Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 01/25/2021 | Report No: ESRSA01239

BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Micronesia, Federated States of	EAST ASIA AND PACIFIC	P172225	
Project Name	Federated States of Micronesia Prioritized Road Investment and Management Enhancements Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Transport	Investment Project Financing	1/27/2021	5/31/2021
Borrower(s)	Implementing Agency(ies)		
Federated States of Micronesia	Federal State of Micronesia - DoFA, Department of Transportation, Communications & Infrastructure		

Proposed Development Objective
To improve the climate resilience of FSM's road network.

Financing (in USD Million)	Amount
Total Project Cost	40.00

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

PRIME will be included within Pacific Climate Resilient Transport Program (PCRTP) Series of Projects (SOP), which has four broad pillars that focus on increasing resilience in the transport sector through: (i) utilizing spatial planning and risk-based tools; (ii) investing in climate resilient infrastructure; (iii) strengthening the enabling environment; and, (iv) supporting post-disaster recovery. Specifically, PRIME will include a selection of road works (Component 2) to

enhance the resilience of the network in each state to climate change impacts and natural hazards, as guided by the Vulnerability Assessment and Climate Resilient Road Strategy undertaken as part of Component 1. Works will focus on the primary road networks within the existing legal road easements in each state (e.g., road improvements, overlay, drainage improvements, spot slope stabilization, rock wall revetment strengthening, improvements to causeways and bridges). In addition, funding will also be provided to support institutional and regulatory reforms for road sector asset management and maintenance, including measures to strengthen local capacity and to increase the sustainability of climate resilient road sector investments.

D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The Federated States of Micronesia (FSM) is the largest nation in the Micronesian sub-region, comprised of four semi-autonomous states: Kosrae, Pohnpei, Chuuk, Yap. FSM consists of more than 600 islands scattered over an area of about 2.6 million square kilometers. Each state has a main 'high' island where the majority of the population is based. Natural hazards, including typhoons, frequent heavy rains, flooding along with threats of tsunamis, storm surges, rising sea levels, can, and do, cause damage to the natural environment, infrastructure and livelihoods. Each State is diverse in terms of language, culture, environmental and land tenure laws.

The road network is vulnerable to climate change induced risks such as sea level rise, intensified storm surge, increased precipitation and flooding. The road network is critical for the movement of goods and services as well as access to social services. In general, there is only one primary, circumferential route on each main island. Most of the population live close to the coast, and critical infrastructure and services are located primarily in the coastal zones. Road easements for primary roads range in width from 12-18m. These were created through voluntary legal agreement between the State Government and land owners prior to the construction of the roads with no compensation paid to land owners. The easement agreements are weakly enforced with encroachment of property near to the road edges common.

The Project includes activities in all four states:
Component 1: Spatial and Sector Planning Tools. This Component provides technical assistance for sectoral and spatial planning tools that will improve the way climate change is addressed in the road sector, including a Vulnerability Assessment and Climate Resilient Road Strategy.
Component 2: Climate Resilient Infrastructure Solutions. This Component involves feasibility studies, design and construction of priority road assets improve resilience to climate-related hazards . Sub-component 2.1- Critical, climate-resilient road, bridge or drainage improvement works urgently required to maintain a basic level of road connectivity in each State. Urgent works proposed for financing include : (i) improving the narrow, low-level Lelu causeway in Kosrae; (ii) replacing the 12-meter Awak bridge in Pohnpei; (iii) improving the 1.5 kilometer airport to Pou Bay bridge road in Chuuk; and (iv) replacing two short-span (6-meter long) steel and concrete composite bridges in Yap; Sub-component 2.2- works to enhance the resilience of the network in each state to climate change impacts and natural hazards. All works will be within the approximate 200km of primary road network on existing road corridors. Investments will be based on the outcomes of the Vulnerability Assessment and Climate Resilient Road Strategy undertaken as part of Component 1.
Component 3: Strengthening the Enabling Environment. This Component will support institutional and regulatory reforms for road sector asset management and maintenance.

The road network studied under Component 1 includes the primary road network and some additional secondary roads considered to have strategic and / or economic importance. The physical works funded under Component 2 will be undertaken on the primary road network.

Adjacent to the road network the ESMF identified sensitive ecosystems - mangroves, sea grasses and corals. FSM has unique biodiversity which is under threat from invasive species and habitat degradation and loss. Sensitive ecosystems, including active and proposed Protected Areas, may be within the areas of influence for particular works under Component 2 and /or may be affected by project emissions.

Most high islands in FSM have land-based sources of aggregates, although aggregates are commonly imported on other projects for large-scale or specific purposes. All main islands have solid waste landfill facilities. Sensitive social receptors to road works identified in the ESMF include residences, schools, churches, hospitals, food gardens, grave sites and businesses.

D. 2. Borrower's Institutional Capacity

FSM PRIME is the second World-Bank supported transport project in FSM, after the FSM Maritime Investment Project (FSMIP). The recipient is the Federated States of Micronesia. FSM Department of Finance and Administration (DoFA) will be the Executing Agency with the Department of Transportation, Communication and Infrastructure (DoTC&I) will be the Implementing Agency. However, as the roads fall under the jurisdiction of the relevant State Government, there will likely be separate Project Implementation Agreements with each of the States. DoFA and DoTC&I are familiar with the World Bank Safeguards Policies and project-specific environmental and social risk management instruments from their experiences with the FSMIP and the Palau-FSM Connectivity Project and with the Environmental and Social Framework (ESF) from preparing the Digital FSM project. However, this is the first World Bank-funded road improvement project in FSM and the first transport project applying the ESF and therefore the State transport authorities are not familiar with the ESF and Environmental and Social Standards and do not have designated environmental and social staff. The Government of FSM, through DoFA, has set up a Central Implementation Unit (CIU) to provide environmental and social risk management support for World Bank projects.

The two CIU Safeguards Specialists (one locally based Environmental Specialist and one Senior Environmental Specialist with international experience) will provide environmental and social management support to DoTC&I and the respective State Road Authorities. The local specialist also has consultation and engagement experience and understands the cultural needs of the people in each state. The CIU have the skills to prepare environmental and social instruments and conduct consultations, and budget is available to engage specialist consultants to fill any capacity gaps during Project implementation. This need will be identified once the Component 2 work plan is drafted, and may include preparation of site-specific Resettlement Plans, ESMP and / or assistance with consultations and participatory design approaches. This 'CIU + consultant' approach is considered adequate to support the integration of environmental and social management into the FSM PRIME at the Federal and State level. The Bank team will provide ESF training as well as ongoing direct support to DoTC&I, the State Road Authorities and CIU to ensure the requirements of the ESF are satisfied.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC) Substantial

Environmental Risk Rating Substantial

The overall environmental risk is assessed as Substantial. Component 1 VA and CRSS activities will cover future road improvements in the primary and targeted secondary road network.
Component 2 road works will take place at discrete locations within the existing primary road corridor. Component 3 institutional strengthening will provide benefits across the public road network. Project risks are likely to be identifiable, localized, short term or small scale, not irreversible or unprecedented, and can be addressed through conventional mitigation and management measures.

The environmental risks relate primarily to road network rehabilitation and improvement activities and include the management of waste (demolition, road materials, hazardous, solid and liquid wastes), erosion and sedimentation from earthworks especially those that take place near waterways or sensitive environments (estuaries, lagoons, mangroves and streams). Further more, road workers and the public are at risk from traffic-related hazards. These impacts can be readily managed through Good International Industry Practice mitigation measures, ESHS measures prescribed within the standard procurement documents, good engineering designs informed by environmental and social risk assessments and good practices for civil construction and transport-related impacts. Traffic-related hazards and transport impacts along haul routes associated with heavy vehicles (noise, dust, road safety and road surface condition) can be managed through the establishment of a robust Traffic Management Plan (TMP), incorporated into Contractors' Environmental and Social Management Plans (CESMP).

Off-site activities include quarrying and asphalt plant operations, which if not managed properly, may cause localized adverse impacts. Coral rock and coastal sand mining will be avoided in this project but environmental assessments and due diligence will be carried out on other sources of local or imported aggregates.

The project applies to all four states of FSM. Environmental management and permitting is at the state level though enforcement of environmental and OHS laws is weak. Furthermore, the government does not have a formal grievance mechanism for land issues. The DOFA CIU has two full-time Safeguards Specialists to support this project. However, the CIU safeguards team sit in Pohnpei and therefore, there are logistical challenges for managing construction-related risks. This capacity gap will be filled by training the State focal points with key skills for ESHS construction supervision. Ongoing World Bank support and capacity building will be needed to mitigate these risks.

Social Risk Rating Substantial

The overall social risk is assessed as Substantial. Social risks relating to road construction and maintenance activities include the health and safety risks for workers and the community (noise, dust, traffic), the management of foreign workforce and the risk of increased gender-based violence (GBV) through sexual exploitation and trafficking, and involuntary resettlement impacts for private structures and assets adjacent to road improvement sites. These types of risks can be managed through effective codes of practice for road works, training of workers and good supervision and oversight of mitigation measures. It is expected that special attention will be needed to monitor and enforce compliance in the application of ESS2 (Labor and Working Conditions) and ESS4 (Community Health and Safety), since minor to moderate worker influx are expected. Early engagement with land owners, local communities, vulnerable groups and traditional/local leaders would be critical to ensuring their support in agreeing to the removal of property encroaching in project works areas.

Gender-based violence is prevalent: 33 percent of women have experienced physical and/or sexual violence by a partner and 8 percent by someone other than a partner. Sexual exploitation of locals has occurred in the past by foreign work forces. The risk of sexual exploitation and abuse/sexual harassment is screened as moderate.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

ESS1 applies to the project due to the environmental and social risks associated with strategic planning and institutional strengthening in the road sector and with the physical road improvements. GoFSM environmental and social consultants have undertaken a field review of sensitive environmental and social receptors and values along the road networks in Pohnpei, Chuuk, Yap and Kosrae. This baseline report is appended to the ESMF. Specifically the majority of risks are related to the rehabilitation (including demolition of some or all of the existing structure) and maintenance of roads, bridges, and causeways that may be financed under Component 2. Potential environmental risks and impacts from construction activities are expected to be temporary and reversible, low in magnitude, and site specific. These impacts most commonly include possible temporary disruption of current traffic circulation, traffic safety, dust nuisance, and gaseous emissions, potential pollution of soil and water resources from sediment discharges and hazardous waste, disturbances to foreshore and riverbanks from heavy machinery and momentary interference of noise and dust to neighboring settlements through various operation activities. Temporary social impacts related to the construction phase are expected to include temporary land use such as for diversion roads and laydown areas, disruptions to commercial activities as well as moderate risks related to GBV due to influx of modest number of overseas workers or workers from other states. Severe long term social impacts associated with permanent land acquisition will be avoided by the Project by only funding road improvements on the primary road network.

Many roads are located close, or adjacent to, the coast, waterways and mangroves. Any resulting contamination, sedimentation, spills, etc. will potentially have adverse consequences for fragile coastal ecosystems, including mangrove and estuarine areas, seagrass beds and reefs. Robust sediment and erosion control procedures will be extremely important during road works, especially any works on the causeways. The ESMP will provide the key mitigation measures and the CESMP will contain the detailed methodologies for these procedures. Off-site activities include quarry and asphalt plant operations which may cause localized adverse impacts relating to dust, noise and contaminated stormwater discharges; aggregate supply was assessed in the baseline study and the ESMF has concluded that land based local quarries or imported aggregates will be used to avoid the risks associated with the use of local coral and sand dredging. Impacts will be managed through ESMP, with controls such as aggregate and equipment must meet strict biosecurity precautions and clearance for imported materials, as well as adherence to the World Bank Group EHS Guidelines for construction material extraction. The ESMF assessment considered the potential long term impacts including habitat degradation from sedimentation and disturbances of foreshore, seabed and waterways, ongoing drainage discharges to ground/waterways impacting water quality and drinking water sources and concludes that with the proposed improvements the long term impacts are anticipated be similar to baseline conditions.

Impacts specific to land acquisition will be minimized through the Resettlement Framework and site specific Resettlement Plans.

Contractor's site offices and work places can be potential sources of noise, disruptions to locals and, in severe cases, harmful conduct such as sexual exploitation or harassment. The ESMF concludes that construction impacts can be mitigated using industry-standard techniques and by trained and experienced Contractors through good construction practice, and through implementation of site-specific CESMP and Codes of Conduct for workers.

The social benefits of an improved road network include reduction in travel time to schools, health, and other public service centers; expanded access to markets and work opportunities; reductions in the risk that connectivity is affected during or after typhoons; and improved road safety and climate resilience.

The Environmental and Social Management Framework (ESMF) has been prepared based on a detailed baseline assessment. The framework facilitates screening, assessment, and management of environmental and social issues of activities during project implementation, with a focus on the physical works under Component 2. The ESMF defines screening criteria for activities and guides the preparation of the appropriate instruments. The screening process determines that site-specific environmental and social assessments will be carried out and site specific ESIA and / or ESMP will be prepared for moderate, high and substantial risk activities. For low risk activities, a Generic ESMP will be prepared and used. The Generic ESMP will provide mitigation measures for low risk and / or typical risks for road works in tropical island environments, referring to the World Bank Group EHS Guidelines and Good International Industry Practice.
Contractors will be required to prepare and implement Contractor Environmental and Social Management Plans (CESMPs).

An Environmental and Social Commitment Plan (ESCP), drawn and agreed upon with the borrower prior to Appraisal, sets out the substantive measures and actions that will be required for the project to meet environmental and social requirements over the project's lifetime. These measures shall be implemented within the specified time-frames and the status of implementation will be reviewed as part of project monitoring and reporting. The ESMF has been disclosed and discussed with stakeholders. All ESIA, ESMP and other ESS1 instruments prepared during implementation will also be consulted and disclosed.

At concept stage, GoFSM had identified priority investments and proposed to prepare works-specific ESIA and ESMP in parallel with the feasibility and design processes, prior to appraisal. The procurement process for the design team was not concluded prior to appraisal; therefore the works-specific assessments and documentation will be prepared during project implementation during the feasibility and design phase.

The technical advisory services under Component 1 will shape the scope of the project Component 2. The studies will prioritize works for Component 2 of the Project and they will contribute to longer term priority works not funded by the Project. Therefore, there is the potential for indirect E&S impacts from the recommended works; this could include terrestrial and marine ecological disturbances, erosion and sedimentation and disturbances to surface water flow. All TA will be consistent with the ESF and this requirement will be explicit in Terms of Reference.

Environmental and social screening will be included in the multi-criteria analysis for prioritization of work for Component 2, and the outputs will be reviewed by the CIU safeguards team and the Bank team to ensure they are consistent with the ESF and ESMF. Recommendations to avoid or mitigate significant harm will be provided for incorporation in the final TA reports, to minimize the future downstream impacts from the studies.

ESS10 Stakeholder Engagement and Information Disclosure

A social assessment was carried out in project preparation which was used to inform the stakeholder engagement plan (SEP). The SEP defines the direct and indirect stakeholders and guides how communication will be managed during implementation of the project. It includes a Grievance Mechanism (GM). The SEP and GM reflect the requirements of ESS7 to ensure culturally-relevant consultation methods and methods for grievance resolution and integrate the principles of Free, Prior and Informed Consent, reflected in the project's participatory design approach. The SEP and GM will support all activities under the Project, including land acquisition.

The direct project beneficiaries are communities using relevant roads for access to social services, business or other activities. State governments are the beneficiaries on the institutional dimension as they are directly responsible for the maintenance of the road infrastructure that will be improved through the project. State and National governments will be the beneficiaries of the developed spatial and sectoral planning tools under Component 1. Project-affected people include those who may be affected by removal of encroachment from the road easements, bystanders, road users and neighbors experiencing nuisances and hazards from the road works. Distinct vulnerable or disadvantaged groups and their specific needs will be identified during the environmental and social assessments for works. The ESMF identifies vulnerable people generally as youth, elderly and women-headed households, as well as the vulnerable using the roads such as pedestrians and cyclists. The SEP assesses and provides guidance for the engagement of various stakeholders during three phases: (i) project preparation, including the environmental and social instruments, vulnerability assessment and the strategic planning tools (ii) engagement during the design of works as well as (iii) prior to and during the construction works period.
The environmental and social consultants assisted DoTC&I and the CIU to present the project to government and non-government organizations in each state and again to present the draft environmental and social instruments. Consultations were carried out in the local languages and in culturally appropriate formats. A total of 42 consultation meetings were conducted from 30 July to 12 November 2020 across all four States involving government agencies, community groups and others. The meetings presented information about the project and planned approaches to manage impacts and risks. Key feedback included strong support for the project, desire for distribution of project investments throughout the four states, acknowledgement of the need to clarify the status of easement agreements along the primary road networks and emphasis on ensuring participation of communities and stakeholders throughout implementation of the project. The SEP, ESMF and RF have been publicly disclosed by the Borrower and the World Bank.

Consultations during the project preparation phase were hampered by severe travel restrictions between States and internationally to and from FSM due to the Covid-19 pandemic. The project adopted responsive communication approaches such as stakeholder meetings facilitated by state-based Government focal points and local consultants, along with methods such as video-conferencing, email, phone and other on line and mass communication tools to provide information on the project and to seek feedback, and to disclose environmental and social management

instruments. If the travel restrictions continue into project implementation the SEP details similar methods to be used to avoid personal contact and the requirement for face-to-face meetings.

The Grievance Mechanism will be managed similar to other projects across the World Bank portfolio in FSM. It will be administered centrally by the CIU safeguards team who will record, monitor and report on grievances and outcomes. The GM will be set up so complaints can be received and managed as local as possible to the physical works, by the State Road Authorities, PIU focal points and the contractor. The CIU will support the contractors, State Road Authorities and the PIU to resolve issues and otherwise elevate the grievances to the Project Steering Committee. The GM process and contact details will also be published online and communicated during consultation activities and publicized in works areas from before the commencement of works.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

ESS2 is relevant to the project. The project will require the use of contractors for the road rehabilitation works. Labor will be imported or local (to be determined on a State by State and case by case basis) and that labor influx has been assessed as a potential moderate risk in the social assessment and impact mitigation provided in the ESMF and to be covered in the Labor Management Procedures. The number of workers, and the local or overseas percentage of the contracted work force will not be known until the tendering is complete and the Contractor's bids have been received.
Child Labor is not a concern or potential risk, but the LMP will provide measures to avoid child labor. An assessment of labor rights and laws as well as occupational health and safety legislation and implementation arrangements were undertaken during project preparation in the ESMF. There is partial equivalence but the OSH laws are weak.
Another project labor requirement is the consultants (either individuals or firms) who will provide technical advisory services. Quarries operated by third parties will be 'primary suppliers' under ESS2 and due diligence will be required on the occupational health and safety risk management, child labor and forced labor as part of the Contractors CESMP procedures and the Contractor, to the extent possible, will need to require mitigation measures to be implemented.

During concept review, the ESRS concluded that the Labor Management Procedures (LMP) would be prepared prior to appraisal. The recipient has since requested for the LMP to be prepared during project implementation. This is because the first tranche of project workers (consultants providing technical advisory services for the VA, CRSS and safety audits) are engaged under the FSM Programmatic Preparation Advance which has an appropriate LMP and a labor grievance mechanism. The engagement of contract workers for road works is at least 12 months away and since no design work has started there is some uncertainty as to the size and source of labor and associated risks. The use of quarries (primary suppliers) is similarly at least 12 months away. Furthermore, COVID-19 and the associated travel restrictions also make the timing of works uncertain. The ESMF contains an assessment of the gaps between Federal and State law and ESS2 and screened the labor risks, and identifies minimum mitigation measures such as the use of OSH plans and to ensure contractual arrangements prohibit the use of forced and child labor and allow for freedom of association.

No project workers will be engaged by the Project until the LMP has been cleared by the World Bank and disclosed. The LMP will propose how to overcome aspects that do not meet the objectives of the Standard and will describe national and state labor policies and practices, the types of project workers that are likely to be involved, the procedures to apply ESS2, and a labor grievance mechanism. Labor influx issues and community health and safety (as described under ESS4), and the EHS requirements for quarries as primary suppliers, will also be included in the LMP. ESS2 OHS requirements are also mandated through the ESMF and will be enforced through the ESHS clauses of Contractors contracts and will be supervised by the CIU Safeguards Team.

ESS3 Resource Efficiency and Pollution Prevention and Management

ESS3 is relevant to the project. Road reconstruction and rehabilitation works will include the use of a range of materials such as aggregates, asphalt and cement. Through the implementation of procedures and measures stated in the ESMF and ESMPs, DoTC&I and State Road Authorities will be required to avoid or minimize the release of pollutants and assure compliance with World Bank Group Environmental, Health and Safety Guidelines and good construction practice. Mitigation measures will be required in the CESMP to also ensure the appropriate handling, storage, use and disposal of hazardous and non-hazardous materials and wastes under their control, using GIIP. Only licensed and permitted land-based quarries or imported aggregates will be considered and environmental and social assessments will be carried out on the potential sources of aggregates. No coral rock or coastal sand will be used in this project. Quarries operated by third parties are considered primary suppliers and due diligence will be carried out on their EHS risk management. EHS improvements for third party operators will be managed through the Contractor's CESMP. Quarries and borrow pits operated by the Contractor will require EHS risk management under the Contractors CESMP and mitigation measures implemented in accordance with the World Bank Group EHS Guidelines and quarry EHS best practice. Measures to mitigate and improve occupational health and safety of quarry workers will also be managed under the LMP for ESS2 labor and working conditions standards.

If not well managed, there is the risk that the project could become a significant user of water and/or energy.

Large quantities of construction and demolition waste could be generated, as asphalt and basecourse will be removed from current roads and bridges, culverts and causeway structures removed. The environmental and social assessment has identified that there are safe options for waste disposal in each State but the specific waste management practices will be developed in the ESMP and CESMP for each physical works activity to reflect the specific waste types and reuse, recycling and disposal opportunities on island.

Other issues relating to pollution prevention and management specific to construction and operation of roads (including quarry sites, dredging sites, concrete plants and asphalt plants) include stormwater, waste, noise, air emissions and waste water. The environmental and social assessment concludes the nature and scale of risks as low to substantial without mitigation and concludes that with the application of Good International Industry Practice for road works, including WBG EHS Guidelines, the mitigation measures should reduce the risks and impacts to low to moderate. A Generic ESMP will include all of the GIIP and site specific environmental and social assessments will inform works specific ESMP and CESMP, including sub-plans where relevant, proportional to the environmental and

social sensitivities and the scale of impacts and risks. The climate change adaptation measures identified by the Vulnerability Assessment and engineering designs will be assessed under ESS3.

ESS4 Community Health and Safety

ESS4 is relevant to the project because there will be construction occurring in public space, contributing to potential health and safety issues, and also potential to affect (and improve) road safety. In accordance with Good International Industry Practice and the World Bank Good Practice Note for Road Safety, Traffic and Road Safety Assessments (TRSA) will be undertaken for each road works activity and mitigation will be included in ESMPs. The TRSA will identify, evaluate and monitor the potential traffic and road safety risks to workers, affected communities and road users throughout the project life-cycle and the opportunity to integrate road safety measures into the road and infrastructure design so that ongoing road users are safer. This includes considering lighting requirements, road signage and pedestrian access.

Construction activities will require materials to be brought to site, necessitating management of safety risks arising from construction traffic, particularly to project workers. Construction activities may also lead to closures of footpaths, necessitating safe alternative pedestrian facilities and lower speeds. The Contractors will be required to prepare Traffic Management Plans (TMPs) with measures to ensure the safety and well-being of nearby affected communities and road users during construction will be prepared together with the Emergency Response Plans with procedures to respond to accidental leaks, spills, emissions, fires, and other unforeseen crisis events. General guidelines for Traffic Management Plans will be included in the Generic ESMP to guide contractors to prepare site specific plans. Special guidelines will be given for sensitive sites such as schools, hospitals, religious places, etc and vulnerable users and bystanders such as pedestrians, cyclists, and motorcyclists. Given the linear character of the road improvement works, full partition or fencing of construction sites might not be possible, therefore, signaling should be installed and mitigation measures to control excessive noise and dust levels as prescribed in the ESMF.

The Contractors may bring in workers from overseas, but likely to also engage locals for skilled and unskilled labor. The LMP will assess the potential scale of workforce, but the actual number of workers, the source(s) of the work force and percentage of overseas workers for this project will not be known until the Contractor's bids are received. The ESMF has concluded that workers camps are unlikely as there are local accommodation options in each State. The ESMF has concluded that, based on general risks with imported labor to remote islands, there may be a risk of gender-based violence and demand for sex workers and general risk of harassment of local. The project will use worker codes of conduct, training and awareness raising (including information and education materials at the work sites and local communities), incident management and grievance management to prevent and address such issues. Workplaces will be required to have details of GBV survivor support services for referrals and information. In addition, the CIU is funding a portfolio-wide review of GBV support services and this will support the PRIME project to identify the appropriate processes and services to connect with and to gap fill where necessary.

Imported labor, or labor from other States may bring the risk of communicable diseases, including sexually transmitted diseases and COVID-19. Contractors will be required to include COVID-19 emergency management procedures in their CESMP and will be required to educate the workforce and communities on the risks of

transmission of disease and preventative measures. Contractors' COVID-19 emergency management procedures will be consistent with the national and State response and management regulations and procedures such as immigration controls, isolation and quarantine, testing, immunizations and sanitary requirements for work places.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Land tenure in FSM is a mix of private, customary or communally owned land. Much of the rural and outer island land is under customary ownership with no title and in some areas boundary conflicts are common. State governments can acquire land for public interest without consent but with compensation following national and state laws and regulations. Where customary land is to be acquired, consultations with traditional or customary leaders will be included as part of the process of assessment of land take requirements and mitigation measures. The Sale and Purchase Agreement is then to be forwarded to the Council of Chiefs for its Board's approval.

The project will finance activities to improve the climate resilience of existing primary roads, such as drainage, road, causeway and bridge improvements, all of which are expected to be located within existing road corridors. Minor structures such as fences, walls and stalls as well as some trees and crops can be found immediately adjacent to, as well as encroaching in to the road corridors. There may be narrow linear impacts or site impacts for spot widening or drainage installation which may affect these structures though land needs will be minimized where possible. Additional land may be permanently required for coastal protection works / enhancements, road widening at critical locations, drainage infrastructure, etc., and temporary land required for lay-down areas, offices, etc.

A Resettlement Framework (RF) has been prepared for the Project as specific works will be identified during project implementation following the Vulnerability Assessment and Climate Resilient Road Strategy. The RF set out principles governing assessment and mitigation of involuntary resettlement impacts as well as provides guidelines on screening, due diligence, consultation and preparation of site-specific instruments.

The potential for involuntary resettlement impacts, including impacts on property and livelihoods of affected people will be screened during preparation of planned works under Component 2 and site-specific resettlement instruments will be prepared prior to approval. For priority activities identified during project preparation land-related impacts will be assessed and site specific Resettlement Action Plans will be prepared if necessary. Guidelines on the application of Voluntary Land Donation in line with ESS5 is included in the RF. A number of envisioned interventions would likely be site specific (such as spot improvements for drainage) and provide direct benefits to those in the immediate vicinity which could potentially suit Voluntary Land Donation (VLD) as an option. Acquisition of new road easements using VLD is not envisioned and works that would induce severe involuntary resettlement impacts such as relocation of housing or severe permanent impacts on livelihoods will be screened out. Where VLD involves customary land, agreement will be required from both the land users and persons authorized to make decisions over the land.

Activities that would require permanent acquisition of private land would likely require more time to identify and negotiate with land owners and potentially increase the social risk for the project from additional resettlement. The road works design process will seek to minimize the requirement for land acquisition outside the existing road corridor unless agreed by the land owners.

A review was undertaken to identify the extent of existing road easements on the primary network under Government control. Road easement agreements were entered into between GoFSM and relevant individual land owners prior to the creation of primary roads in each State. However, documentation of the individual easement agreements has not been consistently maintained. Furthermore, the road easement boundaries are typically not demarcated and the easement corridor not closely managed. In some road sections there has been encroachment in to the road easement area, generally with secondary structures, such as fences, and crops. In order to ensure local community and land owner support for the Project works, the RF requires the adoption of a 'participatory design approach'. Accordingly, local communities and land owners will be consulted through the design phase in an iterative process to ensure that the design, along with any modifications to the road footprint and associated mitigation and restorative measures, are agreed. Cut off dates will be clearly communicated during participatory consultation activities where applicable. Acquisition of land within existing road easements will be avoided.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

The proposed physical works will mostly occur within existing road corridors and therefore impacts on habitats are expected to be limited. Nevertheless, as the location of all roads works are not identified, some of the rehabilitation works and ancillary works such as coastal protection works could be carried out in or near protected areas and natural habitats. Foreshore, seabed, estuaries, mangroves and waterways may be within the project area of influence and receive stormwater run off.

Across the Pacific there is growing awareness of the impacts of coastal sand mining and rock mining. These activities can destroy biodiversity and reduce the coastal protection from storms and high tides. Local aggregates will not be used unless they are from sustainable, licensed, land-based sources and environmental assessment has concluded the likely biodiversity and natural habitat impacts and there are mitigation measures to comply with ESS6.

The site-specific impacts will only be identified during project implementation when specific road rehabilitation activities are known; the ESMF includes a biodiversity and natural habitat screening and assessment process for activities and, if required, site-specific ESIA and / or ESMP will be prepared to provide the avoidance and mitigation measures. The ESMF provides maps and an overview of existing protected areas and identifies potentially critical habitats as well as recommending avoidance through early screening and influencing road design and provides mitigation measures.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

Micronesians represent the overwhelming majority in FSM, with recent estimates putting them at 91% of the population. With the vast geographical expanse of the country, there is huge cultural and linguistic diversity amongst the island comprising the four states. While Engligh is the official language of FSM, there are eight major indigenous languages spoken in FSM, and many of them are official State languages. Outside of the main capital towns, the local languages are primarily spoken.

There are distinct cultural identifies between the four states with unique cultural characteristics. however, cultural similarities are indicated by the importance of traditional extended family and clan systems found on each island (with the exception of Kosrae). Traditional and cultural institutions have a strong presence in Micronesian life. The

keystone of Micronesian society is the extended family, which is collectively responsible for maintaining the welfare of the family including in relation to customary family land.

The individual states have separate and distinct land tenure arrangements, with some broad commonalities that persist. The system of land tenure is a complex mix of the old and the new. Historically, land ownership was limited to inheritance within a family or clan. As a result, many land parcels in FSM are subject to the communal use and alienation rights of extended families, clans and communities. Private land holders are influenced to varying degrees by customary land tenure systems nevertheless occupy most lands. Acquisition of land, including customary land, will be minimized by the Project. Where VLD involves customary land, agreement will be required from both the land users and persons authorized to make decisions over the land. Where customary land is to be acquired, consultations with traditional or customary leaders will be included as part of process of assessment of land take requirements and mitigation measures. The Sale and Purchase Agreement is to then be forwarded to the Council of Chiefs for its Board's consent.

The ESMF, RF and SEP have been prepared to ensure culturally appropriate and meaningful engagement with the project. The participatory design approaches outlined in the SEP and RF will achieve the goals of free, prior and informed consent (FPIC). FPIC will be applied in all cases where traditionally owned/customary land is subject to works or will be affected by works. Impacts on Micronesians are mostly beneficial and Micronesians are overwhelmingly the beneficiaries. Therefore no Indigenous Peoples Plan has been prepared.

ESS8 Cultural Heritage

Although the proposed operation will not require the construction of new roads, physical works excavations, materials storage, movement of earth, quarrying, waste disposal and associated physical works will be undertaken. Due to the country's cultural richness and the practice of burying loved ones on private land, these types of activities may lead to contact with both known and unknown physical and cultural resources and chance finds might be possible. For that reason, the ESMF includes a provision to screen and assess cultural heritage values for proposed project locations, measures to avoid and mitigate harm and chance finds procedures. No impacts on intangible cultural heritage have been identified in ESMF.

ESS9 Financial Intermediaries

ESS9 is not relevant since no financial intermediaries are planned under the project implementation.

B.3 Other Relevant Project Risks

The project applies to all four states of FSM. Due to the the different responsibilities between the Federal and State Governments as well as the logistical challenges of these States being on different islands (as the Project Management Unit and CIU safeguards team are based in Pohnpei), this represents a contextual risk.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways	No

The project will not be implemented on any international waterways.

OP 7.60 Projects in Disputed Areas No

There are no disputed areas in the project area of influence. This policy is not triggered.

B.3. Reliance on Borrower's policy, legal and institutional framework, relevant to the Project risks and impacts

Is this project being prepared for use of Borrower Framework? No

Areas where "Use of Borrower Framework" is being considered:

Borrower's E&S Framework will not be relied upon because of a number of gaps in the legislation and capacity at State and National level to meet World Bank Standards.

IV. CONTACT POINTS

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Borrower/Client/Recipient

Borrower: Federated States of Micronesia

Implementing Agency(ies)

Implementing Agency: Federal State of Micronesia - DoFA

Implementing Agency: Department of Transportation, Communications & Infrastructure

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

Task Team Leader(s):	Keelye Rinchen Hanmer, Sean David Michaels
Practice Manager (ENR/Social)	Susan S. Shen Cleared on 11-Jan-2021 at 06:52:50 GMT-05:00
Safeguards Advisor ESSA	Nina Chee (SAESSA) Concurred on 25-Jan-2021 at 17:36:19 GMT-05:00