



Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 05-May-2020 | Report No: PIDISDSA29342



BASIC INFORMATION

A. Basic Project Data

Country Micronesia, Federated States of	Project ID P174075	Project Name FSM Maritime Investment Project Additional Financing	Parent Project ID (if any) P163922
Parent Project Name Federated States of Micronesia Maritime Investment Project	Region EAST ASIA AND PACIFIC	Estimated Appraisal Date 13-May-2020	Estimated Board Date 15-Jun-2020
Practice Area (Lead) Transport	Financing Instrument Investment Project Financing	Borrower(s) Federated States of Micronesia	Implementing Agency Department of Transportation, Communication & Infrastructure, Department of Justice, Department of Environment, Climate Change and Emergency Management

Proposed Development Objective(s) Parent

To improve the safety, efficiency and climate resilience of maritime infrastructure and operations in the Recipient's territory, and in the event of an Eligible Crisis or Emergency, to provide an immediate response to the Eligible Crisis or Emergency.

Components

- Maritime Infrastructure
- Maritime Safety and Security
- Technical Assistance for Port Planning and Project Management
- Contingent Emergency Response Component

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	2.50
Total Financing	2.50
of which IBRD/IDA	2.50



Financing Gap	0.00
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DETAILS

World Bank Group Financing

International Development Association (IDA)	2.50
IDA Grant	2.50

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. Geography and Demography. The largest nation in the Micronesian sub-region, the Federated States of Micronesia (FSM), is made up of four semi-autonomous states (Kosrae, Pohnpei, Chuuk, Yap) located between Palau and the Philippines to the west and the Marshall Islands to the east. Although its land area covers just 700 square km, FSM consists of more than 600 islands scattered over an area of about 2.6 million square km, including its Exclusive Economic Zone.¹
2. As with other small island nations in the region, FSM faces significant challenges related to its small size, remoteness, geographical dispersion, environmental fragility and exposure to external shocks.² Frequent natural disasters and climate change impose high costs and may even threaten the physical viability of some areas of both the main islands and more remote outer islands. Such events can and do cause severe damage to infrastructure and other economic assets and have adverse impacts on livelihoods. As an archipelagic nation, FSM’s economy is highly dependent on marine resources for international, inter-state and inter-island trade. Citizens of outer islands depend on marine resources for travel to main and other outlying islands, and for access to education, markets and health services. Although seven islands have airstrips, only two seven-seat planes provide domestic air service. Maritime connectivity is, therefore, essential.
3. The overall population of FSM is estimated to be 105,544 (2017), of which approximately 45 percent live in Chuuk, 37 percent in Pohnpei, 11 percent in Yap, and 7 percent in Kosrae. Although the population declined from a high

¹ An Exclusive Economic Zone is a sea zone prescribed by the United Nations Convention on the Law of the Sea (UNCLOS) over which a state has special rights regarding the exploration and use of marine resources, including energy production from water and wind.

² Systematic Country Diagnostic, Report No. 102803, World Bank, January 20, 2016.



of 107,432 in CY2000 through CY2011, the trend stabilized in 2012, with slight annual increases continuing through the current year.³ FSM has also experienced considerable internal migration across states, mostly from outer islands to the main islands' urban areas, and especially to Palikir, the country's capital, on Pohnpei. Individuals are particularly drawn to employment with the national government, along with the availability of basic services in Pohnpei.

4. FSM is reported to have the highest estimated rates of poverty among the nine small remote islands (PIC9) covered in the Regional Partnership Framework (RPF) for FY17 to FY21.⁴ These findings are based on a household income and expenditure survey conducted in 2013/14, which found about 41 percent of FSM's population struggling to meet basic needs and 10 percent living below the food poverty line. The survey also documented stark variation across FSM, with the basic needs poverty rate most severe in Chuuk (46 percent), followed by Pohnpei and Yap (39 percent) and Kosrae (21 percent).

Sectoral and Institutional Context

5. **Sectoral Context.** Given FSM's dependence of the sea for commerce, trade and mobility, the maritime sector plays a central role in national development, social cohesion and service delivery. According to Government of FSM's (GoFSM) Infrastructure Development Plan (IDP) FY2016-FY2025, the objective for the maritime sector is to provide maritime transport that: (i) enables market opportunities to be realized for all areas of the country, including labor market opportunities, and enhances the level of integration of state economies and the national economy; (ii) provides improved dock facilities that meet both fishery and commercial shipping needs; (iii) facilitates modern, safe and efficient inter-state and inter-island passenger and cargo vessels; and, (iv) coordinates and facilitates the improvement of aids to navigation.
6. International shipping into FSM is administered through the Micronesian Shipping Commission (MSC)⁵ through issuance of Entry Assurance Certificates (EACs). For FSM, three shipping lines are licensed to provide service along specific shipping routes, each according to a predetermined schedule and at a specific freight rate. The objective of this structured approach is to ensure the availability of reliable and affordable maritime services. Intra-state (domestic) shipping is essential, especially in Chuuk, Pohnpei and Yap, as each consists of multiple islands. Kosrae is a single island state with no outer islands. Local services enable mobility of people among the states, and provide employment for seafarers, access to other employment opportunities, and access to educational and health services.
 - (a) **Kosrae.** Okat Port, Kosrae is the state's primary commercial port facility, handling all commercial shipping and fishing activities. Okat Port receives on average two to three international multi-purpose vessel calls per month or 25 to 30 vessel calls per year. The vessels transfer an average of six to ten full containers for import, and export one to two full containers per call. Including empty containers, annual throughput is between 600 twenty-foot equivalent units (TEUs) and 700 TEUs per annum. Around ten long liner fishing vessels and four to five purse seiners call at the port every month. If an international multi-purpose vessel arrives, fishing vessels must stop unloading and vacate the berth, causing severe disruptions.
 - (b) **Pohnpei.** Dekehtik Port, Pohnpei's only commercial seaport, is owned and operated by Pohnpei

³ World Development Indicators database, last update 9/21/2018.

⁴ Household income and expenditure survey, 2013/14, Regional Partnership Framework, World Bank, 2016.

⁵ International shipping in the sub-region (FSM, RMI and Palau) is regulated by MSC and governed by three commissions, one from each country.



Port Authority. The main cargo wharf serves international cargo vessels, tankers, and purse seiners⁶, while a smaller adjacent wharf is used by domestic vessels. Located to the south of the main wharf, the separate and smaller Takatik Fishing Wharf is dedicated to fisheries with the quay occupied by long line fishing vessels, FSM patrol boats, and other shallow-draft vessels. In 2016, Dekehtik Port handled around 2,000 inbound TEUs, 70,000 tons of breakbulk cargo, and 25,000 tons of diesel and jet fuel (via a pipeline). There is little outgoing traffic as export volumes are limited.

- (c) **Chuuk.** Weno Port, Chuuk receives international ships and serves as a “hub” port for the state. In 2014, 72 ships called at the Port and the annual container throughput was 1,155 TEUs. Present annual throughput is estimated at 700 full import containers and 700 empty outbound containers, confirming a strong imbalance in trade. Domestic shipping originates from the port to islands within the Chuuk Lagoon, as well as islands outside the Lagoon. Until 2012, inter-state shipping service was provided by the FSM government-owned MV Chief Mailo, but it is now out of service. To fill the gap, several smaller, private fishing boats have been converted into cargo/passenger vessels and provide services within the Lagoon and outer islands. In addition, there has been a proliferation of unregulated small single-engine vessels providing daily commuter services between Weno and nearby islands for school, work and medical purposes. These vessels require a license and need to report on their routes and schedules, but compliance is not monitored.
- (d) **Yap.** Colonia Port, Yap serves international cargo vessels, fuel tankers, and the occasional longline fishing vessel. The port is served by three multi-purpose shipping lines about every two weeks. Around 15 to 30 full inbound TEUs and about the same number of empty TEUs are exported per ship call.

- 7. Outer islands throughout FSM typically lack access infrastructure and aids to navigation (AtoN), and many do not have reef channels to access the islands. Consequently, vessels must anchor offshore and transfer passengers and cargo using small workboats or tenders. This poses a high safety risk because many of the outer islands experience strong winds and waves. Government services to the outer islands are limited, and private operators are not regulated, particularly in Chuuk Lagoon. Provision of safe and reliable transportation services to the outer islands remains a significant challenge.
- 8. **Institutional Context.** Given FSM’s political structure, responsibility for the maritime sector is divided into a two-tier system involving the national and state governments. At the national level, the Marine Division (MD) of the Department of Transport, Communications and Infrastructure (DoTC&I) is responsible for overseeing FSM’s maritime sector. DoTC&I is tasked with managing the development and enforcement of legislation and regulations, coordinating among the states and external agencies such as the United States Coast Guard (USCG), and providing inter-state domestic shipping services using national vessels. DoTC&I also provides technical support to state port authorities and agencies responsible for managing the ports and other maritime affairs, and regulates tariffs, e.g., under its concession agreement with the Pohnpei Stevedoring Company.
- 9. At the state level, the institutional and governance arrangements vary and are complicated. All ports and port infrastructure are owned by the states, which operate these assets through a port authority or

⁶ A purse seine is a wall of netting that is released around a school of fish. The seine has floats along the top line with a lead line threaded through rings along the bottom. Once a school of fish is identified, a small boat encircles the school with the net.



transport department. The States lack uniform port arrangements, have different forms of ownership, administration and financing arrangements, and there is some duplication of roles and responsibilities between the state agencies and the national MD. Kosrae and Pohnpei have port authorities, Kosrae Port Authority (KPA) and Pohnpei Port Authority (PPA), respectively, which are state-owned entities established under state law. Both KPA and PPA operate under a hybrid approach, whereby each authority develops and maintains basic terminal infrastructure and regulates port activities, but leases cargo handling and terminal operations out to a private operator. Ports in Chuuk and Yap are overseen by their respective State Departments for Transport and Infrastructure but are operated by private stevedoring companies under differing arrangements.

10. **COVID-19 Context:** An outbreak of COVID-19 caused by the 2019 novel coronavirus (SARS-CoV-2) has been spreading rapidly across the world since December 2019. On March 11, 2020, the World Health Organization (WHO) declared a global pandemic as the coronavirus rapidly spread across the world. The severe infectious nature of COVID-19 has raised the immediate need for strengthened health security. The FSM is particularly vulnerable to the risk of COVID-19 due to its economic reliance largely on international travel of residents, visitors and trade and poor health infrastructure. Although no suspected cases have been reported in FSM to date, the health system urgently needs to be prepared for an outbreak of such nature to avoid adverse human and economic impact. FSM declared a national state of emergency on 14 March 2020⁷ and have developed a COVID-19 Response Framework.

C. Proposed Development Objective(s)

Original PDO

To improve the safety, efficiency and climate resilience of maritime infrastructure and operations in the Recipient's territory, and in the event of an Eligible Crisis or Emergency, to provide an immediate response to the Eligible Crisis or Emergency.

Current PDO

No change to original PDO as a result of additional financing.

Key Results

11. To monitor progress toward the PDO, the following set of indicators have been identified:
 - (a) Reduction in cargo vessel turnaround times at project port(s) (minutes);
 - (b) Increase in container yard productivity at project port(s) (percentage);
 - (c) Project docks fully compliant with ISPS requirements (number);
 - (d) Project ports rehabilitated with at least one climate resilience measure (number);
 - (e) Ports with sectoral and contingency planning tools that address natural disasters and climate change (number).
12. The results framework will be updated to reflect the activities funded by the CERC including:
 - (a) The addition of a new Intermediate level indicator: "CERC-related procurement packages completed on time as per the procurement plan (percentage)"

⁷ FSM COVID-19 Emergency Declaration: https://gov.fm/files/Declaration_as_of_March_14.pdf



D. Project Description

13. The parent project will improve the safety and efficiency of maritime operations and enhance resilience of maritime transport and of local communities to the impacts of climate change through: (i) investments to improve port infrastructure and maritime services; (ii) activities to strengthen safety and security of navigation and ports operations; and, (iii) technical assistance to supervise works, support project implementation, and develop local capacity to manage a more safe, efficient and climate resilient maritime sector. A Contingency Emergency Response Component (CERC) is also included within FSMIP to enable funds to be quickly reallocated to respond to emergency events. The project consists of the following components:

(a) Component 1: Maritime Infrastructure. Component 1 will improve the safety and efficiency of port operations, as well as enhance the resilience of maritime structures to natural disasters and climate change impacts through the integration of planning, design, construction, rehabilitation and operation of facilities. Examples include repairs and/or improvements to existing berth and apron facilities at project docks, including underwater quay structures, drainage systems to avoid pooling of water on aprons and container yards, and the provision of floating pontoons for passenger transport. The following investments for Kosrae, Pohnpei, Chuuk and Yap Ports would be eligible for funding under FSMIP:

- (i) 1.1 Surfacing and Drainage at Kosrae, Pohnpei, Chuuk and Yap Ports.
- (ii) 1.2 Rehabilitate utilities.
- (iii) 1.3 Upgrade terminal superstructure.

(b) Component 2: Maritime Safety and Security. This component will strengthen safety and security of maritime transport and support better climate resilience of maritime facilities and for local communities by improving the reliability of connections between FSM states and outer islands for access to food, water, fuel, and emergency response services. The following investments for Kosrae, Pohnpei, Chuuk and Yap Ports would be eligible for funding under FSMIP:

- (i) 2.1 Upgrade berthing and apron facilities.
- (ii) 2.2 Compliance with ISPS requirements.
- (iii) 2.3 Replace/upgrade Aids to Navigation (AtoNs).
- (iv) 2.4 Safety and Security Improvements.

(c) Component 3: Technical Assistance for Port Planning and Project Management. Component 3 will enhance the capacity of Government and maritime authorities and agencies to manage maritime assets in a more safe, efficient and climate resilient manner through technical assistance designed to strengthen the planning and management of climate resilient port facilities, improve coordination of emergency response systems, elevate awareness of ISPS and SAR requirements, and implement project activities:

- (i) 3.1 Design and Supervision.
- (ii) 3.2 Review of Institutional and Governance Structures for Port Management.
- (iii) 3.3 Strategic Planning
- (iv) 3.4 Capacity Building Initiatives.
- (v) 3.5 Outer Island Services and Chuuk Lagoon.
- (vi) 3.6 Project Management.



- (vii) 3.7 Employment opportunities for women.
- (viii) 3.8 Incremental operating costs.
- (ix) 3.9 Emerging priority issues.

(d) Contingency Emergency Response. The CERC is designed to provide a swift response in the event of an Eligible Crisis or Emergency through a portion of the undisbursed project envelope to address immediate post-crisis and emergency financing needs. The CERC may be used following natural disasters or other crises and emergencies, allowing funds to be reallocated from other components of the project.

14. The parent project was approved on May 9, 2019 and became effective on August 14, 2019. As of April 2020, the disbursement ratio of FSMIP is 8 percent. Since approval, the project has been Satisfactory in terms of achieving its Project Development Objective, and Satisfactory for 'Implementation Progress'. The last implementation support mission was carried out during November 11 – 26, 2019. The procurement process for the Needs Assessment for Component 1 (Maritime Infrastructure) and Component 2 (Maritime Safety and Security) has commenced, which is critical given this activity is time-sensitive and informs other activities under FSMIP.
15. The Project Manager of the Project Implementation Unit (PIU) within the Department of Transport, Communications and Infrastructure (DoTC&I) mobilized on October 7, 2019 and is currently supporting FSMIP activities. In addition, the Project is supported by the Central Implementation Unit (CIU), which is overseen by a Program Manager, with additional dedicated staff to provide fiduciary and safeguards support. The Program Steering Committee has also been established.
16. The Additional Financing (AF) is being prepared under the global framework of the World Bank COVID-19 Response financed under the Fast Track COVID-19 Facility (FTCF). In response to the WHO declaration of the global pandemic, the FSM has triggered the CERC of the FSMIP to address urgent COVID-19 emergency response and preparedness needs. Uncommitted funds have been reallocated to the CERC from other components of FSMIP. FSM has applied the CERC funding to supply medical equipment, pharmaceuticals and personal protective equipment (PPE). The availability of funds in the CERC has enabled the rapid release of funds for this purpose.
17. The triggering of the CERC has resulted in a financing gap for the FSMIP. This AF replenishes the funds released by the CERC to enable continuation of the project which remains a priority for FSM. This AF also includes a Level 2 restructuring to revise the results framework for the project, including to add an Intermediate Results Indicator related to the CERC to capture the timeliness of the procurement of items as included in the CERC Emergency Action Plan (EAP). The current PDO remains achievable.
18. An ex-post restructuring of FSMIP is to be undertaken due to the triggering of the CERC. The AF will not change the original objectives, design, components or activities; however, will enable the procurement of medical equipment, PPE, and pharmaceuticals to support FSM's preparedness and response to the COVID-19 pandemic.

E. Implementation



Institutional and Implementation Arrangements

19. There are no changes to the implementation arrangements for the Project. As agreed in the approved CERC Project Operations Manual and the Financing Agreement for FSMIP, the implementing agency for the CERC-financed EAP is the Department for Environment, Climate Change and Emergency Management (DECEM). DECEM will receive technical support from the COVID-19 Task Force. The Task Force is chaired by the Secretary of Finance and the membership consists of representatives from Cabinet, Private Sector, State Government representatives and Development Partners. The COVID-19 Response Framework was tabled by the Department of Health and Social Affairs (DHSA) which combined all the needs for the FSM with inputs from the State Health colleagues. DECEM will ensure DHSA participation—at no lower than Assistant Secretary level—in decisions related to planning, procurement, monitoring, and reporting of CERC-financed activities.
20. The Department of Finance and Administration (DoFA) will be the Executing Agency. DoFA will also act as the IA for Sub-component 3.7 on strengthening the capacity of the CIU and managing FSMIP. The Department of Environment, Climate and Emergency Management (DECEM) will serve as IA for Component 4 on the CERC. DoTC&I in Pohnpei and the Department of Justice will act as IAs for Sub-components under the remaining Components of FSMIP.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

The Project will finance physical works at primary ports in FSM, which could be one or more of the ports at Pohnpei (Dekehtik), Chuuk (Weno, Tonoas), Yap (Colonia) and Kosrae. The ports are located in modified foreshore environments in urban areas on State-leased land. The near-shore water quality and ecosystems are degraded due to urban runoff, reclamations and sea walls, dredging, poor waste management and wastewater and ballast discharges from vessels at the docks. At Dekehtik, there are numerous ship wrecks that litter areas adjacent to the docks. Nearby all ports are reef and mangrove ecosystems which are modified but also maintain high diversity and function. Chuuk Lagoon has a large number of World War II ship wrecks that are considered heritage artefacts and are a tourist attraction, but they are not located in the project area of influence. Strategic development plans and review and improvements to port operations will focus on the main ports and governance and institutional strengthening across the Federal and State agencies involved in the Sector. Studies on the commuter boat services in Chuuk Lagoon will cover essential support services to outer island communities. These communities are vulnerable due to their relative remoteness from employment, business opportunities and schools. For many, regular travel to Weno is their only opportunity for income and education. Most islands have land-based sources of aggregates for construction purposes, although aggregates are commonly imported to Chuuk for large-scale projects or for specific purposes (such as runway resealing). All main islands have landfill facilities and waste oil recycling collection for export. Gender-based violence rates are high in FSM and women are vulnerable to trafficking, illegal sex work, unwanted pregnancies, harassment and violence. Imported and transient workforces such as the fishing industry and construction industry are known to contribute to these issues. Under the



activated CERC, the project will purchase medical equipment, personal protective equipment and pharmaceuticals that will be deployed across all four states to health care facilities.

G. Environmental and Social Safeguards Specialists on the Team

Penelope Ruth Ferguson, Environmental Specialist
Craig Andrew Clark, Social Specialist
Rachelle Therese Marburg, Social Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	OP/BP 4.01 was triggered for the parent project and an Environmental and Social Management Plan (ESMP) and an Environmental and Social Management Framework (ESMF) prepared and disclosed. The FSMIP ESMF provide a screening and risk management process for technical advisory services and for the sub-projects that are identified following the strategic management planning processes. Based on screening during the preparation of the COVID-19 Response under Component 4 a CERC ESMF has been prepared, which includes Infection Control Procedures and a Waste Management Plan. The occupational health risks relate to the potential for infection of COVID-19 through the use and disposal of equipment, and environmental risks relate to improper disposal of waste. Consultations were held during the environmental assessment and on the draft instruments and the preparation of the CERC ESMF. The project has been screened as Category B as the impacts are considered moderate and readily prevented and mitigated. The ESMP has been prepared for the activities identified during project preparation and mostly relate to the physical works to upgrade the various ports.
Performance Standards for Private Sector Activities OP/BP 4.03	No	The project will not involve private sector, therefore, the policy is not triggered.



Natural Habitats OP/BP 4.04	Yes	<p>OP/BP 4.04 was triggered for the parent project. An assessment of the impact of physical works and technical advisory on the marine ecosystem undertaken. The assessment concluded that the maritime habitat near the ports is highly modified and degraded due to pollution, sedimentation and intermittent dredging. Further impacts on these environments will be negligible. There are coral habitats within the project area of influence which may be affected in the short term from contaminated stormwater from earthworks and construction activities and in the long term from contaminated stormwater drainage from the ports or spill events. Mitigation measures in the ESMP address the design and operation of drainage and stormwater treatment devices, erosion and sediment control measures, removal of waste, improved oil and fuel management procedures, and improved spill response skills and equipment, and are considered satisfactory for reducing short and long term risk to these habitats.</p> <p>The CERC activities will have no impacts on natural habitats.</p>
Forests OP/BP 4.36	No	<p>The project will not involve the removal or degradation of, change the access to, or change the management of, mangrove forests. There may be temporary sedimentation impacts from physical works at one or more ports. This type of impact will be assessed under OP4.01 and OP4.04.</p> <p>The CERC activities will have no impacts on forests.</p>
Pest Management OP 4.09	No	<p>There will be no pest management under this project or the requirement to purchase and use pesticides.</p>
Physical Cultural Resources OP/BP 4.11	No	<p>The baseline surveys carried out as part of the ESIA process did not identify the presence of any physical cultural resources within the project's area of influence. All physical works will be within the docks or government leased land. Hence, the policy is not triggered. The CERC activities will have no impacts on physical cultural resources.</p>
Indigenous Peoples OP/BP 4.10	Yes	<p>Almost the entire population of each state is indigenous (Chuukese, Yapese, Mehn Pohnpei, Kosraean). To ensure that the principles of the policy are addressed, the Stakeholder Engagement and</p>



		Consultation Plan has been prepared in compliance with the policy and consistent with an Indigenous Peoples Policy Framework, reflecting a Free, Prior and Informed Consultation approach that addresses the needs of vulnerable people and women.
Involuntary Resettlement OP/BP 4.12	No	The project will not involve any new footprints for infrastructure. Accordingly, no land access issues are anticipated with the project and involuntary land acquisition or resettlement will not be required.
Safety of Dams OP/BP 4.37	No	This policy is not triggered as the project does not rely on a dam or will be affected by the operation of an existing dam.
Projects on International Waterways OP/BP 7.50	No	The project will not be implemented on any international waterways.
Projects in Disputed Areas OP/BP 7.60	No	There are no disputed areas in the project area of influence. This policy is not triggered.

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The key environmental impacts identified in the environmental assessment are: (i) the existing and ongoing risks from oil spills, contaminated storm water and other pollution discharges to the marine environment further modifying the coral and sand environments nearby; (ii) the significant volumes of scrap metal and other solid waste at the ports; (iii) the introduction of invasive species in equipment and fill; and, (iv) the potential for contaminated fill to be discovered during earthworks. Minor impacts that will require management during construction include noise, dust, traffic-related safety, construction waste and interferences with other port operations. Environmental benefits, such as a reduction in the risk of oil spill and incidental releases of pollutants and waste into the marine environment, will be achieved through the removal of waste, provision of spill kits and booms, staff training and improved port operational procedures. The Project screening indicates that there are no anticipated adverse social impacts though benefits will be realised through improved preparedness for COVID 19.

The purchase, use and disposal of goods under the CERC may give rise to environmental impacts if waste is poorly managed. Non-essential incineration of non-infectious and non-hazardous waste will contribute to contaminants in the air discharges and the ash from hospital incinerators. Inappropriate disposal of infectious and hazardous waste to landfill could present an occupational hazard to waste workers and / or fill up valuable space in each state landfill. The use and disposal of medical equipment poses risks health and safety of health workers and the community, which require the implementation of effective waste management and occupational health and safety plans.

Stakeholders will need to be clearly identified and consulted during implementation. The SEP includes consideration of vulnerable groups and includes a GRM.



No land acquisition nor loss of property is associated with the activity.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: The improvements in equipment, buildings, drainage, hardstand, safety, efficiency of operations, improvements in human trafficking avoidance and environmental management will contribute to improvements to environmental, health and safety risks for dock operations into the future. The technical advisory outputs for the project will focus on providing operational procedures to support ongoing management of these risks. Spill management equipment and training will improve the response to and clean-up of incidents, which will reduce the scale of impacts from future spills.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts. The CERC activities are driven by an emergency situation caused by the COVID-19 pandemic and contribute to the country's national response plan. As such, alternatives were not assessed.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

Since effectiveness, the environmental and social risk management, via the Project Environmental and Social Management Framework (ESMF) and Environmental and Social Management Plan (ESMP) has been satisfactory. There has been no design work or physical works to date and no grievances or environmental, health or safety incidents. The environmental and social risks are being managed adequately through the services of the international and national safeguards advisers housed in the Central Support Unit, who support the entire FSM Bank-funded portfolio. The Grievance Redress Mechanism has been publicly advertised on the DoTC&I and Department of Finance and Administration (DoFA) websites.

The Department of Transportation, Communications and Infrastructure has experience with World Bank safeguards policies under the Palau-FSM Connectivity Project, and, with the support of safeguards consultants, undertaken consultation and supervised cable laying and coastal protection works activities in accordance with the Palau-FSM Connectivity Project's safeguards policies. The State Port Authorities do not have any experience with World Bank policies. The DoFA CIU safeguards team will continue to provide support and oversight for the implementation of safeguards and consultations throughout the project, including the operation of the CERC.

The CIU safeguards team will train and support the DECEM and health sector staff to implement the CERC ESMF and will undertake audits to monitor the implementation and effectiveness of the Infection Prevention and Control and Waste Management Plan.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The Project's Stakeholder Engagement Plan has identified the key stakeholders as: State Environmental Protection Authorities, National Oceanic Resource Management Authority, Department of Justice Human Trafficking Unit, Department of Youth and Civil Affairs, Pacific Adaptation to Climate Change, State Women's Councils, State Conservation Societies and Trusts, Chuuk Small Boat Operators, Mayors, Church groups, Shipping and Stevedore companies. Potentially affected people include passengers and businesses who use the docks or reside/work/gather food nearby. Vulnerable people were identified as boarding school children (travelling alone), men or women trafficked through ports or in the maritime sector (sexual or labor exploitation and migrant smuggling), those with mobility issues or vulnerabilities with accessing dock facilities, and women and elderly travelling without support. In



particular, the Chuuk Lagoon island residents who rely solely on the commuter boats will be vulnerable to any changes to operations or regulations on those vessels. Representatives of the agencies and groups were invited to consultation meetings during project preparation in each State and feedback was included the project design, ESMF and ESMP. The Stakeholder Engagement Plan identifies strategies and programs for communicating with stakeholders, including representatives of vulnerable people and groups, throughout the project at key stages (design, strategic planning, pre-construction and construction phases). The CERC ESMF contains additional communication requirements and stakeholders including the Department of Health and Social Affairs and hospital staff implementing the Infection Control Procedures and managing waste. The GRM has been updated to include CERC activities.

B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank 25-Feb-2019	Date of submission for disclosure 19-Mar-2019	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
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"In country" Disclosure

Micronesia, Federated States of
19-Mar-2019

Comments

Indigenous Peoples Development Plan/Framework

Date of receipt by the Bank 25-Feb-2019	Date of submission for disclosure 19-Mar-2019
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"In country" Disclosure

Micronesia, Federated States of
19-Mar-2019

Comments

If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.

If in-country disclosure of any of the above documents is not expected, please explain why:



C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

OP/BP 4.04 - Natural Habitats

Would the project result in any significant conversion or degradation of critical natural habitats?

No

If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?

NA

OP/BP 4.10 - Indigenous Peoples

Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?

NA

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes



All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

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APPROVAL

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