

Resettlement Policy Framework (RPF)

Sustainable Energy Development and Access Project (SEDAP)

Prepared for the Energy Division (ED)
National Department of Resources and Development, (NDRD))
Palikir, Pohnpei, FSM

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ACRONYMS and ABBREVIATIONS

AP	Affected Persons
A/RAP	Abbreviated Resettlement Action Plan
CESMP	Contractors Environmental and Social Management Plan
CIU	Centralized Implementation Unit
CPUC	Chuuk Public Utility Company
DP	Displaced Persons
DoFA	Department of Finance and Administration
EA	Environmental Assessment
ED	Energy Division
EMA	External Monitoring Agency
EPA	Environmental Protection Agency
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
FSM	Federated States of Micronesia
GRM	Grievance Redress Mechanism
IA	Implementing Agency
IDA	International Development Association
KUA	Kosrae Utility Authority
M&E	Monitoring and Evaluation
NDRD	National Department of Resources and Development
NGO	Non-governmental organization
PAD	Project Appraisal Document
PIU	Project Implementation Unit
PSC	Project Steering Committee
PUC	Pohnpei Utility Company
PV	Photovoltaic
RAP	Resettlement Action Plan
RPF	Resettlement Policy Framework
TA	Technical Assistance
TOR	Terms of Reference
TT	Task Team
WB	World Bank
YPSPC	Yap State Public Service Corporation

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EXECUTIVE SUMMARY

Project Scope

This Resettlement Policy Framework addresses the involuntary resettlement impacts associated with the Sustainable Energy Development and Access Project (SEDAP), in particular the physical investments funded under Component 2 - *Increasing the share of RE and Expanding Energy Access in Chuuk*, and Component 3 - *Scaling-up Renewable Energy Generation in Chuuk, Yap and Kosrae (IDA US\$10 million)*.

The detailed description of SEDAP's scope and five components are given in Section 1.1, and summarized below -

1. **Component 1: Improving Reliability of Electricity Supply in Pohnpei (IDA US\$12 million)**. This component will address PUC's challenges with insufficient generation capacity to cover peak demand, and unscheduled shutdowns of power supply and unsecure waste oil storage. Due to deterioration and maintenance needs, the actual supply capacity is way below the installed capacity. Both the MP and Pohnpei Energy Assessment have concluded that diesel technology remains the most appropriate technology to address these challenges.
2. **Component 2: Expanding Access to Electricity in Chuuk (IDA US\$3 million)**. This component will support CPUC to expand access to electricity in Chuuk, where the access rate is only 27% due to the remoteness of several islands. Specifically, this component will finance: (i) the construction of a mini-grid system on the island of Udot and network expansion on the island of Satawan; (ii) the installation of several solar home systems on the islands of Weno, and (iii) consultancy work for feasibility studies and supervision. Udot, Satawan and Weno are prioritized on the basis of population, needs, cost-effectiveness and other donors' programs.
3. **Component 3: Scaling-up Renewable Energy Generation in Chuuk, Yap and Kosrae (IDA US\$10 million)**. This component will support CPUC to install the state first utility-scale solar power plant in Weno. The component will also support YSPSC and KUA to significantly mitigate the curtailment of the existing renewable energy output and enable the integration of more variable renewable energy through storage capacity and high speed gensets. For each of these investments, the component will also finance consultancy work for feasibility studies and for supervision during the project implementation.
4. **Component 4: Enhancing Energy Sector Governance, Sustainability and Financial Performance (IDA US\$2 million)**. This component is designed to improve sector governance and financial performance, achieve self-sustainability, and PUC's proper asset maintenance strategy. and will include the following three sub-components:
 - a) **Sub-component 4.1: Sector Governance**: This sub-component will support: a) PUC's management structure and capacity to enhance O&M and corporate functions; it may also include the signature, implementation and monitoring of a PMC¹; and b) FSM to advance

¹ a Performance Management Contract (PMC), agreed by relevant parties (PUC, Pohnpei state and others) to be implemented and monitored based on the recommendations provided by the Graduates School USA's report on PUC.

appropriate solutions through analytical work and technical assistance in various areas. A preliminary identification of potential areas include: **(i)** instruments to create an institutional, legal, and regulatory framework conducive to a self-sustained sector; **(ii)** assessment of the private sector's readiness for private-public partnerships instead of the current public-sector supply approach in order to enable solution to maximize finance for development for future projects; **(iii)** assessments for competitive and gender neutral selection of key management positions and the participation of independent administrators in Board, **(iv)** a collaboration program with local schools, colleges and media, aimed at increasing the numbers of female candidates who apply for technical vocational roles, and **(v)** utility financial recovery plans, if needed.

- b) **Sub-component 4.2: Efficient Clean Cookstoves.** This sub-component will finance: **(i)** a detailed household survey assessment of the challenges and opportunities for intervention in selected islands of FSM to address health (gender disaggregated), environmental, livelihood, gender and climate change issues, **(ii)** awareness campaign through social mobilization to ensure that potential users are aware of the fuel-saving and health benefits associated with clean cooking, and potentially **(iii)** cooking demonstration workshops using different type of cookstoves and fuels to test consumer preferences and willingness to acquire the stove, and **(iv)** definition of broad lines and components of a large scale intervention on household energy for cooking in the FSM, which consider women's health benefits and employment opportunities.

5. **Component 5: Technical Assistance and Project Management (IDA US\$3 million).** This component will finance **(i)** contract staffing for the project, including a project manager, consultancies and non-consultancies, office and other equipment, travel and operational costs, and training and workshops, **(ii)** recruitment of a full-time Energy Adviser (EA) to assist and support the Secretary of Resources and Development (SoR&D) on energy sector policy matters and development strategy, and **(iii)** support utilities on respective activities implementation, including provision of support on coordination, Monitoring and Evaluation (M&E) and reporting.

Scope of the Land Access, Acquisition and Resettlement

This RPF addresses the potential resettlement impacts generated by the physical investments of SEDAP, in particular under Component 2 and Component 3.

Component 1 - the installation of replacement and or new gensets, SCADA, converters, waste oil storage tank and other ancillary equipment will be on existing footprints, or otherwise within existing facilities of the Pohnpei Power Company (PUC) and will not require any land taking.

Component 2 may involve minimum land taking should the planned extension of the Weno electricity network involves, for practical reasons, the siting of distribution poles outside the road reserve, on private lands. Sub-Component 2.1 involves the development of a mini-grid in the island of Udot and the upgrade in the island of Satowan's existing mini-grid. All physical investments will lie within Government controlled land, except for the distribution networks that will traverse private land, requiring easements and dealing with any resulting resettlement impacts.

Component 3 includes a new solar power plant in Chuuk, additional diesel genset in Yap and battery storage equipment in Kosrae. The Yap and Kosrae investments will be installed within the facilities of the State Utilities – YSPSC and KUA – and will not require any land taking. The site for the solar power plant in Weno is not known yet. A number of potential sites offered by interested landowners are undergoing initial screening including confirmation of ownership.

Component 4 and 5 provides technical and Project Management support and capacity building activities and will not involve any land taking.

In total, the scope of land taking for SEDAP comprises of easements for distribution networks in Weno, Udot and Satowan, under Component 2 and land required for the solar power plant in Weno. Temporary land occupation by contractors during the construction phase is also expected.

The level of specific impact and the exact number of people directly affected cannot be determined yet, until a site for the Weno solar power plant is known and assessed. For the Satowan and Udot easements, where the sites are known and initial assessment done, no physical displacement of AP's is expected and potential losses of productive trees and crops is estimated to be minimal, if they cannot be avoided during detailed design. Government owned land earmarked for the solar panels, gensets and batteries, are not occupied or cultivated. Thus for Satowan and Udot, no physical displacement of AP's is expected and economic displacement is minimal if any.

RPF Implementation Arrangements

The Project Implementation Unit (PIU) established within the Energy Division of the National Department of Resources and Development (ED/NDRD) will be responsible for the overall supervision but CPUC will be involved in the day-to-day safeguards implementation given its proximity to the Project sites. The Department of Finance and Administration (DoFA) will ensure funding is available for the payment of any financial compensation while the cost of preparing resettlement plans will be funded by the Project. A Safeguards Specialist from the Centralized Implementation Unit with DoFA will be assigned to support the SEDAP PIU and will be responsible for the preparation of any resettlement plans required in accordance with the requirements and processes set out in this RPF. He/She will also be responsible for internal monitoring and reporting and will ensure timely and thorough resettlement planning and implementation.

The amount of resettlement impact expected and remedies required is deemed limited and not justifying the engagement of an external monitoring agency (EMA). Monitoring the implementation of an Abbreviated Resettlement Action Plan (ARAP) that may be required will be carried out by CPUC with the assistance of CIU Safeguards Specialist.

1. INTRODUCTION

1. The SEDAP is designed to support the implementation of priority investments in the energy sector recommended by the National and State Energy Master Plans. It will enhance energy supply reliability and efficiency in all states, and extend electrification and access to electricity to Chuuk's rural communities in Weno and outer islands of Satowan and Udot.

2. This document is prepared by the Government of FSM to address the due diligence requirements of the World Bank's Safeguards Policy OP/BP 4.12 Involuntary Resettlement. OP/BP 4.12 requires the preparation of a Resettlement Policy Framework (RPF) to guide the preparation of detailed resettlement plans for subprojects which locations are not yet known, or where known activities' land impacts are unclear at this early stage of project planning. Detailed resettlement planning for those subprojects assessed to require them will be prepared during project implementation using this Framework.

3. The known subprojects with potential for land taking or resettlement impacts are the physical investments under Component 2 and 3, all in the State of Chuuk. For the Chuuk outer islands of Satowan and Udot, where hybrid mini-grids are to be installed, Government land will be occupied by the main physical investments of solar PV installation, gensets and batteries, but the distribution networks will require easements through private owned lands to connect household consumers to the grid. For Chuuk's main island of Weno, the search for a suitable site is in progress, with potential sites undergoing initial screening. The extension of the Weno distribution network, whilst planned to run within the existing road reserve, may - for practical considerations - encroach in to private lands in some areas.

1.1 Background Information

4. The GoFSM formally requested a US\$30-million equivalent grant to create the SEDAP and support the implementation of priorities identified in part by the FSM Energy Master Plan Final report prepared through the first WB funded FSM project, the Energy Sector Development Project (ESDP) and published in April 2018. In February 2018 the World Bank (WB) approved the Concept Note for the preparation of the SEDAP. ESDP commenced implementation in 2014 and will end in 30 September, 2019.

5. The World Bank is one of the key partners supporting the GoFSM in its efforts to establish conditions for sustainable and reliable energy provision for economic growth and poverty alleviation. The country expressed the desire for the Bank to remain engaged in the energy sector, following on from ESDP to help the country achieve its long-term sector goals. Consequently, SEDAP will mainly follow recommendations from the four State Master Plans (produced by ESDP) which identified various investments and options to be undertaken to increase electricity access in FSM and improve electricity service quality in each state.

6. The proposed SEDAP will focus on the activities detailed in section 1.2 below.

1.2. Project Components

7. The five SEDAP components are described below:

Component 1: Improving Reliability of Electricity Supply in Pohnpei (IDA US\$12 million).

This component will address PUC’s challenges with insufficient generation capacity to cover peak demand, and unscheduled shutdowns of power supply and unsecure waste oil storage. Due to deterioration and maintenance needs, the actual supply capacity is way below the installed capacity. Both the MP and Pohnpei Energy Assessment have concluded that diesel technology remains the most appropriate technology to address these challenges. The component will finance (i) medium speed diesel gensets of about 7.5 MW total, which will serve base load and provide appropriate redundancy; (ii) consultancy work for feasibility studies and supervision; (iii) associated grid facilities in Pohnpei to improve the operational performance and generation capacity of PUC; (iv) waste oil storage tank and spill containment (v) removal of obsolete generation equipment and (vi) electromechanical and electronic equipment, such as a power system SCADA, measuring, monitoring, and protection devices, and converters to help PUC improve its operational performance.

Component 2: Expanding Access to Electricity in Chuuk (IDA US\$3 million). This component will support CPUC to expand access to electricity in Chuuk, where the access rate is only 27% due to the remoteness of several islands. Specifically, this component will finance: (i) the construction of a mini-grid system on the island of Udot and network expansion on the island of Satawan; (ii) the installation of several solar home systems on the islands of Weno, and (iii) consultancy work for feasibility studies and supervision. Udot, Satawan and Weno are prioritized on the basis of population, needs, cost-effectiveness and other donors’ programs.

Component 3: Scaling-up Renewable Energy Generation in Chuuk, Yap and Kosrae (IDA US\$10 million). This component will support CPUC to install the state first utility-scale solar power plant. The component will also support YSPSC and KUA to significantly mitigate the curtailment of the existing renewable energy output and enable the integration of more variable renewable energy through storage capacity and high speed gensets. For each of these investments, the component will also finance consultancy work for feasibility studies and for supervision during the project implementation.

The component will finance (i) a 2 MW Solar PV power plant in Weno to reduce fuel cost of diesel generators and alleviate the financial burden upon CPUC resulting from access expansion on the outer islands, while increasing the share of renewable energy. CPUC has already identified the land for 2MW scale solar PV. (ii) the installation of about 2 MWh² of battery capacity for KUA; and (iii) the installation of an 830kW³ high speed genset in the existing diesel power plant in Yap.

Component 4: Enhancing Energy Sector Governance, Sustainability and Financial

² KUA has already experienced the curtailment of solar power, but has an intention to overcome this issue and scale up renewable energy. The battery size will be designed to accommodate the existing solar and the foreseeable future solar. The size will further be refined after detailed study is completed.

³ YSPSC has recently installed wind turbines and has a plan to install further renewable. However, this could cause some difficulties in frequency control. The Master Plan suggests adding 830kW scale high speed genset for the stable power supply.

Performance (IDA US\$2 million). This component is designed to improve sector governance and financial performance, achieve self-sustainability, and PUC’s proper asset maintenance strategy and will include the following three sub-components:

- c) **Sub-component 4.1: Sector Governance:** This sub-component will support: **a)** PUC’s management structure and capacity to enhance O&M and corporate functions; it may also include the signature, implementation and monitoring of a PMC⁴; and **b)** FSM to advance appropriate solutions through analytical work and technical assistance in various areas. A preliminary identification of potential areas include: **(i)** instruments to create an institutional, legal, and regulatory framework conducive to a self-sustained sector; **(ii)** assessment of the private sector’s readiness for private-public partnerships instead of the current public-sector supply approach in order to enable solution to maximize finance for development for future projects; **(iii)** assessments for competitive and gender neutral selection of key management positions and the participation of independent administrators in Board, **(iv)** a collaboration program with local schools, colleges and media, aimed at increasing the numbers of female candidates who apply for technical vocational roles, and **(v)** utility financial recovery plans, if needed.

- d) **Sub-component 4.2: Efficient Clean Cookstoves.** This sub-component will finance: **(i)** a detailed household survey assessment of the challenges and opportunities for intervention in selected islands of FSM to address health (gender disaggregated), environmental, livelihood, gender and climate change issues, **(ii)** awareness campaign through social mobilization to ensure that potential users are aware of the fuel-saving and health benefits associated with clean cooking, and potentially **(iii)** cooking demonstration workshops using different type of cookstoves and fuels to test consumer preferences and willingness to acquire the stove, and **(iv)** definition of broad lines and components of a large scale intervention on household energy for cooking in the FSM, which consider women’s health benefits and employment opportunities.

8. **Component 5: Technical Assistance and Project Management (IDA US\$3 million).** This component will finance **(i)** contract staffing for the project, including a project manager, consultancies and non-consultancies, office and other equipment, travel and operational costs, and training and workshops, **(ii)** recruitment of a full-time Energy Adviser (EA) to assist and support the Secretary of Resources and Development (SoR&D) on energy sector policy matters and development strategy, and **(iii)** support utilities on respective activities implementation, including provision of support on coordination, Monitoring and Evaluation (M&E) and reporting.

1.3 Benefits and beneficiaries

9. The SEDAP will generate direct benefits at the household, sector and the national levels. There are social, economic, health and educational benefits for rural households and communities especially in the state of Chuuk, as well as state level energy efficiency gains and nation-wide and global environmental benefits.

10. The main positive impacts are the result of the expanded electrification to Chuuks rural communities in Weno and the outer islands of Satowan and Udot, and improved efficiency and

⁴ a Performance Management Contract (PMC), agreed by relevant parties (PUC, Pohnpei state and others) to be implemented and monitored based on the recommendations provided by the Graduates School USA’s report on PUC.

reliability of supply in Pohnpei, Kosrae and Yap. Ready access to electricity for new consumers will have transformational impact with significant social, health, educational and economic benefits for households with direct beneficiaries including women, the elderly and children. For example, in terms of health and social impacts in particular, electrification will provide an opportunity to significantly reduce the level of indoor air pollution (IAP) for those households able to make the switch. IAP presently affects 42% of FSM's population from the use of solid fuels in traditional cooking stoves. Women and children, often responsible for most household chores including cooking and fuel collection, will likewise be freed from the daily drudgery as well as the safety and health risks associated with these activities.

11. At the state and national levels, SEDAP, following in the wake of ESDP, will further improve PUC's operational performance, expand access to electricity and increase the share of RE in Chuuk, and enable renewable energy solutions in the states of Yap and Kosrae. It will reduce FSM's dependence on imported fossil fuels, reducing its economic vulnerability to petroleum price volatility and shocks, at the same time contributing to the combatting accelerated global climate change by reducing FSM's overall greenhouse gas (GHG) emissions.

2. Scope of land acquisition required

12. Component 1 involves the installation of replacement and or new gensets, SCADA, converters, a new waste oil facility and other ancillary equipment and the removal of old equipment. All new physical investments will be within existing footprints, or otherwise within existing facilities of the Pohnpei Power Company (PUC). No land taking is required.

13. Component 2 focuses on the State of Chuuk and involves the following –

- (a) extension of the Weno electricity network on the main grid. This may involve the use of private land, although to the extent possible, the network expansion will lie within the existing road easement.
- (b) the hybrid mini-grids on the islands of Satowan and Udot in Chuuk will be on Government owned land, but the distribution networks will require land easement through which the network cables/lines will run. No land taking (change of land ownership) is required but agreements with landowners are necessary for the use of land, with compensation payable for losses, and restricted use of easement by land owner.

13-1. Component 3 involves (i) the construction and operation of a utility-scaled solar power plant of 2MW capacity in Weno, Chuuk; (ii) installation of a 2MWh of battery capacity for Kosrae, and (iii) the installation of a 830kW high speed genset in the existing diesel power plant in Yap. Available land is being sought for the Weno solar power plant, either for long term lease or for outright purchase with some potential sites undergoing initial screening. No land taking will be required for the physical investments planned for Kosrae and Yap..

14. Component 4 and 5 provides technical and Project Management support and capacity building activities and will not involve any land taking.

15. The scope of land access and or acquisition for SEDAP is therefore limited to the land needs for the physical investment activities under Component 2 and Component 3, in the State of Chuuk, namely, land required for

- (ii) the solar power plant in Weno; where initial screening for some potential sites is in progress;
- (iii) the network extension in Weno, if some distribution poles are located outside the existing road easement;
- (iv) easements for distribution networks supporting the hybrid mini-grids in Satowan and Udot;
- (v) temporary needs of contractors during the construction phase in Weno, Satowan and Udot.

3. Principles and Objectives Governing Land Access Preparation and Resettlement

16. The following overriding principles govern the preparation and implementation of the RPF and any required resettlement action plans -

- a. To the extent possible all land acquisition (temporary or permanent) will be voluntary and will be documented via leases or similar.
- b. To avoid or minimize involuntary resettlement and, where this is not feasible, to assist displaced persons in improving or at least restoring their livelihoods and standards of living in real terms relative to pre-displacement levels or levels prevailing prior to the beginning of project implementation, whichever is higher.
- c. To consult and inform project affected persons, host communities and local governmental organizations as appropriate, and provide them with opportunities to participate in the planning, implementation, and monitoring of the resettlement program including the process of developing and implementing the procedures for determining eligibility for compensation benefits and development assistance, and for establishing appropriate and accessible grievance mechanisms.
- d. To inform displaced persons of their rights, consult them on options, and provide them with technically and economically feasible resettlement alternatives and needed assistance.
- e. To give preference to land based resettlement strategies for displaced persons whose livelihoods are land based.
- f. For those without legal rights to lands or claims to such land that could be recognized under the laws of FSM, provide resettlement assistance in lieu of compensation for land to help improve or at least restore their livelihoods.
- g. To disclose draft resettlement plans, including documentation of the consultation process, in a timely manner, before appraisal formally begins, in an accessible place and in a form and language that are understandable to key stakeholders.
- h. To implement all relevant resettlement plans before project completion and provide resettlement entitlements before displacement or restriction of access.
- i. To assess whether the objectives of the resettlement instrument have been achieved, upon completion of the project, taking account of the baseline conditions and the results of resettlement monitoring.

4. Land Acquisition Options

17. Land acquisition for project activities can be either voluntary or involuntary. Involuntary land acquisition occurs when the FSM Government uses its power of eminent domain to take land for public purposes. Involuntary land acquisition is not preferred by the GoFSM and therefore not applicable to SEDAP. Thus to the extent possible, all land acquisition under SEDAP is wholly voluntary. Options for voluntary land taking are discussed below:

(i) Land leasing

18. Voluntary land taking by a lease arrangement is a business agreement between two parties formalized in a signed legally binding lease agreement with terms and conditions mutually agreed on. In negotiations, all losses accrued to legal occupiers (tenants) who will be relocated are the responsibility of the land owner. Illegal occupiers such as squatters whose livelihoods are adversely affected are entitled to resettlement assistance under OP 4.12 Involuntary Resettlement.

(ii) Permanent land acquisition with full compensation

19. Fair compensation and valuation is required and mutually agreed to. Valuation should reflect existing market conditions and prices. Project-affected people are entitled to financial compensation and other resettlement assistance. Permanent land taking with full compensation can also be done involuntarily by GoFSM but that approach is not preferred.

(iii) Voluntary Land Donation

20. Voluntary land donations (VLD) cede land to the Government at no cost, but WB Policy OP 4.12 requires compensation for lost crops, other non-land assets and livelihood sources, and resettlement assistance to support affected persons. WB Safeguards policies require that where VLD is involved, land owners are fully informed of the option of financial compensation available to them under WB Safeguards Policies and that land donation is given willingly and without coercion.

20-1. Consultations following initial disclosure of this RPF (as draft) found that this option is not viable in FSM where land is scarce and the accepted general practice is to sell land at a negotiated price.

(iv) Easements for utilities

21. Easements do not involve change of land ownership. Rather, the GoFSM will secure the right to use the land under agreed conditions, for the placement of utilities such as underground electricity cables, or distribution lines for above ground networks. Affected landowners are entitled to compensation for lost crops and other non-land assets. Landowners are also restricted in the use of land (e.g. no permanent structures built on it) mainly to ensure access of Utility personnel for maintenance purposes. Landowner consent for easements is sometimes acquired involuntarily in that the landowner is often faced with a *fait accompli* because transmission lines are linear and therefore the siting is not flexible. Documenting losses and entitlements for easements will be captured in a Land Due Diligence Report; a ARAP is not required.

(v) Temporary land taking for contractors use during construction phase.

22. Temporary land taking required for contractors' laydown and storage areas is typically left to the contractors to negotiate directly with local landowners during the pre-construction phase.

No resettlement instrument is required. Rather, the ESMP stipulates conditions for managing impacts associated with these land use, including to ensure affected land is fully restored to its pre-project condition or better, before contractors leave. The ESMP will also require that Contractors show signed consent of landowners for the temporary use of their land before the commencement of civil works.

23. In terms of the appropriate safeguards instruments to be prepared, OP/BP 4.12 Involuntary Resettlement requires that where the impacts on the entire displaced population are minor, or fewer than 200 people are displaced, an abbreviated resettlement plan A/RAP is prepared. Further still, minor impacts such as a few individual landowners with a small number of trees or crops affected, a Land Due Diligence Report capturing the impacts is sufficient.

23-1. The processes and requirements for the land acquisition and preparation of resettlement plans are described in the following section.

5. Steps for land acquisition and resettlement planning in Weno for solar power plant

24. CPUC’s search for suitable land for the solar power plant is on-going. A number of potential areas are being screened including due diligence on ownership, number of landowners, absence encumbrances, geographic suitability of location, for maximizing solar exposure and capture, and potential environmental and social impacts. CPUC anticipates land acquisition via a negotiated lease agreement. The following steps will guide this voluntary land taking exercise, from initial screening and categorization to resettlement planning, disclosure and implementation.

Table 1: Steps for land acquisition for the Weno Solar Power Plant

Steps	Task	Responsible Agent
1	Advertise Expressions of Interest in local media or other informal avenues.	CPUC
2.	For each expressed interest confirmed – <ul style="list-style-type: none"> • Conduct land due diligence – confirm land ownership (and how many landowners involved), if land is free of any encumbrances, etc.. • Conduct initial EA and IR screening and categorization. • Assign Category (A, B or C), and identify safeguards instruments required. 	CIU Safeguards Specialist
3	If Category A, consult WB Task Team for review and advice. If Cat A is confirmed by WB, the site is not suitable and is rejected.	CIU Safeguards Specialist
4	If Category B or C, proceed with land negotiation. A Due Diligence Report on non-land assets affected and physical displacement would assist land negotiations.	CPUC

5	On successful signing of lease agreement, undertake the following: <ul style="list-style-type: none"> • Prepare ESMP (based on ESMF) 	CIU Safeguards Specialist
	<ul style="list-style-type: none"> • If recommended in Step 2, prepare ARAP or a Land Due Diligence Report (based on RPF – refer to para 17, 20, 21 and 23 regarding easements), at the same time as the ESMP. 	CIU Safeguards Specialist
	<ul style="list-style-type: none"> • Conduct joint consultations for ESMP and ARAP/Land Due Diligence (LDD) Report during preparation. 	CIU Safeguards Specialist and CPUC
	<ul style="list-style-type: none"> • Disclose draft ESMP and draft ARAP/LDD report for comments. 	CIU Safeguards Specialist and CPUC
	<ul style="list-style-type: none"> • Finalize ESMP and ARAP/LDD report incorporating relevant comments from disclosure consultations including from WB. 	CIU Specialist
	<ul style="list-style-type: none"> • Obtain WB approval for ARAP/LDD report and ESMP 	
	<ul style="list-style-type: none"> • Include ESMP as part of bidding documents for civil works contractor. 	CIU Safeguards Specialist
	<ul style="list-style-type: none"> • Finalise and disclose updated ESMP and ARAP/LDD report. 	CIU Safeguards Specialist
	<ul style="list-style-type: none"> • Implement WB approved ARAP/LDD report 	CIU Safeguards Specialist/CPUC
	<ul style="list-style-type: none"> • Submit ARAP/LDD report Implementation Report to the Bank and request Bank NOL 	PIU Project Manager
	On receipt of Bank NOL, Issue Notice to Proceed - civil works to begin.	PIU Project Manager / Contractor

6.0 Land Requirements and Resettlement Planning needs for Weno (Network Extension), Satowan and Udot

Satowan

25. For Satowan, a new easement is needed to connect the power station and the existing easement along the main road. The estimated distance is between 200 – 250m and the width is not known until the detailed planning phase. The width will depend on whether vehicle access is required from the existing road to the new power station and whether the network is underground

or above ground, noting that an existing network of distribution poles currently delivering electricity from the existing generators could be extended.

26. An Easement will require cadastral survey to properly and legally define the land involved, - its boundaries and area – and have it marked on the ground. An easement will not require a transfer of ownership of land to GoFSM, but a signed agreement with landowners will be required to allow GoFSM to use the land, and to define land use restrictions for the landowner to comply with. Less than 200 people will be affected, thus an A/RAP or Land Due Diligence Report (for small impacts involving a few landowners and small amount of crops/assets) is the appropriate instrument (or a combined ARAP covering all three sites).

The following steps are involved in securing an easement.

Table 2: Steps for Securing Easements in Satowan and Udot

Steps	Task	Responsible Agent
1	Consult local community and land owners. Work with landowners to identify alignment of easement that avoid, or otherwise, minimize losses of crops and other assets.	CPUC
2	Confirm individual land owners affected.	CPUC and Municipal authority
3	Conduct cadastral survey of easement, and peg it on the ground. Prepare cadastral maps to proper define areas and identify boundaries.	CPUC to engage surveyors. Surveyor to work closely with landowners.
4	Sign Easement Agreement.	CPUC
5	If there are losses of crops and other assets, do the following tasks - <ul style="list-style-type: none"> conduct inventory of losses (crop count etc) and prepare appropriate resettlement plan i.e. ARAP. 	CPUC with CIU Safeguards support
6	Disclose draft ARAP to potential beneficiaries for comment.	CIU Safeguards Specialist/CPUC.
7	Finalize ARAP to include comments as appropriate. Disclose locally and on WB website.	CIU Safeguards Specialist
8	Implement ARAP	CPUC
9	Report completion of ARAP implementation and request NOL from WB.	CIU Safeguards Specialist
10	On receipt of Bank NOL, Issue Notice to Proceed - civil works to begin.	PIU Project Manager / Contractor

Udot -

27. No distribution network exists in Udot and an underground cable is recommended by the Castalia authored Feasibility Study report. The alignment of the underground cable network will be finalized during the detailed design phase but it will run - except for the first 100 meters or so from the power station in government owned land – through private land. More than 1.0km of network

will be required to provide electricity access for the 80 households estimated in Chuuk's 2018 Master Plan. Since easements will not require a change of land ownership, the impacts requiring compensation will only be the disturbances to the surface (crops, trees, etc.) during trenching. It is likely that an ARAP will be required to document the entitlements and compensation payments.

28. The steps to follow in negotiating an easement agreement is the same as that proposed for Satowan. Refer to Table _ above.

29. Weno Network Extension:

No ARAP is required but where distribution poles are located in private land, CPUC will consult affected landowners for permission. Minor disturbances including tree trimming or felling of trees may be unavoidable in some cases.. Measures for mitigating impacts, if any, are included in the ESMP.

29-1. Weno – Solar Power Plant:

A site for the solar power plant is not yet known. Initial screening and due diligence of a few potential sites is in progress to confirm land ownership, assess the potential environmental and social impacts as per the process set out in Section 5 of the RPF, and depending on assigned category, what if any resettlement instrument to prepare.

6.2 Important Steps in RAP/ARAP Preparation

6.2.1. Socioeconomic studies – Census Survey

30. A census survey will be conducted in the early stages of project preparation and with the involvement of potentially affected people. Coverage include -

- a) Current occupants of the affected area to establish a basis for the design of a resettlement program and to exclude subsequent inflows of people from eligibility for compensation and resettlement assistance.
- b) Standard characteristics of displaced households, and baseline information on livelihoods (including , as relevant, production levels and income derived from both formal and informal economic activities) and standard of living (including health status) of the displaced population.
- c) The magnitude of the expected loss – total or partial – of assets, and the extent of displacement, physical or economic;
- d) Information on vulnerable groups or persons as provided for in OP 4.12 (para 8) for whom special provisions may have to be made;
- e) Provisions to update information on the displaced people's livelihoods and standards of living at regular intervals so that the latest information is available at the time of displacement.

6.2.2. Setting a Cut-Off Date for Calculation of Entitlements

31. A cut-off date is that date after which any new crops planted, or structures erected in the affected land will no longer be eligible for compensation. This date will be in conjunction with the census / inventory of assets lost. The purpose of the cut-off date is to prevent AP's from exploiting their entitlement for compensation for affected assets, by purposefully building or planting to maximize compensation claims.

6.2.3. Valuation of assets including crops

32. Valuation of lost assets including crops is based on the principle of replacement cost using current market values. Where values for compensation are available, they are often not based on current market values. FSM will ensure that values used are current. Methods of valuations are discussed below in Section 9.

6.2.4. Cadastral survey for land

33. New easements and land taken with full compensation need to be surveyed, legally described, and pegged on the ground. This is essential for land documentation and for the practical purpose of facilitating the implementation of the detailed measurement surveys (DMS) and or inventory of losses (IOL). Significant delays in resettlement planning occur at this stage caused by conflicting claims to boundaries and ownership of assets and crops.

7. Estimated population affected/displaced, likely categories of displaced people and criteria for eligibility for benefits

7.1 Estimate of affected population

34. For Component 1 and 3, no one will be affected or displaced either physically or economically.

35. For Component 2, the extent of physical and or economic displacement and other resettlement impacts is known for the network extension in Weno, and the mini-grids in Satowan and Udot. For these sites, there is no physical displacement. Economic displacement is not fully understood for all sites until detailed design. It is expected however that less than 200 people will be directly affected in each site.

7.2. Likely categories of project affected/displaced people.

a. Group 1 Legal landowners

36. In this category legal landowners are (i) private owners of land in Weno whose land are acquired through means other than land leasing and other land owners whose land may be encroached on if distribution poles of the extended Weno distribution network are located outside the existing road easement; and (ii) private land owners in Satowan and Udot affected by the distribution network cables/lines.

b. Group 2 Legal occupants

37. These are people legally leasing private and or Government lands who will be relocated and whose assets including crops and productive trees are affected. Legal occupants of land to be leased from private land owners to FSM government for Weno's solar power plant are not eligible. Any cost associated with their relocation is the responsibility of the land owner.

Group 2 – Occupants with no recognizable legal rights or claim to the land they occupy and informal occupiers of land

38. Some households and people occupy land without any formal lease arrangements but the verbal consent of private landowners. Households / people may be affected by permanent land occupation by structures, by earthworks, or by temporary land use for access to working sites.

These Project-affected people are entitled to benefits under WB's OP 4.21 Involuntary Resettlement policy. Similarly squatters on newly leased land that require relocation are entitled to resettlement assistance.

Group 3 – Non-occupiers, but economically displaced

39. Economically displaced people are those whose access to resources and sources of income and livelihoods are affected.

7.3 Criteria for Eligibility for Benefits and Entitlement matrix

40. The following criteria apply when determining eligibility of displaced/affected people for resettlement benefits. Displaced/affected people may be categorized into one of the following three groups:

- (a) Those who have formal rights to land (including customary and traditional rights recognized under the laws of the country);
- (b) Those who do not have formal rights to land at the time the census begins but have a claim to such lands or assets – provided that such claims are recognized under the laws of the country or become recognized through a process identified in the resettlement plan; and
- (c) Those who have no recognizable legal right or claim to the land they are occupying.

41. The entitlements for the various categories are set out in the matrix below –

Table 3: Entitlement Matrix

Type of losses	Entitled Persons	Entitlements	Implementation Issues
Permanent loss of productive land (garden land, forest land, aquaculture land)	Persons with legal/formal rights to land; in the process of acquiring legal rights; owners eligible to acquire formal rights and public organizations;	<p>For marginal loss of land (<20% of total land holding):</p> <ul style="list-style-type: none"> •Cash compensation at replacement cost which is equivalent to the current market value of land with the community, of similar type, category and productive capacity, free from transaction costs(Taxes, administration fees); <p>For severe loss of land (> or = 20% of the total productive land holding):</p> <ul style="list-style-type: none"> •As a priority, replacement land compensation of similar type, category and productive capacity of land within the village, with land title or land use certificate without any fees, OR cash compensation at replacement cost in case replacement land is unavailable or at the request of the project affected people (PAP); AND entitlement to receiving rehabilitation and allowance package as defined below. 	<p>If the remaining land is not economically viable i.e. too small to be economically cultivated, and at the request of the affected people, the Project will acquire the entire land. The size of the entire land holding will be the basis for providing replacement land or cash compensation and relevant allowances.</p> <p>CPUC will address this issue during DMS implementation.</p>
	Persons without legal/formal rights and or unlegalizable	<p>Compensation for land at replacement cost if no dispute and no violation with announced planning.</p> <p>If it does not meet the conditions for compensation, PIU and CPUC will consider other support.</p>	CPUC will work closely with private landowners to identify correct boundaries.
Residential land	Persons with legal/formal rights; owners in process of acquiring legal rights; owners eligible to acquire legal rights	<ul style="list-style-type: none"> • With remaining land sufficient to rebuilt houses/structures – (i) cash compensation at replacement cost which is equivalent to the current market value of land of similar type and category, and free from transaction costs (taxes and admin fees) and (ii) cash for improvement of remaining residential land (e.g. filling or levelling) so PAPs can move back and build houses on remaining plot. • Without remaining land sufficient to rebuild houses/structures: (i) Replacement land compensation in resettlement sites or in commune, 	PAPs may voluntarily give their residential land to the project. However, voluntary donation of minor strips of residential land will only be allowed by the Project when the following criteria are strictly complied with – (i) the PAPs total residential land area is not less than 300m ² ; (ii) the strip of land that can be donated cannot be more than 5% of the total land area; and (iii) there are no

		with the same area, type and category without charge for taxes, registration and land transfer, with land title or land use certificate, OR (ii) cash compensation at replacement cost which is equivalent to the current market value of land of similar type and category, free from transaction costs (taxes and admin fees) plus allowance for levelling and registering land.	houses, structures, or fixed assets on the affected portion of land.
	Persons without legal/formal rights and are unlegalizable	<ul style="list-style-type: none"> • Compensation for affected land by replacement land or cash at replacement cost if no dispute and no violation with announced planning, otherwise no compensation for land but support for losses. • If affected people have no other resident place, CPUC considers allocating residential land or house and allowance package for AP's. 	CPUC will identify eligibility of land for compensation.
Temporary Use of Land	Persons with legal/formal right to use or to occupy land	<ul style="list-style-type: none"> • For agricultural and residential land to be used by the Project, (i) cash compensation but should not be less than the unrealized income and revenue that could be generated by the property during the period of temporary use of the land; (ii) cash compensation at replacement cost for affected fixed assets (e.g. structures, trees, crops); and (iii) restoration of the temporarily used land within 1 month after completion of construction. If the Project could not restore the temporarily used land, CPUC would negotiate with the APs and pay costs for AP's to restore the land themselves. • In case of contractors use temporary land for camping or storing materials etc., they should negotiate with the APs about compensation and restoration after use. 	The construction supervision consultant and CPUC will ensure that the (i) location and alignment of the temporary use area will have the least adverse social impacts; (ii) that the landowner is adequately informed of his/her rights and entitlements as per the investment project resettlement policy; and (iii) agreement reached between the landowner and the civil works contractor are carried out.
Totally affected houses/shops and secondary structures or partially affected but no longer viable	Owners of affected houses whether or not land is owned;	<ul style="list-style-type: none"> • Cash compensation at replacement cost using current market values for new house/shops, structure with no deduction for depreciation or salvageable materials; and rehabilitation and allowances package for AP's, including housing rent during construction of new house. 	<ul style="list-style-type: none"> • Adequate time provided for AP's to rebuild/repair their structures; • Affected houses and shops that are no longer viable are those whose remaining affected portions are no longer useable/habitable.
Partially affected	Owners of affected	<ul style="list-style-type: none"> • Cash compensation at replacement cost for the 	<ul style="list-style-type: none"> • Restoration costs should be

houses, shops and secondary structures but remaining part is viable;	houses whether or not house is owned	affected part and cost for repairing the remaining part.	negotiated with the AP's by CPUC.
Loss of business income during relocation or during dismantling/repair of affected portion (without relocation)	Owners of shop/business regardless of whether or not business is registered	<ul style="list-style-type: none"> • Cash compensation equivalent to the average daily income rate multiplied by the number of days of business disruption. 	<ul style="list-style-type: none"> • The number of days of business disruption and rate will be verified through interviews with informal shop owners to get an estimate of daily net profit.
Crops and Trees	Owner of crops and trees whether or not land is owned	<ul style="list-style-type: none"> • If standing annual crops are ripening and cannot be harvested, cash compensation at market price equivalent to the highest production of crop over the last three years multiplied by the current market value of crops; • For perennial crops and trees, cash compensation at current market value based on type, age, and productive capacity; • For timber trees, cash compensation at current market value based on type, age, and diameter at breast height (DBH) of trees. 	<ul style="list-style-type: none"> • CPUC should inform Affected Peoples at least 3 months before land acquisition. •
Permanent loss of physical cultural resources/public structures/village or collective ownership	Village or household(s);	<ul style="list-style-type: none"> • Compensation at replacement cost for present/existing structures based on its present value. OR reconstruction, reinstallation, if required by the owner. 	<ul style="list-style-type: none"> •
Graves located in the affected area	Owners of graves	<ul style="list-style-type: none"> • Compensation for removal of graves will be paid directly to AP's, including cost of excavation, relocation, reburial, purchasing/obtaining land for relocation of graves and all other reasonable costs in accordance with local rituals. 	<ul style="list-style-type: none"> •
Electricity poles	Electricity companies	<ul style="list-style-type: none"> • Cost compensation for cost to dismantle, transfer and rebuild; 	<ul style="list-style-type: none"> •
Transition subsistence allowance	Relocating households – relocating on residual land or to other sites	<ul style="list-style-type: none"> • Relocated AP's will be provided with cash or in-kind assistance equivalent to agreed amount of rice per month per household member, at current market value for 6 months.. 	<ul style="list-style-type: none"> •
	Severely affected AP's losing 20% or more of their productive income	<ul style="list-style-type: none"> • AP's directly cultivating on the affected land and losing: • From 20% - 50% of their productive land/income will 	<ul style="list-style-type: none"> • CPUC should inform Affected Peoples at least 3 months before land acquisition.

		<p>be provided with cash or in-kind assistance equivalent to 30kg of rice at current market value for 6 months per household member if no relocation to sites with harsh socio-economic conditions.</p> <ul style="list-style-type: none"> • From more than 50% - 70% of their productive land/ income will be provided with cash or inkind assistance equivalent to 30kg of rice at currently market value for 9 months per household member if no relocation, 18 months if relocation, and 24 months if relocation to sites with harsh socio-economic conditions. • From more than 70% of their productive land/income will be provided with cash or in-kind assistance equivalent to 30kg of rice at current market value for 12 months per household member if no relocation, 24 months if relocation, and 36 months if relocation to sites. 	<ul style="list-style-type: none"> • CPUC to consult with PIU and WB to confirm an appropriate level of in-kind assistance.
Transportation allowance	Relocating households – to other sites	<ul style="list-style-type: none"> • Support for transfer all old and new building materials and personal possessions by cash with maximum of US\$ ___ /relocating HH's 	<ul style="list-style-type: none"> • CPUC to confirm entitlement with PIU and WB.
Housing rent	Relocating households	<ul style="list-style-type: none"> • Support for renting house during construction of new house, for 6 months per HH's. CPUC decides what is an appropriate rent but not less than US\$___ per month in rural areas and US\$___ in urban areas. 	<ul style="list-style-type: none"> • This support should be provided at the time of compensation. <p>CPUC to confirm entitlement with PIU and WB</p>
Vocational training/job creation	AP's losing 20% or more of their productive land	<ul style="list-style-type: none"> • An additional allowance for vocational training/job creation equal to 1.5 times of affected area value but not exceeding quota of agricultural land in locality. 	<ul style="list-style-type: none"> • PIU will decide the level of the allowance.
Incentive Bonus	Relocating households	<ul style="list-style-type: none"> • Cash bonus up to a maximum of US\$___ per household for relocating households that dismantle structures from affected land in a timely fashion. 	<ul style="list-style-type: none"> • Payment to be made directly to HH's immediately upon removal. • CPUC to confirm cash amount.

8. Legal Framework

42. The legal framework for land acquisition and resettlement is based on the laws and regulations of the Government of the FSM and its member States, and the World Bank's Safeguards Policies

43. The principal FSM laws governing land acquisition, resettlement and compensation presently include (i) FSM Constitution (ii) the FSM Annotated Code 2014 – Government Property Acquisition (Title 56). These legislation and legal instruments are discussed in detail in the following section.

8.1. Constitution of the FSM

44 The Constitution of the FSM came into effect in 1978. Under the section title " Taking of Property" the Constitution states that

"Fundamental concept of procedural due process is that gov't may not strip citizens of life, liberty or property in an unfair, arbitrary manner. Where such important individual interests are exposed to possible governmental taking or deprivation, Constitution requires that gov't follow procedures calculated to assure a fair and rational decision-making process. Suldan v. FSM (II), 1 FSM Intrm. 339, 354-55 (Pon. 1983).

When a landowner voluntarily enters into a statement of intent to grant state an easement the state has not violated landowner's constitutional rights by "taking" his property without just compensation, and is not liable for trespass. Nena v. Kosrae, 5 FSM Intrm. 417, 425 (Kos. S. Ct. Tr. 1990).

8.2. FSM Annotated Code 2014 - Government Property Acquisition [Title 56]

Chapter 1 - Eminent Domain

45. Under Chapter 1 Eminent Domain, the following sections are pertinent:

Section 5: " 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".

Indefinite land use agreements and easements

46. Easements are allowed indefinite terms. They are not considered 'indefinite land use agreements' prohibited by the Constitution.

47. An easement for a road is not an indefinite land use agreement prohibited by the Constitution because it is perpetual. It is not indefinite in that it is effective into perpetuity. Nena v. Kosrae (I), 6 FSM R. 251, 254 (App. 1993).

48. An easement may be created for a permanent duration, or, as it is sometimes stated, in fee, which will ordinarily continue in operation and be enforceable forever. The grant of a permanent easement is for as definite a term as the grant of a fee simple estate. Both are permanent and not for a definite term. Nena v. Kosrae (II), 6 FSM R. 437, 439 (App. 1994).

A grant of a permanent or perpetual easement is a permanent transfer of an interest in land. *Nena v. Kosrae (III)*, 6 FSM R. 564, 568 (App. 1994).

Section 103 – Definitions

49. Section 103 defines “Eminent domain” and “Public use” as follow:

(1) "Eminent domain" is the right of the central Government or a district legal entity as may be provided for by district law in accordance with the provisions of this chapter 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.

(2) "Public use" shall be construed to cover any use determined by the High Commissioner to be a public use.

Section 104 - Complaints

50. This Section provides that “...complaints must be brought in the Trial Division of the High Court in the name of and on behalf of the Government of the Trust Territory as plaintiff by the Attorney General or the District Attorney and must contain:

- (1) the names of all owners and claimants of the property, if known, or a statement that they are unknown, who must be called defendants;
- (2) a statement of the right or authority of the plaintiff;
- (3) a description of each parcel of land to be acquired and statement of what interest in the land is desired by the plaintiff; and
- (4) a general statement of the purpose of the taking.

51. *Section 108 - Establishment of value of land*

(1) Upon a *prima facie* showing by the Attorney General or the District attorney that the property desired to be purchased by the Government is for public use, the Court must hear the parties, and establish a fair value for the land.

(2) The Court may appoint three assessors to assist in the proceedings and perform such functions as the Court may direct.

(3) In the event assessors are appointed by the Court, they shall take and subscribe an oath before the Judge that they will faithfully perform their duties as assessors.

52. *Section 109 - Determination of ownership in event of dispute*

In the event there is a dispute over the ownership of the property which is the subject of an eminent domain proceeding, the Court shall adjudicate and determine the ownership of the property as part of the proceedings.

53. *Section 110 - Final judgment*

The record of the final judgment in the proceedings shall state the particular land or interest in land which the Government has acquired and the compensation to be paid to the defendants and the Clerk of Courts shall issue a certificate of title in accordance with the judgment.

Government Property Acquisition (Title 56) – Chapter 2 – Real Property Acquisition

54. Section 201- Application of chapter

This chapter shall be applicable to the acquisition of real property under the laws of the Trust Territory for use in any project or program of the Trust Territory Governments, the district or municipal governments, or the agencies created by the above enumerated government divisions hereinafter referred to as "Government."

55. Section 202 - Property-acquisition procedures—Negotiations

In acquiring real property the Government will, to the greatest extent practicable:

(1) make every reasonable effort to acquire real property expeditiously through negotiation;

(2) before the initiation of negotiations, have the real property appraised and give the owner or his representative an opportunity to accompany the appraiser during the inspection of the property;

(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.

56. Section 203: Property valuation

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).

57. Section 204 - Government actions required before owner surrenders property

(1) Before requiring any owner to surrender possession of any real property, the Government will, to the greatest extent practicable, pay the amount of the award of compensation in condemnation proceedings for the property.

(2) If interest in the real property is to be acquired by exercise of power of eminent domain, institute formal condemnation proceedings and not intentionally make it necessary for the owner to institute legal proceedings to prove the fact of the taking of this real property; and

(3) If the acquisition of only part of the property will leave its owner with an uneconomic remnant, offer to acquire that remnant.

58. Section 205 - Property-acquisition procedures—Government conduct proscribed.

(1) In acquiring real property, to the greatest extent practicable the Government will not:

(a) schedule a construction or development of the public improvement that will require any person lawfully occupying real property to move from a dwelling, or move his business or farm operation, without giving that person at least 90 days' written notice of the date he is required to move;

(b) if acquired property is rented to the former owner or tenant for a short term or subject to termination by the Government on short notice, charge a rent that is more than the fair rental value of the property to a short term occupant;

(c) advance the time of condemnation;

(d) defer negotiations, condemnation, or deposit of funds in court for use of the owner; or

(e) take any course of action to compel an owner to agree to a price for his property.

(2) Should a court determine condemnation was unauthorized or should the property owner obtain a judgment in the nature of inverse condemnation, then the owner shall be reimbursed for reasonable expenses of litigation, in line with section 304, Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

(3) Nothing in this section should be construed to preclude a donation by an owner after his property has been appraised and the full amount of the estimated just compensation has been tendered to him.

Government Property Acquisition (Title 56) –

Chapter 3: Relocation Assistance

59. Section 301: Declaration of policy.

The purpose of this chapter is 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 policy shall be uniform as to:

- (1) relocation payments;
- (2) advisory assistance;
- (3) assurance of availability of standard housing.

60. Section 303: Relocation payments for actual moving and related expenses.

If an agency acquires real property for public use, it shall make fair and reasonable relocation payments to displaced persons and businesses as required by this chapter for:

- (1) actual reasonable expenses in moving himself, his family, business, farm operation, or other personal property;
- (2) actual direct losses of tangible personal property as a result of moving or discontinuing a business or farm operation, but not to exceed an amount equal to the reasonable expenses that would have been required to relocate such property, as determined by the agency; and
- (3) actual reasonable expenses in searching for a replacement business or farm.

61. Section 304: Displaced person's option to receive moving and dislocation allowances.

Any displaced person eligible for payments under section 303 of this chapter who is displaced from a dwelling and who elects to accept the payments authorized by this section in lieu of the payments authorized by section 303 of this chapter may receive a moving expense allowance,

determined according to a schedule established by the agency, not to exceed \$300, and a dislocation allowance of \$200.

62. *Section 305: Displaced person's option to receive payment based on business earnings.*

(1) Any displaced person eligible for payment under section 303 of this chapter, who is displaced from his place of business or from his farm operation and who elects to accept the payment authorized by this section in lieu of the payment authorized by section 303 of this chapter, may receive a fixed payment in an amount equal to the average annual net earnings of the business or farm operation, except that such payment shall not be less than \$2,500 nor more than \$10,000.

(2) In the case of a business no payment shall be made under this section unless the agency is satisfied that the business:

(a) cannot be relocated without a substantial loss of its existing patronage; and

(b) is not a part of a commercial enterprise having a least one other establishment not being acquired by the agency, which is engaged in the same or similar business.

(3) For purposes of this section, the term "average annual net earnings" means one-half of any net earnings of the business or farm operation before Federal, State, and local income taxes during the two taxable years immediately preceding the taxable year in which the business or farm operation moves from the real property acquired for such project, or during such other period as the agency determines to be more equitable for establishing such earnings, and includes any compensation paid by the business or farm operation to the owner, his spouse, or his dependents during such period.

63. *Section 30: Replacement housing for homeowners.*

(1) In addition to payments otherwise authorized by this chapter, the agency shall make an additional payment not in excess of \$15,000 to any displaced person who is displaced from a dwelling actually owned and occupied by the displaced person for not less than 180 days prior to the initiation of negotiations for the acquisition of the property.

(2) The additional payment shall include the following elements:

(a) the amount, if any, which when added to the acquisition cost of the dwelling acquired, equals the reasonable cost of a comparable replacement dwelling which is a decent, safe, and sanitary dwelling according to contemporary community standards and adequate to accommodate such displaced person, reasonably accessible to public services and places of employment, and available on the private market. All determinations required to carry out this paragraph shall be determined by regulations issued pursuant to section 310 of this chapter;

(b) the amount, if any, which will compensate the displaced person for any increased interest costs which the person is required to pay for financing the acquisition of a comparable replacement dwelling. The amount shall be paid only if the dwelling acquired was encumbered by a bona fide mortgage which was a valid lien on the dwelling for not less than 180 days prior to the initiation of negotiations for the acquisition of the dwelling. The amount shall be equal to the excess in the aggregate interest and other debt service costs of that amount of the principal of the mortgage on

the replacement dwelling which is equal to the unpaid balance of the mortgage on the acquired dwelling over the remainder term of the mortgage on the acquired dwelling reduced to discounted present value. The discount rate shall be determined by regulations issued pursuant to section 310 of this chapter; and

(c) reasonable expenses incurred by the displaced person for evidence of title, recording fees, and other closing costs incident to the purchase of the replacement dwelling, but not including prepaid expenses.

(3) The additional payment authorized by this section shall be made only to a displaced person who purchases and occupies a replacement dwelling which is decent, safe, and sanitary according to contemporary community standards not later than the end of the one year period beginning on the date on which he receives final payment of all costs of the acquired dwelling, or on the date on which he moves from the acquired dwelling, whichever is the later date.

64. *Section: 30: Replacement housing for tenants and certain others.*

(1) In addition to amounts otherwise authorized by this chapter, an agency shall make a payment to or for any displaced person displaced from any dwelling not eligible to receive a payment under section 306 of this chapter, which dwelling was actually and lawfully occupied by the displaced person for not less than 90 days prior to the initiation of negotiations for acquisition of such dwelling.

(2) The payment shall be either:

(a) the amount necessary to enable the displaced person to lease or rent, for a period not to exceed four years, a decent, safe, and sanitary dwelling according to contemporary community standards and adequate to accommodate the person in areas not generally less desirable in regard to public utilities and public and commercial facilities, and reasonably accessible to his place of employment, but not to exceed \$4,000; or

(b) the amount necessary to enable the person to make a down payment (including incidental expenses described in section 306(2)(c) of this chapter) on the purchase of a decent, safe, and sanitary dwelling according to contemporary community standards and adequate to accommodate such person in areas not generally less desirable in regard to public utilities and public and commercial facilities, but not to exceed \$4,000 except that if the amount exceeds \$2,000, the person must equally match any amount in excess of \$2,000 in making the down payment.

65. *Section 308: Relocation assistance advisory programs.*

(1) Whenever the acquisition of real property for a program or project undertaken by an agency will result in the displacement of any person on or after the effective date of this chapter, the agency shall provide a relocation assistance advisory program for displaced persons which shall offer the services prescribed in subsection (2) of this section. If the agency determines that any person occupying property immediately adjacent to the real property acquired is caused substantial economic injury because of the acquisition, it may offer the person relocation advisory services under the program.

(2) Each relocation assistance program required by subsection (1) of this section shall include such measures, facilities, or services as may be necessary or appropriate in order to:

- (a) determine the needs of displaced persons, business concerns, and nonprofit organizations for relocation assistance;
- (b) assist owners of displaced businesses and farm operations in obtaining and becoming established in suitable business locations or replacement farms;
- (c) supply information concerning programs of the Federal, State, and local governments offering assistance to displaced persons and business concerns;
- (d) assist in minimizing hardships to displaced persons in adjusting to relocation; and
- (e) secure, to the greatest extent practicable, the coordination of relocation activities with other project activities and other planned or proposed governmental actions in the community or nearby areas which may affect the carrying out of the relocation program.

66. *Section 309: Assurance of availability of standard housing.*

Whenever the acquisition of real property for a program or project undertaken by an agency will result in the displacement of any person on or after the effective date of this chapter, the agency shall assure that, within a reasonable period of time prior to displacement, there will be available in areas not generally less suitable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families and individuals displaced, dwellings which are decent, safe, and sanitary according to contemporary community standards and which are equal in number to the number of and available to displaced persons who require dwellings and which are reasonably accessible to the places of employment of said persons, except that regulations issued pursuant to section 310 of this chapter may prescribe situations when these assurances may be waived.

67. *Section: 310 Authority of District Administrator to promulgate regulations.*

- (1) The District Administrator in each district of the Trust Territory shall adopt rules and regulations necessary to assure that:
- (a) the payments and assistance authorized by this chapter shall be administered in a manner which is fair and reasonable, and as uniform as practicable;
 - (b) a displaced person who makes proper application for a payment authorized by this chapter shall be paid promptly after a move or, in hardship cases, be paid in advance; and
 - (c) any person aggrieved by a determination as to eligibility for a payment authorized by this chapter, or the amount of payment, may have his application reviewed by the High Commissioner.
- (2) The District Administrator may prescribe other regulations and procedures, consistent with the provisions of this chapter.

68. *Section 312: Availability of funds.*

Funds appropriated or otherwise available to any agency for the acquisition of real property or any

interest therein for a particular program or project shall be available also for obligation and expenditure to carry out the provisions of this chapter as applied to that purpose or project.

69. *Section 313: Payments not to be considered as income or resources.*

No payment received by a displaced person under this chapter shall be considered as income or resources for the purpose of determining the eligibility or extent of eligibility of any person for assistance under any Trust Territory law, or for the purposes of any Trust Territory tax laws. These payments shall not be considered as income or resources of any recipient of public assistance and the payments shall not be deducted from the amount of aid to which the recipient would otherwise be entitled.

70. *Section 314: Appeal procedure.*

Any person or business concern aggrieved by a final administrative determination pursuant to section 310(1)(c) of this chapter concerning eligibility for relocation payments authorized by this chapter may appeal that determination to the Trial Division of the High Court in the area in which the land taken for public use is located or the rehabilitation program is conducted.

8.3. Gap Analysis between WB Safeguards Policies and FSM Safeguards Requirements

Table 4: Gap Analysis

World Bank Safeguard Policies	FSM	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.
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.
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 SEC will be implemented.

SEDAP – Resettlement Policy Framework

<p>To address the impacts resulting from Bank-assisted investment projects, the borrower prepares a resettlement plan or resettlement policy framework.</p>	<p>No specific requirement for the preparation of RPs.</p>	<p>Where RAP/ARAPs are necessary, they will be prepared in accordance with the requirements and procedures set out in this RPF.</p>
<p>It is necessary to improve or at least restore livelihoods of Displaced Persons by a range of strategies targeted at Affected People. Nobody is to be made worse off as a result of the development project.</p>	<p>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.</p>	<p>Partial equivalence. WB policy will apply to ensure all AP's and their losses are covered and compensated for.</p> <p>Where losses are temporary and minor, and involving no financial compensation, these will be addressed as part of the ESMP.</p>
<p>Requires that Displaced Persons are compensated for all losses, including non-land assets, at full replacement cost.</p>	<p>See comment above. There's a limit imposed on how much compensation is paid for lost income from business or farm operation. Thus compensation is not at full replacement cost using current market values.</p>	<p>Partial equivalence vis-à-vis valuation of land for compensation. But not for lost non-land assets and income.</p> <p>WB's principle of 'replacement cost' using current market values for compensation of affected assets will apply, where applicable.</p>
<p>OP 4.12 requires that resettlement outcomes be monitored and assessed.</p>		<p>Where applicable, WB policy applies. RAP/ARAPs will include indicators and baseline data to monitor impacts on living standards of Affected People. The monitoring reports will also be disclosed including to Affected People.</p>
<p>Bank promotes and supports natural habitat conservation and improved land use, and rehabilitation of natural habitats.</p>	<p>FSM Environment Protection Act promotes the same.</p>	<p>Equivalent</p>
<p>Bank does not support projects that, in its opinion, involve significant conversion or degradation of critical natural habitats.</p>	<p>The same principle is implied in the FSM EPA ___ and EIA Regulation 1994.</p>	<p>Equivalent.</p>

<p>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.</p>	<p>The FSM EPA provides for public consultation as part of the environmental assessment process, and full disclosure of EIA reports to the public.</p>	<p>Equivalent.</p>
<p>Bank requires that displaced people should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs.</p> <p>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.</p>	<p>FSM legislation is explicit on dealing with displaced people, i.e. those people dispossessed of their land under Government's use of power of eminent domain.</p> <p>FSM legislation is not clear on dealing with impacts on other affected people such as illegal occupier of acquired land etc..</p>	<p>WB Policy will apply.</p>

9. Methods of valuing assets

71. The following methods for valuing assets are applicable to losses anticipated in SEDAP - For *residential land*,

- a. Annual rent or lease payment is a negotiated settlement based on the current market value of land of similar type and category, and free from transaction costs (taxes and administration fees);
- b. permanently lost as a result of the project, replacement cost is equivalent to the current market value of land within the village, of similar type, category and free from transaction costs (taxes and administration fees).

(ii) For *productive cultivable land*,

- a. Annual rent or lease payment is a negotiated settlement based on the current market value of the land within the village, of similar type, category and production capacity, and free from transaction costs (taxes and administration fees);
- b. Permanently lost as a result of the project, land value is equivalent to the current market value of the land within the village, of similar type, category and production capacity, and free from transaction costs (taxes and administration fees).

- (iii) *For any houses, fences etc* lost or damaged, compensation will be calculated at full replacement cost using current market prices for materials. The definition of replacement cost will comply with that of the WB⁵

 - (iv) *For the loss of Crops and Trees* (these refer to crops and/or trees that may be affected either by temporary or permanent land acquisition).
 - a) Cash compensation for crops will be based on market values at the time of anticipated harvest;
 - b) Cash compensation for marketable trees will be based on species and merchantable volume calculated using Diameter at Breast Height (DBH).
 - c) Cash compensation for fruit trees based on type, age and productivity; also reflecting current market prices.

 - (v) *Income losses from employment or business (permanent or temporary interruption)*.
 - a) For permanent impact, cash compensation for one year net business income or salary;
 - b) For temporary impact, cash compensation of net income or salary for the number of months of business or employment stoppage for a period of up to 1 year.
 - c) Assessment to be based on paper evidence or oral testimony and local leader confirmation. At least the legal minimum wage will be provided.

 - (vi) *Unforeseen impacts*.
72. All other types of impacts not foreseen will be assessed using the principles of the RPF, and will be consulted with the affected parties and documented in the A/RAP or RAP.

10. Organizational procedures for RAP/ARAP preparation and implementation

73. PIU will be assisted by CPUC in conducting detailed measurement surveys of any affected assets in Weno, Satowan and Udot and in conducting consultations and discussing valuation and entitlements with AP's before A/RAPs are finalized and disclosed. Where voluntary land donation is involved, CPUC will assist in organizing and supporting consultations with landowners.

74. PIU will have overall supervision of RAP/A-RAP implementation. But given remoteness from Chuuk project sites, and the need to monitor RAP/ARAP implementation closely, CPUC will be responsible for day-to-day implementation.. DoF will ensure the availability of an appropriate budget for RPF implementation including the payment of compensation. DoF also ensures that ARAP implementation and all entitlements are delivered to beneficiaries before commencement of contractors' site activities. Where beneficiaries are disputed and requiring confirmation by the Court or other legally empowered authorities, DoF will ensure any financial compensation owed is deposited into a holding or escrow account, pending the confirmation of the rightful land owners and or beneficiaries. In this way, contractors can proceed with contracted works without delay.

75. The following table summarizes the roles of relevant institutions during the preparation and implementation of a RAP or A/RAP.

⁵ Operational Manual – Annex A OP 4.12 – Involuntary Resettlement Instruments

Table 5: Institutions Involved in Resettlement Implementation

Activities	Agency Responsible
A. Pre-Implementation of ARAP	
- Project disclosure and public consultation for all Project sites.	PIU with CPUC.
- Verification survey of affected lands	PIU with CPUC
- Census of affected persons; inventory of losses; establishment of replacement values	PIU assisted by CPUC in the field.
- Consultation on proposed entitlements including financial compensation, methods of valuation. compensation	PIU assisted by CPUC
- Update of the ARAP	PIU
- Concurrence of updated ARAP with DPs	PIU assisted by CPUC
- Endorsement of updated ARAP to WB	PIU
- Internal Monitoring	PIU assisted by CPUC
- External monitoring	EMA
B. ARAP Implementation	
- Approval and release of funds for compensation	DoFA
- Verification of affected agencies and DPs	PIU and CPUC
- Internal monitoring/oversight	PIU
- Grievance and redress	PIU
- Payment of compensation	DoFA
- Submit compliance documents to WB	PIU and DoF
Internal Monitoring/Oversight	DoF
External Monitoring	PIU
- Validate compliance of RAP implementation	WB
C. Construction Stage	
- Confirm “No Objection” for the award of civil works	WB
- Tendering and award of civil works	PIU
- Hiring of DPs and mobilization of labor force.	Civil Works Contractor

- Core subproject construction	Civil Works Contractor
- External Monitoring	CPUC
D. Post Construction	
- Restoration and return of temporarily affected lands and assets	Civil Works Contractor
Monitoring of outstanding or undelivered resettlement assistance / measures.	CPUC

11. Implementation Process

76. All activities for implementing any RAP or A/RAP will begin and be completed before the construction or installation of the core physical investments. The only overlaps between ARAP implementation and construction are the restoration of sites used by the contractor(s) before their departure. These restorations however are integrated into the ESMP where they will be monitored during the construction and operation phase, if necessary.

77. The PIU assisted by CPUC will satisfactorily complete the payments for compensation and the lands are free of all obstructions and encumbrances before it request to WB for its “No Objection” for the award of civil works contract. This includes the setting up of an Escrow Account or similar mechanism into which disputed compensation monies are deposited pending Court confirmation of rightful beneficiaries. In support of claim for satisfactory compliance, PIU will submit the following duly authenticated documents to the WB, for each RAPs or A/RAPs prepared and implemented:

- List of Affected / Displaced Persons (DPs) and their corresponding compensation;
- Copy of Project Information Document (PID) distributed to DPs;
- Evidence of Escrow Account existing with disputed compensation monies deposited;
- Minutes of consultations with DPs including details of gender;
- Minutes of consultations involved in agreeing the contents of RAP including gender of participants;
- Individual agreement on compensation reached with the DPs, if applicable;
- Journal voucher(s) or equivalent document(s) showing the payments for compensation and entitlements to DPs.

78. Where Voluntary Land Donations (VLD) are the method of land acquisition, the PIU will ensure that WB VLD forms, translated into the local language, are duly signed and witnessed supported by the following documentation –

- Reports of consultations carried out including minutes of meetings
- List of participants,
- Photographic evidence of meeting and signing ceremony.

79. 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 RAP.

12. Grievance Redress Mechanism

80. The following GRM applies to the resolution of complaints received. It is designed to address complaints received at all sites where SEDAP activities are implemented in Pohnpei, Kosrae, Chuuk and Yap. The Chuuk activities under Component 2 are expected to be particularly vulnerable to complaints given their exposed nature, land acquisition involved and the higher risk of adverse social impacts anticipated. Land related complaints are hoped to be averted with the full payment of negotiated entitlements including any financial compensation prior to commencement of project construction. Assuming this, subsequent complaints are expected to be in response to any alleged Contractor malpractices, environmental nuisances during construction, issues related to insensitive social interactions with local populations.

81. Given the confined nature of the SEDAP installations within existing utility facilities in Pohnpei, Kosrae and Yap, likely complaints are those associated with issues such as noise, vibration, air pollution and any accidental spills. Most of these can be resolved quickly at the DCP level and, worst-case scenario, the Utility GM level. At all levels, however, it is important that all complaints are registered with the result of redress noted.

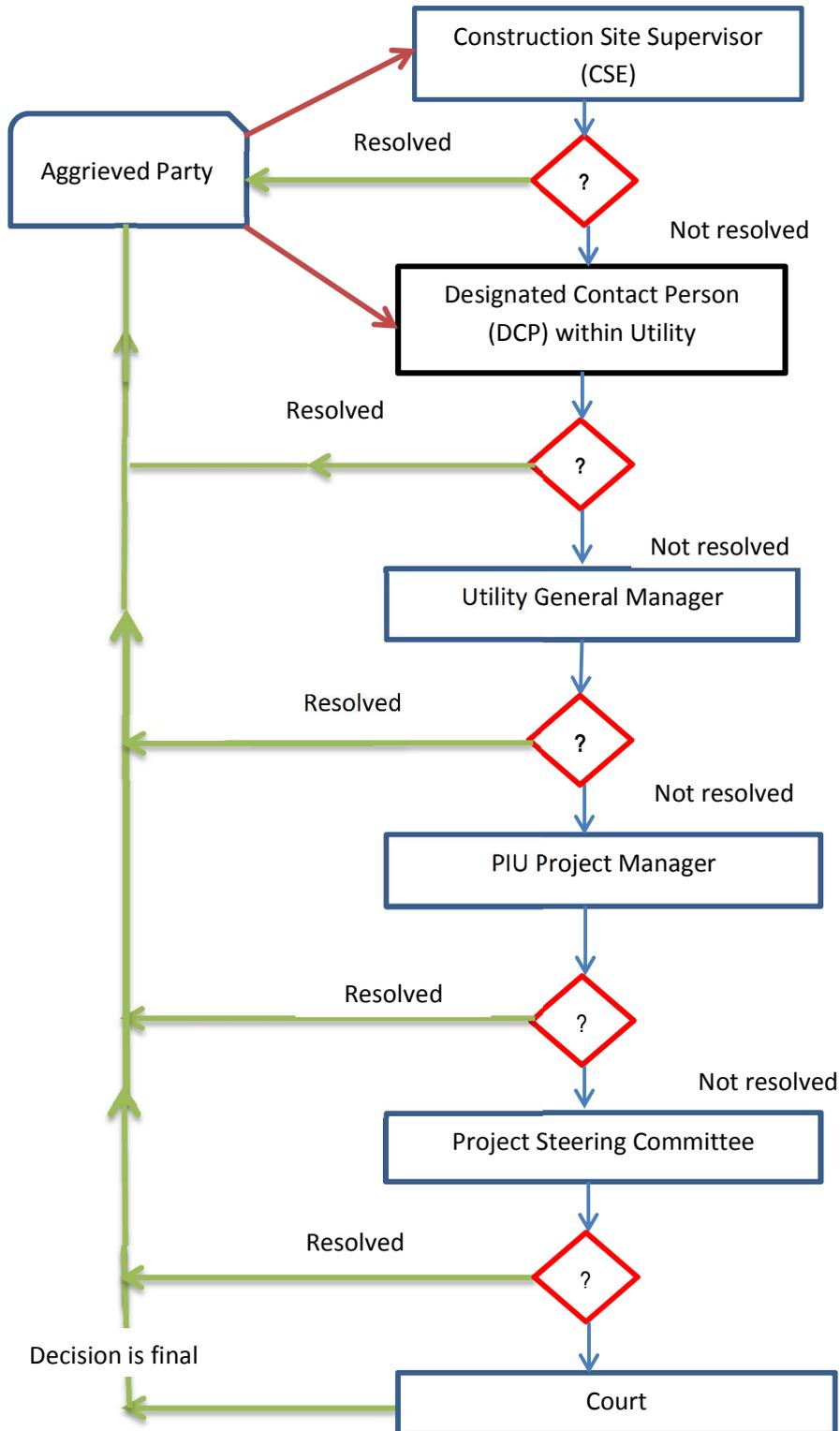
82. This GRM builds on the framework GRM described in the ESMP.

Table 6: Grievance Redress Mechanism

Stage	Process	Duration
1	Often complaints are about nuisances on the construction site. The Aggrieved Party (AP) typically take his/her grievance to Construction Site Supervisor (CSS) who will endeavour to resolve it immediately. In other cases, the Complainant takes his grievance directly to the Utility company. In such cases, he/she will be referred to the DCP.	Any time.
2	Where AP is not satisfied, the CSS will refer the AP to the Project's Designated Contact Person (DCP) who would be a representative of CPUC, KUA, PUC and YSPSC in each of the respective States. For complaints that were satisfactorily resolved by the CSS, he/she will inform the DCP and the DCP will log the grievance and the actions that were taken.	Immediately if the CSS thinks the complaint is outside his ability to resolve.
3	On receipt of the complaint, the Project DCP will endeavour to resolve it immediately. If unsuccessful, he/she then notify the Utility General Manager.	Immediately after logging of grievance.

4	The Utility GM will address the complaint with 1 week. If unsuccessful, he/she will then inform the PIU (Project Manager)	1 week.
	The PIU, if not able to resolve the issue satisfactorily, will refer the matter to the next sitting of the Project Steering Committee or otherwise convene an extraordinary meeting of the PSC if in his/her assessment, the issue warrants it..	4 weeks
5	If the matter remains unresolved with the intervention of the PSC, the PIU will then advise the complainant of his/her legal options. He/She may then pursue his/her grievance with the Court which decision on the matter would be final.	1 month.

Figure 1: Flow Diagram showing Project level Grievance Redress Mechanism



13. Resettlement Budget and Financial Arrangements

83. Budget provisions for resettlement impacts include rent or lease payments⁶ for all voluntary transactions, and financial entitlements for DP for loss of land, other assets including crops and other sources of livelihoods. These are tabulated and summarized in separate sheets as supporting schedule in the RAP or A/RAP document.

84. The costs of implementing an RAP or A/RAP will be FSM’s responsibility as its equity contribution to the subproject investments. The DoF shall ensure that the total cost of compensation and entitlement are budgeted for and shall cover the following: (a) project disclosure, (b) public consultations and focus group discussions, and (c) internal monitoring and implementation of the RAP. In addition, FSM will cover contingencies for the total of compensation and administrative cost. The cost of preparing the RAP/ARAP is paid for by SEDAP which includes cost of boundary surveys for easement description, and land taken for the computation of compensation, boat fuel to Udot and Satowan, inventory of losses and other information gathering exercises.

85. The budgets for compensation will be approved by the DoF (in consultation with ED/DRND (for Component 2) on behalf of FSM Government. It will ensure timely availability of adequate budgetary support and the release of funds for any subproject RAPs. Prior to implementation, the DoF will set up the accounting chart of accounts for capturing the expenses for compensation and administrative costs.

86. Where private lands affected are disputed between two or more landowners, and the rightful beneficiaries cannot be confirmed except by the Court, DoF will establish an Escrow Account in a commercial bank into which monies for compensation will be lodged, until the dispute is resolved satisfactorily. In this way, the WB can issue an NOL and Project construction begins without delay.

86-1. An indicative budget US\$378,000 is estimated for the preparation and implementation of all safeguards instruments for SEDAP including this RPF. CIU funds the Safeguards Specialist for the first two years from its Transport project budget. Funding provision for a part time Social Safeguards Specialist for the last three (3) years of the Project is included. Table 8 below provides budget details.

Table 7: Indicative Safeguards Budget for SEDAP

No.	Details	Amount (US\$)
1	Part time Safeguards Specialist (last 3 years) ⁷	108,000
2	Environmental assessment (Weno sites for solar plant).	40,000
3	Resettlement action planning (Chuuk sites) ⁸	40,000

⁶ This does not include lease payments or rent associated with the Master Lease between the Kwajalein landowners and KADA including any new easements which requires no additional cost.

⁷ 45 x consultant days per year for 3 years

⁸ Include cost of land surveying for easements, travel cost to Satowan and Udot (incl boat fuel) and fees for a resettlement specialist

3	Training	30,000
4	Travel (for part time SS) ⁹	90,000
5	Monitoring and Reporting ¹⁰ (incl EMA costs)	30,000
6	Stakeholder Engagement	20,000
7	Disclosure	5,000
8	GRM related costs	15,000
	TOTAL	US \$378,000

14. Mechanisms for consultations with and participation of affected / displaced persons

87. Consultation for the SEDAP RPF is a process that starts with the preparation of the SEDAP project prior to appraisal and continues with the preparation of specific safeguards instruments including any resettlement plans that may be required for sub-projects. Reference to potential resettlement impacts will be made during these early discussions prior to appraisal. The main purpose at this level is simply to raise awareness of the Project, its objectives, other essential details, and its potential resettlement impacts.

87-1. Consultations for this RPF focuses on Chuuk where land acquisition is expected thus the subsequent preparation of resettlement action plans. Earlier consultations discussed the SEDAP in general and its potential land needs and likely resettlement impacts. Latest consultations after the initial disclosure of the RPF discussed the draft document, with the Chuuk Energy Working Group, and subsequently civil society organizations and groups, and the business community. Further consultations during the preparation of resettlement action plans will be necessary, including with communities in Satowan and Udot on the alignment of the easement for the distribution networks. These planned consultations are in accordance with the Stakeholder Engagement Plan (Annex 9).

88. Consultations for the preparation and disclosure of ARAPs are set forth in the ESMP Stakeholder Engagement and Consultation Plan integrated into the ESMP.

Table 8: Guide for consultations for RAP/A-RAP preparation

	Stage	Subject of Consultation	Role(s) of landowners, community leaders and DPs, including Women	Reasons for Stakeholder Participation

⁹ 3 x international economy round trips per year and DSA

¹⁰ Including EMA costs for RAP monitoring.

Pre-Implementation	<ul style="list-style-type: none"> ▪ Consultation and focus-group discussions 	<ul style="list-style-type: none"> • Understanding the subproject. • Gaining affected people's support. 	<ul style="list-style-type: none"> • Participate in subproject disclosure, public meetings and consultations. • Encourage and invite women to attend Project disclosure, public meetings and consultations. 	<ul style="list-style-type: none"> • Ensure that participants fully understand the proposed subproject, its potential impacts and its benefits to the community. • Promote an informed and collective decision-making process. • To contribute to project design by identifying issues and commenting on preliminary design.
	Consultations with affected landowners	<ul style="list-style-type: none"> • To gain their support for the use of land; • To explore options for the voluntary agreement of land use. 	<ul style="list-style-type: none"> • To understand project's objectives and expected benefits and beneficiaries. • Agree to voluntary use of land. 	<ul style="list-style-type: none"> • To support land acquisition and resettlement planning process.
		<ul style="list-style-type: none"> • Subproject design, and any identified land needs 	<ul style="list-style-type: none"> • Understand and support the land requirements and the technical design of the project. • 	<ul style="list-style-type: none"> • To support land acquisition and resettlement planning process.
	Planning for RAP	<p>Detailed measurement survey (DMS) - To collect quantitative data of AP's; lost crops and other assets, and to record other losses for the estimation of entitlements and resettlement assistance.</p>	<ul style="list-style-type: none"> • To provide quantitative data on affected households, affected livelihood sources, other impacts, crops and other assets etc. e. 	<ul style="list-style-type: none"> • To ensure all losses are documented and captured in RAP / ARAP.
		<p>To confirm beneficiaries, clarify or confirm land boundaries, and</p>	<ul style="list-style-type: none"> • Assist in identifying and clarifying land boundaries. 	<p>To avoid disputes over beneficiaries and entitlements.</p>

	ownership of assets including crops.			
	▪ Draft RAP / A-RAP	Review and agree on the contents of the RAP/ARAP before finalization and implementation. To discuss and agree on GRM	<ul style="list-style-type: none"> To review, confirm or otherwise clarify issues that are incorrect or unclear. To contribute to design of GRM. 	To obtain agreement or other feedback on the RAP. To understand Project GRM
Implementation	▪ RAP / A-RAP implementation	▪ Identify additional assistance to DPs.	▪ DPs or any of their household members shall be offered employment during the construction of the subproject.	Ensure project benefits are maximized for displaced persons.
		▪ Grievance and redress mechanism.	▪ Provide information to assist in redressing of grievances.	▪ Ensure that problems are address within reasonable time.
Post Implementation	▪ Monitoring and evaluation	▪ Monitoring and evaluation system	▪ Provide inputs to monitoring and evaluation	▪ Gain experience and lessons in shaping resettlement policies for future energy sector projects.

14. Capacity Building

88. Expert capacity for resettlement planning and implementation is provided by the CIU Safeguards Specialist. She/he will have lead responsibility for the preparation of any A/RAP required and or for making sure the ESMP is updated to integrate resettlement measures where these are minor and not warrant the preparation of a separate A/RAP.

89. The Safeguards Specialist will work closely with the State Power utilities especially the CPUC, in RAP / ARAP preparation, including consultations, surveys, disclosure, and RAP/ARAP implementation and reporting.

90. Overseeing the engagement of the External Monitoring Agency (usually an NGO) to provide independent monitoring of A/RAP implementation is an additional role of the Social Safeguards Specialist, although the EMA will be on a daily basis be assisted as may be required by the CPUC. The Safeguards Specialist will ensure appropriate training and mentoring is provided to CPUC and

EMA personnel to ensure thorough monitoring of any RAP or A/RAP implementation. CPUC training includes how to carry out detailed measurement surveys (DMS), inventories of affected people and valuation using replacement cost method.

91. Training in the areas referred to above should be held within three (3) months of project effectiveness and prior to RAP/ARAP preparation.

92. On-going support will be provided by the World Bank Task Team for the duration of the project including for the initial activities environmental screening, categorization and review of prepared safeguards instruments.

15. Arrangements for Monitoring and Reporting

Internal Monitoring –

93. PIU will be responsible for the internal monitoring and reporting of RPF and RAP/ARAP implementation. Twice yearly monitoring reports shall be prepared and submitted as part of its reporting responsibilities as Implementing Agency. The information on internal monitoring reports shall contain the following: (a) accomplishments to-date; (b) objectives attained and not attained during the period; (c) problems encountered / complaints received and progress with resolving grievances; and (d) targets for the next period.

External Monitoring -

94. Given the low level of resettlement measures and entitlements expected to be involved in SEDAP, an independent external monitor is not required.

Annex 1: References

1. World Bank. 2005. *Safeguards Policies Basics*. QACU, OPCS. World Bank. Internal Document.
2. Pacific Islands Legal Information Institute (2014) PacLII Documents Collections, Marshall Islands Laws, *Marshall Islands Consolidated Legislation, Constitution of the Republic of the Marshall Islands*, http://www.pacii.org/mh/legis/consol_act/cotrotmi490/ [accessed 24 – 27 Nov, 2016]

Annex 2: World Bank Voluntary Land Donation

1. Voluntary Land Donation Principles

The principles governing voluntary donation are as follows.

Voluntary land donation refers to a process by which an individual or communal owner agrees to provide land or property for project-related activities. In general, voluntary land contribution is undertaken without compensation. Voluntary contribution is an act of informed consent, made with the prior knowledge of other options available and their consequences, including the right not to contribute or transfer the land. It must be obtained without undue coercion or duress.

Voluntary land donation requires a declaration by the individual, household or group that they are donating the use of the land for a specific purpose and a specific duration of time. It is provided freely and without compensation, and is acceptable only if the following safeguards are in place:

- 1) Full consultation with landowners and any non-titled affected people on site selection
- 2) Voluntary donations should not severely affect the living standards of affected people
- 3) Any voluntary donation will be confirmed through written record and verified by an independent third party such as customary tribunal, NGO or legal authority
- 4) Adequate grievance redress mechanism should be in place.

2. WB Voluntary Land Donation - Sample Consent Form

Date: _____

I/We: _____ male household head _____ female household head,
AND/OR person exercising custom over the affected
land _____

Resident/s of _____ Village in _____ District _____,

Declare that I/We/the group is voluntarily donating the use of (specify land, assets, location, size,
type etc)

For the purpose of: (specify activity)

For the duration of: (specify commencement date and duration)

Of My/Our own free will, I/We are waiving My/Our right to compensation of any kind for the specified
duration of the activity.

Signed:

Male household head _____ Female household head _____

Person exercising Custom _____

Annex 3: Outline of an Abbreviated Resettlement Action Plan (A/RAP)

An Abbreviated Resettlement Plan covers the following minimum elements:

- a. A census survey of displaced persons and valuation of assets;
- b. Description of compensation and other resettlement assistances to be provided;
- c. Consultations with displaced people about acceptable alternatives;
- d. Institutional responsibility for implementation and procedures for grievance redress;
- e. Arrangements for monitoring and implementation; and
- f. A timetable and budget.

Annex 4: Elements / Outline of a WB Resettlement Action Plan (RAP)

- a) Scope and level of detailed of RAP
- b) Description of the Project
- c) Potential Impacts
- d) Objectives of the resettlement plan
- e) Socioeconomic studies
- f) Legal Framework
- g) Institutional Framework
- h) Eligibility
- i) Valuation of and compensation for losses
- j) Resettlement Measures
- k) Site Selection, site preparation and relocation
- l) Housing, infrastructure and social services
- m) Community participation
- n) Grievance Procedures
- o) Organizational responsibilities
- p) Implementation Schedule
- q) Cost and budget
- r) Monitoring and Evaluation

Annex 5: Summary of Consultations with Satowan Community, 10 July 2018

Background:

Consultations with Satowan was conducted on 10 July 2018 as part of the ESMP preparation. The main objective was to assess the environmental and social suitability of the selected site in Satowan for the construction of the hybrid mini-grid proposed for funding under SEDAP.

The team for the consultations comprises of (i) the SEDAP ESMP Consultant (Sam Sesega), Secretary of the Ministry of Energy and Natural Resources (Marion Henry), CPUC Chief Financial Officer (Lei Shirai) and the Satowan Mayor.

Process:

The team was welcomed by the local community and municipal leaders at the Community Meeting house. After brief formalities, and with translation provided by Secretary Henry, three verbal presentations were made. Secretary Henry presented on the FSM's Energy Policy and targets, highlighting the emphasis on renewable energy in general and the potential for solar in particular and of SEDAP's aim of improving access of rural communities to electricity. The ESMP Consultant then presented on the Project requirements for environmental and social planning and the importance of consulting all stakeholders in this exercise. The proposed mini-grid for Satowan was explained, as well as the need to ensure any potential adverse environmental and social impacts are mitigated effectively. The CPUC representative explained CPUC operations and plans put forward for SEDAP to fund a mini-grid for Satowan and Udot.

Presentations were made in the local language with translation for the Safeguards Consultant provided by Secretary Henry.

Participants:

All participants signed an Attendance Sheet circulated during the Meeting. Only three women attended, the rest were men. Scanned copies of the signed sheets are appended.

Issues Raised:

1. There were previous consultations (2015) on the same issue by the Consulting firm Balance, who prepared a feasibility study for a hybrid mini-grid in Satowan.
2. The community is unanimously supportive of the proposed project.

3. All land requirements for the project will be donated by the community, if existing government owned land is insufficient or unsuitable. One leader recalled that a formal letter signed by local leaders pledged the voluntary donation of community land for the Project, if required.
4. The CPUC confirmed that the referenced letter was received by CPUC. Only one signature was on the letter. The community leaders at the meeting reconfirmed that it was a unanimous decision by the community.
5. Existing power provided by the CPUC generator is highly unreliable and frequently breaks down. Regular maintenance by a trained technical officer is required.
6. The existing distribution network is above-ground on transmission poles that run along the shoulder of the road. The project may consider extending this line for this project rather a new underground cable.
7. The community offers also the use of rooftops of the two main churches for solar arrays if acceptable.
8. An existing EU funded solar array powers the school lights and computer lab.
9. When and how soon the project will commence? This was asked several times.
10. Several large breadfruit trees around the targeted site may need trimming. The community didn't have a problem with this.
11. Regarding the logistics of moving bulk cargo for the project from the barges to land, the community recalled that previous similar cargo shipment relied on the involvement of all community able bodied men to physically shift bulk cargo from the landing point to the construction site. The community offers its availability to assist the Contractor in moving loads manually.
12. Contractors will need to consult with the community leaders prior to project construction starting with respect to laydown areas, and possibly camping areas.

Site visit of the proposed area followed, including visit to the existing solar system at the school, the existing generator shed, and the most likely landing site for transferring onto land bulk shipment of solar power panels, generators, storage batteries and other project supplies.

Annex 6: Summary of Consultations with Government Officials in Pohnpei and Chuuk, and local government officials and people in Udot

1. Worsening used oil accumulation from generators in Pohnpei and Chuuk, and other states.
2. Local waste oil reuse – boat owner in Pohnpei and Chuuk but demand is not consistent and irregular.
3. SPREP led initiative to collect and ship used oil from Pohnpei for offshore disposal and or recycling. Tender was to have gone out before end of June 2018 for interested companies. PUC was invited to comment on the draft tender advertisement.
4. Strong support and interest in Udot for project. Existing old (decommissioned) genset that needs removal. New genset for the mini-grid to replace this old one in its existing footprint. An existing solar powered system providing power for the school and computer lab.
5. No road in Udot. Underground distribution network will roughly follow alongside existing walking track.
6. CPUC – State Law (CSL-8-05-14) allows CPUC employees to enter into private land to take land for projects without compensation.
7. Udot – the Udot community has had previous consultations with the Feasibility Study consultant and the community had formally written to CPUC expressing their support for the Project, and a commitment to provide land for the project at no cost.
8. In addition to the RE facilities maintenance, the hosting building/structure maintenance needs to be included in the O&M plan.
9. The usage of batteries has significant environmental impacts and practical recycling plan needs to be looked into.
10. Gender issues needs to be addressed, including gender-based violence from local workers.
11. CPUC would like to use the marshlands in Weno for the solar PV installation, to utilize otherwise unusable land.
12. Tilapia is reportedly of abundance within the Weno marshland and local people fish it for food, and possibly sell for income.

Annex 7: List of People Consulted

Pohnpei –

Nixon Anson – PUC General Manager

Marion Henry – Secretary of Department of Resources and Development

Windfred Yamada – PUC

Dackson – PUC

Alex – PUC

Hubert Yamada – Project Coordinator, ESDP

Ralph Karlhammer – Energy Specialist, ESDP

Chuuk –

Kembo Mida – CEO, CPUC

Lei Shirai - CPUC Chief Financial Officer

Robert – CPUC

Wilfred Robert – Disaster Coordination Office

Satowan –

Simeon Hardy – Chief Justice

Miarchy Assito – Mayor

Owen Lieman – Deputy Mayor

Jimmy Murangin – Police Officer

Angkel George – community member

Others on signed participation list attached.

Annex 8: Participants List from Consultations in Satowan, 10 July 2018

Jul 10, 2018 - Trip to Satowan :

Attendees :

<u>Name</u>	<u>Title</u>	<u>Signature</u>	<u>Date</u>
1. Angel George	- Chairman / P/L Municipal		7/10/18
2. Owen Leman	Deputy Mayor		"
3. Louis Peltus	Chief staff		"
4. Mearchy Assie	Mayor		"
5. Simon Haidy	Chief Justice		"
6. Pierre Simon	Vill. Leader		"
7. Edouard Assie	R.N.D. Commissioner		"
8. Dominic Moug	Councilman		"
9. Junior Edwards	Councilman		"
10. MARTIN YLEIZAN	Elementary Maintenance		"
11. Paul Simon	State Police		"
12. Jimmy Moug	Commissioner		"
13. Edouard Assie	Village leader		"
14. Yelky	Traditional leader		"
15. Titus Simy	"		"
16. Simon Zins	"		"
17. Phillip Yleizab	Fiber leader		"
18. Athas Assie	Deputy Mayor		"
19. Jacob Assie	Mayor / Staff		"
20. Gray Haid	"		"

<u>Name</u>	<u>Title</u>	<u>Signature</u>	<u>Date</u>
21. Selas Simina	Household		7/10/2018
22. Arno Olap	"		"
23. Edouard Haid	"		7/10/2018
24. Iso Haid	"		"
25. Edmund Assie	"		7/10/18
26. Jinei Raphael	Jenator		"
27. Suwena Simina	Jenator		"
28. Maria Olap	"		"

Annex 9: Stakeholder Engagement Plan (Matrix)

	Objectives	Target Stakeholders	Messages/ Agenda	Means of Communication	Schedule/ Frequency	Responsible Agencies/Groups
PROJECT PREPARATION / DETAILED DESIGN STAGE						
(1)	To present draft the ESMP, ESMF and RPF; to engage stakeholders in their finalization.	Government agencies, State Utilities, State EPAs, NEW, SEWs, business sector reps; local environmental NGOs; community groups reps, women's groups; Representatives of Satowan and Udot	a) Present the SEDAP – objectives, rationale, components, benefits and beneficiaries, implementation arrangements. b) Indicative implementation schedule and period, project contacts, c) Potential environmental and social impacts; measures for mitigation; d) Potential land requirements; process of land acquisition and resettlement; compensation and other resettlement assistance; e) Describe Grievance Redress Mechanism (GRM)	Organized public meetings / consultations and or focus group discussions (FGD).	Before project construction Two meeting per State, one for Government agencies and utilities; one for local NGOs, civil society organizations, business representatives, etc..	<ul style="list-style-type: none"> Energy Division – NDRD;
2	Disclose plans for a new waste oil storage tank for PUC	PUC, Pohnpei EPA, reps of HH's in the vicinity of where storage tank is to be located	Discuss waste oil issue from gensets; cumulative impact; risks of spills and contamination of soil, local waterways etc..	Public meeting	One-off; or this can be combined with the Pohnpei public meeting under (1) above.	PUC, PIU
3	To disclose finalized ESMP, ESMF and RPF	Government agencies, State Utilities, State EPAs, NGOs, local environmental NGOs, women's groups. World Bank.	Email message to advise Stakeholders of disclosure and where to access the disclosed documents.	Upload on websites of Government agencies including utilities websites; WB and others. Hard copies in locally accessible places. Email copies to key individuals and organizations.	One-off NB: re-disclose after any significant revision.	ED/NDRD - PIU

4	Land Acquisition (Chuuk) Finalize land lease arrangements	Representative(s) of CPUC; private land owner(s);	Lease negotiation with confirmed owners of land identified for Project purposes.	Face-to-face meetings	Before project construction Frequency - As often as needed	CPUC • CEO Kembo Mida; • Land owner or his/her representative.
5	Land acquisition – Voluntary Land Donation (VLD)	CPUC, representatives of Satowan and Udot communities;	Confirmation of land ownership; Government interest in land for SEDAP; how much land is required. Resettlement assistance as necessary; compensation.	Face-to-face meetings	Before project construction. Frequency - As often as needed	CPUC, representatives of Satowan and Udot in separate meetings. Possibly other landowners for Weno sites.
6	Site Screening for Weno Solar PV Installation	Landowner, CEPA, CPUC	To screen site for EA categorization.	Face-to-face meeting	Before project construction Frequency – as often as needed.	PIU Safeguards Specialist, CPUC rep
7	EA preparation	Landowner, other APs, local NGOs	To prepare EIA instrument	Face-to-face meetings	Before project construction Frequency – as often as needed	PIU Safeguards Specialist, CPUC re, EIA Consultant
8		Land owners, other AP's local NGOs, CPUC, CEPA,	To discuss EIA findings and recommendations	Group Meeting	Before project implementation Frequency – one off.	PIU Safeguards Specialist; EIA Consultant
9	RAP/ARAP preparation	CPUC rep; PIU rep; affected landowners; other affected people	Detailed measurement survey; inventory of affected people;	Face-to-face meetings	Once land is acquired;	CPUC; PIU
10		CPUC rep; PIU rep; affected landowners, other displaced people.	Discuss losses and resettlement measures including any financial compensation; valuation of lost assets.	Face-to-face meeting with affected household head or individual.	Before project construction - All AP's to be consulted	CPUC, PIU
11	RAP/ARAP Disclosure	CPUC, all AP's in Chuuk, DoFA, WB	Email message to advise Stakeholders of disclosure and where to access the disclosed documents.	On websites of Government agencies and utilities, and WB.	One-off	ED/NDRD; PIU
12	Weno network extension	All affected landowners along extension alignment	Confirmation of network alignment; discussion with Affected Landowners, if any.	Face-to-face meetings with affected landowners	As often as needed	CPUC
13	Contractor's ESMP	Contractor; PIU, State Utility, State EPA, WB	Review and assess sufficiency of Contractors' ESMP.	Exchange by email	On-going until CESMP is deemed acceptable by PIU and WB.	PIU/EPA
CONSTRUCTION PHASE						

	Objectives	Target Stakeholders	Messages/ Agenda	Means of Communication	Schedule/ Frequency	Responsible Agencies/Groups
14	Network extension work in Weno	General public	Inform public about network extension work, any likely disruption on motorists and pedestrians, any planned power outages, traffic management issues.	Public notification (radio) Notices on bulletin boards of Government offices, public buildings, local community halls and schools.	At least a day before start of works Frequency - Several times a day during works duration.	CPUC
15	Installation of new gensets and other ancillary equipment in PUC, KUA, YSPSC	General public	Inform public about any planned power outages	Public notification (by radio)	At least a day before start of works	PUC, KUA and YSPSC in their respective states.
16	To raise awareness of and promote the benefits of efficient clean cookstoves	Women's groups, general public in selected islands of FSM	Discuss health and fuel-saving benefits of efficient clean cookstoves; Cooking demonstrations Conduct survey assessment	Community meetings / Workshops	To be finalized once selection of islands are confirmed	Chuuk Women's Organization (tbc); SPUC
17	Follow up survey on cookstove usage	Women's groups, general public in selected islands of FSM	Survey of number of users of cookstoves; feedback on impacts (health, social, etc), comments on design etc.	Community meeting / Workshop	To be finalized once selection of islands are confirmed	Chuuk Women's Organization (tbc); CPUC
18	Project implementation progress monitoring	Project Steering Committee	Review progress report from PIU and Project Supervision Consultant	Face-to-face meetings	Quarterly over the life of the project	PIU – Project Manager
19		PIU, Project Supervision Consultant and Contractor	Review implementation progress; discuss and address any issues arising;	Face-to-face meetings	Monthly, and or as required	PIU
20	Resolve grievances received by the project	PSC as GRM Committee	To address grievances referred to the Committee	Face-to-face meetings	As necessary (as per GRM)	PIU
OPERATIONS AND MAINTENANCE PHASE						
21	Information dissemination on new solar power plant	General public All government agencies Business community Civil society organizations	General information on solar power plant;	Posting on CPUC bulletin boards; CPUC website; newspaper and radio news release upon opening. Information leaflets	As soon as possible after opening of solar power plant in Chuuk.	CPUC

	Objectives	Target Stakeholders	Messages/ Agenda	Means of Communication	Schedule/ Frequency	Responsible Agencies/Groups
22	General public advice	General public	Planned power outages for maintenance or other reason.	Radio and newspaper; Notice board memos in government offices and public buildings	At least, a day before.	PUC, CPUC, KUA and YPSPC – in their respective states

Annex 10: Report of Consultation with Chuuk State Energy Working Group – 8 October, 2018

Report of Consultation for the Sustainable Energy Development and Access Project (SEDAP) with the Chuuk Energy Working Group and others.			
Venue	Conference Room Chuuk Power Utility Company (CPUC)	Date/Time	8 October 2018 10:00am-1:00pm
Attendees from CPUC	Kembo Mida, General Manager Lei Shirai, Chief Financial Officer		
Attendees from WB	None		
Attendees from Environment Division ESDP/SEDAP	Sam Sesega (Social Resettlement Consultant) (SS)		
Name/Time/Matter/	Comments/Presentation		
10:30	<p>Wildfred Chairman of the Energy Working Group welcomed everyone from the various agencies and sectors to the Meeting, asked the Mayor of Udot to give the opening prayer, and after the Opening Prayer, declared the meeting open. He referred to the prepared Agenda and proposed that the meeting started with the presentation by the Safeguards Consultant.</p>		
Project Overview	<p>The Safeguards Specialist started with a slide on the purpose of this consultation highlighting that it is a WB requirement, and best practice for the planning of development projects; that the safeguards instruments had been disclosed in draft form; how this consultation contributes to the project preparatory phase, and to discuss key issues pertaining to the Projects safeguards instruments namely the ESMP, ESMP for Weno, Resettlement Policy Framework (RPF) and Stakeholder Engagement Plan (SEP). The SS noted that where appropriate and relevant, comments received will be integrated into the final project design.</p> <p>The SS powerpoint presentation discussed the project components, and then focused on those physical investments earmarked for Chuuk – namely the Weno solar power plant, the mini-grids in Udot and the upgrade to the Satowan mini-grid. He explained the frameworks (ESMF and RPF) highlighting the process for screening new sites, the role of CPUC in this process, and in the subsequent preparation of safeguards instruments required; the proposed CPUC Engineering Unit for assisting the PIU Safeguards Specialist in the preparation of the safeguards instruments, and in the subsequent implementation.</p>		

	The Grievance Redress Mechanism was discussed last, the importance of recording all complaints received, the need for CPUC to identify who the Contact Person is within CPUC; and how unresolved complaints filter up to the CPUC General Manager, to the PIU Project Manager and the Project Steering Committee (PSC), before litigation if a dissatisfied complainant wishes to.
	Following the SS’s presentations, the floor was open to questions and responses from the floor. The following summarizes the issues raised by the various participants.
Name/Village/gender	Comment/View expressed
i.	If there is delay in securing land for the Weno solar installation, can the Satowan and Udot mini-grid proceed still?
ii.	Are these proposals going to be implemented and soon? The Udot feasibility study by Balance was completed in 2016 and the communities are still waiting.
iii.	Is the project going to fund activities such as surveying land boundaries in order to legally define easements, cost of hiring a boat to go to Udot and those kinds of costs?
iv.	The critical issue for CPUC, is long term sustainability. Right now, CPUC prefers to have the Weno solar plant implemented and be operational first, before Satowan and Udot, because savings projected to be generated from the Weno solar is what CPUC will rely on to support the maintenance of the mini-grids in Udot and Satowan. Failing this, it is financially infeasible for CPUC to sustain these outer island investments.
v.	It is critical that the Weno solar power plant is implemented and before the outer island investments in mini-grids.
vi.	A few weeks ago, an WB consultant (Anetter) visited Udot and when asked by local people as to when the project will be implemented, she was not able to say so. As a result, Udot are skeptical and uncertain, after their expectations were pumped up by other consultants who were more forthcoming.
vii.	Need to properly manage the expectation of local communities.
viii.	Is this project going ahead?
ix.	For Udot and Satowan, how much per kWatt if they are to run it on their own?
x.	Satowan and Udot are likely to have higher tariffs and may likely need subsidies to keep it viable.
xi.	Affordability of tariffs in Satowan and Udot is highly uncertain. CPUC and the Government may set up these solar power sources only to find no one is willing to pay for them. Then what?
xii.	CPUC recognizes the risks involved and for that reason, are keen to engage the Energy Working Group in the decision-making process and not CPUC on their own.
xiii.	Why is it that Chuuk is offered only 2 MW of solar while Kosrae will get 2MWh of battery capacity?
xiv.	If CPUC can find enough land for a 3MW solar facility, will the WB be amenable to funding it under SEDAP?
xv.	How many landowners have so far indicated interest in offering their land for the Project’s solar installation?
xvi.	The Chuuk State is fully supportive of the SEDAP and she (State) would prefer that the

	solar power facility in Weno be implemented and completed first before Satowan and Udot.
xvii.	If land is an issue, can we have a mix of roof-tops and land –based panels to get the 2 MW proposed?
xviii.	If Xavier school is eliminated from the ESDP, should be put in back in under SEDAP?
xix.	Udot land earmarked for the Project is confirmed to be owned by the Municipality, thus available to the Project without any issues.
xx.	Satowan land earmarked for the new genset and solar panels etc is Government owned and is available for the project.
xxi.	Its best to await the ENTURA Feasibility study report before making any changes to the Project; mini-grids are often more complex than people they are.
xxii.	There should be consultations in Satowan and Udot with the local people to confirm the alignment of the easements for the distribution networks, before contractors work starts.
xxiii.	What exactly is proposed for Satowan? An expansion or an upgrade?
xxiv.	Satowan people living in Weno should be also consulted. Most of them are in Weno for work but their homes and families live on Satowan.
xxv.	Will SEDAP fund the cost of land surveying, travel to Udot and Satowan to do consultation and other project related activities?
xxvi.	There should be another consultation to further engage other stakeholders and the public who are not involved in today’s consultations, this week, while the Safeguards Specialist is in Weno.

Closing :

Following questions and answers, the Chairman of the Energy Working Group thanked all who attended, and the Consultant for his presentation and contribution to the discussion. He reiterated that another consultation for other stakeholders will be conducted on Thursday 9:00am at this same venue. He then closed the consultation meeting.

Minutes compiled by Sam Sesega
 SEDAP/ESDP – Safeguards Specialist

Annex 11: Reports of Consultations in Chuuk, 11th October, 2018

Report of Consultation for the Sustainable Energy Development and Access Project (SEDAP) with the Chuuk Energy Working Group and others.			
Venue	Conference Room Chuuk Power Utility Company (CPUC)	Date/Time	11 October 2018 9:00am-12:00pm
Attendees from CPUC	Kembo Mida, General Manager Lei Shirai, Chief Financial Officer		
Attendees from WB	None		
Attendees from Environment Division ESDP/SEDAP	Sam Sesega (Social Resettlement Consultant) (SS)		
Name/Time/Matter/	Comments/Presentation		
10:30	<p>Wildfred Robert Chairman of the Energy Working Group welcomed everyone from the various agencies and sectors to the Meeting, asked the Senior Land Commissioner to give the opening prayer, and after the Opening Prayer, declared the meeting open. Participants then introduced themselves – giving names, positions and agencies or organizations represented. Wilfred then invited the Safeguards Consultant to give his presentation.</p>		
Project Overview	<p>The Safeguards Specialist started with a slide on the purpose of this consultation highlighting that it is a WB requirement, and best practice for the planning of development projects; that the safeguards instruments had been disclosed in draft form; how this consultation contributes to the project preparatory phase, and to discuss key issues pertaining to the Projects safeguards instruments namely the ESMP, ESMP for Weno, Resettlement Policy Framework (RPF) and Stakeholder Engagement Plan (SEP). The SS noted that where appropriate and relevant, comments received will be integrated into the final project design.</p> <p>The SS powerpoint presentation discussed the project components, and then focused on those physical investments earmarked for Chuuk – namely the Weno solar power plant, the mini-grids in Udot and the upgrade to the Satowan mini-grid. He explained the frameworks (ESMF and RPF) highlighting the process for screening new sites, the role of CPUC in this process, and in the subsequent preparation of safeguards instruments required; the proposed CPUC Engineering Unit for assisting the PIU Safeguards Specialist in the preparation of the safeguards instruments, and in the subsequent implementation.</p> <p>The Grievance Redress Mechanism was discussed last, the importance of recording all complaints received, the need for CPUC to identify who the Contact Person is within CPUC; and how unresolved complaints filter up to the CPUC General Manager, to the PIU Project Manager and the Project</p>		

	Steering Committee (PSC), before litigation if a dissatisfied complainant wishes to.
	Following the SS's presentations, the CEO CPUC added more background information, explaining the low electricity coverage (27%) in FSM, the Master planning exercise, the emphasis in Chuuk on extending access, why Satowan and Udot, what a mini-grid is vs a stand alone system, some of the economic issues faced in the decisions involving the sequencing of the investments and the overriding economic importance of the solar power plant in Weno vis-à-vis the outer islands mini-grids and the role it plays in financially sustaining the latter.
Comments/Views expressed	
i.	Sunlight is available but CPUC has no money for panels.
ii.	Government is to provide land for the investment.
iii.	Currently CPUC spend about \$300k per month on diesel.
iv.	CPUC is not likely to make money from the mini-grids investment in Satowan and Udot.
v.	There are other studies to follow that will examine the technical and financial feasibility of the mini-grids and solar power plant together.
vi.	Voluntary land donation is not expected in Chuuk; there is not much land and landowners don't give away land for free.
vii.	Home solar systems are not proposed for Weno but on Udot. They are also not free but will be metered.
viii.	Hope the WB will be amenable to increasing the solar component to a 3 MW capacity if CPUC comes up with the land (30,000m2 or more)
ix.	Can CPUC deal directly with World Bank on these design issues?
x.	On Satowan, what waste products will be generated?
xi.	What are the benefits for the customer? Will the tariffs come down?
xii.	Are there similar solar components in other States?
xiii.	Is the access objective flexible? Can WB prioritize RE over access?
xiv.	It is important that there are other economic activities going to support and create a demand for RE such as the fisheries project in Pohnpei that is working closely with PUC.
xv.	Mayor of Satowan (MoS) – appreciates being invited to consultation; reaffirm Satowan community's support for the project; noted that there are other sites if more land is needed for the project e.g. Catholic Church property.
xvi.	MoS – underground network is fully supported by the Satowan Municipal Council.
xvii.	Senior Land Commissioner (SLC) – land taking is time consuming; recommends a site with only 1 land owner and not multiple landowners;
xviii.	SLC – requested that he be advised of the preferred site asap so that land titles can be released asap to expedite project preparation/implementation.
xix.	SLC – outright purchase of land is better than lease;
xx.	LC – all Satowan leaders should sign the letter supporting the use of land for the project.

Closing :

Following questions and answers, the Chairman of the Energy Working Group thanked all who attended, and the Consultant for his presentation and contribution to the discussion. He then closed the consultation meeting.

Minutes compiled by Sam Sesega

SEDAP/ESDP – Safeguards Specialist

Oct 11, 2018
9am @ CPUC

Name:	Organization / Title:	(Email) Contact Info:
1. Chris Eustaquio	CSCC / E.D.	330-2443
2. Iowas Simons	LAWO Commission / Board Commission	330-2731
3. Andreas Vietus	Chronic Health / Fidelity Manager	330-2216
4. William Fred S. Robert	Chairman, ELEC	933-7001
5. Larry Goulard	CPUC / Stakeholder	330-2-476
6. Albert Albert	CPUC	albert.frantz@cpuc
7. Leialoha Shirai	CPUC / CFO	lei.shirai@cpuc.hawaii.gov
8. JEFF IRONS	HOUSE OF REP	irons.jeff@rocketmail.com
9. Kenbo Mida Jr.	CPUC	Kenbo.mida@cpuc.hawaii.gov
10. Roger Arnold	CEOC	rogerarn@gmail.com
11. Micaely Assis	Mayor, Sastawan	
12. Grace Williander	Director of MIDA	midauthority@gmail.com
13. LEON FRED	MAYOR UDOT -	930-9169
14. Dino Aliven	Supervisor LMO	930-2682
15.		

Annex 12: Report of Consultations in Kosrae 12 October 2018

October 12, 2018

“Consultation Meeting Among Kosrae State Stakeholders on the Sustainable Energy Development and Access Project Under World Bank”

This meeting was held at on the above date at the Governor’s Conference Room at 10:00 a.m. This meeting was chaired by the Kosrae Energy Taskforce Lt. Governor Sigrah. The purpose of the meeting and description of the Kosrae Energy taskforce was made by Kosrae Utilities Authority General Manager Fred Skilling. Kosrae Energy Taskforce consists of three (3) members appointed by Governor Jackson and they are Lt. Governor Sigrah, GM Fred Skilling, and KUA Board of Directors Chairman Lipar George. A welcoming remark was delivered by Governor Jackson to all stakeholders. Stakeholders are listed on the invitation letter attached to this report.

After the presentation made by GM Fred Skilling on the above subject matter, the floor was open for questions and concerns regarding the presentation. Some of the questions/concerns or comments raised were as follows:

STAKEHOLDERS PARTICIPATION COMMENT

- That the participation of all the stakeholders is necessary for World Bank Grant requirements.

FUNDING CONCERNS

- What was used to determine the funding distribution to all the FSM States? Could the distribution of funds based on each state’s population?

RENEWABLE ENERGY (RE) CONCERNS

- Can the Increasing of Renewable Energy source lower the electricity rate to citizens?
- Could the 4 years plan of increasing 30% of RE be lesser? The State leadership and Stakeholders to prioritize timing of increasing RE an important issue to discuss.
- How much MWH or KWH we generate per day?
- How much KWH or MWH can store up in the storage battery?
- How much Solar PV is in operation?

SCADA CONCERNS

- Would there be an automatic switch on the SCADA that can be automatically open on the SCADA when there is a problem detected or identified in a particular area?

ENVIRONMENTAL IMPACT CONCERNS/COMMENTS

- An Environmental Impact Assessment (EIA) and a Waste Management Plan needs to be submitted to Kosrae Island Resource Management Authority (KIRMA) for review regarding the Battery Storage Facility.
- Since a Lithium Ion will be used for the Battery Storage, a review of this matter will be made by KIRMA and its board of directors.
- Waste management system is well operated and managed by KIRMA, therefore World Bank Projects could run and approved, and let KIRMA to handle the waste management system. KIRMA is recognized for their waste management efforts and accomplishments.

WORLD BANK PROJECTS EMPLOYMENT OPPORTUNITY CONCERN

- Are there any employment opportunities on the upcoming World Bank projects?

OTHER UNRELATED CONCERNS

- KUA should put concrete to electric poles from the ground to a height of 6 feet tall to prevent breaking of electrical poles.
- A request was made to KUA to give an update and progress on the ADB Project at Walung mini grid and electrical installation.

A closing remark was made by the Kosrae State Legislature Speaker Palik thanking the leadership of Kosrae State stakeholders for their participation in this meeting. Speaker Palik also acknowledged KUA and Management with better improvement on services on the island.

SEDAP – Resettlement Policy Framework

STAKEHOLDERS MEETING ON SUSTAINABLE ENERGY DEVELOPMENT & ACCESS PROJECT - WORLD BANK				
DATE : October 12, 2018				
HELD AT KOSRAE STATE'S GOVERNOR'S CONFERENCE ROOM				
	PARTICIPANT	OFFICE/AGENCY	TELEPHONE	EMAIL
1	Hairoso Liloai	KUA	990-2757	h/liloai@kua.gov.tu
2	Arnold Calab	Galung Community	370-8068	-
3	Floyd Aloka	Delihi Town Cd	370-3228	10-12-18
4	Levan L. George	KUA/ODM	370-3163	
5	Casey J. Furey	KUA	370-3344	Casey.furey@acthawaii.com
6	Jacob Z. George	TAFUNSAK wayof	370-3211	tug outlook yahoo.com
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STAKEHOLDERS MEETING ON SUSTAINABLE ENERGY DEVELOPMENT & ACCESS PROJECT - WORLD BANK				
DATE : October 12, 2018				
HELD AT KOSRAE STATE'S GOVERNOR'S CONFERENCE ROOM				
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Annex 7: Report of Consultations Pohnpei 12 October 2018

FSM Energy Sustainable Energy Development and Access Project

Stakeholder Meeting Minutes

Venue: Governor's Conference Room

Date: October 12, 2018

Time: 10:00 A.M.

Participants:

The Hon. Marcelo Peterson	Governor, Pohnpei State Government
Mr. John Adolph	Vice-Chairman, PUC Board of Directors
Mr. Noel Commendador	FSMRD, Energy Sector
Mr. Nixon Anson	General Manager/CEO, PUC
Mr. Alex Nanpei	Manager, PUC Engineering Services
Mr. Sinakot Pelep	Manager, PUC Management Information System
Mr. Sidney Kilmete	Manager, PUC Renewable Energy
Ms. Kyoko Talley	Office of Fisheries and Aquaculture, Pohnpei State Government
Mr. Dackson Solomon	Manager, PUC Power Generation
Mr. Patrick Blank	Palikir Consultants
Mr. Henry Susaia	Administrator, Pohnpei Environmental Protection Agency
Mr. Rex Prosia Jr.	Office Transportation & Infrastructure (T&I), Pohnpei State Government
Mr. Nicholson Solomon	Director, Department of Resources & Development, Pohnpei State Gov and Chairman, Pohnpei State Energy Working Group
Mr. Jesse Henry	Pohnpei Transportation Authority
Mr. William Kostka	Executive Director, Micronesia Conservation Trust
Mr. Ricky Lebehn	Acting Administrator, Office of T&I, Pohnpei State Government

Record of Meeting:

Mr. Nicholson Solomon to say a word of prayer before proceeding with the meeting.

Mr. Nixon Anson, opened the meeting as the Chairman by welcoming everyone and that the stakeholders participation is a requirement by the World bank.

Meeting proceeded with Mr. Anson presenting an overview and update of SEDAP, IDA 18 Funding for Pohnpei state under Component 1: *Improving Reliability of Electrical Supply in Pohnpei*. The component will finance medium speed gensets with capacity totaling 7.5MW. The total budget is \$12,000,000 USD. The concept note for the project was approved in February 2018. The Project is in line with the Energy Master plan that was produced under Energy Sector Development Plan IDA 16 Funding. He also, informed that IDA 16 request for extension was approved and extended to September 2019.

Mr. Anson also presented the Master Plan road map showing how this project (SEDAP, Component 1) is line with the goals set in the Master plan.

Mr. Anson further presented the scope of work for the project. The new gensets will be installed at the existing power plant site in NPP2 and NPP3 now decommissioned. The project includes the engineering and design, procurement and delivery of genset, demolition, rehabilitation and preparation of site, Installation of new genset, Waste oil removal, construction of waste oil storage tanks for recycling or disposal, project management, testing and commission and project management control. The component will also finance an in house electrical engineer to oversee the quality control of the project. He informed the committee that the engineering and design will be contracted to Castalia through a Change Order for Additional work for their Master Plan and Energy Assessment Contract.

Mr. Anson also, discussed the benefits and environmental concerns:

- Social Impact- He pointed out that the project will not cause any resettlement of communities because it will be built within the bounds of the existing power plant.
- Environment pollution– Waste oil will be disposed of according to required regulation. A Temporary holding will be constructed on site to hold used oil until it is either recycled or shipped out.
- Noise Pollution- Design will address noise attenuation for the new gensets to keep noise level within acceptable level for the neighboring communities.
- Benefits will be realized through more efficient generators burning less fuel at increased Kw output which translate to fuel saving. Cost of fuel is the driving factor for high cost of energy to the customer.

Mr. Anson opened the floor the Question and comments.

Mr. Patrick Blank; Will be expect lower cost of energy/Cashpower? Mr. Anson replied with the comments he state earlier regarding fuel saving. Currently PUC efficiency is at 13KW/Gallon and estimated that with the new power plant efficiency can increase to 16 - 17KW/gallon.

Mr. Henry Susaia commented on the Waste Oil and informed the committee that they are working with SPREP to address the waste oil issues for Pohnpei State. Initial works are underway with Vital Energy (FSMPETRO) for the removal of waste oil. SPREP is also looking into funding the construction of waste oil tanks at the dumpsite and is working with Pohnpei Waste Management. Waste oil will be stored at the dump site for ease of access to shipping vessels. Since SPREP is already financing waste oil tanks at the dumpsite, Mr. Susaia suggested PUC to recommend that the funding the construction of waste oil tank at the Power plant to co-fund the waste oil tank at the dumpsite. Mr. Anson took note of that suggestions.

Miscellaneous items:

Mr. William Kostka complimented on the overall progress being done for the Energy sector and wishes to know the status of the EU EDF 11 for stand-alone solar systems for the outer island. Mr. Anson informed that Under EDF 11, \$1,000,000 is earmarked for the project and waiting for the completion of a feasibility study. The budget for the study is \$100,000 and will be financed by IDA 18.

Mr. Susaia raised a concern for proper disposal of batteries on the outer island. Governor informed that the new stand-alone system will be owned by PUC who will ensure batteries are disposed of safely.

Governor Peterson requested an update on the renewable energy projects currently in the works. Mr. Anson updated the progress of the solar.

- PUC has signed a Power Purchase Agreement with KSEL for a 3MW solar with 1MWh Battery storage. Expected completion is July 2019
- New Zealand 300 KW Solar to start work early November and completed by March 2019.
- GCF 2.7KW Hydro – Feasibility Study underway.
- Waste Heat to Energy – PUC was awarded \$2.9M for procurement and installation of Waste heat to energy.

Before adjourning, Mr. Anson thanked everyone for their participation and inputs. A Special recognition was given to the Governor and Director of RD for their support.

Meeting was adjourned at 11:30 A.M.

Prepared by: PUC

POHNPEI - STAKEHOLDERS MEETING
12-Oct-18
Governor's Conference Room

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14	JESSE HENRY	PTA	
15	RICKY LEBETH	T+I	
16	John Adolph	PUC Board	

Annex 8: Report of Consultations in Yap, 12 October 2018

Sustainable Energy Development and Access Project (SEDAP)

Yap Consultation 12 October 2018

World Bank Grant Project (Under IDA18)

1. One CAT Genset 800kWp
 - This is to assist current peak-load genset as redundancy plant.
 - Alternating between 2 peak-load genset will prolong the life of the gensets ... 10 to 20yrs
2. Installation of ComAp controller is also part of this project integrating it into the current hybrid power system
3. This will allow YSPSC to introduce more R.E into the energy mix, and save on diesel fuel costs, and provide as security against the volatility of fossil fuel cost.
4. Project Budget 1.3M
5. Environmental issues
 - Accumulation of waste Oil
 - Waste Oil shed have been built to safeguard from elements
 - Separation tanks is built to capture leaks both from waste oil shed and day tank
 - More R.E ... less fossil fuel and oil to be used for generation

Summary of Discussion

After briefing the stakeholders on the points, the discussion continued on several issues like; how the current peak load differs from say several years back. It was explained to the stakeholders that demand has gradually decrease over the years as customers are trying to keep their usage at minimal, and that there is a lack in the economic growth for the State.

One of the issue that the stakeholders were interested in was the Integration and control and so the whole group (YSPSC) contributed in explaining how it's all working and the importance of it being a part of the new genset discussed.

Director of R&D shared to the group that there is a Waste Oil Project on the horizon at the National level and although it is too early in the project for the Director to go into details of the project, he did mention that such project may be coming forth from SPREP.

All in all, the meeting went well and the stakeholders appreciated the updates.

YSPSC Attendance Sheet

SEDAP Safeguard Consultation Meeting
 Diesel Genset 800kWp
 Date: 10/15/2018

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11 _____			