

PRIORITIZED ROAD INVESTMENT AND MANAGEMENT ENHANCEMENTS (PRIME) PROJECT

Federated States of Micronesia

RESETTLEMENT FRAMEWORK

FINAL

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ABBREVIATIONS

ARAP	Abbreviated Resettlement Action Plan
AOI	Area of Interest
CBO	Community Based Organization
CIU	DoFA Central Implementation Unit
CRRS	Climate Resilient Road Strategy
DoFA	Department of Finance and Administration
DoTC&I	Department of Transportation, Communications and Infrastructure
E&S	Environmental and Social
ESA	Environmental and Social Assessment
ESCP	Environmental and Social Commitment Plan
ESF	World Bank Environmental and Social Framework
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESS	World Bank Environmental and Social Standards
FSM	Federated States of Micronesia
GIS	Geographic Information Systems
GoFSM	Government of FSM
GM	Grievance Mechanism
IOL	Inventory of Loss
LADD	Land Access Due Diligence Report
MOU	Memorandum of Understanding
NGO	Non-Governmental Organization
OHS	Occupational Health and Safety
PAP	Project Affected Person
PIU	PRIME Project Implementation Unit
PMU	DoTC&I Project Management Unit
PRIME	Prioritized Road Investment and Management Enhancements Project
PSC	Project Steering Committee
RF	Resettlement Framework
SEP	Stakeholder Engagement Plan
SIDS	Small Island Developing States
TOR	Terms of Reference
UNESCO	United Nations Educational, Scientific and Cultural Organization

VA	Vulnerability Assessment
WB	World Bank
WHO	World Health Organization

GLOSSARY

Compensation	Payment in cash or in kind at the replacement cost of the acquired assets for the Project.
Cut-off date	The eligibility cut-off date is the date of completion of the inventory of loss (IOL) for Project works under Component 2. Assets located within the Component 2 works footprint after this date will not be eligible for entitlements or associated assistance.
Disadvantaged Vulnerable People	<p>/ Those who may be more likely to be adversely affected by the project impacts and/or more limited than others in their ability to take advantage of a project's benefits. Such an individual/group is also more likely to be excluded from/unable to participate fully in the mainstream consultation process and as such may require specific measures and/or assistance to do so. This will take into account considerations relating to age, including the elderly and minors, and including circumstances where they may be separated from their family, the community or other individuals on which they depend.</p> <p>Specifically, vulnerable groups for PRIME, disadvantaged and vulnerable people consist of the following categories of persons: i) those without legal title to the land or other asset/s, ii) households headed by females (where appropriate), iii) the elderly or disabled, iv) vulnerable road users due to road construction (refer definition to below), and v) other vulnerable groups, such as people living in extreme poverty or hardship.</p>
Displaced Persons	Refers to all of the people who as a direct result of land acquisition or restricted land use for the project would have their (1) standard of living adversely affected; or (2) right, title, interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed temporarily or permanently; (3) access to productive assets adversely affected, temporarily or permanently; or (4) business, occupation, work or place of residence or habitat adversely affected; and "displaced person" means any of the displaced persons.
Economic Displacement	Loss of income sources, or means of livelihoods as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.
Eligible Land Holders	Refers to affected persons who (a) hold title to land; or (b) do not hold title but whose possession of land can be legalized with a title pursuant to the Land Law of FSM including those with recognizable rights.
Entitlement	Range of measures comprising compensation, income restoration support, transfer assistance, income substitution, and relocation support which are due to affected people, depending on the nature of their losses, to restore their economic and social base. The entitlements adopted for the PRIME Project were guided by the applicable national laws and regulations and WB ESF. The entitlements may be further revised based on actual impacts, if applicable, in resettlement plans.

Gender Mainstreaming	The process of ensuring that gender concerns and women’s needs and perspectives are explicitly considered in projects and programs, and that women participate in the decision-making processes associated with development-based activities.
Indigenous Persons	WB ESS7: Referring exclusively is a generic term used to refer to a distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees: (i) self- identification as members of a distinct indigenous social and cultural group and recognition of this identity by others; and (ii) collective attachment to geographically distinct habitats, ancestral territories or areas of seasonal use or occupation, as well as to the natural resources in these areas; and (iii) customary cultural, economic, social, or political institutions that are distinct or separate from those of the mainstream society or culture; and (iv) a distinct language or dialect, often different from the official language or languages of the country or region in which they reside.
Income Restoration	Means re-establishing income sources and livelihoods of project-affected households to a minimum of the pre-project level.
Involuntary Resettlement	Project-related land acquisition or restrictions on land use may cause physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets or access to assets, including those that lead to loss of income sources or other means of livelihood), or both. The term “involuntary resettlement” refers to these impacts. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in displacement.
Land Acquisition	All methods of obtaining land for project purposes, which may include outright purchase, expropriation of property and acquisition of access rights, such as easements or rights of way. Land acquisition may also include: (a) acquisition of unoccupied or unutilized land whether or not the landholder relies upon such land for income or livelihood purposes; (b) repossession of public land that is used or occupied by individuals or households; and (c) project impacts that result in land being submerged or otherwise rendered unusable or inaccessible. “Land” includes anything growing on or permanently affixed to land, such as crops, buildings and other improvements, and appurtenant water bodies.
Livelihood	The full range of means that individuals, families, and communities utilize to make a living, such as wage-based income, agriculture, fishing, foraging, other natural resource-based livelihoods, petty trade, and bartering.
Meaningful Consultation	WB ESF / ESS10: a two-way process that (a) begins early in the a project planning process to gather initial views on the project proposal an inform project design; (b) encourages stakeholder feedback, particularly as a way of informing project design and engagement by stakeholders ion the identification and mitigation of environmental and social risks and impacts; (c) continues on an ongoing basis, as risks and impacts arise; (d) is based on the prior disclosure and

dissemination of relevant, transparent, objective, meaningful and easily accessible information in a timeframe that enables meaningful consultations with stakeholders, in a culturally appropriate format, in relevant local language(s) and in understandable to stakeholders; € considers and responds to feedback; (f) supports active and inclusive engagement with project-affected parties; (g) is free of external manipulation, interference, coercion, discrimination, and intimidation; and (h) is documented and disclosed by the Borrower.

Physical Displacement	This means relocation, loss of residential land, or loss of shelter as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.
PRIME Roads	Roads that will be assessed as part of Technical Assistance (TA) aspects of the PRIME Project, including the Vulnerability Assessment (VA), Climate Resilient Road Strategy (CRRS) and Environmental and Social Assessment (ESA) studies, which include the majority of the existing 'primary roads' on the main islands of each FSM State, and some additional secondary roads that are considered to be of strategic and/or economic importance by DoTC&I. Only the primary roads identified will be funded under Component 2 of the PRIME Project. Any recommended improvements identified by the VA/CRRS on the secondary roads will not be considered for funding under Component 2 of PRIME, however they may form part of recommended future investment needs for FSM's road network.
Project Persons	<p style="padding-left: 20px;">Affected</p> <p>Includes any person, households, entity, organizations, firms or private institutions who, on account of changes that result from the Project will have their (i) standard of living adversely affected, (ii) right, title, or interest in any house, land (including residential, commercial, agricultural, forest, plantations, grazing, and/organizing land), water resources, communal fishing grounds, annual or perennial crops and trees, or any other moveable or fixed assets acquired, possessed, restricted, or otherwise adversely affected, in full or in part, permanently or temporarily; and/or (iii) business, occupation, place of work or residence, or habitat adversely affected, permanently or temporarily, with or without displacement.</p>
Replacement Cost	A method of valuation yielding compensation sufficient to replace assets, plus necessary transaction costs associated with asset replacement. Where functioning markets exist, replacement cost is the market value as established through independent and competent real estate valuation, plus transaction costs. Where functioning markets do not exist, replacement cost may be determined through alternative means, such as calculation of output value for land or productive assets, or the undepreciated value of replacement material and labor for construction of structures or other fixed assets, plus transaction costs. In all instances where physical displacement results in loss of shelter, replacement cost must at least be sufficient to enable purchase or construction of housing that meets acceptable minimum community standards of quality and safety. The valuation method for determining

replacement cost should be documented and included in relevant resettlement planning documents. Transaction costs include administrative charges, registration or title fees, reasonable moving expenses, and any similar costs imposed on affected persons. To ensure compensation at replacement cost, planned compensation rates may require updating in project areas where inflation is high or the period of time between calculation of compensation rates and delivery of compensation is extensive.

Restrictions on land Use	Limitations or prohibitions on the use of agricultural, residential, commercial or other land that are directly introduced and put into effect as part of the project. These may include restrictions on access to legally designated parks and protected areas, restrictions on access to other common property resources, restrictions on land use within utility easements or safety zones.
Security of Tenure	Resettled individuals or communities are resettled to a site that they can legally occupy, where they are protected from the risk of eviction and where the tenure rights provided to them are socially and culturally appropriate. In no event will resettled persons be provided tenure rights that are in effect weaker than the rights they had to the land or assets from which they have been displaced.
Vulnerable Road Users	Road users who are more vulnerable to harm because they are not in a vehicle, including pedestrians, motorcyclists, cyclists, and those on animals or animal drawn carts.

1. Introduction

1.1 Environmental and Social Assessment Overview

The Government of Federated States of Micronesia (GoFSM) has applied for financing from the World Bank (WB) for the Prioritized Road Investment and Management Enhancements (PRIME) Project to improve the climate resilience of FSM's road network. Part of the PRIME Project includes the assessment of environmental and social risks including:

- (i) Environmental and Social Assessment (ESA);
- (ii) Preparation of environmental and social instruments in accordance with the WB Environmental and Social Framework (ESF);
- (iii) Support stakeholder consultation activities; and
- (iv) Provision of technical environmental and social advice as required to the GoFSM as part of project preparation.

The ESA Consultant has been engaged by the GoFSM through the Department of Transportation, Communications and Infrastructure (DoTC&I) to undertake the ESA and prepare instruments required for WB appraisal including development of a Resettlement Framework (RF) for the PRIME Project.

1.2 Resettlement Framework

1.2.1 Purpose and Scope of the Resettlement Framework

As outlined in the *World Bank Environmental and Social Framework 2017* (ESF), the purpose of the Resettlement Framework (RF) is to clarify resettlement principles, organizational arrangements and design criteria to be applied to works or project components to be prepared during project implementation.

The RF is appropriate given the PRIME Project consists of a program and/or series of climate resilience road works in each State and the risks associated with land or asset loss or livelihood impacts cannot be determined until the program or works details have been identified and designed.

While some initial road works have been identified (refer Component 2, Section 2.3.3) as requiring urgent works, the design of the required works has not yet been undertaken and the full extent of impacts are not yet known. The additional road works that will form the PRIME Project will be identified as part of the Vulnerability Assessment (VA) and Climate Resilient Road Strategy (CRRS) studies. As part of these studies a multi-criteria assessment will be undertaken to prioritize the urgency of works and works that will be funded by the PRIME Project. Environmental and social risk screening will be part of the multi-criteria analysis.

Once the works are defined for the PRIME Project and the necessary information becomes available the RF will be expanded into specific plans proportionate to potential risks and impacts for each specific road work.

As set out in Environmental and Social Standard (ESS) 5: Land Acquisition, Restriction on Land Use and Involuntary Resettlement (ESS 5) of the ESF, the RF is to cover the following elements:

- (a) a brief description of the project and components for which land acquisition and resettlement are required and an explanation of why a resettlement policy framework rather than a resettlement plan is being prepared;
- (b) principles and objectives governing resettlement preparation and implementation;
- (c) a description of the process for preparing and approving resettlement plans;
- (d) estimated displacement impacts and estimated numbers and categories of displaced persons, to the extent feasible;
- (e) eligibility criteria for defining various categories of displaced persons;
- (f) a legal framework reviewing the fit between borrower laws and regulations and WB policy requirements and measures proposed to bridge any gaps between them;
- (g) methods of valuing affected assets;
- (h) organizational procedures for delivery of compensation and other resettlement assistance, including, for projects involving private sector intermediaries, the responsibilities of the financial intermediary, the government, and the private developer;
- (i) a description of the implementation process, linking resettlement implementation to civil works;
- (j) a description of grievance mechanisms (GM);
- (k) a description of the arrangements for funding resettlement, including the preparation and review of cost estimates, the flow of funds, and contingency arrangements;
- (l) a description of mechanisms for consultations with, and participation of, displaced persons in planning, implementation, and monitoring; and
- (m) arrangements for monitoring by the implementing agency and, if required, by third-party monitors.

The RF includes measures to ensure that:

- Project Affected Person/s (PAPs) are informed about their options and rights pertaining to livelihood restoration and compensation; adequate consultation is undertaken and PAPs are offered choices among compensation alternatives; and PAPs are provided prompt and effective replacement or compensation at full replacement cost for lost assets; and
- Transitional support is provided as necessary to all economically displaced persons based on a reasonable estimate of the time required to restore their income earning capacity, production levels, and standards of living.

To attain these measures, particular attention must be paid to the needs of vulnerable groups among the PAPs, especially those with low income, the landless, the elderly and infirm or other people experiencing displacement impacts but who may not be protected through national land compensation legislation.

1.2.1.1 Covid-19 Pandemic

On March 11, 2020, the World Health Organization (WHO) declared a global pandemic in response to the global spread of the severely infectious 2019 Novel Coronavirus (SARS-CoV-2, or 'Covid-19').

FSM is particularly vulnerable to the risk of Covid-19 due to its economic reliance on international travel of residents, tourists, and trade. Although no cases have been reported in the FSM to date (as at 1 December 2020), both international and domestic (i.e. inter-State) travel restrictions have been in place in FSM since March 2020 with strict quarantine requirements for travelers.

As a result, the core internationally-based ESA consultant team was not able to travel to FSM as part of the preparation of PRIME Project ESA instead engaged locally based sub-consultants in each State to undertake the baseline data collection, field survey and stakeholder consultation activities under the direction of the internationally based environmental and social experts.

In the absence of physically being present on-the-ground in FSM, the internationally-based ESA consultant team implemented innovative solutions to baseline data collection, including the use of ESRI ArcGIS Collector, a device (e.g. smart phone) based application which was used by the FSM-based team to capture data. The data was automatically uploaded to the consultants' GIS database. This method of data collection ensured consistent and comprehensive data and information collection and communication, and allowed the GIS team to review in 'real-time' the data and 'geo-tagged' photographs captured in the field.

Consultation meetings were facilitated by the State-based ESA consultant team members. While initial efforts were made to allow relevant members of the international ESA consultant team to call into larger meetings via online video conferencing, internet connection was not reliable enough for this approach to be successful in most cases.

The FSM-based team was provided with training and consultation material (including presentation, Project Summary, agenda, meeting minutes template and attendee lists) by the international ESA consultant team members prior to consultation meetings. This was undertaken to ensure consistency in the messages being communicated to stakeholders across all four States, to ensure valuable feedback was provided and to manage stakeholder expectations. An internal debrief meeting was then held after the meeting to discuss any issues raised by the stakeholders and learnings from the process.

1.2.2 Resettlement Framework Objectives

The over-riding objective of the RF is to ensure that all Project Affected Persons (PAPs) are fairly compensated for their losses and provided with rehabilitation measures to assist them to improve, or at least maintain, their pre-Project living standards, livelihoods, and income earning capacity. The key objectives of this RF are to:

- Assess and develop livelihood restoration and compensation measures to ensure that every affected household maintains an equivalent or better standard of living as they had prior to economic displacement;
- Establish the entitlements of PAPs and/ or communities;

- Outline a strategy for preparing detailed cost estimates of all measures required to achieve the successful implementation of the livelihood restoration and compensation program;
- Identify strategies to improve local living conditions and generate economic opportunities, with particular focus on providing opportunities for people whose land is directly impacted by the Project;
- Identify the institutional arrangements and responsibilities of Department of Transport, Communications and Infrastructure (DoTC&I), other FSM Government authorities, communities and other stakeholders required to implement the RF; and
- Provide recommendations to ensure affected households and other stakeholders will be consulted on the RF process and provide meaningful input into the design of the overall compensation strategies.

Guiding principles applied in the preparation of this RF include:

- Land to be secured for the Project via Voluntary Land Donation (VLD) where suitable and agreeable to affected land owners and occupants. The VLD process is to be properly managed and documented in accordance with ESS5 (Footnote 10).
- To avoid involuntary resettlement or, when unavoidable, minimize involuntary resettlement by exploring project design alternatives.
- To avoid forced eviction.
- To mitigate unavoidable adverse social and economic impacts from land acquisition or restrictions on land use by:
 - (a) Providing timely compensation for loss of assets at replacement cost, and
 - (b) Assisting displaced persons in their efforts to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.
- To improve living conditions of poor or vulnerable persons who are physically displaced, through provision of adequate housing, access to services and facilities, and security of tenure.
- To conceive and execute resettlement activities as sustainable development programs, providing sufficient investment resources to enable displaced persons to benefit directly from the project, as the nature of the project may warrant.
- To ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.

1.2.3 Links with Other Documents

This RF is one of several reports and environmental and social instruments developed to support management of the environmental and social aspects of the PRIME Project. Other key E&S documents prepared by the ESA consultants for project appraisal include:

- Environmental and Social Management Framework (ESMF).
- Stakeholder Engagement Plan (SEP).

- Environmental and Social Commitment Plan (ESCP).

Documents to be prepared during project implementation include:

- Labor Management and Health & Safety Procedures (LMP).
- Generic Environmental and Social Management Plan (ESMP).

In particular, the RF draws on the ESMF which includes a baseline assessment of the environmental and social conditions along the road network being considered as part of the PRIME Project.

2. Project Background and Rationale

2.1 Overview of the 'PRIME' Project

The *Prioritized Road Investment and Management Enhancements (PRIME) Project* will provide funds for technical assistance and institutional strengthening to improve the management of the road network in relation to potential climate change impacts for the FSM. In addition, the Project will fund the feasibility, design and construction of physical works on priority road assets to improve resilience to climate-related hazards or events.

FSM faces significant challenges related to its small size, remoteness, geographical dispersion, environmental fragility and sensitivity to external shocks. Climate projections predict elevations in air temperature, frequency of days of extreme, increased rainfall and rising sea levels. Sea level rise combined with natural year-to-year changes will accentuate the impact of storm surges and coastal flooding.

FSM's transport network is of critical importance to the country's economy and economic development through supporting trade and promoting commercial activity by facilitating the movement of goods and services, and providing safe and efficient access to social services including schools and health facilities. Critical climate resilient road, bridge or drainage improvement works to be implemented urgently to maintain a basic level of land transport connectivity in each state will be identified as part of the PRIME Project. The extent of these works is described and shown in Section 2.4.

While some initial road works have been identified as requiring urgent works (refer Component 2, Section 2.3.2), the design of the required works has not yet been undertaken and the full extent of impacts are not yet known. The additional works that will form the PRIME Project will be identified as part of the VA and CRRS studies. As part of these studies a multi-criteria assessment will be undertaken to prioritize the urgency of works and works that will be funded by PRIME. Environmental and social risk screening will be part of the multi-criteria analysis.

2.2 Climate Adaptation and Resilience Objectives

Frequent natural disasters and climate change impacts impose high costs and may even threaten the physical viability of some areas of both the main islands of FSM and more remote outer islands. Droughts, typhoons, storm waves, flooding and landslides all affect FSM.

FSM is particularly vulnerable to the impacts of climate change and is likely to suffer serious adverse environmental, social and economic losses as a result of climate change induced hazards. Many people live within the coastal zone and are therefore vulnerable to climate related changes in precipitation, sea level, storms and coastal erosion.

The negative impacts of climate change are already evident in FSM, for instance, saltwater intrusion from rising sea levels that damage crops and contaminate freshwater supplies and increasing extreme weather events such as typhoons. In addition, as drought and sea level rise are amplified by regional El Niño Southern Oscillation (ENSO) processes, formerly sustainable atoll communities now rely on imported food and water during times of stress. Exacerbated by sea level rise, extreme spring tides, known in FSM as 'King Tides', are causing site-specific intense marine inundation that damages taro beds, soil, agro-forestry resources, and critical infrastructure along the coast, especially on low atoll islets.

Similar to other Small Island Developing States (SIDS), FSM is vitally dependent on access to well-functioning and reliable transportation systems. FSM's road network is of critical importance to the country's economic development. It provides for the day-to-day well-being of its people by increasing their access to economic activities and social services. It is estimated that around 75% of the population lives within 1 km of the coast, and critical infrastructure - such as hospitals, schools, government offices, places of employment, tourist infrastructure, port facilities, airports, and roads—is located primarily in the coastal zone. The country's road network and users already suffer regular temporary – sometimes only for hours, but occasionally longer - breaks of serviceability as vulnerable links or locations can be frequently rendered impassable and journeys disrupted by flooding, debris deposit, culvert, bridge and/or pavement damage.

Expected climate change effects - the combination of rising sea level and more intense typhoons – will place these coastal assets and communities at a higher level of risk. The FSM road network faces a range of vulnerability issues, in particular:

- (i) Coastal exposure to sea-level rise, storm surge, wave action during spring tides and typhoons;
- (ii) Inland flooding and landslips during extreme rainfall events; and
- (iii) Accelerated pavement deterioration due to extreme weather and rising water tables in some locations.

The GoFSM plans to prepare a detailed assessment of vulnerabilities in road transport and develop a strategy for enhancing the climate resilience of the overall network for the same time-frame, with WB's assistance through the PRIME Project.

As outlined in Section 2.1, a key component of the PRIME Project is the preparation of the Road Network VA and CRRS studies, the objective of which is to mainstream analysis of severe weather events and climate change into road network planning and will enable a prioritized list of proposed investments in the network.

2.3 'PRIME' Investments and Activities

The PRIME Project will be included within the WB's Pacific Climate Resilient Transport Program (PC RTP) series of projects, and will make significant investments in a range of climate resilient infrastructure.

Project activities will primarily take place within existing primary road corridors, or immediately adjacent to the road to improve erosion protection, drainage or safety features. Some additional secondary roads that are considered to be of strategic and/or economic importance will also form part of the 'PRIME Roads', and be assessed under Component 1 below, but recommended improvements on these secondary roads will not be considered for funding under Component 2. The extent of these roads including a definition of 'PRIME Roads' in each State are presented in Section 2.4.2.

The three key components of the PRIME Project are outlined below.

2.3.1 PRIME Component 1: Spatial and Sector Planning Tools

This Component involves technical assistance that will improve the way that climate change is addressed in FSM's road sector to enable policymakers to make informed decisions based on the most accurate and up-to-date information available. The following activities are proposed under Component 1:

- a) **Vulnerability Assessment (VA) and Climate Resilient Road Strategy (CRRS).** Preparation and implementation of a VA and CRRS to assess levels of vulnerability to climate change and severe weather events (e.g. sea-level rise, extreme rainfall, landslide, storm surge, etc.) across FSM's existing primary road corridors and GoFSM-selected existing strategic secondary road corridors. The VA and CRRS will also identify measures to enhance resilience and prioritize investments to balance vulnerability reduction against cost implication. Training will be provided to relevant national and state officials in the use of VA and CRRS tools.
- b) **Climate-informed road asset management systems.** Provision of hardware, software and ancillary tools to establish climate-informed road asset management systems to be used by DoTC&I and State Road Authorities. Training will be provided to relevant National and State officials in the use of these systems.

2.3.2 PRIME Component 2: Climate Resilient Infrastructure Solutions

This Component involves feasibility studies, design and construction of identified priority road assets to improve their resilience to climate-related hazards. The integration of climate change considerations into infrastructure activities will help strengthen the resilience of assets and improve functionality of the road network. Component 2 is split into two parts:

- a) **Urgent Priority Works** (including design and supervision). Critical climate resilient road, bridge, causeway or drainage improvement works that should be implemented urgently to maintain a basic level of road connectivity in each state. Urgent works proposed for financing under the PRIME Project include:
 - (i) Improving the narrow, low-level Lelu causeway in Kosrae;
 - (ii) Replacing the 12 m Awak bridge in Pohnpei;
 - (iii) Improving the 2.5 km airport to Pou Bay bridge road in Chuuk; and
 - (iv) Replacing two short-span (6 m long) steel and concrete composite bridges in Yap.
- b) **Works informed by the VA and CRRS** (including design and supervision). In addition to the urgent priorities under Sub-component 2a, a selection of near, medium and long-term road works would be financed to enhance the resilience of the network in each state to climate change impacts and natural hazards, in accordance with the recommendations from the VA and CRRS undertaken as part of Component 1. Works will be restricted to road networks within the existing primary road corridors. It is expected that physical works will not commence until year 2 of the Project.

Interventions are expected to include measures to strengthen network resilience, including but not necessarily limited to:

- (i) **Pavement and surface strengthening** – periodic maintenance, repairs, rehabilitation or reconstruction of existing road pavement layers and/or surfacing, including provision of sealed shoulders and raising road levels;
- (ii) **Drainage improvements** – provision, reinstatement and/or lining of longitudinal drainage, replacement and/or increasing capacity of cross drainage culverts, improving open or covered outfalls, provision of subsoil drainage and cut-off drains;

- (iii) **Spot slope stabilization** – widening and/or reducing slope of cuttings and fill embankments to reduce landslide risk, soil bioengineering and biotechnical stabilization techniques, and anchoring of unstable rock slopes;
- (iv) **Rock wall revetment strengthening** – for protection of coastal road sections;
- (v) **Improvements to causeways and bridges** – repairs or reconstruction of existing crossings and/or provision of new crossings to provide safe, all weather access for vehicles and pedestrians; and
- (vi) **Road safety improvements** – traffic calming measures, provision of guardrails, line marking and minor realignments to improve sight distance.

Design of civil works will conform to international design codes of practice such as *Austrroads*¹ for road and bridge design. Specifications for all works and materials will also be in accordance with international standards, making use of innovative materials and approaches if they will enhance climate resilience.

Once the proposed Component 2 works have been identified as part of the VA/CRSS prioritization process, early environmental and social risk screening will identify significant impacts that require avoidance and mitigation and will contribute to project selection for funding under the PRIME Project prior to commencement of preliminary design for the works.

Further environmental and social risk screening will be undertaken once concept preliminary designs have been developed to determine whether:

- (i) There are high risk (significant) environmental and/or social aspects of these works that could prevent the works from being included under the PRIME Project;
- (ii) Works could be designed in a way to minimize environmental and social impacts; or
- (iii) Specific environmental assessments (such as ESIA's) and ESMPs, and Land Access Reports/Plans are to be prepared. If works are subsequently redesigned, further screening may be appropriate.

2.3.3 PRIME Component 3: Strengthening the Enabling Environment

This Component will provide funding 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. In addition, this Component will help to strengthen coordination among relevant institutions, will look at ways in which road sector management can be improved, and will address any emerging priority issues that can help support GoFSM in addressing climate change risks. Proposed sub-components include:

- a) **Institutional and Governance Review.** A review of institutional arrangements, key policies, regulations, legislation and roles and responsibilities of principle stakeholders involved in the road sector with recommendations to strengthen such arrangements.

¹ <https://austrroads.com.au/>

- b) **Project Management.** Establishment and maintenance of a Project Implementation Unit (PIU) to support the implementation of the PRIME Project. In addition, this includes operating costs for PRIME-related travel and communications costs.
- c) **Road Safety Program.** Provision of technical assistance activities to improve road safety.
- d) **Capacity Building Initiatives.** Assess current preventive maintenance techniques and industry capacity. Provide technical trainings to sector agencies and local consultants and contractors to better operate and regulate a more climate resilient road network.
- e) **Gender-informed Driver Licensing Pilot.** A pilot program to study and implement activities that address gaps in the possession of a driver's license.
- f) **Emerging Priority Issues.** Providing technical assistance to strengthen the Recipient's capacity to address emerging priority issues that could have an impact on the Recipient's ability to manage a climate resilient road network.

Environmental and social instruments outlined in Section 1.2.3 (e.g. RF, ESMF, LMP, SEP and ESCP), provide the methods to manage the environmental and social risks relating to the technical advisory services that will be funded under this component. These instruments are relevant for all activities under each Component. Environmental and social instruments specifically relevant to Component 3 include the ESCP, SEP and LMP.

2.4 Project Location

2.4.1 National Context

FSM is located near the equator about 4,000 km southwest of the Hawaiian Islands in the Western Pacific Ocean and within the Caroline Islands group. The largest nation in the Micronesian sub-region, FSM is made up of four semi-autonomous states (Kosrae, Pohnpei, Chuuk and Yap) located between Marshall Islands to the east and Palau and the Philippines to the west (refer Figure 2-1).

FSM is made up of 607 islands scattered over an area of about 2.6 million km², including its Exclusive Economic Zone (EEZ), in the western Pacific Ocean. The total land area of FSM is 704.6 km², with 7,192 km² of lagoon area. The islands vary from small islets, which are inundated at high tide, to atolls and large volcanic islands with land area of more than 80 km². Approximately 65 (approx. 10%) of the islands are inhabited.

In general, there is only one primary, circumferential route on each of the four main FSM Island states. In addition, most of the population in FSM lives close to the coast, and critical infrastructure including roads, schools, places of employment, port facilities, tourist facilities, power plants and airports, are located primarily in the coastal zone.

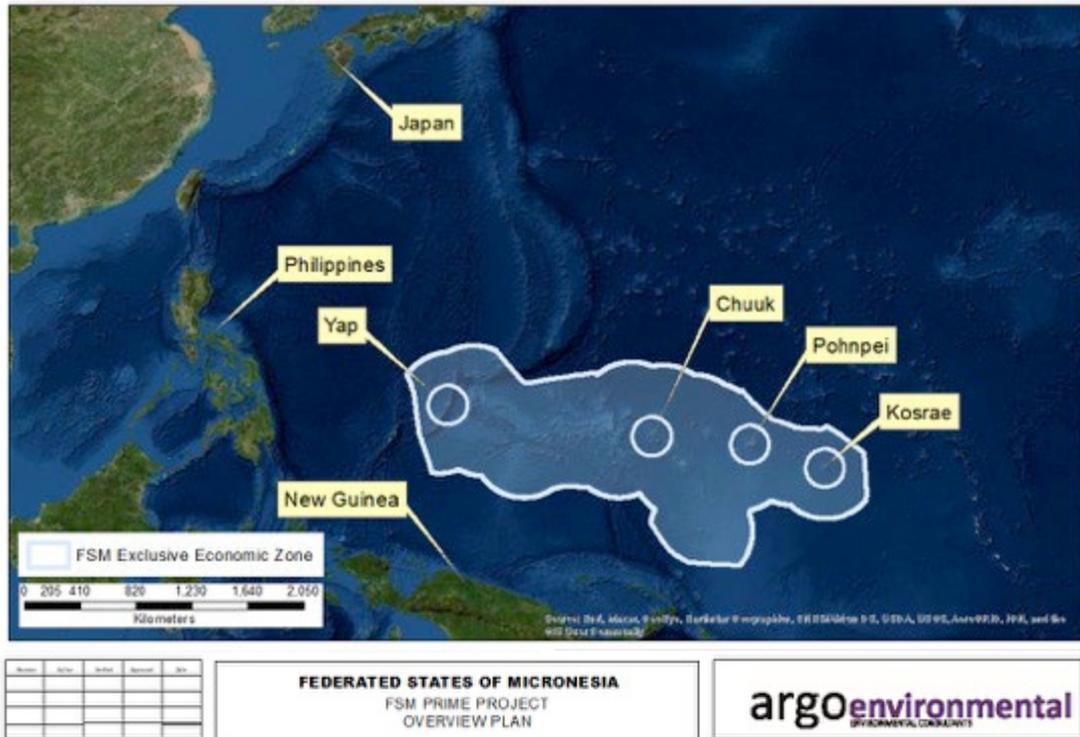


Figure 2-1: Location of FSM States: Kosrae, Pohnpei, Chuuk and Yap

2.4.2 Extent of 'PRIME Roads'

For the purpose of the PRIME Project, the PRIME Roads have been defined as the roads that will be assessed as part of Technical Assistance aspects of the PRIME Project, including the VA/CRRS and ESA studies, which include the majority of the existing 'primary roads' on the main islands of each FSM State, and some additional secondary roads that are considered to be of strategic and/or economic importance by DoTC&I. The extent of the PRIME Roads in each State is shown in the sections below.

Only works that have been prioritized for primary roads will be eligible for funding under Component 2 of the PRIME Project. Any recommended improvements identified by the VA/CRRS on the secondary roads will not be considered for funding under Component 2 of PRIME, however they may form part of recommended future investment needs for FSM's road network.

Component 2 works are only likely to include a small proportion (<10%) of the primary roads within the PRIME Road network. The exact location of works, and the proportion of the PRIME Road that will have climate resilient road works funded by PRIME will vary between States depending on the nature of the works proposed.

2.4.2.1 Kosrae State

The primary road network in Kosrae consists of the coastal road which circles two-thirds of the island, built largely on the coastal strand bordered by mangrove forest and coastal shoreline, from Utwe in the south through to the Airport at Okat in the northwest.

The PRIME Road extent on Kosrae includes much of the primary road network, plus an additional secondary road to the north east of the island (refer Figure 2-2) considered to be of strategic and economic importance to Kosrae at last partly due to commercial activity on that road (i.e. a water bottling plant).



Figure 2-2: Extent of PRIME Road on Kosrae.

2.4.2.2 Pohnpei State

The Primary Road Network in Pohnpei consists of the 77 km coastal circumferential road of which 54 km is paved and the remainder typically formed using a coral rock base course.

The PRIME Road extent on Pohnpei includes much of the primary road network plus additional secondary roads considered to be of strategic and economic importance to Pohnpei, including a road to Nan Madol (refer Figure 2-3), a significant archaeological site on the eastern shore of Pohnpei that has been declared a United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Site.



Figure 2-3: Extent of PRIME Road on Pohnpei.

2.4.2.3 Chuuk State

The Chuuk State capital is located on Weno Island has a circumferential road that is approximately 18.5 km in length. The Weno primary road network is currently in poor condition in places, and inadequate drainage leads to difficulty with ongoing maintenance.

The PRIME Road extent on Weno Island, includes much of the primary road network on the island plus additional secondary roads (West Pou Road, and other linking roads) considered to be of strategic an economic importance (refer Figure 2-4).

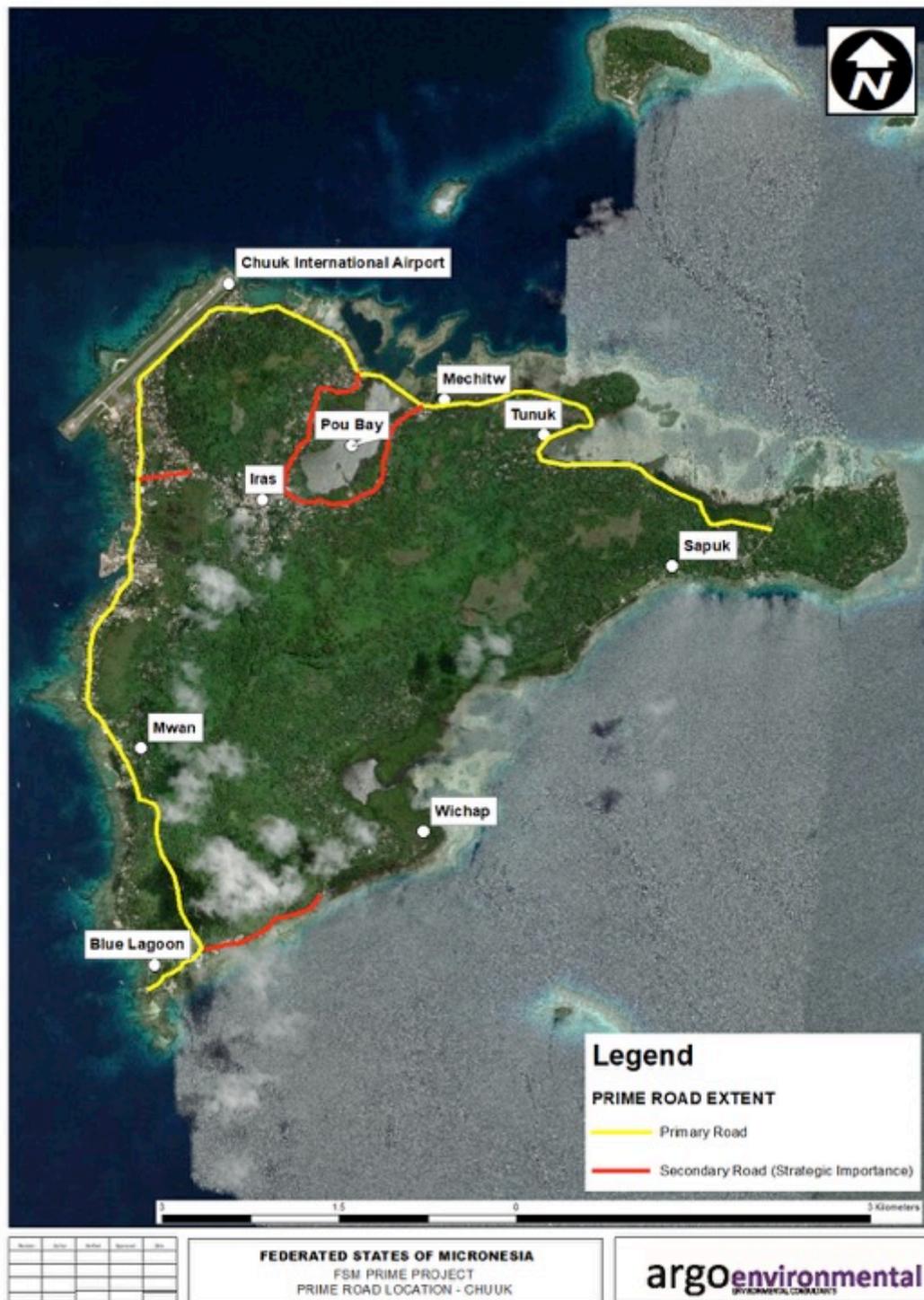


Figure 2-4: Extent of PRIME Road on Chuuk.

2.4.2.4 Yap State

The primary road network on Yap includes three primary roads: the main trunk road that runs from the southern end of Yap Island in Magachil to the northern end of Maap Island; the Yap Central Loop; and a road that branches off the main trunk road serving the districts of Gagil.

The PRIME Road extent on Yap consists of the primary road network, plus additional branches of the road to Ruu and Bugol as shown in refer Figure 2-5.



Figure 2-5: Extent of PRIME Road on Yap.

3. Legislative and Regulatory Framework

3.1 FSM National Government Legislation and Regulations

3.1.1 Overview

The GoFSM is modeled after the federal system similar to that of the United States with a national president and four state governors with respective legislatures and judiciaries. The states of Pohnpei, Chuuk and Yap have four levels of governance – National, State, municipal, and traditional. Kosrae does not have the fourth level of government, as it no longer has traditional leadership.

The four States of FSM (Kosrae, Pohnpei, Chuuk and Yap) have considerable degrees of autonomy. Each State also has its own set of environmental and social laws and regulations geared to protect the States from a wide range of environmental impacts including, the effects of climate change. Under the Compact II, Article VI and section 161 of Title II, FSM is committed to applying the National Environmental Policy Act 1969 (since repealed) and “*to develop and implement standards and procedures to protect its environment.*”

The following articles of legislation are relevant to the PRIME Project.

3.1.2 FSM Constitution (1979)

The Constitution of the FSM (the ‘Constitution’) is the supreme law in FSM, and includes a bill of rights (Art IV).

The Constitution acknowledges and protects the role and functions of traditional leaders as recognized by custom and tradition, as well as the traditions of the Micronesian people (Art V).

The Constitution establishes National, State and Municipal levels governance (Art VII).

Each State is required to have its own democratic Constitution. The Constitution refers to traditional practice and custom as a guiding influence in all aspects of decision-making in FSM and seeks to preserve the role of tradition and custom in FSM life. To support this, a Council of Chiefs consisting of traditional leaders and elected representatives is provided for in the Constitution.

Article IX of the Constitution establishes FSM’s legislature, which selects the President, and with members elected for districts in each state according to population. Each State elects their own legislature and governor. The National legislature has the power to make legislation on a wide range of topics. For example, they may make laws “*to regulate the ownership, exploration, and exploitation of natural resources within the marine space of the Federated States of Micronesia beyond 12 miles from island baselines*” [Title 3].

Article X of the Constitution vests FSM’s executive power in an elected President as the Head of State, who is elected by Congress for a four-year term and limited to no more than two consecutive terms. The President appoints judges, ambassadors and principal officers of government departments in the National Government.

Article XI of the Constitution establishes the judiciary of FSM as comprised of the Supreme Court, and subsidiary courts, established by statute. The *Judiciary Act of 1979* provides further guidance about the judiciary of FSM. Court decisions are constitutionally required to be consistent with Micronesian customs and traditions.

The legislative power of the National Government is vested in Congress. The Congress includes one member elected from each of the four States, an additional member elected from congressional districts in each State apportioned by population. Chuuk, Pohnpei and Yap may decide that one of its seats be reserved for a traditional leader in place of one of the elected representatives.

Regulation development, as prescribed under the FSM *Administrative Procedures Act*, requires the widespread publication and dissemination of proposed regulations before adoption, including radio announcements in English and indigenous languages. Opportunities for public comment and public hearings are incorporated in the Act.

In most instances, national legislation is supplemented, or even duplicated, by State legislation.

The Constitution contains several references to the environment, land use and customs, including the following:

Preamble	States, in part, “[t]o make one nation of many islands, we respect the diversity of our cultures. Our differences enrich us. The seas bring us together, they do not separate us. Our islands sustain us, our island nation enlarges us and makes us stronger.”
Article XIII	Contains additional provisions, including some that relate to the environment.
Section 2	Provides that “radioactive, toxic chemical, or other harmful substances may not be tested, stored, used, or disposed of within the jurisdiction of the Federated States of Micronesia without the express approval of the national government of the Federated States of Micronesia.”
Section 4	In terms of land use, “[a] noncitizen, or a corporation not wholly owned by citizens, may not acquire title to land or waters in Micronesia.”
Section 5	Prohibits a lease agreement for the use of land for an indefinite term by a noncitizen, a corporation not wholly owned by citizens, or any government is prohibited.
Section 113 (General Provisions)	Empowers the High Commissioner to restrict or forbid non-citizens from acquiring interests in real property and in business enterprises.
Section 114 (General Provisions)	Requires due recognition to be given to local customs in the system of law.
Section 202 (General Provisions)	Provides that customs not in conflict with other laws in Micronesia are preserved.

3.1.3 FSM Environment Protection Act (2014)

The *Environment Protection Act (revised Code 2014)* provides for the protection of the environment, culture, historic and natural aspects of Micronesian heritage.

The *Act* is a national government declaration of on-going commitment in cooperation with State and municipal governments and other concerned public and private organizations. The *Act* declares to use all practicable means and measures, including financial and technical assistance, in a manner calculated to foster and promote the general welfare to create and maintain conditions under which the people of FSM man and nature can exist

in productive harmony and fulfill the social, economic, and other requirements of present and future generations of FSM.

The *Act* declares that it is the continuing responsibility of the FSM to use all practicable means, consistent with other essential considerations of national policy, to improve and coordinate governmental plans, functions, programs, and resources to the end that the inhabitants of the FSM may:

- a. Fulfill the responsibilities for each generation as trustee of the environment for succeeding generations;
- b. Assure for all Micronesians safe, healthful, productive, and aesthetical and culturally pleasing surroundings;
- c. Attain the widest range of beneficial uses of the environment without degradation, risk to health or safety, or other undesirable or unintended consequences; and
- d. Preserve important historic, cultural, and natural aspects of our Micronesian heritage, and maintain, wherever possible, an environment, which supports diversity and variety of individual choice.

The effort to protect and preserve the environment needs to be carried forward in close cooperation with the States in the formulation of policy, enforcement, and other activities.

The FSM recognizes that each person has a responsibility to contribute to the preservation and enhancement of the environment. Section 302 of the Environmental Impact Assessment Act states that - 1) any person, prior to taking any action that may significantly affect the quality of the environment within the Exclusive Economic Zone (EEZ) of the FSM, or within the boundaries of the National Capital Complex at Palikir, must submit an environmental impact statement to the Director, in accordance with regulations established by the Director. (2) The environmental impact statements required by subsection (1) of this section are public documents.

Building on the Trust Territory Environmental Quality Protection Act (Title 25 of the FSM Constitution), the FSM Environmental Protection Act 1984 (FSM EPA), and its subordinate instruments, seeks to provide the legislative basis for the protection of the environment, including cultural, historic and natural aspects of Micronesian heritage, throughout FSM. The Act acknowledges that close co-operation between the National and State Governments is required to support this objective.

The 1969 Act established the Environmental Protection Board within the Office of the President. The Board is composed of five members: "one member from each State and one member appointed by the President". In 1987, an Act to Reorganize the Government of the FSM redefined the Board to mean the Secretary for Human Resources.

The Act requires the Secretary to enter into written cooperative arrangements with the States or State agencies for the purposes of providing funds to the States, collecting data on local needs and transferring authority to the States to act as agents of the National Government in implementing environmental programs at the State level. Such delegation of functions may be withdrawn on written advice from the Secretary if the delegation results in termination of any financial grant.

The Secretary, as a result, has broad authority to protect health, welfare and safety and to implement policy and strategies, through the promulgation of regulations, to remedy pollution and contamination of air, land and water.

3.1.4 FSM EPA Environmental Impact Assessment Regulations (1989)

The purpose of the EIA Regulations is to implement Section 13 of the FSM Environmental Protection Act by establishing standard procedures for preparation of an environmental impact assessment statement prior to taking or funding any major action that may significantly affect the quality of the human environment.

These Regulations require the National Government and its agencies to submit an Environmental Impact Statement (EIS) to the Secretary of Human Resources prior to taking any “major”² action significantly affecting the quality of the human environment. “Effect” is defined to include indirect, direct and cumulative effects in areas such as land use, population density, air, water and natural systems including ecosystems. “Effects” may be ecological, aesthetic, cultural, historical, economic, social or health-related. “Significant Impacts”, determined as a result of a preliminary assessment, require a Comprehensive EIA. Draft EIA statements are to be made available for public comment and review, including provision for a public hearing.

Part I (l) defines Project Proponents as the FSM National Government or its agencies or the recipient of funding from the FSM National Government or its agencies, that propose to undertake any major action significantly affecting the quality of the human environment.

Part III sets out the EIA process. Part IV elaborates on this process which is a two-step assessment process with the first step being the submission of an Initial Assessment using a checklist template. If following evaluation there are potentially severe environmental impacts, then a Comprehensive EIA is required. The contents of the Comprehensive EIA are set out in Part V.

The EIA process is intended to help the general public and government officials make decisions with the understanding of the environmental consequences of their decisions, and take actions consistent with the goal of protecting, restoring, and enhancing the environment. These regulations provide the directions to achieve this purpose. In addition, these regulations are designed to:

- a. Integrate the EIA process into early planning of projects to ensure timely consideration of environmental factors and to avoid delays; and
- b. Identify at an early stage the significant environmental issues requiring further study and de-emphasize insignificant issues, thereby defining the scope of the EIA.

Other relevant environmental regulations relevant to the PRIME Project, are discussed further in the ESMF³.

3.1.5 Land Tenure in FSM

The individual States have separate and distinct land tenure arrangements, with some broad commonalities that persist throughout State land tenure systems. The following outline of land tenure structure in FSM, including each of the four States is based on Doran (2004)⁴.

² No definition is provided for a ‘Major’ action in the Regulations. For the purposes of this assessment it is assumed that the urgent works PRIME Project constitutes a ‘Major’ action given the nature and scale of associated potential impacts.

³ DoTC&I, 2020, ‘Prioritized Road Investment and Management Enhancements (PRIME) Project, FSM: Environmental and Social Management Framework’, Report prepared for Department of Transportation, Communication and Infrastructure.

⁴ Doran, 2004, ‘Private Lands Conservation in the Federated States of Micronesia’, Sponsored by the Nature Conservancy, University of Colorado Boulder

The FSM Constitution forbids land ownership to foreigners as well as to domestic corporations that have non-FSM citizens among their shareholders. Group and communal ownership of land is prevalent throughout the FSM. There are differences, however, concerning rights of land transfer within the FSM. In Chuuk, Kosrae and Yap, land can be transferred by law to all FSM citizens. In Pohnpei, however, it can only be transferred to persons from that island.

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. Traditionally, land ownership in FSM 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 landholders influenced to varying degrees by customary land tenure systems nevertheless occupy most lands.

Patterns of public and private ownership over land and aquatic areas vary among the states. In Pohnpei and Kosrae, land is both privately and state owned, while aquatic areas are managed by the state as public trusts. In Chuuk, most land and aquatic areas are privately owned and acquired through inheritance, gift or by purchase. In Yap, almost all land and aquatic areas are owned or managed by individual estates and usage is subject to traditional control.

Traditionally, the use of terrestrial resources and all accessible marine resources was distributed among the people under the control of chiefs. Rights could be given, earned and inherited either matrilineally or patrilineally. Complex usage rights overlaid actual site ownerships; for example, owners of a tree and users of its fruit might not be the owners of the land on which it grew.

Land tenure patterns generally involve communal ownership of a single plot, single ownership of several and separate plots or usage right to land owned by traditional leaders. In the traditional economy, land is not a commodity to be sold or traded. However, the attitude in some areas towards land is changing with sales and trades taking place as well as leases especially near centers of development.

Cadastral and registration programs have been undertaken in each of the states with varying effects. In the main island of Yap, less than 10% of land has been registered and titled since a cadastral program commenced some 30 years ago. Chuuk and Kosrae have made more progress in the initial determination of land parcels although there is a substantial backlog in the land parcels to be surveyed and mapped and numerous outstanding disputes.

Pohnpei appears to have made the greatest progress in the cadastral survey of private lands. However, as of 2004 most privately held land had not been surveyed, mapped, registered or titled. As memories fade and differing claims for ownership arise, the absence of permanent survey and ownership records will make it increasingly difficult to attain the goal of secure and efficient land transactions.

3.1.6 Land Acquisition in FSM

Section 205 of the General Provisions of the *Land Use Act* for FSM provides that “[t]he law concerning ownership, use, inheritance, and transfer of land in effect in any part of the Trust Territory on December 1, 1941, shall remain in full force and effect to the extent that it has been or may hereafter be changed by express written enactment made under authority of the Trust Territory.”

The *Government Property Acquisition [Title 56]* deals with eminent domain (Chapter 1), real property acquisition (Chapter 2), relocation assistance (Chapter 3) and alien property (Chapter 4).

Chapter 1 of the Act provides that no private corporations will have the right of eminent domain in Micronesia. “Eminent domain” means “the right of the central Government or a district legal entity....to condemn property for public use or purposes and to appropriate the ownership and possession of such property for such public use upon paying the owner a just compensation to be ascertained according to the law.” Road easements are allowed under the Constitution.

Road easement agreements were entered in to between GoFSM and relevant individual landowners prior to the creation of primary roads in each State. However, 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.⁵

Chapter 2 sets out the procedures for Government when acquiring property, including the payment of a purchase price and compensation. As set out in Section 202 relating to property acquisition procedures and negotiations, when acquiring property GoFSM is to:

- 1) Make every reasonable effort to acquire real property expeditiously through negotiation;
- 2) Before the initiation of negotiations, have the property appraised and give the owner or his representative an opportunity to accompany the appraiser during the inspection of the property; and
- 3) Before the initiation of negotiations, establish an amount which is believed to be just compensation for the real property, and make a prompt written offer to acquire the property for that amount. In no event will the just compensation offered be less than the Government's approved appraisal of the fair market value of such property. At the time the Government makes an offer to purchase real property, the owner of that property will be provided with a written statement of the basis for the amount estimated to be just compensation.

Section 203 specifies that in determining just compensation for the property any increase or decrease of the fair market value caused by the public improvement for which the property is acquired prior to the date of valuation will be disregarded (other than that caused by physical deterioration).

Chapter 3 addresses the relocation assistance with the purpose “to establish a uniform policy for the fair and equitable treatment of persons displaced by the acquisition of real property by Trust Territory Government and district land acquisition programs, or by programs of rehabilitation of buildings or other improvements conducted pursuant to governmental supervision.”

The provisions in Chapter 4 set out how land formerly owned by the Japanese Government or Japanese citizens is to be dealt with. The Attorney General shall act as alien property custodian.

⁵ In order to ensure local community and landowner support for the project works, the Project has adopted the ‘participatory design approach’ wherein local communities and land owners will be consulted through the design phase to ensure that any modifications to the road footprint and associated mitigation and restorative measures are agreed. See Section 4.1.1.

3.2 State Government Legislation, Regulation and Land Rights

The four States of FSM each have their respective state level regulations and legal frameworks elaborating on the National Constitution and Regulations and stipulating their specific requirements.

The State level legal frameworks relevant to the RF are outlined below. Note that it is the State legislation that are the most important for the PRIME Project, as the works will be monitored at a State level.

These State EIA regulations relevant to the broader PRIME Project are discussed in the ESMF⁴.

3.2.1 Kosrae

3.2.1.1 The Legal Framework

The following laws and policies that exist in Kosrae for land ownership and use that may apply to the RF include:

- Constitution of the State of Kosrae 1984 (Primary rule of law in the State of Kosrae).
- Kosrae State Code, Title 17, Chapter 4 (Establishes the Kosrae EPA).
- Kosrae State Code, Section 11.103 (State Acquisition of Land).
- Kosrae Code, Section 11.1401 and 11.1402 (Protection of antiquities and traditional culture).
- Kosrae Code Section 11.201 (Land use and subsidiary regulations).

3.2.1.2 Kosrae Constitution

Article XI of the Kosrae Constitution addresses land and environment matters. It grants the people the right to “*a healthful, clean and stable environment*”. The State government is required to “*by law protect the State’s environment, ecology, and natural resources from impairment in the public interest.*” The Constitution prohibits nuclear, chemical, gas or biological weapons and hazardous radioactive material being in the State. The Constitution provides “*[t]he waters, land, and other natural resources within the marine space of the State are public property, the use of which the State Government shall regulate by law in the public interest...*” Rivers and streams may be designated by law as public property for use in the public interest. The State Government may acquire land for public purposes without the interested parties’ consent, subject to the payment of fair compensation and good faith attempt at negotiation. Title to State land may only be acquired by Micronesian citizens who are Kosraean by descent.

Kosrae Article VIII of the Kosrae Constitution provides that the two levels of government for Kosrae are State and municipal. Municipalities are granted powers and functions in relation to local affairs, property and government so far as they are not limited by law. The Kosrae Constitution requires the State Government to “protect the State’s traditions as may be required by the public interest” (Art II).

3.2.1.3 Land Tenure Administration

The responsibility for the administration of land tenure in Kosrae is vested in two agencies: i) The Land Court, and ii) the Department of Resource & Economic Affairs (DREA). All land registration on Kosrae is occurs through the Land Court.

Within the DREA, two divisions have responsibilities for land management: i) Division of Survey and Mapping and the ii) Division of Land Management. Responsibilities of the Division of Survey and Mapping include:

- Surveying, mapping, and monitoring the use of public lands;
- Maintaining a roster of all parcels of public lands;
- Assisting in the acquisition of lands for public projects; and
- Conducting the survey of private lands in coordination with the State Land Court.

The procedure for land registration in Kosrae is outlined in Appendix A.1.

3.2.1.4 Land Ownership, Lease and Use Rights

The Kosrae State Government controls much of the land in Kosrae including Government owned lands, mangrove areas, nearshore areas, and lagoon areas. Primarily, Government lands are the interior of the Island, above the ‘Japanese line’⁶ and foreshore areas.

Only Kosraeans can own land (i.e. not foreigners). The land is owned by way of a certificate of title issued when the registration process is complete for individual landowners. However, if the land is inherited by multiple heirs or if customary family land is held in common, then a ‘tenancy in common’ title is issued.

As a protectorate measure, foreigners can only lease land, not own it. Kosrae state law allows locals and foreigners alike to lease for up to a 55-year term renewable for an additional 55 years. Although this provides secure access and use for the lease period, issues such as land ownership disputes, lack of certainty, poor surveying, absence of records, and uncertain parameters for customary usage often hinder foreign investment. As in other Pacific island land tenure systems, land transactions are often made under customary practice, which is frequently undocumented. This makes accurate determination of ownership rights and pricing of land difficult to determine.

Accessing land through access rights (customary practice) was common for hunting or gathering purposes. Nowadays, this is more common in the upland and government owned areas. Accessing land and use rights for productive lands particularly in settled areas is done through lease agreements.

In managing land and land use, the Kosrae State Code provides for land use planning, surveying practice, homesteading and establishment of the Land Court. The Land Court determines and registers land titles. Further, the deed of trust allows for the transfer of an estate in real property or freehold or leasehold interest in real property to secure an obligation. This practice allows land transactions for monetary or customary obligations.

While use rights to lands in Kosrae were fairly flexible in the past, they are becoming considerably less so. Population growth and an attendant increase in the density of settlement areas have led to more tension over land boundaries. Such use rights as hunting, agro-forestry, gathering of medicinal plants and herbs primarily takes place on upland, government owned areas. With respect to more productive lands, as well as lands in settled areas, use rights are now determined “*within the framework of documented leasing.*”

⁶ A line which sets aside the upper elevation of Kosrae Island; land above the line is designated as Government and land below the line is where privately owned designations begin.

Use rights to mangrove areas are generally controlled by the Municipal Governments. Also, the Kosrae Land Use Plan and its regulatory body, the Development Review Commission (DRC), condition use rights to “government land, the mangrove areas and near-shore areas or the lagoon”.

3.2.1.5 Land Acquisition

The Kosrae State Code Title 11, Land and Environment, sets out the requirements regarding the acquisition and use of land. Under Title 11, the Governor can transfer title or interest in public land on behalf of the State but only with the Legislature’s resolution. The Governor also has the authority to designate suitable areas of the public land for homesteading to eligible persons.

Most of the land in Kosrae is privately owned. However, the State can acquire an interest in private land for public purpose without consent of the landowners. As outlined in Section 11.103 of the State Code, to acquire an interest in private land the State uses its best efforts to identify and contact all interested parties which are all persons holding or claiming legal interest in the land or interest sought by the State. If the State is unable to acquire an interest in land the State may initiate a court action to acquire the land.

The Constitution and the Article XI Land and Environment provide for fair compensation should there be a need for land acquisition for the purpose of resettlement, showing that the lands and the interest are ‘highly suited’ to the intended use. The process must be done in good faith and made reasonable effort to avoid substantial hardship to the interested parties.

3.2.1.6 Settling Land Disputes

Should land conflicts arise, land claim disputes are settled by the Land Registration Team during their preliminary hearing on the parcels designated for registration. If the Registration Team or the Land Commission administration finds that an excessive length of time is being spent by the team in settling a dispute, the case may be deferred to the Commission itself. Principles of the Commission then hear the claimants and witnesses and make a determination on evidence received by the original team and the Commission.

If the Land Court cannot adjudicate a claim, the case may be referred to the State Court without determination. Appeals for previous Land Court determinations may also be referred to the State Court. The Court’s decision of the claim is final. Upon certification of the judicial result of the case to the Land Court, the Court issues a certificate of title in the same manner as following a Court determination.

3.2.2 Pohnpei

3.2.2.1 The Legal Framework

The following laws and policies that exist in Pohnpei for land ownership and use that may apply to the RF include:

- Constitution of the State of Pohnpei 1984 (Primary rule of law in the State of Pohnpei).
- Public Trust Lands Distribution Act 1980.
- Public Lands Act 1987.
- Deed of Trust Act 1987.

- Transportation Zone Act 1987.
- Pohnpei Environmental Protection Act 1992 (which land ownership documentation requirements, and Department of Lands Approval).
- Pohnpei Cultural Preservation Act.

3.2.2.2 Pohnpei Constitution

Under the Pohnpei Constitution, the State Governor must establish and administer “*comprehensive plans for the conservation of natural resources and the protection of the environment*”. Article 12 states that only Ponapean citizens, who are also pwilidak of Pohnpei, may acquire a permanent interest in real property. The Constitution also prohibits leases of more than 25 years and indefinite land-use agreements. The Government of Pohnpei may acquire land for public purposes following consultation with local government, owners and an offer for payment of a purchase price or compensation. Article 13 of the Pohnpei Constitution prohibits the introduction, storage, use, test and disposal of nuclear, chemical, gas and biological weapons, nuclear power plants and related waste materials from Pohnpei.

Article 5 of the Pohnpei Constitution states “[*t*]his Constitution upholds, respects, and protects the customs and traditions of the traditional kingdoms of Pohnpei” and that the Pohnpei Government shall respect and protect customs and traditions.

3.2.2.3 Land Tenure Administration

In Pohnpei, the identification, determination, survey and mapping of land, and issuance of titles are all functions of the State Government. There are two government institutions charged with the administration of land in Pohnpei i) The Court of Land Tenure, and ii) the Division of Lands.

The Land Commission was re-designated The Court of Land Tenure, under Title 67 of the Trust Territory Code.

The Division of Lands, which is part of the Department of Resource Management and Development has three offices:

- 1) Office of Historic Preservation and Cultural Affairs;
- 2) Office of Surveying and Mapping; and
- 3) Office of Management and Administration of Public Lands.

The Office of Survey and Mapping is responsible for the survey and mapping of all public and private lands on Pohnpei.

The procedure for land registration in Pohnpei is outlined in Appendix A.2.

3.2.2.4 Land Ownership, Lease and Use Rights

In Pohnpei, ownership of land by title is widely recognized, and becoming more and more popular as families want to secure their land holdings with clear title and to use these lands as real property collateral for business loans or home improvement.

The lease of private land is considered a “fortuitous” method for securing family income in Pohnpei. Provided the landowner holds clear title, private lands can be leased in Pohnpei. Under certain conditions, public lands can be subleased by a landholder; and in some cases, lands held by Naval Lease agreements can also be subleased Lease agreements for private lands that exceed a term of one year must be registered on either the certificate

of title or on the certificate of lease holding. Neither public nor private lands can be leased for a term greater than 25 years without legislative waiver of the State Constitutional Constraint, and approval of the terms of the lease. The Office of Management and Administration of Public Lands issues and oversees the administration lease and use agreements for public lands

3.2.2.5 Land Acquisition

Article XII of the Pohnpei Constitution deals with eminent domain and compensation for land appropriated by the government. This section authorizes the State Government to acquire interests in land for public purposes.

The Section goes on to state, “No taking shall occur until after consultation with the local government concerned, good-faith negotiation with the owners of such interests, which shall include the offer to exchange the land for land of comparable value, or a payment of just compensation.”

3.2.2.6 Settling Land Disputes

The resolution of land disputes rests with the Court of Land Tenure. Each judge of the Court of Land Tenure first endeavors to settle all disputes on lands within his assigned registration area during the initial hearings. If such disputes continue over an undue length of time (interfering with pace of adjudication of claims within the registration area), the dispute may be referred to the Principal Judge of the Court of Land Tenure. The Principle Judge may either designate another Judge of the Court of Land Tenure to hear the case or refer the claim to the Pohnpei Supreme Court. The decision of the Pohnpei Supreme Court is final.

With public lands, initial arbitration in land disputes on leased lands or homesteaded lands awaiting title transfer is taken up with the Office of Management and Administration of Public Lands. If settlement cannot be achieved at this level, the case is referred to the Court of Land Tenure.

3.2.3 Chuuk

3.2.3.1 The Legal Framework

The following laws and policies that exist in Chuuk for land ownership and use that may apply to the RF include:

- Constitution of the State of Chuuk 1989 (Primary rule of law in the State of Chuuk.
- Chuuk State Historic Preservations Act 1991.
- Chuuk State Environmental Protection Act 1994.

3.2.3.2 Chuuk Constitution

Article XI of the Chuuk Constitution requires the legislature to “*provide by law for the development and enforcement of standards of environmental quality, and for the establishment of an independent state agency vested with responsibility for environmental matters.*” Article XI of the Chuuk Constitution also gives the State Government the power to take an interest in land for public interest purposes subject to negotiations and the payment of compensation.

Article IV of the Chuuk Constitution recognizes and protects customary law and the role of tradition leaders in Chuuk.

3.2.3.3 Land Tenure Administration

The administration of land tenure in Chuuk is located in two agencies, i) the Chuuk Land Commission and ii) the Division of Land Management, which is part of the Department of Commerce and Industry.

Actions concerning the determination of land title rest initially with the Chuuk State Land Commission which is statutorily charged with the registration and determination of land ownership. The primary purpose of the Commission is to determine and register the ownership of land in the state utilizing a title registration system to determine the current status of each property. The Commission also has responsibility to certify the survey and mapping of each individual ownership.

The Division of Land Management administers the uses and disposal of public lands, as well as the development, utilization and conservation of natural resources found on such lands.

The procedure for land registration in Chuuk is outlined in Appendix A.3.

3.2.3.4 Land Ownership, Lease and Use Rights

Ownership of land in Chuuk is a mix of modern and traditional land tenure practices. Essentially, modern ownership via land title can be held by any citizen of the FSM, lineage groups, a family or extended family, or by a business or joint tenancy.

The bulk of private land in Chuuk has determined or registered by the Chuuk State Land Commission. Thus, lineage authorities retain a strong influence over much of the land. While lands held by customary authorities can be sold, leased, or traded by the lineage heads there is considerable confusion regarding the role that chiefs, head-of-households, or matrilineal authority can play in such transactions

With respect to the highly populated lagoon islands of Chuuk, contemporary lease and use rights are fairly straightforward. All leases for a term greater than one year are noted on the certificate of title along with other encumbrances on the property. Leases are negotiated for money and once formalized they are supported by the State court system.

3.2.3.5 Land Acquisition

Article XI of the Chuuk Constitution deals with the issue of eminent domain and compensation for land appropriated by the government and states that the *“power to take an interest in land may only be exercised by the State Government for a specified purpose of general public interest, as prescribed by statute. Negotiations with the owner for voluntary lease, sale, or exchange shall be fully exhausted and just compensation shall be fully tendered before a taking may occur.”*

Article XI also provides that *“[u]pon the termination of the public use for which an interest in land is involuntarily acquired, the State Government shall return and quit claim the land to the owner or the owner’s successor”*. The Legislature shall also provide for access to the courts to ensure *“the good faith of the negotiations, the reasonable necessity of the acquisition, and the adequacy of the compensation tendered.”*

3.2.3.6 Settling Land Disputes

Because the modern registration system has not been extended to a major portion of the municipalities providing title documentation and boundary survey, many of the land disputes in Chuuk are first handled by traditional authorities. Most arbitrators, whether

they are village elders or chiefs or whether they operate with quasi-judicial or judicial authority, have not felt it fair to all concerned to rush to settlement.

Hearings are often stopped when heated arguments occur between claimants and new hearings may not convene for months. The pattern of long, drawn-out land dispute arbitration is at least partly a holdover from very early traditional times. Should parties remain unhappy with the settlement by lineage heads, village chiefs or other traditional leader, an appeal can be made directly to the Trial Division of the State Supreme Court.

For lands that have been titled, registered or lands that have some ownership or leasehold documentation and for those lands in a designated registration area, the Land registration Team is the first level of authority that can be approached for dispute settlement. Initially, the Land Registration Teams will work with the customary and traditional authorities to come to some resolution.

Should the Land Registration team fail to reach settlement with the disputed parties, the claim is referred to the Land Commissioners. Originally, one purpose of the Land Commission was to help resolve land disputes out of court and with sensitivity to the customary law. The problem now is that the Land Commission, once acting as an informal arbitrator between parties, has become increasingly more formal in its procedures. Hearings are held with witnesses and records to tie its procedures directly to the judicial system. Hence, the Land Commission is less effective today as an alternative means to dispute settlement.

3.2.4 Yap

3.2.4.1 The Legal Framework

The following laws and policies that exist in Yap for land ownership and use that may apply to the RF include:

- Constitution of the State of Yap 1982 (Primary rule of law in the State of Yap).
- Environmental Quality Protection Act 1987.
- Yap State Code, Title 20, Chapter 3 (Building permits).

3.2.4.2 Yap Constitution

The Yap Constitution states that the “*state Government may provide for the protection, conservation and sustainable development of agricultural, marine, mineral, forest, water, land and other natural resources.*” It also prohibits testing, storing, using or disposing of radioactive and nuclear substances within the State. Land ownership and uses are restricted under the Yap Constitution. The State recognizes traditional rights and ownership of natural resources and areas within the marine space of the State up to 12 miles from island baselines.

The Yap Constitution grants due recognition to the Dalip pi Nguchol and their traditional and customary roles, and to traditions and customs in providing a system of law (Art III). In Yap, Traditional leaders who serve in the Council of Pilung and the Council of Tamol carry out traditional and customary functions. Land in Yap may only be acquired in a manner consistent with traditions and customs (Art XIII).

3.2.4.3 Land Tenure Administration

While the authority of the Yap Land Commission was established in 1966 when the Congress of Micronesia passed The Land Commission Act, currently there is no Land

Commission in Yap. The functions of the Land Commission have instead been vested in the Division of Lands, part of the Department of Resources and Development.

Land disputes and boundary problems are resolved through traditional and customary methods as well as at the Municipal Government level with assistance from the Cadastral Survey Projects Branch of the Division of Lands.

The Division of Land Resources consists of the following three sections:

- 1) *Survey & Mapping Section*: composed of three Branches:
 - (i) Economic Development Projects Branch;
 - (ii) Drafting & Computing Branch; and
 - (iii) the Cadastral Survey Projects Branch.
- 2) *Land Registration Section*: responsible for documenting, filing, storing and retrieval of all land titles and associated documents.
- 3) *Public Lands and Property Section*: responsible for the acquisition and management of Government lands.

The procedure for land registration in Yap is outlined in Appendix A.4.

3.2.4.4 Land Ownership, Lease and Use Rights

The majority of privately held land in Yap has not been surveyed, mapped or registered, thus many of the customary use rights remain in effect with respect to these lands. Landholders, or other land authorities, can grant “*permission or transfer use rights of estate lands in the traditional manner.*”

The Yap State Constitution permits the leasing of lands. However, if a foreign interest is involved, the lease must be limited to a term no greater than 50 years. Additionally, the same constitutional provision empowers the State Legislature to prescribe a shorter lease term by statute. The State Legislature must approve by resolution any lease on public land that extends beyond five years.

Yap has a particularly distinctive social system, dominated by the overlords of the main island of Yap. The inhabitants of the main island are divided among three social orders, which are further divided into the three levels of chiefs, nobles and commoners. A caste-like relationship prevails in which the lowest ranking groups act as the servants of higher-ranking groups that provide the land. Chiefs can require the delivery of food and other items, and thus can easily contribute to the burden of material poverty. Under existing reciprocity arrangements, a key issue is the degree of responsibility accepted by traditional leaders to provide for all community members according to need.

Traditional and contemporary ownership systems are outlined below.

Traditional Ownership of Land.

As summarized by Doran (2004)⁷, there are several traditional terms and concepts that influence customary land use in Yap:

- a) *Tabinaew*: refers to certain parcels of land in a location. The people who have inherited the land or reside on the land are called “*people of the estate.*” The term *tabinaew* is also used to designate parcels of land associated with a house

⁷ Doran, 2004, ‘Private Lands Conservation in the Federated States of Micronesia’, Sponsored by the Nature Conservancy, University of Colorado Boulder

foundation or to a specific house foundation itself. Traditionally, the person in control of the highest-ranking Tabinaew in the village became the Village Chief.

- b) *Mafen*: a group of people who have certain rights to an estate. People with Mafen authority are expected to safeguard the Tabinaew heritage against the whims of its current inhabitants and against breach of custom on the land. Mafen rights, are associated with a woman and her children, her sisters and their children, and are usually conferred as matrilineal rights. The Mafen rights usually go to eldest female sibling or to one that is capable; other female siblings are “*people of the Mafen*.” While Mafen rights do not refer to ownership rights, historically Mafen rights gave the woman the right to confiscate the estate lands of an offender. People with Mafen rights needed to be consulted when major land use changes or alienation of land occurred.
- c) *Suwon* (overseer of the land). Refers to a mantle of authority and responsibility, rather than to a person. Every estate also had a *suwon*. *Suwon* rights were more limited than Mafen. However, no alienation of land could occur without permission of a *Suwon*.
- d) *Caste and Land*: All villages (and people of the estates of each village) were traditionally ranked somewhere in the hierarchy of castes. Low caste villages were close to what westerners would call landless estates, with low caste villagers as tenants. The low castes villagers were guardians of lands which fell under the authority of higher caste estates. The Lower Class Village Chief was a spokesman for high class chief. Historically, in order to maintain land holdings the low caste had to perform certain services of high class. The High Class Chiefs of various estates were not just rulers, but such titled persons had many responsibilities to the people of the lower ranked estates under the title’s authority. Responsibilities of the inhabitant of high title house foundations have become burdensome in today’s world. As a result of some of the highest titled foundations on Yap are uninhabited.

If ownership rights also denote the right to possession, use, enjoyment, or the ability to sell or dispose of property according to the will of the owner, then historically there has been no such ownership in Yap. In the past multiple individuals had varied interests and authorities over the land in Yap.

Contemporary Ownership of Land

While tradition remains a strong influence over land tenure in Yap, people are increasingly “*by-passing the older, traditional systems of land tenure in order to secure land ownership, land transfer or lease rights*” (Doran 2004). Thus, the current system of land tenure is a:

“complex mix of the old and the new. Older customary land tenure conditions are strong or weak depending on the people involved, the location and history of the land, the historical title and rank of the land, and the cash opportunity associated with ownership, lease or use rights.”

There is however, a major exception to this general trend toward a more western concept of ownership; the State Government’s “*deference to the customary and traditional systems of land tenure*.” Legislation pertaining to land often cedes considerable authority to traditional and customary authorities over land. For instance, the Yap State Mortgage Law and the Yap State Deed of Trust Law require Mafen approval with respect to applications for the use of real property for security.

3.2.4.5 Land Acquisition

Article II of the Yap Constitution deals with eminent domain and compensation for land appropriated by the government. The Section authorizes the legislature to “*provide by general law for the taking of private property for a public purpose.*” The Section requires that such a general law “provide for just compensation, good faith negotiations for lease or purchase and consultation with appropriate local government prior to the taking, and the manner of taking.”

Article XIII states that title to land be “acquired only in a manner consistent with traditions and customs.”

3.2.4.6 Settling Land Disputes

The Yap Constitution strengthens the traditional and customary land tenure authorities by specifically stating “*Title to land may be acquired only in a manner consistent with traditions and customs.*” If there is dispute regarding ownership the ability of an individual to acquire ownership or a boundary delineation, a hierarchy of traditional authorities exists to resolve the issues.

Resolutions can be obtained through consultation with the Mafen, Suwon, Village Chief and other elders of the immediate community. Petitioning to these traditional authorities may differ in each case depending on personality, land in question, ranking of land or individuals associated with the land, etc. Land “ownership” or authority over estates, or disputes on use rights, and so on are determined in a traditional manner.

Should no decision be made at this level of authority the dispute is taken to the municipal court. Most of the decisions concerning land disputes are settled in the traditional system with few cases going on to the municipal court. In addition, the three high ranked municipalities (Rull, Tamil, Gagil) may serve as appeal authority for land disputes among or within municipalities. If municipal authorities cannot settle the dispute, the case may be referred to the two high traditional councils: the Council of Pilung and the Council of Tamol. However, very few land cases are brought before these two high authorities. The last appeal can be made to the State Supreme Court

3.3 International Standards and Guidelines

3.3.1 International Environmental Agreements

FSM is a signatory to a number of international conventions and treaties. Those potentially relevant to the Project are listed below:

- International Plant Protection Convention 1951.
- World Heritage Convention 1972
- United Nations Convention on the Law of the Sea 1982.
- Agreement relating to the Conduct of a Joint Program of Marine Geoscientific Research and Mineral Resource Studies of the South Pacific Region, with Annexes, 1982; with Related Agreement, 1984.
- Vienna Convention for the Protection of the Ozone Layer 1985.
- Convention for the Protection of the Natural Resources of the South Pacific Region 1986; and companion protocols 1986.

- Convention on Biological Diversity (CBD) 1993
- United Nations Framework Convention on Climate Change (UNFCCC) Paris Agreement 2016.

3.3.2 World Bank Environmental and Social Framework

As a condition of World Bank (WB) financing the PRIME Project, DoTC&I has committed to implementing the Project in a manner consistent with the WB Environmental and Social Framework 2017 (ESF).

Matters to be addressed include environmental, health and safety, gender, labor, social, land and cultural heritage laws and policies as a minimum. As set out in the WB ESF, the Environmental and Social Standards (ESS) of immediate relevance to resettlement and livelihood restoration and this RF are outlined in Table 3-1 below.

Table 3-1: WB Environmental and Social Standards relevant to the RF

WB Environmental and Social Standards	Objectives
ESS 5: Land Acquisition, Restriction on Land Use and Involuntary Resettlement	<ul style="list-style-type: none"> • To avoid involuntary resettlement or, when unavoidable, minimize involuntary resettlement by exploring project design alternatives. • To avoid forced eviction. • To mitigate unavoidable adverse social and economic impacts from land acquisition or restrictions on land use by: (a) providing timely compensation for loss of assets at replacement their efforts to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher. • To improve living conditions of poor or vulnerable persons who are physically displaced, through provision of adequate housing, access to services and facilities, and security of tenure. • To conceive and execute resettlement activities as sustainable development programs, providing sufficient investment resources to enable displaced persons to benefit directly from the project, as the nature of the project may warrant. • To ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.
ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	<ul style="list-style-type: none"> • To ensure that the development process fosters full respect for the human rights, dignity, aspirations, identity, culture, and natural resource-based livelihoods of Indigenous Peoples. • To avoid adverse impacts of projects on Indigenous Peoples, or when avoidance is not possible, to minimize, mitigate and/or compensate for such impacts. • To promote sustainable development benefits and opportunities for Indigenous Peoples in a manner that is accessible, culturally appropriate and inclusive. • To improve project design and promote local support by establishing and maintaining an ongoing relationship based on meaningful consultation with the Indigenous Peoples affected by a project throughout the project's life cycle. • To recognize, respect and preserve the culture, knowledge, and practices of Indigenous Peoples, and to provide them with an opportunity to adapt to changing conditions in a manner and in a timeframe acceptable to them.

WB Environmental and Social Standards	Objectives
ESS 8: Cultural Heritage	<ul style="list-style-type: none"> To protect cultural heritage from the adverse impacts of project activities and support its preservation. To address cultural heritage as an integral aspect of sustainable development. To promote meaningful consultation with stakeholders regarding cultural heritage. To promote the equitable sharing of benefits from the use of cultural heritage.
ESS 10: Stakeholder Engagement	<ul style="list-style-type: none"> To establish a systematic approach to stakeholder engagement that will help Borrowers identify stakeholders and build and maintain a constructive relationship with them, in particular project-affected parties. To assess the level of stakeholder interest and support for the project and to enable stakeholders' views to be taken into account in project design and environmental and social performance. To promote and provide means for effective and inclusive engagement with project-affected parties throughout the project life cycle on issues that could potentially affect them. To ensure that appropriate project information on environmental and social risks and impacts is disclosed to stakeholders in a timely, understandable, accessible and appropriate manner and format.

ESS 5 is of particular relevance for this RF, and applies to all Project works and components of operations financed by the WB including associated facilities which result in involuntary resettlement. ESS 5 outlines a number of key principles for addressing adverse effects of involuntary settlement associated with its investment projects. These are outlined in Section 1.2.2 above.

ESS 7 is relevant as the overwhelming beneficiaries of the Project in each State (Kosraean, Mehn Pohnpei, Chuukese and Yapese) meet several characteristics of indigenous persons as described in the ESF of the WB. Given this, it is considered that the 'indigenous' population of FSM is comprehensively represented in all state mechanisms, will not be disproportionately disadvantaged by the Project and, as such, an 'Indigenous Peoples Plan' is not required under ESS7.

The requirements for public disclosure are contained in ESS10. These public disclosure standards require early and ongoing consultation with communities affected by projects.

3.4 Comparison of WB ESF and FSM Legislative Requirements on Land Acquisition

Table 3-2 provides an analysis of gaps between WB safeguard requirements as set out in the ESF, and FSM Legislative requirements on land acquisition and resettlement.

Table 3-2: Gaps between WB ESF and FSM legislative requirements, and gap filling measures

WB Environmental and Social Standards	FSM Legislative Requirements	Gap Filling Measures
Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative designs.	FSM's EIA encourages the avoidance of adverse environmental and social impacts and their effective mitigation where avoidance is not possible.	Equivalent

WB Environmental and Social Standards	FSM Legislative Requirements	Gap Filling Measures
Land to be secured for the Project via Voluntary Land Donation (VLD) where suitable and agreeable to affected land owners and occupants.	No specific reference to VLD in FSM legislation.	The VLD process is to be properly managed and documented in accordance with ESS5, and the Project VLD protocol.
Where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the end of the project to share in the project benefits.	Not explicitly addressed in the existing legislation.	WB policy and requirements will be adopted.
Use or acquisition of customary land by the Project.	<p>Customary land tenure is common in FSM.</p> <p>The Government Property Acquisition [Title 56] deals with land acquisition, including eminent domain.</p> <p>No separate laws exist for acquisition of customary land compared to freehold land.</p>	<p>The VLD process will apply for the acquisition or use of customary land, the Project will adhere to ESS5, and the Project VLD protocol.</p> <p>Grievances may be referred to customary conflict mediation arrangements where they are not directly affiliated with traditional leaders who are a party to the donation process.</p> <p>In the case of transfer of freehold or customary land through involuntary acquisition, the Lands Commission is to prepare a Sale and Purchase Agreement based on the assessed replacement value, and forwarded to the Council of Chiefs for its Board's consent.</p>
Displaced persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs.	FSM legislation requires negotiations with affected land owners, on values of land, and resettlement assistance.	Partial equivalence. Consultations as per approved SEP will be implemented.
To address the impacts resulting from Bank-assisted investment projects, the borrower prepares a resettlement plan or resettlement policy framework.	No specific requirement for the preparation of resettlement plans.	Where Abbreviated Resettlement Action Plans (ARAPs) are necessary, they will be prepared in accordance with the requirements and procedures set out in this RF.
It is necessary to improve or at least restore livelihoods of Displaced Persons (DP) by a range of strategies targeted at Affected People (AP). Nobody is to be made worse off as a result of the development project.	Avoiding hardship on displaced land owners is explicitly provided for, but more for legal landowners, and legal occupiers, not for illegal occupiers and their assets / livelihoods.	Partial equivalence. WB policy will apply to ensure all PAP's and their losses are restored and/or compensated. Where losses are temporary and minor, related to the construction method for which the contractor is responsible for determining, these will be addressed as part of the ESMP.

WB Environmental and Social Standards	FSM Legislative Requirements	Gap Filling Measures
Requires that Displaced Persons are compensated for all losses, including non-land assets, at full replacement cost.	FSM legislation requires negotiations with affected land owners, on values of land, and resettlement assistance. There's a limit imposed on how much compensation is paid for lost income from business or farm operation. Compensation is therefore not at full replacement cost using current market values.	Partial equivalence <i>vis-à-vis</i> valuation of land for compensation. But not for lost non-land assets and income. Where compensation is required, WB's principle of 'replacement cost' using current market values for compensation of affected assets will apply.
Bank expects the borrower to take into account the views, roles, and rights of groups including NGOs and local communities affected by the Bank financed project...in the planning, designing, implementing, monitoring and evaluating of such projects.	The FSM EPA regulations provides for public consultation as part of the environmental assessment process, and full disclosure of EIA reports to the public.	Equivalent
Bank requires that Displaced People (DP) should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs. Bank also requires that displaced persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.	FSM legislation is explicit on dealing with displaced people, i.e. those people dispossessed of their land. FSM legislation is not clear on dealing with impacts on other affected people such as illegal occupier of acquired land etc.	WB Policy will apply.
Bank requires: i) Screening to identify whether Indigenous Peoples are present, ii) Social assessment to assess potential adverse impacts, iii) Consultation and participation, iv) preparation of an Indigenous Peoples Plan (if required), and v) Public Disclosure.	FSM law recognizes the heritage, traditional boundaries and cultural ties to the islands.	As the overwhelming majority of beneficiaries are indigenous, the elements of the policy are 'integrated into design' and no separate Indigenous People Plan is required. Planning and implementation of Project activities set out in the E&S instruments (including RF, ESMF and SEP) will aim to ensure that traditional institutions and leadership are respected as well as recognition of cultural norms, land tenure arrangements, meaningful consultation and participation.

4. Project Principles, Entitlements and Procedures

4.1 Project Policy Principles

The following policy principles for livelihood restoration, compensation and mitigation of physical and economic displacement impacts for the PRIME Project will apply to all works under Component 2, as well as any physical works activities under Component's 1 and 3, as relevant:

- Minimization of impacts:
 - Works kept to existing primary road corridors identified as part of the 'PRIME Roads'⁸. However, some minor realignment of existing roads or road assets (e.g. bridges, causeways) may be included if technically required. There will be no new alignments nor improvements to roads not identified as 'PRIME Roads';
 - Severe environmental and/or social impacts will be screened out of works for consideration under Component 2 (refer Section 2.3.2). Any works that would involve relocation of housing, permanent severe impact on livelihoods, land acquisition involving severe loss of land holdings of an affected person will not be included for implementation under the PRIME Project; and
 - Design of Project works will prioritize features that have impacts that can be mitigated relatively simply and be temporary in nature.
- Land to be secured for the Project via Voluntary Land Donation (VLD) where suitable and agreeable to affected land owners and occupants. The VLD process is to be properly managed and documented in accordance with ESS5 (Footnote 10).
- The Project will design and implement measures to mitigate involuntary resettlement impacts aimed at restoring, if not improving, standards of living of those affected.
- Works on existing roads will adopt a 'participatory design approach' with the respective landowners and communities where works are proposed (discussed further in Section 4.1.1).
- Involuntary resettlement impacts will be assessed for all works as part of the '*E&S Screening Report*', and either a '*Land Access Due Diligence Report*', '*Voluntary Land Donation Report*' or '*Abbreviated Resettlement Action Plan*' is to be prepared depending on the nature and extent of physical or economic displacement, means of land access as well as mitigation approach.
- Consultations and public participation will be carried out as an ongoing process throughout project planning, design, implementation and post-project stages. Affected people and communities in the vicinity of project works will be given advance notice of planned works schedules.

⁸ For the purposes of this Project, 'PRIME Roads' are defined as the roads that will be assessed as part of Technical Assistance aspects of the PRIME Project, including the VA/CRRS and ESA studies, which include the majority of the existing 'primary roads' on the main islands of each FSM State, and some additional secondary roads that are considered to be of strategic and/or economic importance by DoTC&I.

- Eligible PAPs will receive entitlements and livelihood rehabilitation measures sufficient to assist them to improve or at least maintain their pre-Project living standards, income earning capacity and production levels.
- Particular attention will be given to the needs of vulnerable PAPs including socially and economically vulnerable groups. This may include those without legal title to the land or other asset/s, households headed by females (where appropriate⁹) the elderly or disabled, vulnerable road users due to road construction¹⁰, and other vulnerable groups such as people living in extreme poverty or hardship¹¹.
- Land requirements for Project works will be arranged through either voluntary land donation or involuntary land acquisition. Compensation for land, where required, will be at replacement cost.
- For displaced non-land assets, assistance will be provided to relocate and reinstall the property. Where these cannot be viably relocated, the PIU will arrange for like-for-like replacement or compensation at replacement cost. Compensation will be provided for loss of income due to temporary business closure as a result of construction activities, where disruption cannot be avoided.
- The customs, traditions, religious practices and institutions of all PAPs will be respected and protected.
- A complaints and grievance mechanism is to be established for the PRIME Project (refer Section 7) to solve disputes and complaints from PAPs.
- The impacts of the works, including unforeseen losses and damages that may occur during either construction or operation, will be carefully monitored and remedial steps taken as required (refer Section 10).

4.1.1 Participatory Design Approach

Planning of improvement works on existing roads will adopt a 'participatory design approach' with respective landowners, land users and communities. This will involve detailed consultations with communities and landowners during the design phase, commencing at the preliminary design phase. Design for road improvements will be an iterative process of consultation and design development. Design consultants are to present communities and landowners with objectives of the road improvements based on issues that need to be addressed (e.g. water drainage issues) and general design options and implications for road footprint/impacts. Feedback from communities and landowners on what is preferred and acceptable informs parameters for basic design. The Terms of Reference (TOR) for works design is to include explicit requirements for participatory design approach.

Community participation will include clear consultation, documentation of agreements and monitoring procedures, and any impacts are minimal and mitigation/restorative measures are acceptable to affected people. See Section 2.3.2 for description of expected improvements to existing roads.

⁹ Note: On some islands in FSM all houses are headed by a female as they own the land. In these cases, the female head of the household would not be considered a vulnerable person.

¹⁰ Vulnerable road users include road users who are more vulnerable to harm because they are not in a vehicle, including pedestrians, motorcyclists, cyclists, and those on animals or animal drawn carts.

¹¹ As determined and identified by the relevant community leader.

4.1.2 Voluntary Land Donation

If sections of the land adjacent to the road corridor are expected to be required for minor adjustment of the road alignment or for ancillary works such as installation of new culverts or creation of drainage outflow easement, access to land for the works will need to be secured.

In some limited circumstances, Voluntary Land Donations (VLD) may be an appropriate form of securing land access for the Project. Such circumstances may include installation of drainage, creation of easements for drainage outflows, minor realignment of existing roads that would not result in significant land loss.

In such instances VLD may be acceptable providing that it is demonstrated that:

- a) The amount of land being donated is minor (less than 5% of PAP's land holdings) and will not reduce the donor's remaining land area below that required to maintain the donor's livelihood at current levels;
- b) No household relocation is involved;
- c) The donor is expected to benefit directly from the Project;
- d) The potential donor or donors have been appropriately informed and consulted about the Project and the choices available to them;
- e) Potential donors are aware that refusal is an option, and have confirmed in writing their willingness to proceed with the donation; and
- f) For community, customary or collective land, donation can only occur with the consent of individuals using or occupying the land as well as the person(s) authorized to make decisions over the land.

The PIU and local authorities will maintain a transparent record of all consultations and agreements reached especially those in relation to VLD.

VLD would cede land to the GoFSM at no cost but the Project protocol on VLD (provided in Appendix B) requires compensation for lost crops and other non-land assets that cannot be viably moved.

Where small (i.e. marginal) areas of land are required, VLD is preferred by the GoFSM as the prioritized mode of acquisition for the PRIME Project wherever possible particularly in cases where the landowner directly benefits from the works going ahead. Additionally, PAPs have the right to make a contribution of land or other assets of their own volition without seeking or being given any form of compensation. Potential works associated with drainage outflows and minor realignments is described in Section 2.3.2.

The Project VLD Protocol also applies for the donation of community, customary or collective land. As stated in the protocol, VLD cannot be applied when (i) customary rights holders do not support, or will not directly benefit from, the Project, and (ii) conflicts over land exist where conflicts over land exist, including customary collective ownership.

Therefore care must be taken to ensure that:

- a) The rights and claims of customary and informal users affected by the land donation are systematically and impartially identified;

- b) Potentially affected individuals, groups or communities (i.e. those that use or occupy the land) are meaningfully consulted, informed of their rights, and provided with reliable information concerning environmental, economic, social and food security impacts of the land donation;
- c) Community stakeholders are enabled to negotiate appropriate conditions for the transfer;
- d) Appropriate benefit sharing and grievance mechanisms are put in place and implemented;
- e) The terms and conditions for the transfer are transparent; and
- f) Mechanisms are put in place for monitoring compliance with those terms and conditions.

Grievances may be referred to customary conflict mediation arrangements where they are not directly affiliated with traditional leaders who are a party to the donation process.

4.1.3 Involuntary Land Acquisition

Involuntary acquisition of land may be applied where land is required for (i) significant realignments such as replacing bridges on a new alignment, or (ii) minor land requirements cannot be secured through voluntary arrangements for discrete works (either the land owner does not agree or other VLD Protocol requirements are not met) and the works are deemed essential and a suitable alternative site cannot be identified. Land that is involuntarily acquired along with other associated losses will be compensated at replacement cost.

4.2 Eligibility for Entitlements and Compensation

4.2.1 Project Affected Persons

Project Affected Persons (PAPs) are those persons and families who have land, assets or livelihood which are impacted by the Project either temporarily or indefinitely, irrespective of whether they have formal proof (certificate) of their right to utilize the land or asset, or whether the assets impacted are located within an existing road easement vested in the state.

For the purpose of this assessment, PAPs are considered those who will potentially lose land and/or assets or access to assets located within the works footprint or experience land access restrictions leading to loss of income sources or means of livelihood.

None of the Project works are expected to result in physical displacement of households (i.e., involuntary resettlement/relocation) and would be screened out. Subsequently, entitlements for individuals subject to physical relocation, as well as their potential host communities, have not been outlined in the entitlement matrix provided in Section 4.3.1.

4.2.2 Eligibility Cut-Off Date

The eligibility cut-off date for PAPs should be the date of completion of the IOL for Component 2 works. Persons occupying the works footprint (whether they are within or adjacent to the road easement) or fixed assets (such as built structures, crops and fruit trees) established after the cut-off date are not eligible for compensation and/or livelihood restoration assistance.

As neither the location nor timing of Component 2 works have yet been determined, an IOL and eligibility cut-off date for the works has not yet been established.

Once the VA and CRRS studies have been completed, the PIU is to work with state and municipal agencies as well as land owners and local community leaders to reach a consensus on the date of IOL and eligibility cut-off for Component 2 works, as well as emphasize the significance and meaning of the cut-off date.

The eligibility cut-off date will therefore be based on the PRIME specific IOL, rather than any previous assessment undertaken in the works location.

Eligibility for access to compensation entitlements should apply to all persons with land use rights utilizing land for agricultural, residential, business, government or cultural purposes or physical assets located within the road easement within the works footprint at the time of the IOL and cut-off date.

4.3 Entitlements

The Project entitlements presented in the Entitlement Matrix (Section 4.3.1) and summarized below will address the various types of losses as expected for the PRIME Project.

As set out above, the absence of legal or formal title to land is not a barrier to compensation, nor is the presence of assets currently located within the road easement. Both male and female PAPs should continue to be equally consulted and their rights recognized. Negotiations, entitlements and livelihood restoration should be with/to both male and female head/s of each household.

The actual compensation entitlements should be finalized and agreed upon in consultation with the State and Municipal Government authorities as appropriate but will not be less than the entitlement standards set out in this Resettlement Framework. The PIU is to record and formalize outcomes of this consultation.

4.3.1 Entitlement Matrix

The entitlement matrix in Table 4-1 below provides a summary of the specific entitlements of the PAPs for each type of impact from the Project.

Table 4-1: Entitlement Matrix for the PRIME Project

Impact/Loss	Mitigation / Entitlement	Implementation Considerations
Permanent loss of land.	<ul style="list-style-type: none"> • Arranged through VLD, where appropriate. • Land-for-land compensation where possible. • Otherwise compensation at replacement cost. 	<p>Refer to Project Voluntary Land Donation Protocol for description of conditions for VLD.</p> <p>In the case of realignment of roads, offsetting the land lost through replacement of land from the old alignment will be explored as a priority option.</p>
Partial loss of house structure (residual portion viable for continued use after repair)	<ul style="list-style-type: none"> • Compensation at replacement cost for damages, including cost of repairs (but without deduction for salvageable materials). 	<p>Works involving severe impacts on houses (i.e. structure no longer usable) will be screened out.</p>
Partial loss of commercial main structure OR Severe loss of commercial main structure that is temporary in nature (shop can be rebuilt on residual land) OR Severe temporary disruption to business.	<ul style="list-style-type: none"> • Compensation at replacement cost for damages to commercial structure, including cost of repairs (without deduction for salvageable materials). • Compensation for lost income for reasonable period of disruption. • Compensation for lost income of employees. 	<p>Works involving severe impacts on commercial structures (i.e. structure no longer usable and cannot be rebuilt on residual land within a short period of time) will be screened out.</p> <p>Replacement is to include full cost of repairs, or like-for-like structure.</p> <p>The reasonable period of lost income is based on time required to repair/rebuild affected business structure or otherwise actual time of blocked access to business. Compensation is to be based on net monthly income, and/or monthly wages.</p>
Loss of secondary structures (e.g. fences, walls, driveways, pavement, store, shed, or similar).	<ul style="list-style-type: none"> • <u>For moveable structures</u>: assistance to remove and reinstall structure. • <u>For non-moveable structures</u>: removal and replacement; OR compensation at like-for-like replacement cost, if removal and replacement is not possible (without deduction for salvageable materials). 	<p>Assistance to remove and reinstall structures to be provided by Contractor.</p> <p>Replacement of non-moveable structures by Contractor for simple structures such as pavement.</p>
Loss of crops and productive trees/perennials.	<ul style="list-style-type: none"> • Advance notice to harvest annual crops (no compensation). • Assistance to move non-mature productive trees/perennials. • Compensation shall be provided for mature productive trees, where disturbance is unavoidable. 	<p>Disturbance of mature productive trees are to be avoided where possible.</p> <p>Compensation for productive trees shall be based on type, age and productive capacity and the cost of production and rearing of trees; OR market value for timber or fuel wood (as appropriate).</p>
Loss of cultural sites (e.g. graves sites).	<ul style="list-style-type: none"> • Assistance to move cultural sites (e.g. grave site). 	<p>Assistance is to include both logistical (e.g. excavation, relocation and reburial) and ritual/religious aspects (e.g. ceremonies).</p>

Impact/Loss	Mitigation / Entitlement	Implementation Considerations
<p>Impacts due to construction (Impacts that fall under construction method for which the contractor is responsible for determining)</p>	<ul style="list-style-type: none"> • In the event of non-land asset losses, compensation for affected non-land assets at full replacement cost commensurate with rates set out in the Abbreviated Resettlement Action Plan. • Temporary use of land will be arranged through VLD where possible. If VLD not possible, 'rental allowance' to be provided as agreed between the landowner and Contractor. At the end of the 'rental period' the land is to be returned to the landowner in the same condition as prior to use, as acceptable to the landowner. • In the event of restricted land use or disruption to access, (loss of access to property, or transport network), the Contractor is to provide alternative access. • In the event that construction works completely block access (without alternative access) to a business then compensation for lost income for the period of disrupted access will be provided by the contractor. 	<p>Temporary impacts due to construction will be monitored and reported as part of monitoring of the Environment and Social Management Plan.</p> <p>For diversion roads that are planned in advance of works by the PIU, the impacts and mitigation measures are to be covered under the Abbreviated Resettlement Action Plan or Voluntary Land Donation Plan as appropriate.</p> <p>Access to property is to be maintained at all times (i.e. no communities or individuals isolated).</p> <p>If the land has been adversely impacted (as determined by the PIU and landowner), then the Contractor is either to restore, or provide the landowner assistance to restore the land to an agreed condition and productivity.</p>
<p>Unforeseen or unintended impacts.</p>	<ul style="list-style-type: none"> • Entitlements for unforeseen or unintended impacts will be developed in accordance with the principles set out in the RF, FSM legal framework and WB ESF. New mitigation measures will need to be approved by the DoTC&I and agreed by WB. 	

5. Processes for Securing Land Access

5.1 Environmental and Social Risk Screening

Once the climate resilient road works have been identified and prioritized for FSM as part of the VA and CRRS studies, two rounds of environmental and social screening are to be undertaken by the CIU Safeguards Team (supported by environmental and social consultants engaged by the PIU, as required) as part of the feasibility and design process for Component 2 works. This screening process is outlined below:

- 1) **Initial E&S Risk Screening (activity selection / prioritization under PRIME)** - an '*Initial E&S Screening Form*' (Appendix C, Form 1) is to be completed which identifies potential high-level environmental and social risks and impacts of the proposed works and any critical risks that could prevent the identified works from being implemented under the PRIME Project.
- 2) **Detailed E&S Screening (during preliminary design)** – preparation of an '*E&S Screening Report*' after the works are further defined as part of the preliminary design process and to feed into the design and impact mitigation process. This report is to include:
 - a. An outline of the Project environmental and social risk screening process;
 - b. Completed '*Environmental and Social Screening Forms*' (Appendix C, Forms 2 to 4);
 - c. A summary of the works E&S Screening, including social and resettlement (as directed by the Appendix C, Form 2);
 - d. A summary of the findings of the screening process, (as directed by the Appendix C, Form 3 – E&S Assessment and Management Plan Requirements; and Form 4 – Agreed E&S Documents); and
 - e. Recommendations for the environmental and social assessment and preparation of environmental and social risk management instruments.

On the basis of the environmental and social screening, the Project will adopt one of the following approaches:

- 3) **Further redesign of the works** to avoid/minimize land and/or asset loss where practical (in which case the *E&S Screening Report* will need to be updated, after completion of the redesign). The design team, PIU, environmental and social consultants and CIU Safeguards Team are to work together to identify risks and mitigation measures in design in compliance with the WB ESS and RF.
- 4) **Preparation of a *Land Access Due Diligence Report*** in the event of no anticipated involuntary resettlement impacts confirming no further requirement for land access plans (i.e. *Voluntary Land Donation Report* or *Abbreviated Resettlement Action Plan*).
- 5) **Preparation of either a *Voluntary Land Donation Report*, or *Abbreviated Resettlement Action Plan*** if impacts to land and/or assets are identified. This is to be undertaken in parallel with detailed design.

The E&S screening process in relation to the RF is illustrated in the flow chart Figure 5-1. The scope of these documents is outlined in Section 5.2 below.

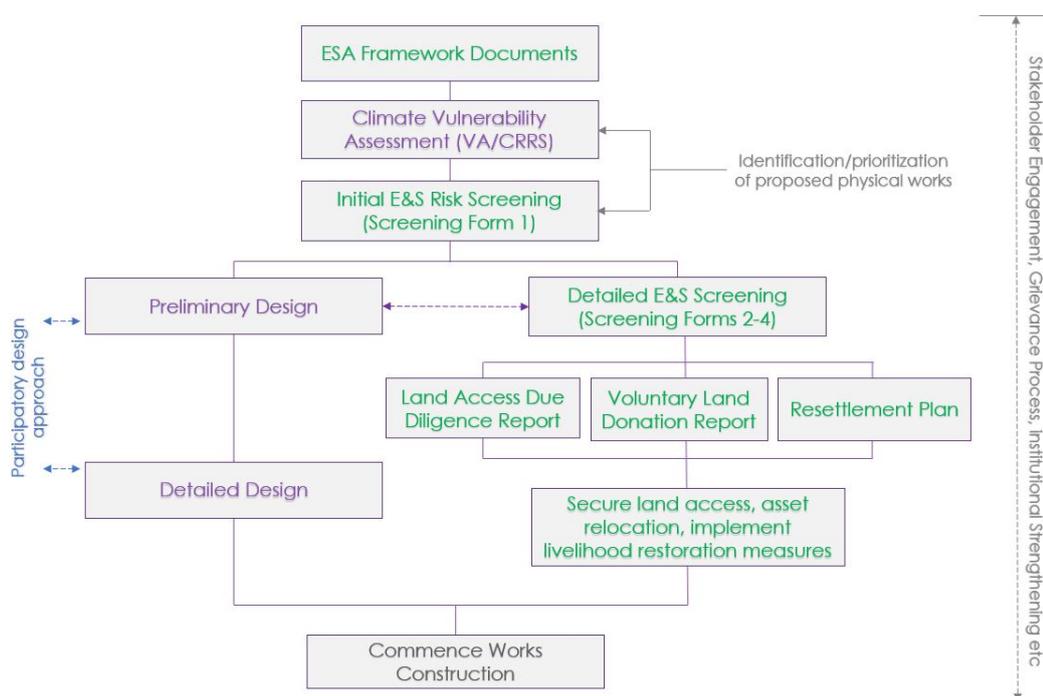


Figure 5-1: E&S screening process in relation to the RF.

The *E&S Screening Report* and all other relevant information relating to access restrictions or land and asset acquisition will be prepared by the CIU Safeguards Team (supported by environmental and social consultants engaged by the PIU, as required) and submitted together with the feasibility study report to the WB for review and clearance.

5.2 Preparation of Land Access Reports and Plans

5.2.1 Land Access Due Diligence Report

In the event of no anticipated involuntary resettlement impacts, a *Land Access Due Diligence Report* is to be prepared for the works¹².

This *Land Access Due Diligence Report* is to be prepared after the completion of the *E&S Screening Report* and preliminary design phase and concurrently with the detailed design process to provide information about the due diligence conducted to confirm absence of involuntary resettlement impacts.

The *Land Access Due Diligence Report* will include the following:

- (i) A brief description of the works site including a location map and pictures;
- (ii) A description of proposed works and type of activities;
- (iii) Findings of the field visit and observations on the works site. The report will also note potential requirements for temporary use of land that are to be subsequently

¹² For example, all works are to be undertaken on an existing road corridor or on Government or public land and no disturbance of adjacent land and/or assets is identified.

determined during construction as part of the contractor's construction methodology that will be mitigated through measures included in the ESMP¹³;

- (iv) Process and outcome of consultations with stakeholders, including records of meetings (attendance, minutes etc);
- (v) Plans for monitoring and ongoing consultations with local community; and
- (vi) Confirmation that there are no involuntary resettlement impacts and that neither a *Voluntary Land Donation Report*, or *Abbreviated Resettlement Action Plan* is required.

This report is to be included with the feasibility report to be submitted to the WB.

The *Land Access Due Diligence Report* will be prepared by the CIU Safeguards Team (with support from environment and social consultant engaged by the PIU, as required) and submitted together with the feasibility study report to the WB for review and clearance.

5.2.2 Voluntary Land Donation Report

The principle of Voluntary Land Donation (VLD) is outlined in Section 4.1.2. Should VLD be negotiated for road works a *Voluntary Land Donation Report* is to be prepared which complies with the VLD protocol for the Project (Appendix B). The VLD Report will be prepared by the PIU with support by the E&S Consultants (as required). As a minimum the report is to include:

- (i) A brief description of the works site including a location map and pictures;
- (ii) A description of proposed works and type of activities;
- (iii) Confirmation of current land status, ownership, and usage (supported by land records, road easement documents etc);
- (iv) Findings of the field visit and observations on the works site;
- (v) Land survey (including land survey map, and list of participants in survey with gender equality);
- (vi) List of voluntary donations of land and any other assets (including area, type and value of voluntarily 'gifted' land) accompanied by signed VLD forms;
- (vii) Confirmation that no severe losses will occur as a result of the donation (such as land loss being less than 5%, no severe or permanent impacts on livelihoods or income sources, no physical displacement) and articulate the direct benefits to the donors by the project improvements;
- (viii) Schedule of land acquisition/donation, if applicable; and
- (ix) Process and outcome of consultations with stakeholders. Records of at least two meetings, including 1) Minutes of disclosure meeting about the right of land users, and 2) Minutes of the meeting to discuss and make agreement.

Where voluntary donation of land is accompanied by compensation or restorative measures for non-land losses, the VLD report details will be incorporated into an Abbreviated Resettlement Action Plan.

¹³ An example would be expectation for temporary diversion road or laydown area to be determined by the Contractor.

5.2.3 Abbreviated Resettlement Action Plan

In the event of anticipated involuntary resettlement impacts including involuntary acquisition of land, loss of non-land assets, and/or permanent restricted access/land use (such as easements) are identified where VLD could not be negotiated with the landowner, an *Abbreviated Resettlement Action Plan (ARAP)* is to be prepared by PIU with support by E&S Consultants (as required).

The ARAP is to be consistent with the scope of a 'Resettlement Plan' outlined in ESS5 (Annex 1.A), including the following key elements:

- (i) Description of the road works and objectives;
- (ii) Scope of impacts associated with land access requirements for the works;
- (iii) Social assessment, including baseline socio-economic survey of PAPs;
- (iv) Eligibility;
- (v) Consultation, disclosure and community participation;
- (vi) Entitlements, means of mitigation and restoration of losses;
- (vii) Implementation schedule;
- (viii) Costs and budget, including means of valuation for any required compensation;
- (ix) Grievance redress mechanism;
- (x) Monitoring an evaluation; and
- (xi) Arrangements for adaptive management.

The 'Additional planning requirements where resettlement involves economic displacement' as set out in ESS5 will also be incorporated if permanent impacts on livelihoods occur.

The details to be included in this document are to be appropriate for the scale of land and/or asset acquisition and associated livelihood impact. The ARAP is to also identify gender concerns and special measures for vulnerable PAPs (if any) through consultations with affected communities.

No physical displacement (i.e., relocation) of PAPs or 'involuntary acquisition' of land that results in severe loss will take place under the PRIME Project and will be screening out during the preliminary design phase.

A social assessment including relevant socio-economic data of PAPs is to be undertaken as part of the IOL to determine potential social issues and likely adverse impacts of the works. This social assessment is required in order to understand the following:

- Existing socio-economic conditions of the PAPs and baseline information on livelihoods (including livelihood and income, type of land and other resource use, formal and informal economic activities, and standard of living such as health status);
- The magnitude of the expected loss including permanent and temporary loss and disturbance of land and/or of assets and the extent of economic displacement; and
- Information on gender concerns and vulnerable groups or persons for whom special provisions may have to be made.

5.3 Arrangement for Securing Land

5.3.1 Permanent Land Requirements

If land loss is identified, the PIU will forward outline plans to the State Land Commission (or delegated authority), identifying areas both within and directly adjacent to (if appropriate) the land required for the works.

The Land Commission carries out a search of land ownership and registered user rights in the vicinity of the works and identifies potentially affected landowners and those with formalized user rights.

Where VLD has been assessed to be a potential mode of acquiring land access, the Land Commission supported by PIU will undertake negotiations with the potentially affected land owner.

In the case of transfer of freehold or customary land through involuntary acquisition, the Lands Commission will prepare a Sale and Purchase Agreement based on the assessed replacement value. The Sale and Purchase Agreement is to then be forwarded to the Council of Chiefs for its Board's consent.

Once the VLD, or Sale and Purchase Agreement, has been formalized, the details will be included in a ARAP or Voluntary Land Donation Report, as appropriate. and compensation has been paid (if appropriate), a Certificate of Transfer is prepared and sent for execution.

The process for transfer of title (if required) is to follow the appropriate Land Registration Procedures for each State, outlined in Appendix A.

5.3.2 Temporary Land Requirements

Temporary loss may occur when land adjacent to the road easement is temporarily used for works activities during construction (such as for temporary access roads, construction laydown areas, temporary bridge crossing, etc).

Arrangements for use of the land will be negotiated with the land owner. This agreement could either be offered by the landowners as goodwill particularly if the landowner is likely to benefit from the works in the future or could include a rental allowance for the period of use and temporary loss of access to this land as agreed with the landowner. Any loss of non-land assets such as loss of productive trees or minor structures will be compensated at replacement cost.

If the land requirements are planned and arranged by PIU in advance of works, the arrangements will be set out in an ARAP. If the arrangements for the temporary land use are to be determined by the contractor as part of its construction methodology, then the arrangements will be managed through the Environment and Social Management Plan.

At the end of the temporary use (or rental) period the land is to be returned to the landowner in the same or condition as prior to use including productivity, and in a condition acceptable to the landowner. Should it be determined by the PIU and landowner that the land has been adversely impacted then the landowner is to be offered assistance by the Contractor to restore the land to an agreed condition and productivity.

5.3.3 Means of Determining Compensation

Where compensation is required for either land or non-land assets, compensation will be at replacement cost as determined through the following process:

- 1) The Land Commission (or delegated authority) in collaboration with the PIU is to prepare initial valuations using local market prices and establish standard compensation rate table for land (cost per m²) and assets impacts by the Project specific for each State. If suitable valuation expertise does not exist within the Land Commission (or delegated authority) then an independent valuer is to be engaged by the PIU in each State to develop this compensation rate table for the Project based on likely land and/or assets identified in the IOL. This valuation is to be undertaken within six weeks of the IOL. FSM State compensation rates will be applied where these are assessed as meeting replacement cost values. Otherwise top up values will be added to ensure the compensation provided is at the assessed replacement cost.
- 2) This valuation process is to be transparent, and shared with affected landowners.
- 3) If the landowner does not agree with the Land Commission (or independent valuer) valuation, the landowner has the right to engage a private valuer to review the determination (at their own cost).

The compensation rate valuation undertaken by the Land Commission (or independent valuer) is to include full replacement cost at 'like-for-like' replacement and include the following elements:

- a. **Fair Market Value:** Where markets function, fair market value can be assessed by examining land sales or rental records in the last 3 or 4 years for similar properties. Land and rent values can differ widely both between and within FSM States due to factors such as proximity to the coast (for tourist developments) or fertility and flatness of agricultural land. In such cases, the market value is the going price of an asset in the open market, but where markets do not exist (as in much of FSM), field investigations are needed to collect baseline data to value assets and to ensure that the valuation is realistic.
- b. **Transaction Costs:** These may include the legal and documentation expenses associated with updating land records to reflect sales, transfers, inheritances and leases, as well as the legal expenses associated with registering property titles for replacement lands and houses. These costs will be paid by the Project and are counted as part of the replacement cost.
- c. **Interest Accrued:** When there is a gap of time between the agreed schedule and the actual payment of compensation, the interest that accrues over that period must be included in the replacement costs.
- d. **Restoration Costs:** Restoration cost refers to necessary improvements on land or to housing to achieve the objectives of enhancing or at least restoring, livelihoods, compared with pre-project levels.
- e. **Deduction for Salvage Materials:** Salvage materials are not to be deducted from full replacement cost calculations.
- f. **Depreciation:** Depreciation will not be considered when valuing compensation for affected structures.

For income losses from disruptions to employment or businesses (either permanent or temporary disruption) the following are to be provided:

- 1) Cash compensation for a reasonable period of lost income (i.e. the period of time the business is disrupted by the works such as restricted access).
- 2) The value of lost income or salary to be provided is to be based on net monthly income and/or wages pro-rated over the past 12 months (where possible).
- 3) The business compensation assessment is to be based on formal declared income, or where this does not exist based on financial records and verified by an appropriate local community leader.
- 4) At least the legal minimum wage will be provided to impacted employees.

6. Stakeholder Engagement, Consultation and Participation

Stakeholder engagement will be undertaken throughout the PRIME Project including planning and design, construction and post construction phases (i.e. operation) for all specific Component 2 works to be implemented under the PRIME Project and for all technical advisory activities under Component's 1 and 3 where relevant as per the SEP.

The stakeholder engagement process for the broader PRIME Project is described in detail in the SEP¹⁴ including stakeholder engagement undertaken to date a part of Project preparation and those required throughout the PRIME Project.

Set out below is a summary of key considerations regarding stakeholder engagement relevant to the RF.

A wide range of stakeholders have been identified for consideration throughout the Project (outlined in the SEP).

Each Component 2 works (particularly relevant for implementation of the RF) will have a discrete list of stakeholders identified and engaged with as part of the land access procedure process which will specifically focus on:

- Land Owners and Occupiers – called Project Affects Persons (PAPs) under ESS5.
- Local Communities (including nearby or indirectly affected villages, community interest groups, road users etc).
- Relevant Municipal and State Government departments and agencies.
- Traditional / community leaders.
- Others (including NGOs, CBOs, businesses, utility providers etc).

A variety of mechanisms will be utilized to consult with the identified stakeholders during implementation of the RF including:

- (i) Village meetings involving women, men and youth from communities;
- (ii) Specific facilitated meetings with PAPs (e.g. land owners, disrupted businesses etc) and community leaders (e.g. village chiefs), regarding:
 - a. 'Participatory design approach' during design phase, commencing with preliminary design development.
 - b. Confirming land / asset ownership.
 - c. Securing land access.
 - d. Negotiating VLD.
 - e. Confirming and providing entitlements.
- (iii) Separate meetings with specific interest groups and their representatives, as required (including women, youth, senior, religious, vulnerable households etc);

¹⁴ DoTC&I, 2020, 'Prioritized Road Investment and Management Enhancements (PRIME) Project, FSM: Stakeholder Engagement Plan', Report prepared for Department of Transportation, Communication and Infrastructure.

- (iv) Key informant interviews with relevant government staff (e.g. Land Commission, Court of Land Tenure, Division of Lands, Planning Office) and community/traditional leaders;
- (v) One-to-one socio-economic household survey of PAPs and affected communities (in the event a ARAP is required);
- (vi) Participatory Inventory of Losses (IOL survey); and
- (vii) Informal conversations with passers-by, transport users and other interested parties near the works site.

To ensure broader participation consultations are to be undertaken at venues, times and in language that do not disadvantage any particular groups (e.g. women, or vulnerable households).

Vulnerable groups are to be targeted through representative organizations including women, disability and youth associations. Remote communities which are often low income will be included through their traditional (e.g. chiefs) and formal representatives (e.g. senators).

Other considerations to be taken into account through the stakeholder engagement process for the Project are outlined in detail in the SEP.

Consultations with stakeholders were undertaken during the preparation of the Project and relevant E&S instruments, including the RF. A total of 108 separate stakeholder groups across the four States were engaged during Project preparation, including:

- National – 4 Government;
- Kosrae – 17 Government; 15 Communities groups; 7 'Other' stakeholders;
- Pohnpei – 10 Government; 2 Communities groups; 2 'Other' stakeholders;
- Chuuk – 22 Government; 3 Communities groups; 6 'Other' stakeholders; and
- Yap – 4 Government; 12 Communities groups; 4 'Other' stakeholders.

A total of 42 consultation meetings were conducted from 30-Jul-2020 to 12-Nov-2020 across all four States. Information presented, and feedback provided by the stakeholders along with how the issues are addressed by the Project are set out in the SEP. A summary of stakeholder engagement activities undertaken is outlined in the SEP Appendix C, while consultation meeting minutes are provided in the SEP Appendix D.

The final draft of the RF, along with the other E&S Instruments, was made available by DoTC&I to key stakeholders in each State to review and provide comment prior to the documents being finalized. The final RF and other E&S Instruments are to be publicly disclosed on the WB website (www.worldbank.org) as well as relevant FSM government websites (www.dofa.gov.fsm).

In addition, Stakeholders are to be regularly informed and updated on the PRIME Project throughout by way of consultation meetings and public notices (e.g. radio, newspaper etc, as appropriate), and signs and/or notice boards are to also be erected at the works site. Details of disclosure activities and requirements are set out in the SEP.

7. Grievance Mechanism

7.1 Introduction

7.1.1 Purpose and Objectives

There is a possibility of grievances arising from technical advisory, design, institutional strengthening, construction or operation impacts from activities associated with the PRIME Project.

The primary objective of grievance management is to allow those who believe they are impacted by the PRIME Project including those affected by land clearing or land acquisition for the Project to express concern/issues and seek satisfactory resolution to grievances they may have relating to Project activities, impacts as well as compensation and assistance measures. Other objectives include:

- Receive, evaluate and facilitate the resolution of affected people's concerns, complaints and grievances about the environmental and social performance and gender issues including gender-based violence.
- Provide an accessible, time-bound and transparent mechanism for Aggrieved Party's (APs) to voice and resolve environmental and social concerns linked to the PRIME Project.
- Address concerns promptly and effectively in a transparent manner that is culturally appropriate and readily accessible to all APs at no cost and without retribution (confidentially).
- Ensure transparency in all dealings with communities and that redress mechanisms for grievances are clearly spelt out.
- A feedback system is in place to ensure that all commitments by DoTC&I, State agencies and the construction Contractors are kept.

Grievances are likely to be include:

- **Environmental issues** – such as excessive dust or noise generation, accidental spills, Contractor malpractice, excessive vegetation clearance, etc.
- **Social Issues** – such as dissatisfaction regarding land and/or asset disturbance entitlements or valuation, temporary or permanent loss of livelihoods, changes to land access and associated issues, damages to infrastructure due to construction related vibrations or transportation of raw material, noise, traffic congestions, disruption of services, insensitive social interactions by Contractor with local populations, child labor, human trafficking (HT), gender based violence (GBV) and other social and cultural issues.

Should such situation(s) and/or issues arise, there must be a mechanism through which affected parties can resolve such issues in an efficient, unbiased, transparent, confidential timely and cost-effective manner. To achieve this objective, a Grievance Mechanism (GM) has been developed for the PRIME Project.

A separate GM will be developed for the specific labor related issues. This process will be set out in the Labor Management Procedure (LMP) which will be prepared for the Project prior to engagement of the Construction contractor.

A specific Grievance Mechanism (GM) pathway over and above the GM processes detailed below will be established for Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH) complaints for the Project to ensure survivor-centered approaches are applied, including the involvement of local GBV service providers. This SEA and SH specific GM requirements are currently being developed by a consultant on another WB FSM project with the results and recommendations integrated by the CIU Safeguards Team into the projects GM and will be finalized prior to the implementation of the PRIME Project.

7.1.2 Grievance Redress Principles

Those that have a complaint or that feel aggrieved by the PRIME Project will be allowed to communicate their concerns and/or grievances through an appropriate process. The GM, set out below, is to be used in the PRIME Project and will provide an accessible, rapid, fair and effective response to concerned stakeholders especially any vulnerable group who often lack access to formal legal regimes.

While recognizing that many complaints may be resolved immediately, the Complaints Register and GRM set out below encourages mutually acceptable resolution of issues as they arise. The GM is based on the following guiding principles:

- **Simplicity:** procedures in filing complaints are understandable to users and easy to recall.
- **Accessibility:** filing complaints is easy through means that are commonly used by stakeholders, especially by the Project-affected people.
- **Transparency:** information about the system is made widely available to all stakeholders and the general public.
- **Timeliness:** grievances are attended to and resolved in a timely manner.
- **Fairness:** feedback or complaints are validated thoroughly and subjects of complaints are given due process and opportunities for appeal.
- **Confidentiality:** the identity of complainants remains confidential.

In addition, the GM has been designed to be a legitimate process that allows for trust to be built between stakeholder groups and assures stakeholders that their concerns will be assessed in a confidential, fair and transparent manner.

The GM is to also enable continuous learning and improvements to the GM, through continued assessment to reduce potential complaints and grievances arising.

7.1.3 Eligibility

Eligibility criteria for the GM is to include:

- (i) Perceived negative economic, social or environmental impact on an individual and/or group, or concern about the potential to cause an impact;
- (ii) Clearly specified kind of impact that has occurred or has the potential to occur and explanation of how the Project caused or may cause such impact; and
- (iii) Individual and/or group filing of a complaint and/or grievance is impacted, or at risk of being impacted; or the individual and/or group filing a complaint and/or grievance demonstrates that it has authority from an individual and or group that have been or may potentially be impacted on to represent their interest.

Local communities and other interested stakeholders may raise a grievance/complaint at any time to the traditional and government elected officials. Affected local communities should be informed about the GM and how to make a complaint.

7.2 Grievance Redress Process

The GM for the PRIME Project is scaled to the risks and adverse impacts anticipated for the Project. If promptly addressed and using an understandable and transparent process that is gender responsive, culturally appropriate and at no costs and without retribution, the concerns and complaints of potentially affected people will usually be resolved.

The GM process is not a substitute for, or meant to impede access to, regular legal process but provides a simpler mechanism for complaint resolution. The GM will as far as practicable, try to resolve complaints and/or grievances on terms that are mutually acceptable to all parties. When making a complaint and/or grievance, all parties must act at all times in good faith and should not attempt to delay and/or hinder any mutually acceptable resolution.

If an Aggrieved Person (AP) is not satisfied with, or has a complaint about, an aspect of the Project (e.g. such as the mitigation or assistance provided) they have the right to lodge a grievance. While every effort should be made to resolve conflicts by mutual agreement of the parties involved, in some cases, arbitration and adjudication on disagreements and conflicts by an external mediator will be required.

For consistency, the GM for the PRIME Project is in-line with other GM instruments implemented in FSM under WB funded projects. This GM process is set out in Table 6-1 for grievance redress of social and environmental matters relating to the PRIME Project.

Table 6-1: PRIME Project Grievance Mechanism Process

Step	Process	Duration
1	The Aggrieved Party (AP) takes their grievance to the PRIME Project Implementation Unit (PIU) State Focal Point, Contractor, or contact through the FSM DoFA website or email. Relevant case information is recorded (e.g. Grievance Form, maps, notes of meetings, photos, etc). All grievances (both construction and non-construction related, and those related to SEA/SH/GBV) are to be either directly received by the PIU State Focal Point, or forwarded to the PIU State Focal Point (i.e. should grievances be received by the Contractor for construction related complaints).	Any time
2	Upon receipt of the grievance the PIU State Focal Point is to screen the grievance to assess whether it is related to the PRIME Project, or environmental and social issues. Non-eligible grievances (i.e. those not Project related) are then to be referred to the relevant agency to follow up, if appropriate.	Within 1 day of grievance lodged
3	The PIU State Focal Point will endeavor to resolve any complaint/issue immediately, both construction and non-construction related grievances. If satisfactorily resolved the incident and resultant resolution/corrective action will be logged and reported to the PIU Project Manager, and copied to the Central Implementation Unit (CIU) (Program Manager and Safeguards Team).	Within 2 weeks of grievance lodged
4	If unsuccessful (i.e. AP is not satisfied), the PIU State Focal Point will refer the AP to the PIU Project Manager and the Central Implementation Unit (CIU) Program Manager and Safeguards team to address and resolve the complaint. The proposed corrective action is to be reported back to the AP for agreement.	

Step	Process	Duration
5	Where the complaint has not been resolved, the PIU Project Manager will refer the grievance to the DoTC&I Project Management Unit (PMU) for his/her action/resolution. The PIU Project Manager will log the details of issue and resultant resolution status (copy CIU Project Manager and Safeguards Team).	
6	If the matter remains unresolved, or the AP is not satisfied with the outcome, the DoTC&I PMU refers the matter to the Project Steering Committee (PSC) for a resolution. The PIU Project Manager will log details of issue and resultant resolution status (copy CIU Project Manager and Safeguards Team).	Within 1 month of grievance lodged
7	Once the agreed corrective actions are implemented, and the PIU Project Manager notifies the claimant of the result in writing.	Within 1 week of resolution
8	If it remains unresolved or the complainant is dissatisfied with the outcome proposed by the PSC, the AP may refer the matter to the appropriate legal or judicial authority. A decision of the Court will be final.	Within 3 months of grievance lodged (where possible)

Steps 1 to 5 should be undertaken immediately (i.e., as soon practicable). Where the matter is referred to the PIU Project Manager, a resolution should be sought within two weeks. If unsuccessful and the matter is referred to the Project Steering Committee (PSC), this should occur within a month. The PIU Project Manager shall report back the outcome of the resolution to the AP within one week total of the corrective action occurring.

The PIU State Focal Point will be the grievance focal point and receive, record and report on Project related concerns. If the complaint/grievance relates to a Contractor activity, the Project will ensure the Contractor remedies any damage, pays compensation for damage or loss, etc. Use of community leaders and customary methods of conflict resolution is encouraged and utilized if and when appropriate – on a case-by-case basis.

A complaints register will be maintained and will show the details and nature of the complaint, the complainant's name, the date and actions taken as a result of the investigation (outlined further below).

Any grievance related to corruption, any unethical practice including human trafficking, GBV, prostitution etc needs to be managed confidentially through the following process:

- (i) The AP take their grievance to the relevant PIU State Focal Point whom will immediately notify and refer the grievance to the Municipal, State and/or National Police.
- (ii) The PIU State Focal Point notifies the PIU Project Manager whom notifies the DoTC&I Project Management Unit (PMU) and CIU (Program Manager and Safeguards Team).
- (iii) If the grievance includes human trafficking, prostitution and other similar illegal activities of this nature the PIU Project Manager will notify the State and National legal offices (e.g. Department or Justice) and report the incidence.
- (iv) Resolution of these grievances will be the responsibility of the legal systems within each state and or national agencies as dictated by state and national law. In these cases the Projects grievance mechanism will ensure the above due diligence is enacted and due process is documented with the grievance given a complaint

number and recorded. Confidentiality associated with all criminal cases must be compliant and follow State and National laws.

The PIU Project Manager will review and amend the GM process, where appropriate and make adjustments to consultations, the GM, community engagement, Project implementation and other aspects as necessary to avoid future complaints and grievances if and when required.

7.3 Disclosure of Grievance Mechanism

It is important to ensure that all stakeholders including local authorities and community members in the vicinity of the identified works are informed of the Project's GM process throughout the full duration of the PRIME Project including construction and non-construction components such as during preparation of any works specific management/land access plans, and prior commencement of any civil works.

This information should include their rights regarding potential land/asset impacts and environmental degradation, the grievance process, and guidance on relevant steps to lodge a complaint.

The Grievance Process is to be introduced during all stakeholder engagement activities and on websites including stakeholder consultation meetings to ensure that all relevant stakeholders are aware of this procedure and the specific steps to be taken for lodging a complaint.

The GM, along with key E&S documents (such as frameworks, land access plans, management plans, ESIA's) prepared for the Project, will be publicly disclosed on relevant websites (www.worldbank.org and www.dofa.gov.fsm) as draft and final documents.

Prior to the start of construction activities, signs will be erected at the work sites (in the appropriate local language) providing the public with updated Project information and summarizing the GM process including contact person details.

7.4 Record Keeping and Reporting of Grievances

7.4.1 Grievance Record Keeping

All complaints or grievances submitted will require the completion of a Grievance Claim Form which will include the following information:

- (i) Name of the complainant;
- (ii) Address (including village name);
- (iii) Name of the person filling in the Grievance Claim Form (if not the complainant);
- (iv) Full description of complaint issue, including background, sketches and maps where appropriate;
- (v) Description of the requested corrective action;
- (vi) Date of grievance submission; and
- (vii) Signature of complainant, the person filling in the form and the person who received the form.

If assistance is required, the claimant can request help with a verbal grievance to complete the form from the Contractor or PIU State Focal Point (where appropriate). Grievances claim forms can also be submitted electronically through the FSM DoFA website or email.

Each grievance record is to be allocated a unique number, reflecting year and sequence of received complaint (e.g. 2021-01, 2021-02 etc). Complaint records (letter, email, record of conversation) should be stored together electronically or in hard copy. Each complaint/grievance is assigned a specific person responsible for its management and close out.

All grievances (both construction and non-construction related, and those related to SEA/SH/GBV) are to be either directly received by the PIU State Focal Point or forwarded to the PIU State Focal Point (i.e. should grievances be received by the Contractor for construction related complaints).

Upon receipt of the grievance the PIU State Focal Point is to screen the grievance to assess whether it is related to the PRIME Project or environmental and social issues. Non-eligible grievances (i.e., those not Project related) are then to be referred to the relevant agency to follow up, if appropriate. If the complaint is related to SEA/SH/GBV, the relevant GM (once developed) is to be followed including the involvement of local GBV service providers.

Language barriers and insufficient literacy levels shall also not prevent any persons from lodging a complaint. The Grievance Claim Form shall be written in English and the appropriate language for that FSM State, and disclosed during consultation.

Complaints or grievances are to be recorded in a Complaints Register held locally by the PIU State Focal Point with a copy also kept centrally by the CIU Safeguards Team. The register is to clearly indicate whether an issue has been resolved or is still outstanding. The following records generated by this procedure will be stored in hard copy at the site office and in electronic format:

- Grievance Claim Forms;
- Letters of request;
- Memorandums of field investigations, consultations and meetings; and
- Photographs, maps, drawings.

If an issue has been resolved, the register will include the following information:

- Completed Grievance Resolution Form;
- Action taken (including evidence of action taken, i.e. photographs, receipts, etc.);
- Date of resolution; and
- Signature of complainant and person responsible for issue resolution.

7.4.2 Reporting and Evaluation

A report on the status of all reported grievances will need to be provided by the PIU Project Manager to the DoTC&I, PMU and CIU Safeguards Team on a monthly basis. This information is also to be included in the Project's regular reporting requirements to the WB. The scope of this regular grievance reporting shall include:

- Total number of complaints/grievances received.
- Total number resolved.
- Total number under investigation/not yet resolved.
- Total number not yet resolved and also exceeds the recommended close out time of 1 month or 3 months.
- Short paragraph on any significant grievances currently not yet resolved and any risks to Project implementation.

If there are more than 30 complaints/grievances recorded, the PIU Project Manager may decide to investigate any patterns or repetition of issues that need addressing. The PIU Project Manager may decide to get an independent consultant to review and provide advice.

7.4.3 Contact Details

Anyone can ask for information on the Project, express a concern, make a complaint (grievance) or get in touch with the Project for any reason. Complaints/concerns can be anonymous and are to be treated confidentially.

Specific persons and contact details both nationally and at the State level will be identified as the Project develops, communicated where ever the GM is presented and at suitable locations in the vicinity of physical works and updated accordingly throughout the Project.

8. Institutional Arrangements, Responsibilities and Implementation

8.1 Institutional Responsibilities and Structures

The realization of a successful livelihood restoration and compensation program will require the full participation of Project relevant implementing agencies in collaboration with National, State and Municipal Government Officials. The responsibility to implement all commitments in the RF along with any works specific land access procedure plans/reports prepared will be distributed between these stakeholders.

The relevant institutional structures to be either utilized (for existing institutions) or established for the PRIME Project including roles and responsibilities are shown in Figure 8-1 and described below.

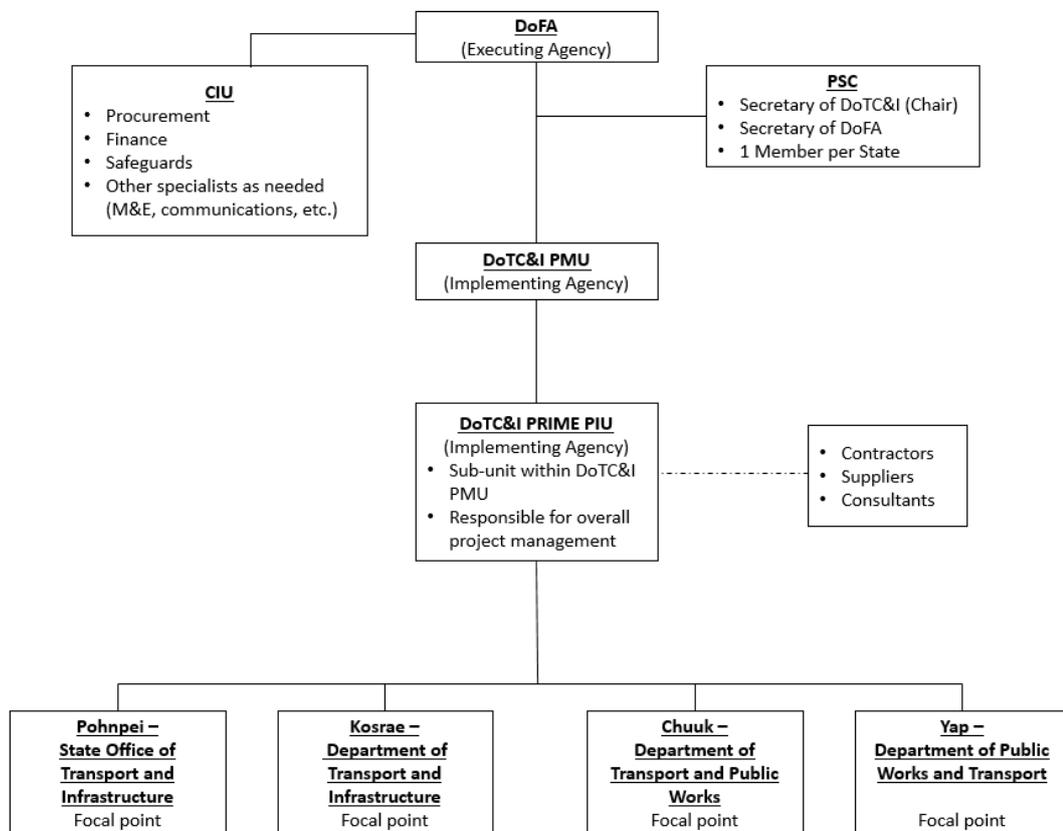


Figure 8-1: Implementation arrangements for the PRIME Project .

8.1.1 Coordination among the National and State Governments and Departments

The PRIME Project is designed to work with the National GoFSM and with each of the four State Governments and will be implemented over a five-year period following project effectiveness. DoFA will be the Executing Agency (EA) while National DoTC&I will be the Implementing Agency (IA) working closely with each of the four States.

As the PRIME Roads fall under the jurisdiction of the relevant State Governments, Project Implementation Agreements (PIAs) with each of the States will also be required to help govern the PRIME activities in each State, with one PIA for each of the following groups:

- (a) National DoTC&I, Kosrae State Government and Kosrae Department of Transport and Infrastructure;
- (b) National DoTC&I, Pohnpei State Government and Pohnpei State Office of Transport and Infrastructure;
- (c) National DoTC&I, Chuuk State Government, and Chuuk State Department of Transport and Public Works; and
- (d) National DoTC&I, Yap State Government, and Yap State Department of Public Works and Transportation.

PIAs will be executed prior to the commencement of Project activities under Component 2 to ensure clarity and agreement between all relevant parties on implementation roles and responsibilities.

As each road authority is under its respective State's control and to ensure good technical coordination, focal points will be appointed in each State to work on and manage day-to-day PRIME activities associated with its land transport sector and to liaise with the National DoTC&I.

Within the National GoFSM, DoTC&I has a project management unit (PMU) that has responsibility for the delivery of Overseas Development Assistance funded infrastructure projects (including the World Bank, Asian Development Bank, United States Federal Aviation Administration, People's Republic of China and the United Nations) with the exception of energy (managed by the Department of Resources and Development) and telecommunications (managed by the DoTC&I Communications Division). The primary focus of the PMU is on program management with day-to-day project management tasks deferred to project implementation units.

A PRIME PIU will be established within DoTC&I. All contracts with consultants, contractors and suppliers will be signed by the DoTC&I Secretary with the administration and contract management tasks of the contract being implemented by the PIU as their day to day responsibility. The DoTC&I Secretary will sign off on all consultant and contractor invoices and authorize CIU to make payments.

During project implementation, the DoFA Centralized Implementation Unit (CIU) Safeguards Team will assist DoTC&I with the environmental and social aspects.

Both the CIU and DoTC&I are existing units, and are familiar with WB ESF and project-specific environmental and social risk management instruments from their experiences with other WB-funded projects.

8.1.2 PIU Implementation Support

The PIU will coordinate the implementation of the PRIME Project with DoTC&I management, DoTC&I PMU, DoFA CIU, PIU State Focal Points, and the State transport agencies in a manner that is to be set forth in the PIAs that outlines the roles of each organization. The PIU will also be responsible for preparing and implementing the Project in accordance with annual work plans and budgets which will detail the Project's activities and eligible expenditures. The PIAs will clarify, among other things, the necessary state and intra-government cooperation and support necessary for the Project.

The PIU will have overall supervision of RF implementation. Environmental and social risk management will also be the responsibility of the PIU, supported by the CIU Safeguards

Team. The PIU will ensure the availability of an appropriate budget for RF implementation including the payment of compensation if required.

8.1.3 CIU Implementation Support

The already established CIU within the DoFA, the PRIME Project Executing Agency (EA), is a functional unit that supports the implementation of the WB portfolio and includes an environmental and social Safeguards Team.

In order to provide strong and efficient support throughout FSM, the CIU provides support to core implementation functions needed for all WB portfolio projects in FSM including, but not limited to, procurement, financial management, social and environmental risk management, monitoring and evaluation, as well as outreach and communications. The CIU team members responsible for these functions report to the CIU Program Manager and provide services and hands on support to the PRIME Project Implementing Agency (i.e., DoTC&I) for preparation, implementation and capacity building activities. The CIU will be supported during project implementation by environmental and social consultants for due diligence, community engagement and instrument preparation as needed. Project implementation responsibilities however remains with the IA (DoTC&I).

8.1.4 Role and Composition of the PSC

To ensure the four States are adequately represented in decision making process, a Project Steering Committee (PSC) will be established and chaired by DoTC&I. Recent experience from the existing FSM Maritime Investment Project (FSMIP) suggests that ensuring the appropriate representation of all parties in the Project Steering Committee (PSC) will be critical for success. The FSMIP project PSC structure could be considered.

The Secretary of DoFA will be a member, along with a member appointed by the Governor of each of the four States. The PSC will provide general oversight and policy direction to PRIME Project stakeholders during Project implementation, convene key stakeholders in the event of disagreement and periodically review Project progress. The PSC will have a role in determining priorities for allocating Project funds after the completion of the VA and CRRS studies.

8.2 Implementation Roles and Responsibilities

The management, coordination and implementation of the RF and its integral tasks will be the responsibility of the PRIME PIU with support from the CIU Safeguards Team.

It will be important for the PIU and other implementing agencies to ensure that the institutional capacity is in place before implementation of the RF commences. Some of the main shortcomings of livelihood restoration projects include:

- (i) Lack of funds for planning, compensation, development and follow-up monitoring; and
- (ii) Lack of experience in framework implementation due to the absence of qualified staff and experience in dealing with livelihood restoration and compensation.

The proposed organizational structure and management functions for implementing the RF is described below. While the DoTC&I and DoFA may decide to adapt this structure according its needs and funding, it is emphasized that the various components listed and described below should be represented in the organizational structure in order to successfully implement the RF.

8.2.1 PIU Project Manager and Project Officer

The PIU will be initially staffed with a PIU Project Manager, and a Project Officer, based in Pohnpei (National Government DoTC&I) with additional PIU support to be recruited (such as State level or administrative support) as required.

The PIU Project Manager will be responsible for working collaboratively with all national level stakeholders and overseeing all State level livelihood restoration and assistance and stakeholder consultation activities with support from PIU State Focal Points.

The PIU Project Manager will also be responsible for the following tasks in relation to implementation of the RF with support from the CIU Safeguards Team as required:

- Approve the content of any future revisions to the RF based on technical review and recommendations by CIU;
- Initiate the commencement of, and review the content of, the E&S screening forms and report to be undertaken by the CIU Safeguards Team (or a E&S consultant);
- Approve content of any Land Access Plans (or ARAP) prepared for specific works;
- Implement and monitor all stakeholder engagement strategies/plans for the Project;
- Coordinate, facilitate, and where appropriate participate, in face-to-face stakeholder meetings including with PAPs and Land Commission with on-the-ground support from the PIU State Representative, and CIU Safeguards Team;
- Facilitate (with support from the CIU Safeguards Team) and approve the outcomes for the IOL survey, and oversee maintenance of IOL database;
- Facilitate land access negotiations including Voluntary Land Donation (VLD) or land acquisition (if required), and asset relocation/assistance;
- Support the Land Commission to facilitate the valuation of land and/or assets if compensation is required;
- Oversee relocation, reinstatement or any impacted assets and transfer of land certificate of title; and
- Prepare monthly and quarterly monitoring reports.

Efforts are to be made to keep stakeholders, including PAPs, informed on Project progress including establishing a direct line of communication between to the PIU Project Manager as the key stakeholder contact points. The PIU Project Manager can then direct stakeholder contact to any other appropriate Project implementation groups (e.g. PIU State Focal Points, CIU Safeguards Team, design consultants, E&S consultant and contractor) as appropriate. This direct line of contact to the PIU Project Manager will allow for on-going updates and discussions outside of formal consultation activities and allow for stakeholder concerns and suggestions to be taken into account as they arise.

The Project Officer is to provide assistance and support to the Project Manager on the above.

8.2.2 PIU State Focal Points

A focal point in each State will be appointed by the PIU to work on and manage day-to-day activities for the PRIME Project such as coordinating implementation of specific

Component 2 works. The PIU State Focal Point is likely to be appointed from within the State Department of Transport and Infrastructure (or Department of Transport and Public Works' in Chuuk and Yap).

The PIU State Focal Point will report directly to the PIU Project Manager, and act as the key contact person for stakeholder enquires in each State with oversight from the PIU Project Manager and CIU Safeguards Team, as appropriate.

Any PIU State Focal Points appointed should be suitably qualified with good communication skills to undertake a range of stakeholder engagement activities and be appropriately trained in the needs of the Project.

The PIU State Focal Point will also be responsible for the following tasks:

- Oversee all State level stakeholder engagement related activities for the Project;
- Manage the grievance mechanism at the State level, including receiving, screening, resolving for forwarding grievances (e.g. to PIU Project Manager, CIU Safeguards Team or others), as appropriate;
- Interact with related and complementary support activities that require *ad hoc* or intensive stakeholder engagement (community development and land acquisition/resettlement planning and implementation);
- Act as mediator between the Contractor and stakeholders;
- Support CIU Safeguards Team (or E& S consultant/s) to undertake E&S screening for Component 2 works;
- Participate in IOL for land and/or assets impacted by works; and
- Proactively identify stakeholders, Project risks and opportunities (with support from the CIU Safeguards Team) and inform the PIU Project Manager to ensure that the necessary planning can be done to either mitigate risk or exploit opportunities.

8.2.3 PIU Project Assistant

The PIU will require a Project Assistant to be recruited to provide support to the Project by ensuring all administrative requirements are managed effectively. Main responsibilities are to include:

- Document management, including capture and filing (physical and electronic) of stakeholder and PAP documents and records.
- Database management, including:
 - Continuously update stakeholder and PAP information (contact details, organizational details, designation, engagement activities); and
 - Continuously update grievance information (grievance records, grievance database, agreements, meeting registers).
- Logistics management;
- Support with arranging accommodation and traveling where required; and

- Assist with printing of materials to be used during stakeholder meetings (posters, pamphlets, Project Summary Documents, letters, attendance registers, maps, newsletters etc).

8.2.4 CIU Safeguards Team

The existing DoFA Centralized Implementation Unit (CIU) provides support for all WB portfolio projects in FSM including, but not limited to, procurement, financial management, environmental and social risk management, monitoring and evaluation, as well as outreach and communications.

The CIU Safeguards Team currently undertakes a range of stakeholder engagement activities as part of its portfolio of WB funded Projects and has existing relationships with a many of stakeholders in each State which will be important to utilize for the PRIME Project. The CIU will be supported by environmental and social consultants throughout project implementation as needed.

In relation to implementation of the RF, the PIU will require support from the CIU Safeguards Team in particular for capacity building and E&S technical support throughout the Project and to ensure the RF is implemented appropriately and is consistent with the requirements of ESS5.

In relation to implementation of the RF, the CIU Safeguards Team will be responsible for:

- Ensuring the E&S risk screening is undertaken for each Component 2 works (with local support from PIU State Focal Points);
- Applying the ESMF and other instruments to all Components, including review of Technical Advisory Terms of Reference (TOR) and draft and final outputs;
- Prepare, or oversee the preparation of, *Land Access Due Diligence Reports* or *Voluntary Land Donation Reports*, for the works, including the preparation of TOR, selection of consultants, and review of draft and final outputs;
- Support external consultants to prepare any ARAPs required, and review and provide recommendation to PIU Project Manager for approval;
- Supervise physical works, carry out audits, IOLs etc;
- Manage grievances and EHS incidents as required, providing technical support to resolving issues and incidents;
- Storing data (including grievance records), collating and interpreting stakeholder feedback and providing details to PIU, DoTC&I, design team and others as necessary;
- Provide E&S reporting on a quarterly basis as part of WB reporting;
- Assist to obtain all relevant permits from EPA, KIRMA and federal agencies; and
- Providing technical and capacity building support to the PIU and other project implementing agencies on the implementation of instruments, as the PIU does not contain E&S expertise.

The CIU Safeguards Team may need additional social and environmental risk management support to implement the growing WB portfolio in FSM including the PRIME Project. Specialist consultants may be required on an *ad hoc* basis by the CIU to prepare

environmental and social assessments, E&S instruments and/or to conduct specialist supervision or monitoring services.

8.2.5 Civil Works Contractors

The Contractor engaged to undertake road works construction will be responsible for undertaking stakeholder engagement related to construction of the specific physical works, as well as implementing any environmental and social protection and mitigation measures as outlined in their Terms of Reference and accompanied instruments (e.g. CESMP). Specifically the Contractor is required to:

- Support the PIU State Focal Points in engaging with stakeholders relating to communicating the scope and timing of works (either by attendance at meetings, installation of notice boards, door knocks/letter drops, etc.);
- Negotiation with landowners/users in relation to temporary use of land required for construction relation activities (e.g. laydown and storage/stockpile areas, worker camps, amenities, etc.) and assessment of temporarily used land after reinstatement/restoration to a condition acceptable to the land owner;
- Negotiation with landowners regarding relating/reinstalling physical assets (such as fences, walls etc) located directly within the Project footprint; and
- Receiving complaints and grievances by stakeholders and forwarding to the PIU State Focal Point during works construction, and resolution of grievances if they are related to the Contractor (in coordination with the PIU).

8.2.6 Land Commission (or State delegated authority)

The responsibility for administration of land tenure in each State rest with the Land Commission or State relevant delegated authority (such as Court of land Tenure in Pohnpei, of Division of Lands in Yap) as described in Section 3.2.

The role of the Lands Commission during implementation of the RF is as follows:

- Review outlined plan of works, provided by PIU, to identify owners of land where land loss could potentially occur, by undertaking a search of land ownership and registered users rights in the vicinity of the works;
- Undertake land and asset valuation, and development of standard compensation rates for the PRIME project, with support from the PIU or an independent valuer (if required);
- Support the PIU and CIU Safeguards Team to undertake stakeholder consultation in relation to proposed entitlements, compensation and valuation processes and methodology;
- Support the PIU to negotiate VLD with potentially affected land and/or asset owners identified;
- Support the PIU and CIU Safeguards Team to complete any compensation payments required prior to the commencement of any construction activities, including land preparation (e.g. vegetation clearance);
- Prepare a Sale and Purchase Agreement, in the case of transfer of freehold or customary land through involuntary acquisition based on the assessed replacement value; and

- Ensure any transfer of land titles required for the Project (either via VLD or land acquisition) follow the appropriate State process and are completed prior to construction commencing.

8.2.7 Council of Chiefs

The FSM Constitution has provision for the involvement of traditional leadership to be involved in decision making processes. To support this, a Council of Chiefs consisting of traditional leaders and elected representatives is provided for in both the national and State Constitutions.

The role of the Council of Chiefs in implementing the RF is as follows:

- Involvement in stakeholder engagement activities led by the PIU (and other relevant Project related groups) relevant to their respective communities, and disseminating key messages from this engagement to their communities;
- Facilitating specific stakeholder engagement and consultation activities between the PIU (and other relevant Project related groups) and the community, including PAPs, related to specific works activities including land access negotiations (e.g. VLD and temporary land use by construction Contractor);
- Review and provide consent for any negotiated Sale and Purchase Agreements prepared by the Land Commission;
- Communicating community grievances to the PIU, where appropriate; and
- Support the PIU in resolving grievances where they relate to complaints raised by members of their community, including facilitating one-on-one where required.

8.3 Implementation Process

All activities for implementing the RF including any land access plans (i.e. LADDR, VLDR and ARAPs) required will be completed prior to any construction activities for the works. The PIU, assisted by CIU Safeguards Team and the Land Commission, is to also satisfactorily complete any required compensation payments prior to construction and lands are to be free of all obstructions before WB is requested to provide its “No Objection” for the award of the civil works contract. In support of a claim for satisfactory compliance, PIU will submit the following duly authenticated documents to the WB for the works:

- List of Project Affected Persons (PAPs) and their corresponding entitlement/compensation (if any);
- Copy of Project Summary Documents distributed to PAPs;
- Evidence of holding account existing with disputed compensation payments deposited;
- Minutes of consultations with PAPs including details of gender or vulnerable groups;
- Individual agreement on entitlements/compensation reached with the PAPs, if applicable; and
- Journal voucher(s) or equivalent document(s) showing the completion of entitlements/compensation provided to PAPs.

Where Voluntary Land Donations (VLD) are the method of securing land, the PIU will ensure that the agreed VLD Protocol is followed and VLD forms, translated into the local

language, are duly signed and witnessed supported by the VLD Report and the following documentation:

- Reports of consultations (including minutes of meetings) carried out during close out of the VLD process;
- List of participants; and
- Photographic evidence of meeting and signing ceremony.

The WB will issue its “No Objection” for the award of civil works contract should it be satisfied that PIU has satisfactorily completed the implementation of the RF.

The roles of relevant agencies in implementing the RF is outlined in Table 8-1.

Table 8-1: RF Implementation Responsibilities

Activities	Agency Responsible
Disclosure and public consultation for PRIME Project preparation.	PIU, with support from CIU Safeguards Team
Coordinate and/or undertake Stakeholder engagement and consultation throughout PRIME Project.	PIU, with support from CIU Safeguards Team
Implement and monitor all stakeholder engagement strategies/plans and activities required for the Project.	PIU, with support from CIU Safeguards Team
E&S risk screening for works, including initial screening after VA/CRRS, and detailed screening during preliminary design.	CIU Safeguards team (or E&S consultant)
Technical advisory into design process based on E&S screening.	CIU Safeguards team
Identify landowners and registered users with rights in the vicinity of the works.	Land Commission, with support by PIU and CIU Safeguards Team
Land access negotiations, including VLD or land acquisition (if required), and asset relocation/assistance with PAPs.	PIU, with support from CIU Safeguards Team, Land Commission and Council of Chiefs
Preparation of Land Access Procedure documents (LADD, VLDR or ARAPs) for specific works.	CIU Safeguards Team (or E&S consultant)
Prepare Terms of Reference (TOR) for external consultants (should they be required to prepare any Land Access Procedure documents (e.g. ARAP)	CIU Safeguards Team
Obtain all relevant permits from EPA, KIRMA and federal agencies.	PIU, with support from CIU Safeguards Team
Facilitate and approve the outcomes for the inventory of losses (IOL) survey.	PIU, with support from CIU Safeguards Team, Land Commission, Council of Chiefs
Oversee maintenance of IOL database.	PIU, with support from CIU Safeguards Team
Land and asset valuation, and development of standard compensation rates.	Land Commission (or independent valuer), with support by PIU
Consultation on proposed entitlements, including financial compensation and methods of valuation.	PIU, with support from CIU Safeguards Team and Land Commission
Complete any compensation payments required, prior to the commencement of any construction activities.	DoTC&I, with support from DoFA and Land Commission

Activities	Agency Responsible
Transfer of land certificate of title, and preparation of Sale and Purchase Agreement (if required).	Land Commission, with support from PIU, and CIU Safeguards Team
RF monitoring and reporting including monthly and quarterly reports, including internal audits.	PIU, with support from CIU Safeguards Team
Preparation of tender bid documents and TORs, including requirement for Contractor ESMP (CESMP).	PIU, with support from CIU Safeguards Team
Tendering and award of civil works.	PIU, with support from CIU Safeguards Team
Confirm 'No Objection' for the award of civil works.	WB
Preparation of Contractor CESMP (including ESCP, WMMP, SMP, TMP, SIP, CHSP, OHSP etc.) as required.	Contractor (to be reviewed and approved by PIU and CIU Safeguards Team)
Clearance of Contractor CESMP prior to works starting.	PIU, with support from CIU Safeguards Team
Negotiation with landowners/users in relation to temporary use of land required for construction relation activities (e.g. laydown and storage/stockpile areas, worker camps, amenities, etc.).	Contractor with support/oversight from PIU and CIU Safeguard Team
Assessment of temporarily used land after reinstatement/ restoration to a condition acceptable to the land owner.	Contractor with support from PIU and CIU safeguard team
Relocation, reinstatement of any impacted assets (such as fences, walls etc) located directly within the Project footprint.	Contractor with PIU, with support from CIU Safeguards Team
Supervision, including monitoring / auditing of Contractors implementation of the ESMP.	PIU, with support from CIU Safeguards Team
Grievance mechanism, including receiving, screening, resolving and/or forwarding grievances, as appropriate.	PIU, with support from CIU Safeguards Team, Contractor, Council of Chiefs
Technical advisory throughout Project, including <i>ad hoc</i> capacity building of PIU, Contractor etc, as required.	CIU Safeguards Team

9. Budget and Financial Arrangements

Funding requirements for compensation and assistance to affected persons will be set out in the respective *Abbreviated Resettlement Action Plans (ARAPs)* along with resource requirements for implementation. Compensation rates will be based on replacement cost values (as outlined in Section 5.3.3). All compensation and assistance will be provided in full prior to commencement of works in any affected areas.

The costs of implementing the RF requirements including payment of any financial entitlements is the responsibility of the GoFSM as its counterpart contribution to the PRIME Project to be provided by DoFA.

PIU and DoFA shall ensure that the total cost of RF implementation, including entitlements and compensation (both time input, material and cash payments), are budgeted for and shall cover the following:

- (i) Project disclosure;
- (ii) Stakeholder engagement, including public consultations and focus group discussions; and
- (iii) Internal monitoring and implementation of the RF and land access plans.

In addition, the DoFA and PIU will cover contingencies for the total entitlement, compensation and administrative cost and will ensure timely availability of adequate budget to implement the respective ARAPs.

While the types of activities and investments to be carried out under the PRIME Project are known (refer Section 2.3), the extent of the works that can be completed will depend on the results of the VA and CRRS to be carried out under Component 1.

An indicative budget of US\$220,000 has been estimated for the GoFSM to implement the risk management requirements of the RF over five years as outlined in Table 9-1.

Table 9-1: Indicative budget for implementing the RF. Responsibilities

Item	Description	Amount (US\$)
Miscellaneous stakeholder consultation meetings and workshops, including travel.	Includes venue, refreshments, printing etc for numerous meetings across all four States through Project. Includes travel for key PIU and CIU staff from Pohnpei to other States, and travel for the PIU Focal Point within each State (including flights, car hire, fuel etc). ¹⁵	\$70,000
Land acquisition and asset relocation costs.	Indicative lump sum amount to cover likely and acquisition and asset relocation costs. The exact amount required will be based on entitlements as per the entitlement matrix and replacement costs valid at time of ARAP implementation, to be determined once scope of works, area of land required, and process for securing are known. ¹⁶	\$100,000
Development of standard compensation rates for Project	Engaging a local land valuation consultant, to update or develop (where they do not exist) standard compensation rates in each State.	\$10,000

¹⁵ Assumed travel for international CIU Safeguards Team member/s to be covered under DoFA CIU budget.

¹⁶ Assumed surveying of land required for IOL included under design and supervision consultant budget.

Item	Description	Amount (US\$)
Resolution of grievances through GM	Indicative lump sum amount to cover the resolution of any grievances raised during the Project.	\$20,000
	Contingency (10%)	\$20,000
	PROVISIONAL SUM	\$220,000

Budget of PIU staffing requirements (including Project Manager, Project Officer, Project Assistant and State Focal Points) is outlined in the ESMF and has not been duplicated here. Additionally, budget for the CIU Safeguards Team is provided by DoFA to support the full portfolio of donor-funded projects in FSM (including the PRIME Project).

The PIU, with support from the DoFA, is responsible for paying compensation for land acquisition and asset relocation (should it be required).

Preparation of the Land Access Procedure documents is the responsibility of the CIU Safeguards Team, however should international E&S consultants need to be engaged to prepare specific plans (i.e. ARAPs) the CIU Safeguards Team is to prepare a TOR for these external consultants, and the engagement of these consultants will be funded by WB (estimated to be approximately US\$250,000).

Budget allocation for resettlement activities (such as replacement of assets and land acquisition) is to be assessed separately for each works based on surveys and consultations after the preliminary design stage, and cannot be fully know at this time. After completion of the detail design land and asset impacts can measured as part of the IOL. The exact budget required will be based on entitlements as per the entitlement matrix and replacement costs valid at time of ARAP implementation.

Where there are land disputes between two or more potentially affected landowners and the rightful beneficiaries cannot be confirmed except by the Court, DoFA will establish a holding account in a commercial bank into which payment for compensation will be lodged until the dispute is resolved satisfactorily. In this way, the WB can issue it's "No Objection" and works construction can begin without unnecessary delays.

10. Monitoring and Evaluation

Monitoring and evaluation is essential to ensure successful implementation of the livelihood restoration and compensation program as outlined in this RF. The success of the RF will be measured by how well it can achieve the overall objective of restored livelihoods at or above pre-Project levels.

The RF monitoring and evaluation program seeks to:

- 1) Provide information in a robust and clear analytical format which enables ongoing optimization of core livelihood interventions.
- 2) Document the progression of the program to successfully reach livelihood restoration result indicators.

10.1 Internal Monitoring and Reporting

The PIU, with support from the CIU Safeguards Team, will be responsible for establishing a monitoring program that will monitor, measure and assess the implementation and overall success of the RF and works specific land procedure reports/plans including identify issues and facilitate timely responses.

The PIU will be required to monitor and report on the effectiveness of the following:

- (i) Undertaking entitlement activities (e.g. relocation of secondary assets);
- (ii) Disbursement of compensation payments (include temporary land lease);
- (iii) Effectiveness of stakeholder consultation and participation activities; and
- (iv) Sustainability of livelihood restoration and development efforts among PAPs.

Monitoring will be based on frequent observations of works activities, preparation of necessary plans and reports, engagement and consultation with stakeholders (as directed by the SEP) and reviewing and reporting on any Project-related complaints and/or grievances.

Internal monitoring is to be reported quarterly by PIU (with support from CIU Safeguards Team) for the overarching PRIME Project, and monthly for the separate Component 2 works.

10.1.1 Construction Monitoring and Reporting

10.1.1.1 Monthly Reporting

During the active phase of livelihood restoration and compensation for each Component 2 works, the following key progress indicators are to be measured internally by the PIU on a monthly basis:

- (i) Percentage of the Project Footprint secured and entitlements issued (if appropriate);
- (ii) Numbers of households and individuals affected by works activities;
- (iii) Numbers of households and individuals likely to experience livelihood impacts (either by land and/or asset loss, or business income disruption) as a result of works activities; and

- (iv) Grievances (open, closed).

A brief monthly internal monitoring report will be prepared on this basis. The monitoring requirements set out in the ESMF should also be detailed in this monitoring report.

The results and findings from the monthly reports should be consolidated and summarized annually until the assistance and compensation process is deemed complete.

10.1.1.2 Works Completion Report

At the completion of physical works activities, a completion audit is to be undertaken to establish whether the commitments set out in the RF and subsequent procedure plans have been fully complied with during implementation, and whether livelihood restoration and compensation activities for that specific Component 2 works can be deemed complete.

This report should detail any issues and resolution encountered during Component 2 works implementation and any residual issues or management measures required. The report should also include photographs of site reinstatement.

The completion report will be carried out by the PIU, with support from the CIU Safeguards Team, and summarize whether the objectives set forth in the RF been achieved including:

- Identification of all affected people and identification of impacts;
- Fair and adequate entitlements to PAPs in order to works impacts;
- Timely delivery of entitlements, and in compliance with FSM legislation and WB safeguards;
- Have livelihoods been restored/improved; and
- Resolution of all identified grievances.

The monitoring requirements set out in the ESMF and CESMP should also be detailed in this Works Completion Report.

10.1.2 Quarterly PRIME Project Monitoring and Reporting

Quarterly monitoring reports are to be prepared for the PRIME Project by the PIU throughout the full Project duration including the following information:

- (i) Status of each activity and the related environmental and social risks, including a summary of the findings from monthly reports on physical works;
- (ii) Achievement of targeted indicators, including objectives attained and not attained during the period;
- (iii) Issues or problems encountered, complaints/grievances received and progress with resolving the grievances;
- (iv) EHS incidents, and progress with resolution and close out; and
- (v) Schedule for the next period.

10.2 Submission and Distribution of Monitoring Reports

The Quarterly Monitoring Reports, and Works Completion Report, are to be circulated to Project Stakeholders including DoTC&I, DoFA etc, and the WB for review and feedback, so they are aware of:

- (i) The RF implementation progress; and
- (ii) Any issues that may arise so as to take timely and appropriate action.

WB will provide implementation support for the PRIME Project on an on-going basis and visit FSM to monitor and evaluate progress. In country mission support or virtual support will be provided every three to six months to be timed for after submission of a quarterly monitoring report.

The PRIME Project will undergo a mid-term review by the WB no later than three years after the effective date of the Finance Agreement.

Appendix A State Land Registration Procedures

A.1 Land Registration Procedure - Kosrae

The procedure for land registration in Kosrae includes the following:

- a) *Designation of Registration Areas*: The Land Commission designates all registration areas for treatment within one year. All of the private land parcels on Kosrae are within designated areas.
- b) *Survey Exterior Boundaries of Individual Parcels in the Designated Areas*: The Division of Survey and Mapping surveys and maps all parcels within a designation area. Existing boundaries (monuments) are cleared and identified. New boundary markers are set if none exist.
- c) *Preliminary Hearing*: The Land Registration Team institutes a preliminary inquiry on the ownership and boundaries of the parcels. All immediate, local claims to the property are heard and recorded. Where common consensus can be reached, the parcel is recorded:
 - (i) by name of parcel and its description;
 - (ii) by name of person found to have lawful interest therein; and
 - (iii) the nature of the interest.
- d) *Adjudication of Claims by the Registration Teams*: If dispute over ownership or boundaries occurs, the registration team will adjudicate the problem. If the conflict in claim is difficult, the case is referred to the Commission and may be referred or appealed to the State Court for final settlement. Upon receipt of a registration team adjudication and the accompanying record the Commission may:
 - (i) affirm the adjudication making a determination of ownership;
 - (ii) return the records to the Registration Team with instructions for further hearings or other action;
 - (iii) may hold hearings itself and make a determination of ownership based on the records and the evidence received during its hearings.
- e) *Notice of Determination and Period of Appeal*: After a determination of ownership is given public notice is made, as prescribed in KSC Section 11.609(1), and an appeal period of 120 days is observed. The appeal for the Commission's determination of ownership is to the State Court.
- f) *Issuance of Title*: After the appeal period has elapsed without the filing of an appeal, or after the appeal(s) have been concluded, the Commission issues a certificate of title setting forth the names of each person holding an interest in the parcel pursuant to the determination, either as originally made or modified by judicial action. A certificate of title is conclusive upon a person who had notice of the proceedings and a person claiming under him and is prima facie evidence of ownership—except that a determined interest is subject to a public right-of-way over the property, and a lease or use interest not exceeding one year 2 KSC § 11.616.
- g) *Registry of Titles*: The Commission retains the original certificate of title in a permanent register. A duplicate certificate of title is issued to the landholder.

A.2 Land Registration Procedure - Pohnpei

The procedure for the registration of land in Pohnpei are as outlined below:

- a) *Designation of Registration Area*: The Court of Land Tenure first designates a land registration area or areas within which it believes it will be desirable and practicable to register lands. Because of the multiple requests for land registration from all municipalities of Pohnpei, all the lands of Pohnpei have been designated as Registration Areas. The process of claim determination, survey and mapping of parcels is ongoing throughout the municipalities of Pohnpei Proper.
- b) *Delineation of Land Registration Areas and Surveys of Plots and Boundaries*: Once the Court of Land Tenure has designated an area for registration the Chief of the Division of Land (previously the Department of Land) will cause delineation of the exterior bounds of the area to be registered, and will survey and map the plots (parcels) claimed within the area. During this process minor land and boundary disputes may be resolved by the field teams
- c) *Venue Hearings*: Initial or preliminary hearings are then held on all land claims within the registration area. Notice of such hearings must be posted in the respective municipality, as well as broadcasted on the radio, at least 30 days in advance of the Venue Hearing and in English and Pohnpeian (or the principal language of that municipality). Notice must also be served on the Soumas en Kousapw (a traditional authority within the Kousapw) and all adjacent landowners. Upon reaching a decision on a claim, the judge shall place on record the place name and the parcel number of the land with the Clerk of the Court of Land Tenure, along with all actions taken and decisions made with reference to settlement of the claim.
- d) *Disputed Claims Procedure*: If disputes arise during the course of settlement of the land claims with the judge assigned to the registration area, the disputed land claim may be assigned to a different judge in the Court of Land Tenure, or appealed to the Pohnpei Supreme Court.
- e) *Notice of Determination of Ownership*: Upon finalization of a decision of a land claim by the Court of Land Tenure, a ruling is issued in writing and notice of this ruling is given the same distribution as required for the preliminary venue hearing. The final decision on a land claim made by the Court of Land Tenure can be appealed to the Appellate Division of the Pohnpei Supreme Court by any aggrieved party within 90 days from the date of notice of determination.
- f) *Issuance of Certificate of Title*: After the time for appeal from a determination of ownership by the Court of Land Tenure has expired without notice of appeal, or after an appeal duly taken has been determined, the final survey and mapping of the parcel can be completed. Following final survey and mapping that reflects the boundary settlement, the Court of Land Tenure issues a Certificate of Title. The Certificate of title may be Fee Simple assigned as "Individual" or as "Tenants in Common."

A.3 Land Registration Procedure - Chuuk

The procedure for land registration in Chuuk are as follows:

- a) *Designation of Registration Areas*: Each year areas of the Chuuk municipalities are designated Registration Areas.
- b) *Dispatch of Registration Team*: The team speaks with all landholders in the registration area and encourages them to register their lands; notices are posted that publicize registration efforts and encourage property claimants to file claims or discuss claims with the registration team.
- c) *Preliminary Inquiry*: After notice of a claim to land is issued, a preliminary inquiry is held in the registration area. Land claims are then classified as either:
 - (i) disputed or
 - (ii) undisputed or uncontested claim.
- d) *Formal Hearing*: Following a preliminary inquiry, a formal hearing is held in the registration area to review and adjudicate claims. Evidence of ownership must be presented by claimant landholders. Disputes on ownership or boundaries are recorded with evidence and supporting testimony. After reviewing the claim, the Land Registration team makes a written recommendation to the Land Commissioners. If approval is not recommended the reasons for disapproval must also be in writing.
- e) *Determination of Ownership*: The Land Commissioners make a determination of ownership based on the evidence and testimony presented by the Registration Teams. There is a required waiting period of 120 days following ownership determinations to allow any appeals of the determination to be filed in the Trial Division of the State Supreme Court.
- f) *Survey and Mapping of Boundaries*: When the 120 days has expired, if there are no remaining disputes or claims to the land, the land is then surveyed and mapped. A certified map of the parcel is sent to the Senior Commissioner for approval and attached to the title documentation.
- g) *Registration and Issuance of Title*: After completion of the survey, marking of the boundaries and mapping the land, the parcel is registered or titled Fee Simple to the certified land holder. The title can be issued to an individual, an extended family, lineage group, a partnership, or to a joint tenancy.

A.4 Land Registration Procedure - Yap

The procedure for land registration in Yap is as follows:

- a) An application for registration of land is filed with the Division of Land Resources.
- b) Members of the Cadastral Survey Program visit the land in question. This team is responsible for clarifying the ownership of the property, informing the various traditional authorities of the property, and speaking with all adjacent property owners about boundary identification. The team is charged with ensuring community, municipal and traditional consensus with respect to the registration of property.
- c) When a consensus or agreement is reached concerning the rightful landowner and the boundaries, a survey and official mapping of the lot and/or registration area is completed.
- d) The determination and registration package is then sent to the governor for approval.
- e) Following the approval by the Governor, the documents are returned to the Division of Land Resources, Registration Section, for final document preparation, registration and issuance of title.

Appendix B Project Voluntary Land Donation (VLD) Protocol

Voluntary Land Donation (VLD) Protocol

1. Background

This Voluntary Land Donation (VLD) Protocol has been prepared by the World Bank for the purpose of due diligence. For cases where communities and/or individual landholders have offered to donate their land for the project because it is of benefit to the broader community, the VLD Protocol should be followed. The project team is to exercise their best judgment where voluntary land is offered and conduct due diligence to avoid adverse impacts and reputational risks. Donations are based on the premise that the project benefit will offset or outweigh the loss of the land donated.

VLD is only suitable for projects where the landowner and/or community wish to 'gift' land parcels or small areas for small-scale community infrastructure that will be of direct benefit to the donor's community.

2. When VLD is Applicable

Voluntary donation of land by beneficiary households is acceptable where:

- It has been verified the donation did not result from any form of coercion or manipulation and is offered in good faith;
- The donation does not severely affect the living standards of the community and/or individual landholder responsible for the donation (i.e. impacts are marginal, less than 5% of the affected persons' land holdings, and will not reduce the donor's remaining land area below that required to maintain the donor's livelihood at current levels);
- Alternatives and the viability of other locations or sites have been considered;
- The donation does not result in the displacement of households or cause loss of income or livelihood;
- The landholder/s making the donation will directly benefit from the project;
- Consultation has been conducted in an open and transparent manner and to a degree that the landholder/s can make an informed choice;
- The land is free from disputes regarding ownership or tenure;
- Land transactions are supported through the transfer of titles;
- Full and proper documentation of all consultations, meetings, grievances and actions taken to address grievances has been reviewed and made available;
- Where impacts are minor and other alternative sites are not viable.

3. When VLD is NOT Applicable

VLD is not applicable under the following scenarios:

- Medium/large-scale infrastructure particularly in cases where a government agency or entity that has a statutory obligation to provide the infrastructure and/or services for which the land is required
- Where inadequate consultation with donors results in lack of understanding about the terms and conditions of the donation;
- In lieu of formal procedures for land acquisition where these do not exist;
- Where donor property owners, landowners or customary rights holders do not support, or will not directly benefit from, the Project;
- Where conflicts over land exist, including customary collective ownership;
- Conflicting land titling that make it difficult to establish with certainty who has a right to own, donate and use a specific parcel of land;
- Where donors did not provide their informed consent and were subject to political or social pressure and coerced into making the donation.

4. Process for Voluntary Land Donation

This section provides guidance on the process for VLD, namely on how to:

- Determine and document the appropriateness of VLD in the project context;
- Verify the requirements of the donation and the formalization of the donation;
- Carry out due diligence on the owners and users of land donated;
- Ensure appropriate consultation and disclosure;
- Establish informed consent of the person donating the land; and
- Establish grievance redress mechanism.

This section outlines the process that should be followed once the threshold considerations set out in Section 1 have been considered, and it has been determined that it is appropriate for the land to be provided to the project by voluntary donation.

It is necessary to follow a clear process for the donation, and to prepare and maintain documents that demonstrate such process. Each step set out below should be addressed in the context of the specific project, and fully documented.

(i) Determine and document that VLD is appropriate in the circumstances of the project.

The team should record the reasons why it thinks that the donation of land is appropriate for the project. In certain cases, only some of the land the project requires will be donated or alternatives to land donation exist. The project team should identify (in as much detail as possible):

- What the land will be used for;

- How much land the project will require on both a permanent and temporary basis;
- How much of the land will be donated;
- What alternatives to donation exist (e.g., right of use, right of way);
- The terms of the donation;
- The identities of the parties who intend to donate;
- The beneficiary of the donation; and
- Any details that are relevant to why donation may be appropriate.

(ii) Verify the requirements to transfer, and formalize the transfer of, the land

It is important to understand the process that should be followed to transfer the land, and appropriate ways to formalize the transfer so as to achieve certainty for both the transferee of the land and the project. In many countries this will require consideration of the legal and administrative requirements but also, particularly in the case of customary land, local and community processes. In some cases these will constitute two different but parallel (and overlapping) systems and a process will have to be established to ensure that the requirements of each system are satisfied. An important consideration will be how transparent the process and the decision making process actually is, and what can be done to enhance the process.

(iii) Conduct due diligence on who owns and uses the land

Given the specific issues surrounding land ownership and use in the PICs, it is important that the project team carries out careful due diligence to understand the type of land rights that exist in the project area, and to identify any particular issues relating to land ownership and use. Thereafter, a more specific due diligence must be conducted on each parcel of land proposed for donation to identify:

- The owner or owners of the land;
- The type of land tenure;
- The users of the land, or any parties that occupy the land (either physically or through ownership of an asset or conduct of livelihood or business activities on the land);
- Any competing claims of ownership or use;
- Structures and assets on the land;
- Any encumbrances on the land.

It is important to: (a) identify the right that is being transferred (an ownership right, a use right, a right of way, etc.); and (ii) check whether the transferee actually has the right s/he claims to have. In many circumstances where careful due diligence has not been carried out, significant conflict has arisen at a later stage when another party claims that they have the same or a competing right. In some circumstances – but not all – the transferee will have documentary evidence of such right. Where no such evidence exists, the due diligence can establish rights by speaking with local community officials and neighbours.

(iv) Disclosure and Consultation

The decision to donate must be taken on the basis of a full understanding of the project and the consequences of agreeing to donate the land. Accordingly, the parties that will be affected by the donation (the owners and users of the land) must be provided with accurate and accessible information regarding what the land will be used for, for how long, and the impact the donation will have on them and their families. It is important that prior written notification indicating the location and amount of land that is sought be provided and that its intended use for the project is disclosed.

Where the intention is to deprive the parties affected by the donation of the land permanently, or for a significant length of time, this must be made clear. It should be noted that in many communities the concept of alienation of land is uncommon and difficult to understand, and care needs to be taken to ensure that the implications of this are fully understood. It is also important to decide who else should be consulted about the proposed donation; for example, spouses and older children.

There should be a clear agreement as to which party will pay the costs associated with the donated land. This could include measurement costs, documentation and notarial fees, transfer taxes, registration fees. It should also include the costs of re-measuring/re-titling the transferee's remaining land and any new documentation relating to it.

(v) Establishing Informed Consent

It is crucial that the project team is confident that the decision to donate was taken in circumstances of informed consent or power of choice. As discussed earlier, this means being confident that the owner(s) or user(s) of the land understand:

- What the land is going to be used for, by whom and for how long;
- That they will be deprived of the ownership or right to use the land, and what this really means;
- That they have a right to refuse to donate the land;
- Whether there are alternatives to using this land;
- What they will need to do to donate the land (e.g., execute documents, get spousal consents, pay taxes);
- The effect of the donation on their family, and what they can do if they (or their family or heirs) want the land back.
- The exact demarcation of land boundary for the project's use;
- Whether there are proposals which would allow other land to be used;
- What they will need to do to donate the land;
- The intergenerational effect of the donation on their family, what they can do if they (or their family or heirs) want the land back.

The terms and conditions of the land donation must be mutually agreed upon and detailing in a written agreement.

(vi) Documentation

It is necessary to distinguish between: (a) the agreement to donate the land; and (b) the document that carries out and evidences the legal transfer of the land. While it is important to have evidence of an intention and agreement to donate the land, it is equally important to ensure, where required and appropriate, that the land is legally transferred. While the process relating to the legal transfer of the land is frequently complicated and time consuming, it must be addressed. [In specific circumstances, for example where the land is being transferred to the community, it may not be necessary to legally transfer the land. However, experience indicates that lack of formal transfer can create significant uncertainty in the future, which impacts on the sustainability of the infrastructure and services, and can have a negative effect on community relations.]

To ensure that any land provided for the siting of subprojects is contributed voluntarily, in accordance with the requirements of the ESMF, two representatives of the landowners (family or clan) are asked to sign a Land Commitment Letter (see below). This certifies that the land is voluntarily donated for the purposes of the subproject and for the benefit of the community. The signature of the Letter is witnessed (as attested by their signature) by a suitable project representative.

The project team should:

- Identify the appropriate documentation, including the agreement to make the transfer and any legal documentation that may be required;
- Ensure that the agreement:
 - Refers to the consultation has taken place;
 - Sets out the terms of the transfer;
 - Confirms that the decision to transfer was freely made, and was not subject to coercion, manipulation, or any form of pressure;
 - Attaches an accurate map of the land being transferred (boundaries, coordinates);
 - Sets out who will bear the costs of the transfer (e.g., notarial fees, taxes, title issues) and documenting the residual land rights.
- Ensure that all necessary parties sign the documents, including obtaining consent from spouses and children over a certain age;
- Ensure that the transfer and title is registered or recorded; and
- Ensure that the land remaining after the donated land is excised is properly titled, registered or recorded.

It is also important to maintain a record of the process that has been followed. Such documents could include the following:

- The notification indicating the location and amount of land that is sought and its intended use for the project, with a record of when and where this was made public;
- Records of the consultations that were held and what was discussed;

- A copy of the due diligence that was conducted;
- Copies of each of the formal statements of donation, establishing informed consent as described above, and signed by each owner or user involved;
- Copies of all documents, registrations or records evidencing the legal transfer of the land; and
- A map, showing each parcel of land.

The Project implementing agency should maintain a record with documentation for each parcel of land donated. Such documentation must be available for World Bank review, and for review in relation to any grievances that may arise.

(vii) Grievance Arrangements

Grievances may be referred to customary conflict mediation arrangements where they are not directly affiliated with traditional leaders who are a party to the donation process.

Appendix C Environmental and Social Screening Forms

FORM 1 – Initial E&S Risk Screening

(To be completed by CIU Safeguards Team, with on-ground support from PIU State Focal Point where appropriate)

Note: Refer ESMF Risk Assessment & Impact Identification table (Section 5.6.1) for overview of potential impacts, risks and mitigation summary.

Timing: To be completed after Component 1 Assessments (e.g. VA/CRRS), and prior to preliminary design

*Purpose: 1) To identify high risk environmental and social aspects of the proposed works;
2) Inform confirmation of eligibility of works for funding*

Name of Works:	
Location of Works:	
Description of Works:	
Date of Form Completion:	
Name of Person Completing Form:	
Date of Site Visit:	
People consulted to date (to inform completion of form):	
Attached concept description (circle one)	Yes / No

	Activity	Impact Screening (without mitigation) ¹ (Put only 1 ✓ in each row)			Justification (Nature, scale, duration of impacts or sensitivity of receptors)	Recommended Action
		NO Impact	Low or Moderate Impact (can be managed)	Potentially High or Extreme Impact		
1.0	Environmental					
1.1	Any vegetation clearance (incl. riparian vegetation) or works within a stream upstream of or within areas of biological significance).					
1.2	Any disturbance of (either works located within, or potential impact upon) protected coastal marine areas (CMAs).					

¹ Use Risk Rating tables in ESMF to determine level of potential impact.

Activity	Impact Screening (without mitigation) ¹ (Put only 1 ✓ in each row)			Justification (Nature, scale, duration of impacts or sensitivity of receptors)	Recommended Action
	NO Impact	Low or Moderate Impact (can be managed)	Potentially High or Extreme Impact		
1.3	Is the site in an area identified as a protected or conservation area.				
1.4	Works within an identified hazard zone (e.g. erosion, flooding, coastal inundation).				
2.0	Socio-cultural				
2.1	Any likely physical displacement / relocation of people.				
2.2	Any likely economic displacement (e.g. temporary or permanent land acquisition, disturbance of physical assets, crops/fruit trees etc).				
2.3	Any identified cultural sites (e.g. graves, historic buildings etc) directly adjacent to road easement in vicinity of the works (i.e. within 50m of site) or otherwise could be affected by physical works.				
2.4	Any potential access restriction to sensitive receptors / essential services (e.g. hospital, school, church etc).				
2.5	Risk to community health & safety from the proposed works (i.e. communities in close proximity to work site) or construction workforce (e.g. imported/migrant labour related risks)?				
2.6	Is there a risk of UXOs being present in the works footprint?				

FORM 2 – Environmental and Social Screening

(To be completed by CIU Safeguards Team, with on-ground support from PIU State Focal Point where appropriate)

Timing: To be completed after concept or preliminary design)

Purpose: 1) To scope potential environmental risks from proposed works that could be minimized through participatory design;
2) Inform E&S Assessment and Management Plan Requirements (Form 3);
3) To inform scope of Terms of Reference for and E&S Consultants to be engaged.

Name of Works:	
Location of Works:	
Date of Form Completion:	
Name of Person Completing Form:	
Date of Site Visit:	
People consulted to date (to inform completion of form):	
Attached concept description (circle one)	Yes / No

Form 2a – Environmental Risk Screening

	Potential Impact	Potential Impact (without mitigation) ² (✓)			Describe
		NO Impact	Low Impact	Moderate to Extreme Impact	
1.0	Physical				
1.1	Dust / noise / vibration impacts on <u>sensitive receptors</u> (e.g. residential communities, businesses, essential services etc).				
1.2	Generation and discharge of solid and liquid waste (e.g. spoil, roading material, refuse, domestic waste/ wastewater, hazardous substances etc).				

² Use Risk Rating tables in ESMF to determine level of potential impact.

Potential Impact		Potential Impact (without mitigation) ² (✓)			Describe
		NO Impact	Low Impact	Moderate to Extreme Impact	
1.3	Erosion and sedimentation risk as a result of works (e.g. stream bank, slope, coastal margin, channel modification and hydrology etc).				
1.4	Works within an identified hazard zone (e.g. erosion, flooding, coastal inundation zones).				
1.5	Is construction material required for the design (e.g. rock/ aggregate/ asphalt/ cement) able to be <u>sourced locally from a licensed facility</u> (e.g. quarry) ³ .				<input type="checkbox"/> Yes <input type="checkbox"/> No <i>Describe:</i>
1.6	Could an alternative design be explored to decrease / avoid physical environmental impacts ³ .				<input type="checkbox"/> Yes <input type="checkbox"/> No <i>Describe:</i>
2.0	Ecological				
2.1	Removal of terrestrial vegetation and/or habitat (incl. riparian vegetation).				
	(a) Native / natural vegetation.				
	(b) Invasive / exotic vegetation (e.g. weeds).				
	(c) Privately owned trees / crops / gardens (refer Form 2b).				

³ Discuss with design engineer, if required

Potential Impact		Potential Impact (without mitigation) ² (✓)			Describe
		NO Impact	Low Impact	Moderate to Extreme Impact	
2.2	Potential impacts on freshwater ecosystem, including:				
	(a) Direct disturbance of freshwater habitat (e.g. works footprint within watercourse).				
	(b) Indirect disturbance of freshwater habitat (e.g. from sedimentation, water quality pollution).				
	(c) Risk of barriers to fish passage.				
2.3	Works within or potential disturbance of coastal marine area (CMA)				
2.4	Could an alternative design be explored to decrease / avoid ecological impacts or improve ecological outcomes ³ .				<input type="checkbox"/> Yes <input type="checkbox"/> No
					Describe:

Form 2b – Social & Resettlement Risk Screening

Potential Impact	Potential Impact (without mitigation) ⁴ (✓)			Describe
	NO Impact	Low Impact	Moderate to Extreme Impact	
1.0	Land			
1.1	Impacts on land outside of the road easement?			<input type="checkbox"/> No <input type="checkbox"/> Yes (Temporary Use) <input type="checkbox"/> Yes (Permanent Loss)
1.2	Estimated extent of land loss outside of road easement.			<i>Estimated area:</i>
1.3	Estimated number of private landowners are affected?			<i>Estimated No. of landowners:</i>
1.4	Is the ownership status and current usage of land to be acquired known?			<input type="checkbox"/> Yes <input type="checkbox"/> No
				<i>Describe:</i>
1.5	Easement paperwork available and obtained?			<input type="checkbox"/> Yes <input type="checkbox"/> Available, not yet obtained <input type="checkbox"/> No easement paperwork available <input type="checkbox"/> Not yet sure if easement paperwork available (to be confirmed)
1.6	How is this land to be provided:			<input type="checkbox"/> Voluntary Land Donation (VLD) <input type="checkbox"/> Lease / Rental <input type="checkbox"/> Willing-seller-willing-buyer <input type="checkbox"/> Available Government land <input type="checkbox"/> Involuntary acquisition <input type="checkbox"/> To be confirmed
				<i>Describe:</i>

⁴ Use Risk Rating tables in ESMF to determine level of potential impact.

Potential Impact	Potential Impact (without mitigation) ⁴ (✓)			Describe
	NO Impact	Low Impact	Moderate to Extreme Impact	
1.7	Could an alternative design be explored to decrease / avoid land loss ⁵ ?			<input type="checkbox"/> Yes <input type="checkbox"/> No <i>Describe:</i>
2.0 Assets				
2.1	Are there likely to be loss of physical assets and/or crops/productive trees due to works footprint or associated facilities?			<input type="checkbox"/> Yes <input type="checkbox"/> No
2.2	Estimated number of asset owners affected?			<i>Estimated No. of landowners:</i>
2.3	What type of assets are affected:			<input type="checkbox"/> Residential house <input type="checkbox"/> Business/commercial structure <input type="checkbox"/> Secondary structure (e.g. fence, wall, driveway, pavement, shed or similar) <input type="checkbox"/> Crops (including type) <input type="checkbox"/> Productive Trees <input type="checkbox"/> Perennial Trees <input type="checkbox"/> Cultural sites (e.g. grave sites, historic buildings etc) <i>Describe:</i>
2.4				<input type="checkbox"/> Yes

⁵ Discuss with design engineer, if required

Potential Impact	Potential Impact (without mitigation) ⁴ (✓)			Describe
	NO Impact	Low Impact	Moderate to Extreme Impact	
				<input type="checkbox"/> No
Could the assets be relocated or repaired?				<i>Describe:</i>
2.5				<input type="checkbox"/> Yes
Could an alternative design be explored to decrease/avoid asset loss?				<input type="checkbox"/> No
				<i>Describe:</i>
3.0 Livelihoods				
3.1				<input type="checkbox"/> Yes
Will the works have any impact on people's livelihood (e.g. economic displacement)?				<input type="checkbox"/> No
				<i>Describe:</i>
3.2				<i>Estimated No. of people/households:</i>
3.3				<input type="checkbox"/> Business/commercial – Owner
What kind of livelihoods are likely to be impacted?				<input type="checkbox"/> Business/commercial – Employee
				<input type="checkbox"/> Agricultural / Farming
				<input type="checkbox"/> Fishing
				<input type="checkbox"/> Other: _____
				<i>Describe:</i>

Potential Impact	Potential Impact (without mitigation) ⁴ (✓)			Describe
	NO Impact	Low Impact	Moderate to Extreme Impact	
3.4	Could an alternative design be explored to decrease/avoid livelihood impacts? ⁵			<input type="checkbox"/> Yes <input type="checkbox"/> No <i>Describe:</i>
4.0 Access Restrictions				
4.1	Are there likely to be access restrictions?			<input type="checkbox"/> Yes <input type="checkbox"/> No <i>Describe:</i>
4.2	What kind of access restriction are expected?			<input type="checkbox"/> Pedestrians (including closure of road verges) <input type="checkbox"/> Driveways – Residential Agricultural / Farming <input type="checkbox"/> Driveways – Business/commercial <input type="checkbox"/> Transport Network <input type="checkbox"/> Access to essential services <input type="checkbox"/> Coastal margin <input type="checkbox"/> Other (e.g. natural resources, communal land/facilities, services etc)
4.3	Is an alternative means of access required (e.g. temporary diversion or water crossing etc)?			<input type="checkbox"/> Yes <input type="checkbox"/> No <i>Describe:</i>
4.4	Could an alternative design be explored to			<input type="checkbox"/> Yes <input type="checkbox"/> No

Potential Impact	Potential Impact (without mitigation) ⁴ (✓)			Describe
	NO Impact	Low Impact	Moderate to Extreme Impact	
decrease/avoid access restriction impacts?				<i>Describe:</i>
5.0	Other Social Impacts			
5.1	Impacts on Sensitive receptors in close proximity to the works (e.g. residential communities, businesses, essential services etc).			
5.2	Disproportionate Impacts on vulnerable groups or road users			
5.3	Risk to community health & safety from the proposed works (i.e. communities in close proximity to work site).			
5.4	Risk posed to the community from the construction workforce (e.g. imported/migrant labour related risks).			
5.5	Risk of UXOs in works footprint, and resultant risk to worker health and safety.			

FORM 3 – E&S Assessment and Management Plan Requirements

(To be completed by CIU Safeguards Team, with on-ground support from PIU State Focal Point where appropriate)

Timing: *To be completed after concept or preliminary design together with Form 2 and 4*

Purpose: 1) *To confirm which whether work specific ESIA/ESMPs are required;*
2) *To determine which Land Access Procedure Plans are required*

Name of Works:	
Location of Works:	
Date of Form Completion:	
Name of Person Completing Form:	

Potential Impact		Assessment (✓)		Documents Required
		Yes	No	
1.1	Does the Generic ESMP adequately address the potential environmental and social risks identified in Form 1 and 2?			<i>(Note: If 'No', then works specific ESIA & ESMP required)</i>
1.2	Is the site in an area, or could potentially impact an area, identified as a protected or conservation area.			<i>(Note: If 'Yes', then works specific ESIA & ESMP required)</i>
1.3	Do the works involve land loss outside of the road easement, asset loss, or loss of income sources or impacts livelihoods?			<i>(Note: If 'No', then Land Access Due Diligence Report required).</i>
1.4	Will the land and/or assets be acquired via Voluntary Land Donation (VLD)?			<i>(Note: If 'Yes', then Voluntary Land Donation Report (VLDR) required)</i>
1.5	Will the land and/or asset loss, or livelihood impacts require financial compensation, as per entitlement matrix in RF?			<i>(Note: If 'Yes', then Resettlement Plan (RP) required)</i>

FORM 4 – Agreed Environmental and Social Documents Required

(To be completed by CIU Safeguards Team, with the support of PIU State Focal Point where appropriate)

Timing: *To be completed after concept or preliminary design together with Form 2 and 3*

Purpose: 1) *To confirm which ESMPs or land access plans are to be prepared and/or implemented for the works;*

2) *To confirm which additional management plans are to be prepared by the Contractor (as informed by the ESMF).*

Name of Works:	
Location of Works:	
Date of Form Completion:	
Name of Person Completing Form:	
Name of Person Approving:	

As per the PRIME E&S Management Framework (ESMF) the following safeguard documents are to be prepared/implemented for the above works:

- Generic ESMP
- Works specific ESMP
- Works specific ESIA

As per the PRIME Resettlement Framework (RF) the following safeguard documents will be prepared for the above works:

- Land Access Due Diligence Report
- Voluntary Land Donation Report
- Resettlement Plan

Signature:

Signature:

Signed by:
(Completed Form)

Signed by:
(Approver)

Date:

Date: