenance, minor improvements, and operational	Reactive and maintenance-based; does not provide long-term solutions to increasing climate exposure to coastal	Provides a long-term adaptation solution by removing infrastructure from high-risk zones and reducing lifecycle

Initiative / Funding Source	Scope of Intervention	Key Activities	Limitations / Gaps	How Proposed Project Addresses the Gap
		support	infrastructure	costs
Proposed Project (Adaptation Fund)	Integrated, system-level climate adaptation intervention across three states	Relocation of Melekeok Elementary School, consolidation of services, climate-resilient campus development, preparedness and institutional strengthening	N/A	Delivers a comprehensive adaptation response combining structural risk reduction, system resilience, and institutional capacity building

G. If applicable, describe the learning and knowledge management component to capture and disseminate lessons learned.

The project's learning and knowledge management will be embedded within Component 3 on capacity building and awareness, ensuring that lessons generated through implementation directly strengthen institutional and community adaptive capacity. The approach will be anchored in the project's theory of change, which provides the framework for understanding how targeted investments in climate-resilient, gender-responsive education infrastructure reduce vulnerability, sustain service delivery, and strengthen community resilience. Throughout the project lifecycle, the PMU, supported by the Design and Supervision Advisory Firm and SPREP, will document and review lessons related to climate-informed site selection, consolidation of education services, multi-purpose facility design, institutional delivery through national systems, and integration of gender-responsive approaches. Lessons will be assessed against the assumptions and pathways set out in the theory of change to determine what has worked, what requires adjustment, and how adaptation outcomes can be strengthened.

H. Describe the consultative process, including the list of stakeholders consulted, undertaken during project preparation, with particular reference to vulnerable groups, including gender considerations, in compliance with the Environmental and Social Policy and Gender Policy of the Adaptation Fund.

8.1 Consultative Process and Stakeholder Engagement

The project was first envisioned by the Government of Palau in 2023 based on its priorities set out in the Palau Development Plan 2023-2026. Since then, project preparation was underpinned by an extensive, structured consultative process undertaken to ensure national ownership, alignment with Palau's governance systems, and full compliance with the ESP and Gender Policy of the Adaptation Fund. Consultations were carried out through targeted meetings, site visits, validation workshop, and sector briefings during the prefeasibility mission and subsequent sessions. At the national level, direct consultations were held with the Office of the President of the Republic of Palau, reflecting high-level political endorsement and strategic alignment with national development and climate resilience priorities. Palau's Adaptation Fund Designated Authority and Minister responsible for environment-related portfolios, was consulted throughout the process, ensuring coherence with national climate, environmental, and safeguard frameworks. Key line ministries consulted included the Ministry of

Education as the Executing Entity, the Ministry of Finance (Budget and Planning), the Ministry of Agriculture, Fisheries and the Environment, the Office of Climate Change, the National Emergency Management Office (NEMO), and the Bureau of Domestic Affairs, with discussions focusing on education service delivery, inclusive disaster risk reduction, land tenure, financing, and long-term sustainability

8.2 Gender, Vulnerable Groups, and Community Participation

At the sub-national level, consultations were undertaken with affected and host states, including direct engagement with the Governor of Ngchesar State, where the proposed relocation site is located, as well as representatives from Melekeok school whose student populations will be consolidated into the new facility. Specific attention was given to vulnerable groups and gender considerations. Consultations recognized Palau's matrilineal land tenure system and the central role of women in community governance and land management, as confirmed through engagement with the Bureau of Lands and Surveys and Bureau of Domestic Affairs. Discussions with education officials, school leadership, and development partners highlighted gender participation trends in schools, the need for safe and inclusive learning environments, accessibility for PWD, and the protection of children during disaster events. These inputs directly informed the project's gender-responsive design and implementation approach, ensuring equitable access, safety, and meaningful participation for women, girls, persons with disabilities, and other vulnerable groups, in line with Adaptation Fund policies.

8.3 Validation and Stakeholder Endorsement

The consultative process was formally consolidated through a national validation workshop, where findings from the prefeasibility study, consultation, problem analysis, theory of change, and preliminary project components were presented and endorsed by government agencies and state representatives. Feedback from these sessions was incorporated into the final concept design, confirming broad stakeholder support and readiness to proceed to detailed formulation. Below is a summary of stakeholders consulted:

- Ministry of Education
- Office of the President
- Hon. Steven Victor, Ministry of Fisheries, Agriculture and Environment
- UN International Organization for Migration (IOM)
- Governor, Ngchesar State Government
- National Emergency Management Office (NEMO)
- Office of Climate Change
- Bureau of Domestic Affairs
- Bureau of Culture and Historic Preservation
- Melekeok School
- Ministry of Finance – Planning & Budget
- Public Works
 - Capital Improvement Projects (CIP)
 - Lands and Survey
 - Environmental Quality and Protection Board
 - Public Utilities

I. Provide justification for funding requested, focusing on the full cost of adaptation reasoning.

The financing request is justified on a full cost of adaptation basis because the project does not simply replace aging infrastructure; it removes an essential public service from a climate-exposed coastal hazard setting and relocates it to a safer inland site designed to withstand current and projected climate conditions. The adaptation baseline would largely involve continued operation and periodic repair of

the existing coastal school, combined with incremental retrofits. However, this pathway would perpetuate exposure to recurrent flooding, storm surge, saltwater intrusion, and extreme rainfall, leading to ongoing maintenance costs, repeated service disruption, and escalating deterioration over time. In effect, baseline spending would maintain a high-risk asset in a vulnerable location without reducing long-term climate risk. The with-adaptation scenario requires a different cost structure because it funds measures that permanently reduce exposure and ensure continuity of education services under climate stress. These include site-specific geotechnical and hydrological investigations, detailed climate-resilient architectural and engineering design, environmental and social assessments, and cultural heritage verification necessary for inland relocation in Palau's customary land tenure context. These activities are not discretionary enhancements; they are essential due diligence measures required to avoid maladaptation and ensure long-term viability of the investment. In addition, the facility is designed to function as a multi-purpose resilience asset capable of maintaining operations during climate-induced hazard events. Integration of independent water, sanitation, drainage, and energy systems to support operational continuity during periods of disruption represents an adaptation cost that goes beyond a conventional school building. These resilience features directly respond to identified climate risks and community needs raised during consultations, ensuring that the infrastructure remains safe, functional, and sustainable over its full lifecycle.

On a quantified basis, the full cost of adaptation compares favourably with the cost of inaction. The one-time relocation investment of US\$24.96 million permanently removes the hazard and delivers three-State school consolidation, Palau's second government high school and a designated community evacuation centre – not a single standard classroom block. Retaining the school on its coastal site instead carries an open-ended lifecycle cost: routine upkeep of roughly US\$0.6 million per year (about US\$18 million over a 30-year horizon) plus repeated post-disaster repairs – a single Super Typhoon Bopha-scale event alone caused damage estimated at US\$10.1 million nationally and repair costs of US\$15–20 million, concentrated in the project's own catchment States – while never reducing the underlying exposure and leaving relocation likely in any case. Measured against these recurrent and avoided losses, and noting that the project's construction cost benchmarks at or below Palau's current government school unit costs (the Airai Elementary estimate is about US\$6.0 million for a single building), the requested financing reflects the genuine additional cost of removing climate risk rather than the cost of a conventional school, and is justified on a full cost of adaptation basis.

Cost Category	Baseline (Without Adaptation)	Adaptation Investment	Justification Based on Evidence and Consultations
Location of Education Infrastructure	Continued operation at a climate-exposed coastal site with recurrent flooding and storm impacts	Permanent relocation to higher ground in Ngchesar State	Prefeasibility analysis, mission findings, and stakeholder consultations confirm escalating climate risk at the coastal site, including recurrent flooding, access disruption, and infrastructure deterioration. These assessments demonstrate that relocation to higher ground is the only viable long-term adaptation option that removes exposure rather than managing recurring damage. Findings are supported by the project pre-feasibility study, site assessments, and national-level consultations undertaken during project preparation.
Capital Works	Incremental repairs and retrofits with rising maintenance	Climate-resilient construction designed for future climate	Research, pre-feasibility analysis, and mission findings indicate that continued reliance on incremental

Cost Category	Baseline (Without Adaptation)	Adaptation Investment	Justification Based on Evidence and Consultations
	costs and residual risk	conditions	repairs and retrofits at the existing coastal site would result in ongoing and escalating maintenance costs, driven by repeated exposure to salt spray, flooding, and storm surge. These conditions accelerate infrastructure deterioration and require frequent repair cycles, resulting in inefficient use of public funds and persistent residual risk. In contrast, relocation to a climate-resilient inland site avoids recurrent damage costs and reduces lifecycle expenditure by removing exposure to primary climate hazards. While detailed cost quantification will be refined during full project design, available evidence confirms that proactive relocation represents a more cost-effective long-term adaptation pathway than continued reactive maintenance.
Technical Studies and Design	Minimal or piecemeal assessments	Full suite of geotechnical, hydrological, environmental, social, and cultural heritage studies and detailed design	Inland relocation in Palau requires rigorous due diligence to manage land stability, drainage, customary land issues, and heritage risks, as confirmed by consultations
Disaster Resilience Functions	Existing school infrastructure is not designed to withstand or operate during climate-induced and natural hazard events, and does not provide adequate evacuation or shelter functions for surrounding communities	Evacuation Centre functions, backup water and power, emergency storage	Stakeholders highlighted the need for schools to operate during disasters; these features go beyond standard education infrastructure and represent adaptation costs
Institutional and Implementation Capacity	Limited capacity to manage complex procurement and contracts	Dedicated PMU under Ministry of Education supported by SPREP	Consultations confirmed procurement thresholds, approval timelines, and administrative constraints that require a funded PMU to ensure timely and compliant delivery
Governance	Limited governance	SPREP as	Validation sessions confirmed the

Cost Category	Baseline (Without Adaptation)	Adaptation Investment	Justification Based on Evidence and Consultations
and Oversight	and oversight capacity and resources	Implementing Entity with defined governance role and fee	need for accredited entity oversight to meet Adaptation Fund fiduciary, safeguard, and reporting requirements
Long-Term Financial Risk	Recurrent repair costs and service disruption	Reduced lifecycle costs and avoided future losses	Prefeasibility findings indicate that higher upfront investment yields lower long-term costs by avoiding repeated damage and disruption

J. Describe how the sustainability of the project/programme outcomes has been taken into account when designing the project/programme.

10.1 Sustainability of Project Outcomes

Sustainability has been a core design principle of the project, ensuring that the adaptation benefits achieved are maintained over the long term without continued reliance on external financing. The project addresses sustainability across institutional, financial, technical, social, and environmental dimensions, recognizing that climate-resilient infrastructure in SIDS must be designed not only to withstand climate hazards, but also to be operable, affordable, and locally owned over its full lifecycle. From an institutional perspective, sustainability is embedded through implementation via national systems rather than parallel project structures. The Ministry of Education is the Executing Entity and will host the PMU during implementation, ensuring early transfer of knowledge, systems, and responsibility to government. This approach strengthens long-term institutional capacity for managing climate-resilient public infrastructure and avoids dependence on external actors once the project closes. SPREP's role as Implementing Entity provides oversight and quality assurance during delivery, while ensuring that responsibility ultimately rests with Palau's institutions, consistent with best practice for durable adaptation outcomes in SIDS⁷⁹. Sustainability is further reinforced through adherence to national technical standards, regulatory systems, environmental regulations, and sectoral guidelines that guide design, construction, and long-term operation of public infrastructure. In the absence of a formal national building code, project design will be informed by established government engineering practices, environmental impact assessment requirements, public health and sanitation standards, and relevant regional and international good practice appropriate to the Pacific context. Compliance with the Adaptation Fund Environmental and Social Policy and Gender Policy are achieved through alignment with and strengthening of Palau's existing environmental management, land use, and social governance systems. Gender-responsive design considerations are embedded within these frameworks, ensuring consistency between domestic regulatory processes and Adaptation Fund safeguards throughout the project lifecycle.

10.2 Financial, Technical, Social, and Environmental Sustainability

Financial sustainability is addressed through consolidation and risk reduction. This approach aligns with evidence that proactive risk avoidance and consolidation reduce lifecycle costs and fiscal exposure compared with continued investment in high-risk locations⁸⁰. The Government of Palau has confirmed that routine operation and maintenance of the completed facilities will be absorbed into existing education budgets, avoiding the creation of unfunded future liabilities. Technical sustainability is ensured through climate-informed design and adherence to national and international building practices and standards. These measures are consistent with international guidance that emphasizes "build once, build right" approaches to climate-resilient infrastructure⁸¹. Social sustainability is strengthened

⁷⁹ United Nations Framework Convention on Climate Change. (2019). *Adaptation in Small Island Developing States*. UNFCCC.

⁸⁰ Intergovernmental Panel on Climate Change. (2022). *Climate Change 2022: Impacts, Adaptation and Vulnerability*. Cambridge University Press.

⁸¹ Asian Development Bank. (2018). *Gender-Responsive Infrastructure Projects: A Guide for the Transport and Energy Sectors*. ADB.

by designing the facility as a multi-purpose asset that serves everyday education needs while also functioning as a community hub and evacuation center during disasters. Regular use of the facility ensures that it remains maintained, familiar to users, and socially embedded, reducing the risk of underutilization or neglect. The project's gender-responsive and inclusive design, aligned with UN Women and ADB guidance, ensures that women, children, PWD, and elderly community members can safely access and benefit from the facilities, reinforcing broad community ownership and long-term acceptance⁸². Environmental safeguard instruments will ensure that potential negative impacts are identified early and mitigated, supporting the long-term integrity of both the built and natural environment⁸³.

Sustainability Dimension	Design Feature / Measure	How Sustainability Is Ensured
Institutional Sustainability	Project implemented through Ministry of Education with a nationally staffed PMU, supported by SPREP Climate resilient infrastructure enables minimum disturbance to education services.	Build long-term government capacity and ensure ownership and continuity after project closure.
Financial Sustainability	Consolidation of education services into a single resilient campus; relocation away from high-risk coastal zone	Reduces recurrent repair and maintenance costs and avoids future climate-related losses
Technical Sustainability	Climate-informed design, compliance with national and international building standards, durable and low-maintenance materials	Ensures infrastructure performs reliably under current and future climate conditions over its full lifecycle
Operational Sustainability	Integration of backup water and power systems; disaster-ready design	Enables continued operation during extreme events and reduces dependence on emergency interventions
Social Sustainability	Multi-purpose facility serving education, community activities, and evacuation functions	Regular use promotes maintenance, familiarity, and community ownership
Gender and Social Inclusion	Gender-responsive and inclusive design aligned with UN Women and ADB guidance	Ensures safe and equitable access for all users, including women, children, persons with disabilities, and elderly community members, with design and service delivery approaches informed by gender-responsive and inclusive principles. Disaggregated beneficiary data will be further developed during detailed design and baseline assessment to guide inclusive planning and monitoring.
Environmental Sustainability	Site selection away from sensitive coastal areas; environmental assessment and management measures	Minimizes environmental impacts by relocating infrastructure away from vulnerable coastal ecosystems, reducing exposure to flooding and storm surge, and avoiding continued degradation of sensitive shoreline

⁸² UN Women. (2021). *Gender-Responsive Climate Action*. UN Women.

⁸³ Secretariat of the Pacific Regional Environment Programme. (2023). *Palau National Environmental Management Strategy 2022–2030*. SPREP.

Sustainability Dimension	Design Feature / Measure	How Sustainability Is Ensured
		environments. The inland site enables more sustainable land use planning, improved drainage, and reduced pressure on coastal zones.
Policy and Systems Alignment	Alignment with national climate, education, and environmental strategies	Reinforce sustainability through consistency with existing policies and budgets

These measures ensure that the project's outcomes remain effective beyond the project lifecycle.

K. Provide an overview of the environmental and social impacts and risks identified as being relevant to the project/programme.

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
<i>Compliance with the Law</i>	✓	
<i>Access and Equity</i>		✓
<i>Marginalized and Vulnerable Groups</i>		✓
<i>Human Rights</i>	✓	
<i>Gender Equality and Women's Empowerment</i>		✓
<i>Core Labour Rights</i>		✓
<i>Indigenous Peoples</i>		✓
<i>Involuntary Resettlement</i>	✓	
<i>Protection of Natural Habitats</i>		✓
<i>Conservation of Biological Diversity</i>		✓
<i>Climate Change</i>		✓
<i>Pollution Prevention and Resource Efficiency</i>		✓
<i>Public Health</i>		✓
<i>Physical and Cultural Heritage</i>		✓
<i>Land and Soil Conservation</i>		✓

PART III: IMPLEMENTATION ARRANGEMENTS

A. Demonstrate how the project/programme aligns with the Results Framework⁸⁴ of the Adaptation Fund

B.

Project Objective(s) ¹	Project Objective Indicator(s)	Fund Outcome	Fund Outcome Indicator	Grant Amount (USD)
1. Reduce physical climate risk and ensure continuity of education services through relocation and resilient infrastructure	- Number of education facilities relocated from climate-exposed coastal areas to low-risk inland sites - Number of education and community facilities remaining operational during climate-induced hazard events	Outcome 1: Reduced exposure to climate risks	1.1 Number of public service facilities with reduced exposure to climate hazards	17,500,000
2. Strengthen adaptive capacity of the education sector through integrated structural and non-structural measures	- Number of education and community facilities equipped with operational backup water, sanitation, power and evacuation systems - Number of students benefitting from operational school infrastructure	Outcome 2: Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses	21 Number of communities with increased adaptive capacity	2,200,000
3. Build institutional, community and governance capacity for climate-resilient education delivery	- Number of institutions applying climate risk-informed planning, procurement, and safeguards systems in education infrastructure delivery. - Number of institutional stakeholders trained in climate risk-informed planning, safeguards compliance and adaptation implementation	Outcome 3: Increased adaptive capacity within development sectors	3.1 Institutions with strengthened capacity to understand and better address climate risks and resilience.	1,500,000

⁸⁴ The Grant Amount listed in the Results Framework table corresponds to the three project components and totals 21,200,000. It is exclusive of project/programme execution costs (1,802,000) and the Implementing Entity Cycle Management Fee (1,955,170); together these reconcile to the total Amount of Financing Requested of 24,957,170.

Project Outcome(s) ⁸⁵	Project Outcome Indicator(s)	Fund Output	Fund Output Indicator	Grant Amount (USD)
1. Climate-safe inland education campus constructed and operational	- Completion of relocation and construction at Ngchesar site - Facility operational under climate-resilient design standards	Output 1: Physical assets improved or constructed to withstand climate variability and change	Number of public infrastructure assets constructed to withstand climate hazards	17,500,000
2. Education campus equipped for operational continuity and emergency shelter functions	- Backup water, sanitation, drainage and power systems installed and tested - Evacuation and shelter facilities commissioned and operational	Output 2: Community-based adaptation assets strengthened	Number of multi-purpose facilities supporting community resilience	2,200,000
3. National implementation and climate-informed delivery capacity strengthened	- Institutional systems established and operational for climate risk-informed planning, procurement, safeguards compliance, and contract management within the education sector - Climate risk-informed studies, safeguards instruments and supervision advisory completed	Output 3: Institutional systems strengthened	Institutions with enhanced capacity to plan and implement adaptation actions	1,500,000

¹ The AF utilized OECD/DAC terminology for its results framework. Project proponents may use different terminology, but the overall principle should still apply

⁸⁵ The amounts for the Project Objectives and Project Outcomes are repetitive and serve as indicative figures to demonstrate its alignment and should not be added in a collective accumulating value.

PART IV: ENDORSEMENT BY GOVERNMENT AND CERTIFICATION BY THE IMPLEMENTING ENTITY

A. Record of endorsement on behalf of the government² *Provide the name and position of the government official and indicate date of endorsement. If this is a regional project/programme, list the endorsing officials of all the participating countries. The endorsement letter(s) should be attached as an annex to the project/programme proposal. Please attach the endorsement letter(s) with this template; add as many participating governments as possible if a regional project/programme:*

Ministry of Fisheries, Agriculture and Environment Honorable Steven Victor, Minister of Fisheries, Agriculture and environment	Date: (Month, day, year)
--	--------------------------

B. Implementing Entity certification *Provide the name and signature of the Implementing Entity Coordinator and the date of signature. Provide also the project/programme contact person's name, telephone number and email address*

I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans (.....list here.....) and subject to the approval by the Adaptation Fund Board, <u>commit to implementing the project/programme in compliance with the Environmental and Social Policy and the Gender Policy of the Adaptation Fund</u> and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.

⁶ Each Party shall designate and communicate to the secretariat the authority that will endorse on behalf of the national government the projects and programmes proposed by the implementing entities.

Name & Signature Sefanaia Nawadra	
Date:	Tel. and email: +685-21929;

	sefanaian@sprep.org
Project Contact Person: Filomena Nelson, Climate Change Adaptation Adviser	
Tel. And Email: +685-21929; filomenan@sprep.org	



Ministry of Agriculture, Fisheries, and the Environment

OFFICE OF THE MIISTER

PO Box 100 Malakal, Koror, Palau 96940

Telephone: (680) 488-3125 Fax: (680) 488-3555

Email: palau.mafe@palaugov.org

MAFE Serial No. 061/26

April 23, 2026

The Adaptation Fund Board
c/o Adaptation Fund Board Secretariat
Email: Secretariat@Adaptation-Fund.org
Fax: 202 522 3240/5

Subject: Endorsement for Palau Resilient Schools

In my capacity as designated authority for the Adaptation Fund in the Republic of Palau, I confirm that the above regional project/programme proposal is in accordance with the government's national priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in the Republic of Palau.

Accordingly, I am pleased to endorse the above project/programme proposal with support from the Adaptation Fund. If approved, the project/programme will be implemented by Secretariat of the Pacific Regional Environment Program (SPREP) and executed by Palau, Ministry of Education.

Sincerely,

Steven Victor

Minister

Ministry of Agriculture, Fisheries and the Environment



Revised PFG Submission Form¹ (additions in red)

Project Formulation Grant (PFG)

Submission Date: 16/07/2026

Adaptation Fund Project ID: AF00000566

Country/ies: Palau

Title of Project/Programme: Palau Resilient Schools

Type of IE (NIE/RIE/MIE): Regional Implementing Entity

Implementing Entity: Secretariat of the Pacific Regional Environment Programme

Executing Entity/ies: Secretariat of the Pacific Regional Environment Programme

A. Project Preparation Timeframe

Start date of PFG	1 st September 2026
Completion date of PFG	1 st March 2027

B. Proposed Project Preparation Activities (\$)

List of Proposed Project Preparation Activities	Output of the PFG Activities	US\$ Amount	Budget note ²
Full proposal design including conceptual design of the new school on the proposed Desbedell site and annexes	Site plans and design of Desbedell site Full proposal and required annexes	\$126,000.00	Based on market rate
Stakeholder consultations and site visits. Involving national and community level consultations to discuss proposed project activities	Stakeholder consultation report	\$9536.00	• DSA USD314x 12 days x 2 people = 7536.00 • Catering and venue for workshop 40persons x 1 day x 50 conferencing charges per person 2,000.00

¹ As presented in AFB/PPRC.33/40 Annex 1.

² The proposal should include a detailed budget with budget notes indicating the break-down of costs at the activity level. It should also include a budget on the Implementing Entity management fee use.

Validation workshop	Validated full proposal	2,000.00	Workshop costs 40persons x 1 day x 50 conferencing charges per person
Implementing entity fee		11,690.56	Follow a 8.5% used in CN
Total Project Formulation Grant		149,226.56	

Please describe below each of the PFG activities and provide justifications for their need and for the amount of funding required:

Full Proposal Formulation and Annexes

Detailed data gathering will be undertaken to develop the full proposal and the required annexes including:

- A description of the context: climate rationale (providing contextual information on the impacts of climate change on targeted sectors and livelihoods; and demonstrated causal linkage between climate drivers and their impacts with the proposed activities); policies and strategies of relevant policies and strategies, review of existing vulnerability/risk assessments, and barriers for local authorities to take adaptation actions.
- Assessment of beneficiaries, their selection of adaptation measures, and market assessment of available technologies and local suppliers, cost-benefit analysis of the proposed interventions and costings
- Stakeholder engagement and project implementation plan defining the roles and responsibilities of each government institution, implementation partners and stakeholders at the national, provincial, district and community level in the project implementation and monitoring at different levels. The plan will include measures to mitigate financial, technical, reputational, security and other risks.
- Detailed Results Framework for the project, including SMART indicators and targets aligned with the Adaptation Fund's Results Framework. This will include a costed M&E and knowledge management plan
- Gender assessment and costed gender action plan
- Environmental and Social Safeguards assessment and cost Environmental and Social Management Plan (ESMP)
- Detailed budget and budget notes including quantification of stakeholders' in-kind contributions
- Sustainability and exit strategy

Key Assessments:

Infrastructure and technical specifications:

This assessment will identify and evaluate key project concepts, including the development of initial architectural mock-ups and preliminary design options. These concepts will be supported by comprehensive detailed designs, technical specifications, Bills of Quantities (BoQs), and site plans. The assessment will provide a clear framework for project planning, design validation, cost estimation, and implementation, ensuring that all technical, spatial, and operational requirements are thoroughly considered and documented.

Gender Assessment and Action Plan:

A comprehensive Gender Assessment and Gender Action Plan will be undertaken in accordance with the Adaptation Fund (AF) Gender Policy and all applicable guidance materials and templates. The assessment will inform the design of gender-responsive project outcomes through a rigorous analysis of gender issues within the targeted communities. It will identify the distinct needs, priorities, roles, and contextual factors

affecting women, men, and other social groups, ensuring that gender considerations are systematically integrated into project design and implementation.

The assessment will incorporate extensive stakeholder and beneficiary consultations to evaluate the economic, social, and cultural challenges, risks, and opportunities experienced by women and other vulnerable or marginalized groups. The findings will provide an evidence base for identifying potential barriers to equitable participation and benefit-sharing.

Based on the assessment results, a costed Gender Action Plan will be developed to promote equitable access to project benefits for women, men, and other social groups. The Plan will outline targeted, gender-responsive measures to address identified disparities, risks, impacts, and opportunities, and will establish mechanisms to strengthen gender equality throughout project implementation. It will also include appropriate monitoring and evaluation indicators, together with sex-disaggregated targets, to be incorporated into the project Results Framework and to facilitate the tracking and reporting of gender-related outcomes.

Environmental and Social Safeguards Assessment:

Environmental and social assessment studies will be undertaken to ensure that the project is implemented in an environmentally and socially sustainable manner and in full compliance with the environmental and social policies and regulatory requirements of the Adaptation Fund (AF), SPREP, and the respective government.

A comprehensive Environmental and Social Impact Assessment (ESIA) will be conducted to identify potential environmental and social impacts and to more accurately determine the project's risk profile. The assessment will be guided by national environmental and social safeguard policies and guidelines, as well as the environmental and social safeguard frameworks of SPREP and the AF.

Based on the preliminary screening, the project has been classified as Category B. An Environmental and Social Management Plan (ESMP) will be prepared to identify key environmental and social risks, outline appropriate mitigation measures, and incorporate findings from stakeholder consultations and lessons learned from similar initiatives. The ESMP will be aligned with the Adaptation Fund's Environmental and Social Policy and SPREP's relevant environmental and social safeguard policies.

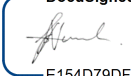
Site visits and Stakeholder Consultations and Validation Session:

Site visits and stakeholder consultations will be conducted concurrently to minimize consultation fatigue and maximize stakeholder engagement. Validation workshops play a crucial role in refining the project design and informing the development of the full proposal, ensuring that the project responds effectively to local priorities, needs, and realities. These workshops will bring together a broad range of stakeholders, including traditional leaders, community representatives, local government officials, NGOs/CSOs, technical experts, and other relevant partners.

During the workshops, participants will review the preliminary project design, discuss its objectives, proposed approaches, and anticipated outcomes, and provide feedback and recommendations for improvement. This inclusive and participatory process helps integrate local knowledge and perspectives, ensures that the project addresses genuine vulnerabilities and adaptation needs, and strengthens community ownership and support. The insights and recommendations generated through these consultations will be incorporated into the project proposal, resulting in a stronger, more context-specific, and effective intervention with greater potential to achieve its adaptation objectives.

Implementing Entity

This request has been prepared in accordance with the Adaptation Fund Board's procedures and meets the Adaptation Fund's criteria for project identification and formulation

Implementing Entity Coordinator, IE Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
SPREP	DocuSigned by:  E154D79DF91044E...	16-Jul-2026 16:52 WST	Sefanaia Nawadra	+685 21929	sefanaian@sprep.org

Describe the consultative process, including the list of stakeholders consulted, undertaken during project preparation, with particular reference to vulnerable groups, including gender considerations, in compliance with the Environmental and Social Policy and Gender Policy of the Adaptation Fund.

8.1 Consultative Process and Stakeholder Engagement

The project was first envisioned by the Government of Palau in 2023 based on its priorities set out in the Palau Development Plan 2023-2026. Since then, project preparation was underpinned by an extensive, structured consultative process undertaken to ensure national ownership, alignment with Palau's governance systems, and full compliance with the ESP and Gender Policy of the Adaptation Fund. Consultations were carried out through targeted meetings, site visits, validation workshop, and sector briefings during the prefeasibility mission and subsequent sessions. At the national level, direct consultations were held with the Office of the President of the Republic of Palau, reflecting high-level political endorsement and strategic alignment with national development and climate resilience priorities. Palau's Adaptation Fund Designated Authority and Minister responsible for environment-related portfolios, was consulted throughout the process, ensuring coherence with national climate, environmental, and safeguard frameworks. Key line ministries consulted included the Ministry of Education as the Executing Entity, the Ministry of Finance (Budget and Planning), the Ministry of Agriculture, Fisheries and the Environment, the Office of Climate Change, the National Emergency Management Office (NEMO), and the Bureau of Domestic Affairs, with discussions focusing on education service delivery, inclusive disaster risk reduction, land tenure, financing, and long-term sustainability

8.2 Gender, Vulnerable Groups, and Community Participation

At the sub-national level, consultations were undertaken with affected and host states, including direct engagement with the Governor of Ngchesar State, where the proposed relocation site is located, as well as representatives from Melekeok school whose student populations will be consolidated into the new facility. Specific attention was given to vulnerable groups and gender considerations. Consultations recognized Palau's matrilineal land tenure system and the central role of women in community governance and land management, as confirmed through engagement with the Bureau of Lands and Surveys and Bureau of Domestic Affairs. Discussions with education officials, school leadership, and development partners highlighted gender participation trends in schools, the need for safe and inclusive learning environments, accessibility for PWD, and the protection of children during disaster events. These inputs directly informed the project's gender-responsive design and implementation approach, ensuring equitable access, safety, and meaningful participation for women, girls, persons with disabilities, and other vulnerable groups, in line with Adaptation Fund policies.

8.3 Validation and Stakeholder Endorsement

The consultative process was formally consolidated through a national validation workshop, where findings from the prefeasibility study, consultation, problem analysis, theory of change, and preliminary project components were presented and endorsed by government agencies and state representatives. Feedback from these sessions was incorporated into the final concept design, confirming broad stakeholder support and readiness to proceed to detailed formulation. Below is a summary of stakeholders consulted:

- Ministry of Education

- Office of the President
- Hon. Steven Victor, Ministry of Fisheries, Agriculture and Environment
- UN International Organization for Migration (IOM)
- Governor, Ngchesar State Government
- National Emergency Management Office (NEMO)
- Office of Climate Change
- Bureau of Domestic Affairs
- Bureau of Culture and Historic Preservation
- Melekeok School
- Ministry of Finance – Planning & Budget
- Public Works
 - Capital Improvement Projects (CIP)
 - Lands and Survey
 - Environmental Quality and Protection Board
 - Public Utilities

Describe how the project/programme provides economic, social and environmental benefits, with particular reference to the most vulnerable communities, and vulnerable groups within communities, including gender considerations. Describe how the project/programme will avoid or mitigate negative impacts, in compliance with the Environmental and Social Policy and Gender Policy of the Adaptation Fund.

2.1 Economic, Social, and Climate Adaptation Benefits

The proposed relocation of climate-exposed education infrastructure from a low-lying coastal site to higher elevation constitutes a strategic and cost-effective adaptation investment. Recurrent flooding, storm surge exposure, and access disruption at the existing coastal school site impose ongoing economic costs on government and households through emergency repairs, premature infrastructure deterioration, lost instructional time, and disruptions to livelihoods when parents and caregivers must respond to school closures. Relocation to a safer site reduces long-term public expenditure associated with climate damage while protecting human capital development; a critical component of Palau's economic resilience given its narrow economic base and reliance on skilled labor¹. The consolidation of education services serving Ngchesar (population 319), Melekeok (population 318), and Ngiwal (population 312)² into a single climate-resilient campus improves efficiency of public service delivery while safeguarding continuity of education. The primary direct beneficiaries of the project are students and teachers from these three states, who will benefit from safer, climate-resilient learning environments, reduced disruption to schooling during climate-induced hazard events, and improved access to education services. Children are among the most climate-vulnerable population groups, particularly when disasters interrupt schooling and expose them to unsafe infrastructure and transport conditions. By relocating education services to higher ground and designing facilities to maintain functionality during extreme weather events, the project directly reduces exposure to climate risks and supports uninterrupted learning. Indirect beneficiaries include families and caregivers, surrounding communities, and vulnerable groups such as the elderly and persons with disabilities (PWD)³, who will benefit from the facility's function as a multi-purpose community hub and emergency shelter during climate-related events. The integration of education and community functions strengthens local adaptive capacity and enhances protection of essential services under climate stress. The beneficiary base is best understood as a long-term and expanding investment rather than a single present-day enrolment figure, and it spans two distinct catchments. The education catchment draws on the combined population of three States - Melekeok, Ngchesar and Ngiwal - which together account for roughly 950 residents within a national population of 17,614 (2020 Census). Nationally, public schools enrolled 1,712 elementary and 547 secondary students in school year 2020-2021 (Palau Development Plan 2023-2026); the consolidated campus serves the pre-school, primary and lower-secondary cohorts of the three States from opening, and the addition of Palau's second government-owned high school draws a national secondary catchment, since the only existing public high school is in Koror. As the Desbedall campus matures it is designed to grow into the principal education and training hub for central-eastern Babeldaob, consistent with the Melekeok Master

Responsive Infrastructure Projects: A Guide for the Transport and Energy Sectors. ADB.

² Government of Palau (2020) Population Census, https://www.palau.gov.pw/executive-branch/ministries/finance/budgetandplanning/population-census/#:~:text=Table_title:%20Population%20Census%20Table_content:%20header:%20%7C%20State,%7C%20Population:%20320%20%7C%20:%20114%20%7C

³ Intergovernmental Panel on Climate Change. (2022). *Climate Change 2022: Impacts, Adaptation and Vulnerability*. Cambridge University Press.

Plan's vision of the State as a centre of development for neighbouring States; current enrolment therefore represents a starting point, not the ceiling, for the asset's service over its multi-decade life. The evacuation-centre catchment is broader still and serves a different population: during cyclones, storm surge and flooding it provides a designated safe-haven for residents of all three States, including those whose own communities lie in low-lying coastal areas, so the shelter function benefits the wider district rather than only the enrolled student body. Counting the full education catchment across three States, the national high-school cohort, and community evacuation-centre users over the lifecycle of the infrastructure gives a substantially larger and more accurate beneficiary base than enrolment at any single point in time.⁴

Concrete enrolment data confirm the scale and trajectory of this beneficiary base. Melekeok Elementary School - the facility that physically relocates - enrolled 83 students across kindergarten to Grade 8 in school year 2025-26 (Ministry of Education official enrolment). It is the only elementary school remaining in the eastern-Babeldaob catchment of Melekeok, Ngchesar and Ngiwal: the Ministry consolidated three eastern-Babeldaob elementary schools into one in 2011 (Palau Development Plan 2023-2026), which is why Ngchesar and Ngiwal no longer operate their own schools. Current enrolment therefore understates the resident school-age population the campus is designed to serve, because many catchment children are bused out of the district to Koror and rural enrolment has declined with low birth rates and out-migration. When the three States last operated their own elementary schools (2005), they enrolled 43, 39 and 40 students respectively - a combined cohort of 122 (Palau Education Master Plan 2006-2016) - and, with near-universal primary enrolment in Palau (an adjusted net enrolment rate of about 99 per cent, World Bank), a quality local campus is well placed to retain the full three-State catchment rather than losing children to the long daily journey to Koror. The 2020 Census of Population and Housing confirms the scale of this resident catchment: 135 children of elementary-school age (5-13) live in the three States (Ngchesar 51, Ngiwal 45 and Melekeok 39), of whom 124 are of grades 1-8 age (6-13) - almost identical to the 122 enrolled across the three State schools in 2005 - together with a further 47 of secondary-school age (14-17), giving a resident school-age catchment of 182. Set against Melekeok Elementary School's current enrolment of 83, this indicates that roughly fifty of the catchment's elementary-age children are presently educated outside it (chiefly bused to Koror), and it establishes a firm, census-based catchment for the consolidated K-12 campus even before the wider Babeldaob secondary intake of the second government high school is taken into account.

Critically, the project is not a stand-alone proposition but the implementation of long-standing national policy, and its strategic value is that it consolidates education for the catchment from elementary through to high school. The consolidation of the Ngchesar, Ngiwal and Melekeok elementary schools is the Ministry's own plan, established as Phase 3 of the school-consolidation programme under Republic of Palau Public Law (RPPL) 5-15 (1999) and reaffirmed in the Palau Development Plan 2023-2026, which records the 2011 eastern-Babeldaob consolidation and the need to relocate the consolidated coastal schools to higher ground because of climate change and sea-level rise. The second government high school is equally well established: a new school in Babeldaob has been a Ministry priority since at least the Palau Education Master Plan 2006-2016 (which set out a plan to build a Babeldaob high school combining elementary and high-school grades), and the Palau Development Plan 2023-2026 records that the proposal for a second public high school in Babeldaob has recently gained traction through an executive order of

⁴ Office of Planning and Statistics, Republic of Palau. (2022). *2020 Census of Population and Housing, Volume I*; and *Palau Development Plan 2023–2026 (public-school enrolment: 1,712 elementary and 547 secondary, SY2020–2021)*.

the Office of the President creating a task force to establish a K-12 public school on Babeldaob. The proposed Desbedall campus is precisely that strategic K-12 facility - elementary, lower-secondary and the second government high school on one resilient inland site - and it directly relieves the daily busing of Babeldaob high-school students to Palau High School in Koror that has been in place since 2009. Palau High School, the only existing public high school, enrolled 526 students in 2025-26, indicating the scale of the secondary catchment a second government high school would serve.

2.2 Gender Equality, Social Inclusion, and Environmental Sustainability

The project incorporates gender equality and social inclusion as core design and implementation principles, aligned with the AF Gender Policy. Gender considerations will be integrated across planning, consultation, design, procurement, construction, and operational phases. Infrastructure design measures will include safe and well-lit access routes, gender-responsive sanitation facilities, inclusive evacuation space planning, and accessibility features to ensure equitable use by women, girls, PWD, elderly persons, and caregivers⁵. Consultation processes will ensure meaningful participation of women and vulnerable groups, consistent with Palau's matrilineal land tenure system where women play a central role in land stewardship and community governance⁶. Recruitment and staffing of the PMU, to be primarily composed of Palauan nationals, will promote inclusive employment practices and professional development opportunities, including for women in technical and infrastructure delivery roles. Environmental benefits are achieved through climate risk-informed site selection, avoidance of high-risk coastal zones, and alignment with Palau's national environmental management framework. Relocation away from vulnerable coastal areas reduces pressure on fragile ecosystems and avoids maladaptive investment in high-exposure zones. The project will comply with the AF Environmental and Social Policy (ESP), including all relevant Environmental and Social Principles, and will apply a precautionary and risk-based approach to impact management.

2.3 Environmental and Social Safeguards Framework

Environmental and social risk management will be undertaken through a structured and integrated safeguard process. The project will undergo formal environmental and social screening under SPREP's Environmental and Social Management System (ESMS) to determine risk categorization and confirm the scope and level of safeguard instruments required. This screening will be aligned with Adaptation Fund ESP requirements and updated as necessary during detailed design to ensure that risks are systematically identified and addressed prior to construction. National regulatory compliance will be ensured through close coordination with the Palau Environmental Quality Protection Board (EQPB) and relevant state authorities. The project will adhere to Palau's environmental [impact] assessment (EA) and permitting requirements, and all regulatory approvals and conditions issued by EQPB will be incorporated into site-specific Environmental and Social Management Plans (ESMPs) and contractual obligations of contractors. This is to ensure national regulatory systems and Adaptation Fund safeguard standards operate concurrently and reinforce one another.

2.4 Construction Impact Management and Grievance Redress

Potential adverse impacts associated with construction activities including temporary noise, dust, traffic disruption, soil disturbance, and waste generation will be managed

⁵ Fitzpatrick, S. M., Napolitano, M. F., & Stone, J. H. (2021). *Disaster Risk and Climate Change Impact Survey in the Republic of Palau*. Bureau of Cultural and Historical Preservation.

⁶ Asian Development Bank. (2018). *Gender-Responsive Infrastructure Projects: A Guide for the Transport and Energy Sectors*. ADB.

through site-specific ESMPs, contractor codes of conduct, occupational health and safety provisions, and supervision by the Design and Supervision Firm and PMU. Attention will be given to drainage management, erosion and sediment control, waste handling, and protection of nearby habitats. Cultural heritage screening will be undertaken to avoid inadvertent impacts on sites of significance. The project does not involve involuntary resettlement, and land tenure arrangements have been confirmed through state and national approvals prior to advancement of detailed design. A grievance redress mechanism (GRM) will be established and operational throughout implementation to ensure that concerns from communities, including women and vulnerable groups, are received, addressed, and documented in a transparent and timely manner⁷. Safeguard performance will be monitored through periodic reporting, supervision missions, and regulatory oversight, with adaptive management measures applied where necessary. Climate-resilient design standards, gender-responsive planning, formal safeguard screening under SPREP's ESMS, and alignment with the Adaptation Fund ESP and Gender Policy form the core implementation framework for the project. Coordination with the Palau EQPB and other regulatory bodies will ensure full compliance with national requirements. Environmental and social risks will be assessed and managed systematically to secure long-term economic, social and environmental benefits.

Benefit Area	Key Beneficiaries	Main Benefits Delivered	Gender and Vulnerable Group Considerations	Risk Avoidance and Mitigation Measures
Economic Benefits	Government of Palau, households in Ngchesar, Melekeok and Ngiwal States	Reduced recurrent damage and maintenance costs, avoided service disruption, protection of long-term human capital, more efficient use of public education infrastructure	Reduced economic burden on caregivers, particularly women, who are disproportionately affected by school closures and disaster recovery responsibilities	Climate-informed siting and design, lifecycle cost optimization, avoidance of investment in high-risk coastal zones
Social Benefits	Children, youth, teachers, families, surrounding communities	Continuity of education during climate and disaster events, improved access to safe and uninterrupted learning environments, strengthened role of schools as community hubs and evacuation centers	Children, elderly persons, persons with disabilities, and single-parent households prioritized through safe access, inclusive design, and shelter capacity. Improved opportunities to enhance numeracy and literacy.	Universal access design, safe circulation, emergency preparedness planning, grievance redress mechanisms
Gender	Women and	one of Palau's	Alignment with UN	Gender-

⁷ Secretariat of the Pacific Regional Environment Programme. (2023). *Palau National Environmental Management Strategy 2022–2030*. SPREP.

Benefit Area	Key Beneficiaries	Main Benefits Delivered	Gender and Vulnerable Group Considerations	Risk Avoidance and Mitigation Measures
Equality and Women's Empowerment	girls across the three states, female educators and public servants	first gender-responsive infrastructure projects, setting national precedent; safer, inclusive facilities; increased participation of women in planning and oversight	Women guidance and ADB gender-responsive infrastructure frameworks; recognition of Palau's matrilineal land governance system; inclusive consultation processes	responsive design standards, gender-sensitive sanitation and shelter spaces, inclusive PMU recruitment and monitoring
Environmental Benefits	Local ecosystems, communities reliant on natural resources	Reduced pressure on vulnerable coastal areas, improved land-use planning, climate-resilient drainage and water management	Environmental protection supports livelihoods, food security, and cultural practices that women often manage at community level	EIA, erosion and drainage controls, waste management plans, compliance with national regulations
Institutional and Governance Benefits	Ministry of Education, state governments, SPREP	Strengthened national capacity to manage climate-resilient infrastructure, improved coordination and accountability	Opportunities for women's participation in PMU roles, training, and decision-making processes	Embedded safeguards oversight, reporting to SPREP, transparent procurement and supervision
Risk Management and Safeguards	All project stakeholders	Avoidance of involuntary resettlement, protection of cultural heritage, minimized construction impacts	Safeguard processes ensure that vulnerable groups are not disproportionately affected	Environmental and Social Management Plans, contractor codes of conduct, cultural heritage screening, grievance mechanisms

By aligning with national policies and international best practice on gender-responsive adaptation, the project sets a precedent for future public infrastructure investment in Palau and contributes to systemic improvements in resilience, equity, and sustainability under a changing climate.