



ANNEX A. TERMS OF REFERENCE

ENHANCING THE CLIMATE CHANGE RESILIENCE OF VULNERABLE ISLAND COMMUNITIES IN THE FEDERATED STATES OF MICRONESIA

(Project ID: FSM/RIE/Coastal/2015/1)

MID TERM REVIEW

TERMS OF REFERENCE

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1. Introduction

1.1. Project Background

The Enhancing the Climate Change Resilience of Vulnerable Island Communities in the Federated States of Micronesia (FSM AF) Project, is a five-year, full size Adaptation Fund project implemented through the Secretariat of the Pacific Environment Programme (SPREP). The Project is implemented in the Federated States of Micronesia (FSM) and managed by the Department of Environment, Climate Change & Emergency Management (DECCEM), the Project Executing Agency.

The FSM AF Project Objective (PO) is to “to reduce the vulnerability of the selected communities to risks of water shortage and increase adaptive capacity of communities living in Woleai, Eauripik, Satawan, Lukunor, Kapingamarangi, Nukuoro, Utwe, Malem to drought and flood-related climate and disaster risks”.

The project strategy is to provide all four (4) State Governments in FSM with development planning tools and institutional frameworks to help coastal communities prepare and adapt for higher sea levels and adverse and frequent changes in extreme weather and climate events. The project strategy is to also provide communities with the resources and technical support needed to adopt and manage concrete climate change adaptation initiatives and actions.

This work is achieved through activities delivered under each of the project’s five components:

1. **Component 1:** Strengthening policy and institutional capacity for integrated coastal and water management at national, state, and outer island levels (AF US\$600,900)
2. **Component 2:** Demonstration of water security and sanitation measures in outer islands of Yap, Chuuk and Pohnpei (AF US\$3,100,413)
3. **Component 3:** Demonstration of adaptation measures for coastal communities in Kosrae State (AF US\$3,374,000)
4. **Component 4:** Knowledge management for improved water and coastal protection (AF US\$431,600)
5. **Component 5:** Project Coordination and Management (AF US\$788,018)

1.2. Purpose of the Review

The Mid Term Review is commissioned by SPREP as the Implementing Entity within the framework of the Head Agreement between the Adaptation Fund and SPREP. The purpose of the Mid Term Review is to review and assess the implementation of the FSM AF project since its commencement date – March 13th, 2018. The Project has undergone a restructure in early 2020 with the revised project plan approved by the Adaptation Fund Board on February 20th, 2021.

The mid-term review is geared towards promoting project performance improvement, accountability, learning and evidence-based decision making and management. In particular, the review will thoroughly assess Project implementation progress, efficiency and effectiveness, analyse constraints and challenges encountered and develop recommendations to enhance overall performance and implementation effectiveness.

The Mid-term Review will qualitatively and quantitatively review the following elements of Project performance:

- 1) Overall performance and the likelihood of achieving the PO by project closure.

- 2) Implementation progress according to the indicators and targets listed in the Results Framework including any underlying causes and issues contributing to targets that are not adequately achieved.
- 3) Sustainability of the Project's outputs and expected outcomes.
- 4) Major constraints affecting implementation and identification of viable solutions.
- 5) Any delays in project implementation, their causes, and draw lessons from the delays and provide recommendations for improved implementation to avoid further delays going forward and to ensure achievement of the project objectives.
- 6) Project management and effectiveness of the Project Executing Agency and other institutional implementation units and actors.
- 7) Project supervision and implementation support performance of the Secretariat of the Pacific Regional Environment Programme (SPREP).

The Mid-term Review is intended to identify strengths and weaknesses as well as opportunities and risks of the project and develop recommendations for any necessary changes in the overall design and orientation of the project by evaluating the adequacy and effectiveness of its implementation and delivery of project outputs and outcomes to date. Consequently, the review is also expected to assess the effectiveness of implementation and partnership arrangements and make detailed recommendations for the remaining project period. It will also provide an opportunity to propose any necessary adjustments needed to refocus the project.

1.3. Audience for the Review

The audience refers to people or groups of people who are the primary intended users of the findings and will ensure implementation of the necessary changes. The FSM AF Project mid-term review is initiated by SPREP as the Implementing Entity as per requirements of the Adaptation Fund. The primary audience of the review includes the senior management of SPREP, the Adaptation Fund Secretariat and the Executing Entity (Department of Environment, Climate Change & Emergency Management (DECEM)).

1.4. Stakeholders for Review

Stakeholders are individuals, groups, organisations, agencies or entities which have an interest in and / or are likely to be affected by the outcome of the review. The key stakeholders include the implementing entity (SPREP), executing entity (DECEM), States (Kosrae, Pohnpei, Chuuk and Yap) and project beneficiaries in the outer island communities. The project management and implementation teams as well as the Project Board are also a crucial audience.

2. The Scope of the Mid Term Review

The scope of the mid-term review will cover all activities undertaken in the framework of the Project from March 13th, 2018 to April 30th, 2021. It is expected the review will compare planned outputs / outcomes of the Project to actual outputs / outcomes and assess the actual results to determine their contribution to the attainment of the project objectives. The mid-term review will extract lessons learned, diagnose and analyse issues and formulate a concrete and viable set of recommendations. It will evaluate the efficiency of Project management, including the delivery of outputs and activities in terms of quality, quantity, timeliness and cost efficiency. The total amount of funds disbursed to the Project from the Adaptation Fund up to February 28th, 2021 is USD 3,248,396.

The review will assess the FSM AF project according to standard evaluation criteria as elaborated below:

Relevance:

- Assess the extent of the contribution of the project towards the achievement of national climate change adaptation objectives and to the priorities and needs of the target beneficiaries (States and outer island communities).
- Are the activities and outputs of the project consistent with the overall goal and attainment of its objectives?
- Are the activities and outputs of the project consistent with intended impacts and effects?
- Analyse whether the Project's community-based approach addresses the needs and demands of the beneficiaries in a disaggregated manner (for men and women), and the community response.
- Assess the relevance of the technical support, development planning tools and resources applied by the Project to increase the ability of target beneficiaries to plan for and respond to extreme weather and climate events and manage climate change adaptation initiatives and actions.

Effectiveness:

- Assess the extent that expected outcomes and objectives of the project have been achieved thus far?
- Review whether the project has accomplished its outputs or progress towards achieving outcomes. In particular, the mission should review:
 - Site selection criteria and implementation of activities.
 - Targeting strategy for the identification of project beneficiaries including both men and women.
 - Any emerging effect of the project on beneficiaries including both men and women.
- Assess the performance of the project so far with particular reference to qualitative and quantitative achievements of outputs and targets as defined in the project documents and workplans and with reference to the project baseline.
- Assess the effectiveness of the partnership arrangements:
 - Between the Implementing Entity and Executing Entity
 - Between DECEM / PMU and the States
 - Between the Project and beneficiary communities
 - Between the Project and on-ground networks
- Based on the progress so far provide recommendations to the above partnership arrangements.

Efficiency:

- Assess whether the project has utilised project funding as per the agreed workplan and budgets to achieve the projected targets.
- Analyse the role of the Project Board and other relevant Project forums, and whether these forums are optimally being used for decision making.
- Assess the qualitative and quantitative aspects of management and other inputs (such as equipment, monitoring and review and other technical assistance and budgetary inputs) provided by the project vis-à-vis achievement of outputs and targets.
- Assess whether the project was implemented in the most efficient way compared to alternatives.
- Identify factors and constraints on how the implemented activities affected the cost-efficiency of the project implementation including technical, managerial, organisational, institutional and socio-economic policy issues including other external factors unforeseen during the project design.

Sustainability and Impact:

- Assess preliminary indications of the degree to which the project results are likely to be sustained beyond the project's lifetime (both at the national and State governments and community level) and provide recommendations for strengthening sustainability.
- Assess the key factors which influence the achievement or non-achievement of the sustainability of the project interventions in terms of their (i) effect on the communities and; (ii) emerging impact

on the communities for both men and women in terms of the AF fund level indicators, as outlined in the Project's logframe / Results framework (Annex I).

- Assess the difference the activity has made to the beneficiaries of the project. Provide an estimate as to how many people have benefitted from this project.

Networks and Linkages:

- Evaluate the level, degree and representation by the beneficiaries and stakeholders in the implementation of the project.
- Examine the integration of the various project team members to work complementary to each other and ensure the linkages between the various outputs and activities.
- Assess the alignment of the project with FSM's strategies and plans (e.g. national development strategy, climate change strategy, water and coastal management strategies and plans), identifying linkages and opportunities for achievement of objectives / targets.
- Assess the project's knowledge management strategy and outreach and communications to all stakeholders.

Lessons learnt / Conclusions:

- Analyse areas for improved project planning, especially with respect to settling activities, delivery of activities, targets, relevance and capacity of institutions for project decision making and delivery.
- Identify significant lessons or conclusions which can be drawn from the project in terms of effectiveness, efficiency, sustainability and networking. Special attention may be given to the coping strategies developed by the project to maintain work momentum.

The MTR mission team is expected to review the following aspects of the FSM AF project:

2.1. Project design

- Assess the value added of the project design approach;
- Review the problems addressed by the Project, the underlying assumptions and the effect on achieving the project results as outlined in the project document;
- Appropriateness of the design to the current economic, institutional and environmental situation;
- Is the level of interaction and co-operation amongst the executing / delivery partners effective? Do the executing / delivery partners recognize themselves as active partners in a joint initiative? Do the partners take advantage of their individual capacities to reach optimized results?
- Review the project theory of change and determine if provides the most effective route towards expected results;
- Relevance of the project to local climate change adaptation needs and priorities;
- Assess extent to which relevant gender issues were integrated in the project design;
- Results framework analysis:
 - Assess the project objectives, outcomes, indicators and targets and determine whether they are clear, practical, and feasible within the project time frame;
 - Undertake a critical analysis of the project's results, indicators and targets and determine if there are any specific revisions required for the remaining period; and
 - Assess the development of the gender aspects of the project and if they are being monitored effectively.
- Sustainability considerations in the project design; and
- Recommend areas for improvement in the design of the project.

2.2. Project Implementation

- Implementation strategy: examine if, how and why the strategies contribute to the achievement of the expected project results chain;
- General implementation and management of Project components in terms of quality of inputs and activities, adherence to work plans and budgets, major factors which have facilitated or impeded the progress of the project implementation;
- A review of Project performance in relation to the indicators, assumptions and risks specified in the project documents;
- Review of the compliance to the legal Agreements and the various other implementing agreements signed in respect of the implementation of the project;
- Adequacy of management arrangements as well as monitoring and backstopping support to the project by all parties concerned;
- Assessment of the capacity, cooperation and performance project executing entity;
- An assessment of the functionality of the Project Board and other Project decision-making bodies; and
- Review of project coordination and management arrangements including the effectiveness of monitoring and evaluation mechanisms, financial management; partnership strategy, risk identification and management system and communication.

2.3. Project progress in relation to Outputs, Outcomes and Impacts

- Achievements to date of FSM AF Project outputs and outcomes as compared with the end-of-project targets outlined in the project monitoring, evaluation and learning framework;
- Assess causality and attribution of results to FSM AF project activities;
- Level of the awareness and ownership of the project by the stakeholders;
- Assess the likelihood of achieving project targets within the remaining project implementation period;
- Review aspects of the project that have already been successful, identify ways in which the project can further expand these benefits;
- Identify barriers to achieving the project objectives and targets in the remainder of the project; and
- Identify significant unexpected effects, whether beneficial or detrimental.

2.4. Sustainability

- Is there an exit/sustainability strategy in place?
- Assess the extent to which the interventions and benefits of the project will continue after the end of the current external funding.
- Is it likely that the benefits of the project (capacities developed; linkages, mutual learning and knowledge and experiences shared) are sustainable?

2.5. Learning

- Identify good practices and lessons learned;
- Based on project successes, identify areas where knowledge generation and sharing is required;
- Documentation of the main challenges of the FSM AF project and recommendations on how to overcome the challenges;
- Assess and document adaptive management in project management and implementation including how adaptive management lessons have been documented and shared with key partners;

- Identify what works, under what context and why in reducing the vulnerability of the selected communities to risks of water shortage and increased adaptive capacity to climate change;
- Based on the findings and emerging lessons on what works in relation to reducing the vulnerability of outer islands to climate change in the Project's focus areas, and considering existing information, recommend clear areas of focus for future programming.

3. Methodology

The consultancy team should propose the methodology to be used to carry out the review. The proposed methodology should address sufficiently the preliminary issues and questions outlined within the ToR, specifying the specific review issues, questions, methods of data collection and analysis that will be undertaken. It should encompass a combination of both qualitative and quantitative methods. It should also allow for wide consultation with all interested parties and stakeholders. It is suggested that the methodology should include, but not be limited to the following, but consultants must propose their own methodology and justify and explain that proposal. The mid-term review will consist of three activities:

- a) *Document review:* The consultant will review of relevant project documents including, but not limited to:
 - Project Plan
 - Project Annual Reports
 - Project Six-monthly Progress Reports
 - Activity Annual Work Plans
 - Project budget documents
 - Project strategies and plans
 - Mission Aide Memoires
 - Project Management Briefing Documents
 - Project Operating Manuals
 - Agreements
 - Project restructuring paper
- b) *Field visits:* The field work shall focus on the project initiatives that have been undertaken in the six outer islands of Chuuk, Pohnpei and Yap, and in Kosrae State. During the State visits, the consultant shall contact, amongst others, national and State government officials, local communities, private sector, local public institutions, non-governmental organisations (NGOs) and community-based organisations (CBOs).

The field visits are expected to be undertaken by the FSM-based consultant and will be limited in scope i.e. it is unlikely visits to the outer islands will be able to be undertaken during the MTR due to logistical challenges and time constraints, however, access to State and Outer Island Coordinators will be made available. Due to continued travel restrictions to FSM from COVID-19 it is recognised there will be no site visits involving external team members.

- c) *Interviews:* Interviews (both face-to-face and virtual) will be conducted during the mission with relevant Project beneficiaries, stakeholders, partners, Project Board and Technical Steering Committee members as well as team members to obtain input, share insights and identify recommendations to improve Project performance. Appropriate questionnaires shall be developed by the Mission team and discussed with the Implementing Entity and Project Management team for approval (for State and Outer Island discussions). Key informants will be drawn from the key project stakeholders including the beneficiary communities.

4. Deliverables / Expected Outputs

The Mission's findings and recommendations will be thoroughly discussed with SPREP, Adaptation Fund, and the Executing Entity.

The Mission will complete and submit a draft final report in electronic format at the end of the mission. The Team Leader will finalise the report in the light of comments / suggestions of stakeholders. The key outputs of the MTR are:

- a) **Inception Report:** The Mission team is expected to produce an inception report detailing the following:
 - a. A comprehensive description of the consultant's understanding of the Terms of Reference and indicating any major inconsistency or deficiency in the Terms of Reference and proposed amendments.
 - b. A detailed methodology for the review including the tools to be used in the review.
 - c. The proposed team members and a description of their respective roles.
 - d. A complete work plan for the entire review period.
 - e. A Draft Report Template containing Table of Contents for the final report.
- b) **MTR Draft Report:** The Mission team is expected to generate the first draft report by the end of the third week after inception of the assignment. This draft report will be presented and discussed with key stakeholders including the Implementing Entity, project team, steering committee, technical working group and the donor. Inputs from these discussions will be incorporated into the final report.
- c) **MTR Final Report:** The final report shall be submitted within two weeks of receiving comments on the draft report. The report should be logically structured, contain evidence-based findings, conclusions, lessons and recommendations, and should be free of information that is not relevant to the overall analysis. The report should respond in detail to the key focus areas described above. It should include a set of specific recommendations formulated for the project, and identify the necessary actions required to be undertaken, who should undertake those and possible timelines. The report shall be written in English.
- d) **A brief paper** documenting changes (if any) to be made to the Project Plan. This will be annexed to the MTR Report.
- e) **Presentation:** For presenting and discussing the draft final report interactively, the consultants will facilitate a virtual three-hour concluding workshop for the project stakeholders.

5. Qualifications of the Team

The MTR Mission will consist of at least a two-member team of consultants¹, each with at least 12 years of experience² related to international development / climate change projects. One member of the team must be based in FSM and will lead on the in-country stakeholder consultations.

- Prior experience in evaluating projects of a similar nature and scope;

¹ Tenderers may wish to include additional team members – experience and roles need to be clarified in the proposal. Note the team composition as submitted in the proposal is not subject to change.

² For the local consultant(s) based in FSM, a minimum requirement would be 3-5 years' experience in international development and/or climate change related projects.

- Experience in conducting mid-term reviews or end of project evaluations for donor agencies, including demonstrated experience in evaluation report writing in accordance with donor evaluation requirements;
- At least a Master degree in any of the following: climate change adaptation or resilience, environmental science, natural resource management, water management, or social sciences (e.g. sociology, governance, policy);
- The Team Leader will have expertise in one of the technical areas listed above as well as expertise and demonstrated experience in designing evaluation methodology and data collection tools and demonstrated experience in leading similar reviews / evaluations;
- The role of the Team Leader will be defining the approach and methodology, guiding and managing the review team, leading the mid-term review mission, drafting and revising, as required, the MTR reports and debriefing and presenting the findings;
- Excellent English communication skills.

6. Assessment Criteria

Tenders will be assessed against the submission of a full proposal to include:

1. Proposed methodology to undertake the Mid-Term Review.
2. Proposed workplan including timelines to complete the deliverables (as outlined in Section 4).
3. Details of the review team including their role and experience (noting the minimum requirements of the team as outlined in Section 5).
4. CVs of the review team.
5. Financial proposal to outline all costs associated with the undertaking of the review including professional fees, FSM-based travel costs to at least 3 States (i.e. if the local consultant is based in Pohnpei the travel costs should be based on travel to Chuuk, Kosrae and Yap), communications and miscellaneous costs inclusive of all taxes. To assist consortiums in identifying possible travel costs within FSM, the air schedule and fares and an estimated cost of accommodations is available on the website with this tender.

7. Schedule of the Assignment

The review will be carried out for 30 working days with the proposed schedule of the review to take place in the period between 3rd May 2021 to 30th June 2021. The consultant shall develop and submit a detailed schedule for the assignment and distribute the days accordingly among the different tasks.

8. Payment Schedule

The consultants' consortium shall be paid the consultancy fees upon completion of the following milestones:

- 30% after submission and presentation of the inception report
- 40% after submission and presentation of the draft report
- 30% after the approval of the final report

The Agreement template outlining terms and conditions is attached to this tender for the consortium's information and reference (Annex III).

9. Management arrangements for the Review

The SPREP Implementing Entity Task Manager will have the overall management and coordination role of the review. The Task Manager will work with the Executing Entity's Project Management Unit based

in Pohnpei, FSM to facilitate the logistical requirements for consultants and setting up interviews and field visits.

Annex I: Project Results Framework

| Expected Result | Indicator | Baseline data | Targets | Source of Verification / Data collection methods | Frequency | Responsibility | Assumptions and Risks |
|---|---|---|---|--|--------------------------------------|-----------------|--|
| Project Objectives: <ol style="list-style-type: none"> 1. Prepare the necessary institutional and regulatory frameworks, policies, guidance, and tools to help deliver a climate resilient FSM 2. Strengthen water and livelihood security measures to help 6 outer atoll islands adapt to impacts of climate change related to water, health, and sanitation 3. Provide communities with climate resilient infrastructure to help relocate from high risk coastal inundation sites 4. Capture and share the local knowledge produced on climate change adaptation and accelerate the understanding about the kinds of interventions that work in island environments in FSM | | | | | | | |
| Component 1: Strengthening policy and institutional capacity for integrated coastal and water management at national, state levels and outer island levels | | | | | | | |
| Outcome 1: Strengthened policy and institutional capacity of government to integrate climate risk and resilience into its water and coastal and marine management legislative, regulatory and policy frameworks | Number of national and state level stakeholders participating in EPA, R&D, NWTf meetings, planning and implementation of activities. Number of regulatory framework drafts developed for water and coastal management regulations at state level | FSM regulations for development projects does not consider climate risks and resilience, with the exception of the Kosrae State Regulations for Development Projects 2014. Existing water and coastal management policies lack consideration of existing climate change risk and disaster risk, and projected risks. A framework for developing a water and | 13 strategies or plans reviewed or developed by end of Project. | Stakeholder consultation reports. Legal and regulatory policy assessment reports including recommendations. Guidance documents on mainstreaming climate change into legislative and policy frameworks. Policies or plans. Policies or legislation adopted highlighting the uptake of the guidance and recommendations. | Baseline, bi-annual, mid-term, final | Project Manager | Assumptions: Political will and commitment to encourage participation of key government stakeholders at national level. Political will to adopt the guidance and recommendations within Departments. Risks: Limited or no buy-in from national stakeholders. Change of Government and priorities. |

| Expected Result | Indicator | Baseline data | Targets | Source of Verification / Data collection methods | Frequency | Responsibility | Assumptions and Risks |
|---|---|--|--|---|--------------------------------------|---|--|
| | | sanitation policy, water outlook, and water sector investment plan exists but no plans that integrate climate risks and consider gender-sensitive approaches. | | | | | |
| Output 1.1: Legislation and policy paper to guide regulation of climate resilient coastal and marine management at national level | National-level legislation and policies reviewed to incorporate climate change considerations into marine and coastal management. Guidance developed based on recommendations adoption of recommendations evident within relevant Departments. | No current and future climate risks mainstreamed into current legislation, regulation, policy and guidance documents for coastal and marine development projects in FSM. | At least one national coastal and marine management policy and legislation reviewed with recommendations and guidance developed on mainstreaming climate risk and resilience. Recommendations adopted by at least one Department. | Stakeholder consultation reports. Legal and regulatory policy assessment report including recommendations. Guidance documents on mainstreaming climate change into legislative and policy frameworks. Policies or legislation adopted highlighting the uptake of the guidance and recommendations. | Baseline, bi-annual, mid-term, final | Project Manager | Assumptions: Political will and commitment to encourage participation of key government stakeholders at national level. Political will to adopt the guidance and recommendations within Departments. Risks: Limited or no buy-in from national stakeholders. Change of Government and priorities. |
| Output 1.2: State regulations for | State-level legislation and policies reviewed to | No current and future climate risks | At least one State coastal and marine management policy | Stakeholder consultation reports. | Baseline, bi-annual, mid-term, final | Project Manager / Operations & Finance Officers | Assumptions: Political will and commitment to |

| Expected Result | Indicator | Baseline data | Targets | Source of Verification / Data collection methods | Frequency | Responsibility | Assumptions and Risks |
|---|---|---|---|--|--------------------------------------|--|--|
| coastal and marine development projects amended to consider climate change risks and resilience measures | incorporate climate change considerations into marine and coastal management. Guidance developed based on recommendations adoption of recommendations evident within relevant Departments. | mainstreamed into current legislation, regulation, policy and guidance documents for development projects in Yap, Chuuk and Pohnpei States. | and legislation reviewed with recommendations and guidance developed on mainstreaming climate risk and resilience. Recommendations adopted by at least one Department. | Legal and regulatory policy assessment report including recommendations. Guidance documents on mainstreaming climate change into legislative and policy frameworks. Policies or legislation adopted highlighting the uptake of the guidance and recommendations. | | | encourage participation of key government stakeholders at national level. Political will to adopt the guidance and recommendations within Departments. Risks: Limited or no buy-in from national stakeholders. Change of Government and priorities. |
| Output 1.3: National Water and Sanitation Policy endorsed with climate and disaster risks and resilience, and gender mainstreamed | Completion of the National Water and Sanitation Policy. Endorsement of the National Water and Sanitation Policy. | No water and sanitation policy. | National Water and Sanitation Policy developed and ready for endorsement. | Stakeholder consultation reports. National Water and Sanitation Policy. President and Government resolution on National Water & Sanitation Policy | Baseline, bi-annual, mid-term, final | Project Manager | Assumptions: Political will and commitment to developing a National WSP. Strong Government leadership and support for development of the WSP. Risks: Limited or no buy-in from Government and other stakeholders. |
| Output 1.4: State Water Outlook and | Completion of the review and updates of the State Water | No State Water Outlook and Water Sector | State Water Outlook and Water Sector | Stakeholder consultation reports. | Baseline, bi-annual, mid-term, final | Project Manager, Operations & Finance Officers | Assumptions: Political will and commitment to |

| Expected Result | Indicator | Baseline data | Targets | Source of Verification / Data collection methods | Frequency | Responsibility | Assumptions and Risks |
|--|---|--|--|--|--------------------------------------|---|--|
| Water Sector Investment Plan developed and implemented | <p>Outlook and Water Sector Investment Plan.</p> <p>Implementation of State Water Outlook and Water Sector Investment Plans.</p> | Investment Plan in Yap, Chuuk and Pohnpei | <p>Investment Plans updated in 4 States.</p> <p>WOSWIP implemented in at least one State.</p> | Water Outlook and Water Sector Investment Plans. | | | <p>updating the WOSWIPs.</p> <p>Strong State leadership and support for development of the WOSWIP.</p> <p>WOSWIP are already developed in all States and require updating.</p> <p>Risks: Limited or no buy-in from State government stakeholders.</p> |
| Component 2: Demonstration of water security and sanitation measures in outer islands of Yap, Chuuk and Pohnpei | | | | | | | |
| Outcome 2a: Water conservation and management technology and practices adopted, responding to drought, sea level rise and early recovery from cyclones | <p>Number of outer islands and its communities with increased storage capacity to store potable and grey water</p> <p>Number of people (disaggregated by GSI categories) benefitting from interventions by the project.</p> | <p>Poorly maintained traditional water harvesting and conservation infrastructure and technology available. It cannot cope with the dry seasons.</p> <p>No monitoring stations on island to collect and monitor rainfall data to</p> | By project end, at least 80% of households on the target outer islands have improved access to water through either new or repairs to current, water storage facilities. | <p>Participatory evaluation report, survey report progress report developed by Municipal Government quarterly reporting</p> <p>Data collected by the Island municipal government office through rain gauges (on water resources, quality, use and maintenance of</p> | Baseline, bi-annual, mid-term, final | Project Manager, Operations & Finance Officers, Outer Island Coordinators | <p>Assumptions: Household / Individuals accept the need to limit water usage</p> <p>Maintenance plans can be implemented</p> <p>Risks: Theft of water resources</p> <p>Logistical/transport problems and/or prohibitive costs leading to delays in</p> |

| Expected Result | Indicator | Baseline data | Targets | Source of Verification / Data collection methods | Frequency | Responsibility | Assumptions and Risks |
|--|---|--|--|---|--------------------------------------|--|---|
| | | advice on water conservation practices including advice on other sectors | | water conservation and management technologies) Water facility assessments | | | arrival of people and/or materials (R2) |
| Outcome 2b: Appropriate sanitation measures for the outer islands of Yap, Chuuk and Pohnpei are determined for future investment | Educational & awareness programmes for the outer islands Types of sanitation measures for participating outer islands | Existing sanitation measures are health-hazards to the communities | At least 1 WASH programme implemented in all 6 outer islands At least two options for sanitation measures identified for the participating outer islands | WASH Programmes delivered in outer islands Surveys Sanitation options | Baseline, bi-annual, mid-term, final | Project Manager, Operations & Finance Officers, Outer Island Coordinators | Assumptions: Outer island communities will be willing to participate in developing and trialling the sanitation measures Communities will participate in WASH programmes Risks: No community buy-in |
| Output 2.1: Outer island communities oriented to CC, SLR, and adaptive capacity measures involving water, health, sanitation and environment | Number of community trainings on climate change, sea-level rise, adaptation and resilience. Number of people (disaggregated by GSI and other categories as appropriate, e.g. community members, local government etc) trained in climate change, sea-level | The six island sites have limited understanding of the impacts of climate change and sea level rise on the water, health, sanitation and environment sectors. Limited knowledge and experience in the application | At least 60% of the community population in the six outer islands (of which close to 50% are women) are educated on the impacts of CC and SLR on water, health, sanitation and the environment, and have their capacity enhanced to develop adaptation measures to | Review reports, stakeholder consultation reports Stakeholder surveys and evaluations Approved water conservation and management plans Communication materials for climate change, SLR, adaptation and resilience trainings | Baseline, bi-annual, mid-term, final | Project Manager, Operations & Finance Officers, Outer Island Coordinators, Knowledge & Communication Officer | Assumptions: Community are receptive to training and are able to engage Risks: Community engagement is low |

| Expected Result | Indicator | Baseline data | Targets | Source of Verification / Data collection methods | Frequency | Responsibility | Assumptions and Risks |
|--|--|--|---|---|--------------------------------------|---|--|
| | <p>rise, and adaptation and resilience measures.</p> <p>Number of people (disaggregated by GSI and other categories as appropriate, e.g. community members, local government etc) trained in the implementation of the water conservation and management plans.</p> <p>Completion of stakeholder consultations to review, improve and validate water conservation and management plans.</p> <p>Evaluation (feedback) by outer island community members on the value and effectiveness of the training.</p> | of climate change information to adaptation planning in outer islands. | <p>address these impacts.</p> <p>At least 80% of those that participate in the above capacity building activities have acquired knowledge and skills to develop and implement adaptation plans and actions.</p> | Communication materials for water conservation and management plans | | | |
| Output 2.2: Water Harvesting and | Completion of recommended improvements to | Water cisterns and tanks exist on the islands in | 80% of households on the target outer islands have | Reports on infrastructure | Baseline, bi-annual, mid-term, final | Project Manager, Operations & Finance Officers, | Assumptions: Most households will benefit and have |

| Expected Result | Indicator | Baseline data | Targets | Source of Verification / Data collection methods | Frequency | Responsibility | Assumptions and Risks |
|--|--|--|--|---|--------------------------------------|---|---|
| Storage System (WHSS) repaired and installed in 6 atoll islands | <p>current water infrastructure in six outer islands.</p> <p>Completion of installation of new rainwater harvesting systems in six outer islands.</p> <p>Number of infrastructure improvements by type, island and village supported by the project</p> <p>Number of people (disaggregated by GSI categories) benefitting from interventions installed by the project.</p> | <p>poor conditions (leakages, contaminated), including poor guttering and down piping.</p> <p>There is no culture of maintenance of water harvesting systems at community level due to lack of specialised equipment and maintenance planning.</p> | <p>improved access to potable water from the WHSS.</p> <p>At least 20% of women, men and youth community groups on the outer islands are trained in the maintenance of community water harvesting and storage systems.</p> | <p>assessments in the outer islands.</p> <p>Reports on numbers of facilities repaired and installed.</p> <p>Maintenance guides.</p> <p>Reports from community trainings.</p> <p>Community surveys</p> | | Outer Island Coordinators | <p>access to water facilities once installed</p> <p>Availability of skilled facilitators</p> <p>Community involvement including participation of women and elders</p> <p>Risks: Logistical / transport problems and /or prohibitive costs leading to delays in arrival of people and /or materials</p> <p>Team/ island communication difficulties (e.g., only have shortwave radio)</p> <p>Unsuitable infrastructure (e.g., house roofs can't support catchment systems)</p> |
| Output 2.3: Assessment of viable sanitation measures for outer islands in | At least two options for sanitation have been identified and tested in the participating outer islands | Very limited awareness of WASH techniques useful for application during drought | Sanitation options are being tested and monitored in at least 50% of the target outer islands | Reports, briefing notes, monitoring visit reports, real time study reports | Baseline, bi-annual, mid-term, final | Project Manager, Operations & Finance Officers, Outer Island Coordinators | <p>Assumptions: Availability of skilled facilitators</p> <p>Community involvement including</p> |

| Expected Result | Indicator | Baseline data | Targets | Source of Verification / Data collection methods | Frequency | Responsibility | Assumptions and Risks |
|---|--|--|---|---|----------------------------|--|---|
| Yap, Chuuk and Pohnpei | Number of people (disaggregated by GSI categories) benefitting from WASH (led by strategic partners including UNICEF, MYWSA and others to be identified) programs to which the project is contributing | <p>periods and post-typhoon situations.</p> <p>Limited sanitation facilities with some facilities not used by communities. Currently the majority of people use the lagoon for toileting.</p> <p>The existing water-flushed toilets or pit-latrines are in poor condition, with leakage into soil and lagoon.</p> <p>Contamination / eutrophication of lagoon from excessive nutrient input from human waste</p> | At least 50% of people on the six outer islands have participated in the WASH programme | <p>Completion of sanitation best practice review</p> <p>Completion of a sanitation options menu</p> <p>Completion of installation of solutions based on the menu. Emerging outcomes will be identified through monitoring visits and possibly a real time evaluative study.</p> | | | <p>participation of women and elders</p> <p>Risks: Logistical / transport problems and /or prohibitive costs leading to delays in arrival of people and /or materials</p> <p>Accessibility to labs to validate soil and lagoon monitoring tests</p> <p>Team/ island communication difficulties (e.g., only have shortwave radio)</p> |
| Component 3: Demonstration of Kosrae Inland Road Relocation Initiative | | | | | | | |
| Outcome 3: Increased resilience of coastal | Number of women, men and youth benefiting from the | Malem-Utwe coastal road highly exposed to severe | One road design produced in line with best practice. | Road design report and survey results. | Bi-annual, mid-term, final | Project Manager, Kosrae Operations & Finance Officer | Island stakeholders and key players (e.g.: Kosrae State Government) have a |

| Expected Result | Indicator | Baseline data | Targets | Source of Verification / Data collection methods | Frequency | Responsibility | Assumptions and Risks |
|---|---|--|--|---|----------------------------|---|---|
| communities and environment to adapt to coastal hazards and risks induced by climate change | access provided by inland road Number of women, men and youth benefiting from coastal defences | coastal erosion and is in high risk of being washed away within the next 10 -30 years Unsealed inner road limits access of communities inland | At least 80% of the inhabitants of Malem and Utwe (20-75 years age group) feel they have increased coastal resilience to inundation and erosion. | Stakeholder surveys Training / information session reports and evaluations | | | high interest in, support for, and engagement in capacity building activities in Kosrae. Political will and commitment from the community and government Continuous support provided by the government and development partners. |
| Output 3.1: Malem - Utwe inland road and access routes designed for future construction | Design for construction of the road completed to best practice. | No road or design for a new road exists | A completed road design that includes all climate risks and resilience aspects as well as consideration for all essential utility requirements. Financing of the road construction is achieved. | Consultant reports Road design report and survey results. | Bi-annual, mid-term, final | Project Manager, Kosrae Operations & Finance Officer | Assumptions: Procurement process will follow FSM Government procurement processes Procurement process will be undertaken by experienced personnel Risks: Design will raise inclusions beyond the budget allocation Consultants may not be experienced in road design in this |

| Expected Result | Indicator | Baseline data | Targets | Source of Verification / Data collection methods | Frequency | Responsibility | Assumptions and Risks |
|--|--|---|--|--|---|--|---|
| | | | | | | | type of geographical and climate location |
| Output 3.2: Transitional coastal protection at Mosral and Paal upgraded for immediate coastal protection | Coastal revetment design completed to best practice Length (in kilometres/miles) of coastline revetment Number of women, men and youth participating and engaged in community-based ecosystem management and trainings | Ineffective loose boulder defences at Mosral and Paal patched only after extreme events Limited replanting has been undertaken near waterways and on coastal strip. Replanting will need to be undertaken post the construction of coastal walls | Mosral and Paal coastline protected in the order of 2.5 km or 1.6 miles At least 50% of communities have participated in replanting and land stabilisation schemes | DT&I reports Consultant / engineer reports on design Concrete evidence of coastal protection e.g. photographs, construction reports Activity reports Participant lists Community surveys Photos / videos | Baseline, bi-annual, mid-term and final | Project Manager, Kosrae Operations & Finance Officer | Assumptions: Procurement process will be undertaken by experienced personnel KSG is able to fund maintenance of the transitional defences Risks: The coastal defence work may cost more than the budget allocation due to unknown costs, problems or changes to the scope and scale |
| Component 4: Knowledge management for improved water and coastal protection | | | | | | | |
| Outcome 4: Capacity and knowledge enhanced and developed to improve management of water and coastal sectors to adapt to climate change | Number of awareness materials on climate change, sea-level rise, vulnerability, and adaptive capacity prepared in local language and distributed to community and other stakeholders. Number of success stories developed | Programs carried out by various stakeholders (government, private sectors, and academic institutions) in the Outer Islands are not consolidated and implemented under island | At least 60 awareness and knowledge management products on the project results are produced and disseminated to stakeholders. At least eight success stories or knowledge products generated on lessons learned and | Site/field visits and surveys. Project reports Project monitoring and evaluation reports. Project monitoring and evaluation reports documenting lessons learned and good practices in | Baseline, bi-annual, mid-term, final | Project Manager, Knowledge & Communication Officer, Kosrae Operations & Finance Officer and Outer Island Coordinators | Assumptions: Local capacity exists to produce training materials that are of a high standard. Strong island and community interest in, support for, and engagement in capacity building activities in the Outer Islands of each State. |

| Expected Result | Indicator | Baseline data | Targets | Source of Verification / Data collection methods | Frequency | Responsibility | Assumptions and Risks |
|---|--|--|--|--|--------------------------------------|--|---|
| | <p>and shared on briefs, brochures, pamphlets, posters prepared and distributed.</p> <p>Number of men, women and youth participating in trainings and planning meetings.</p> | <p>development plans that exist.</p> <p>No systematic approach to awareness of opportunities and issues around climate change in outer islands and community / municipal government levels</p> <p>There is lack of gender-sensitized management and execution of climate-related projects and programs.</p> <p>The approaches with existing projects are only in pilot and in silo approaches without integration across program planning.</p> | <p>best practices have been produced, published, and shared with targeted stakeholders each project year</p> <p>At least 50% of perception responses (at least 50% are from women) to significant level of awareness and acknowledgement of gender and climate change benefits – compliance with natural resource management and gender dimensions of climate change</p> | <p>climate change mainstreaming that comprehensively addresses gender</p> <p>Independent evaluation reports</p> <p>Training evaluation reports</p> | | | <p>Risks:</p> <p>Locally available printing, video and audio production capacity</p> |
| Output 4.1: Resource materials developed, | Completion of recruitment of Knowledge and | No project awareness materials have been developed | By the end of the Project, at least 60 awareness and knowledge | Executed contract or workplan, strategy document, | Baseline, bi-annual, mid-term, final | Project Manager, Knowledge & Communication Officer, Kosrae | <p>Assumptions:</p> <p>No delays in the recruitment process(es)</p> |

| Expected Result | Indicator | Baseline data | Targets | Source of Verification / Data collection methods | Frequency | Responsibility | Assumptions and Risks |
|--|---|--|---|---|-----------|--|---|
| tailored to local context, translated, published and shared amongst various stakeholders | <p>Communication Officer</p> <p>Completion of project-level knowledge management strategy</p> <p>Number of practical information products made by the project (by type and intended audience)</p> <p>Number of public communications of results and information made by the project (by type and intended audience)</p> <p>Number of Project-related reports in local media</p> <p>Completion of data management plan/roadmap</p> <p>Completion of data systems integration</p> <p>Completion of sustainability plan for integrated data system</p> | <p>or made available</p> <p>No data management strategy is in place.</p> | <p>management products on the project results are produced and disseminated to stakeholders</p> <p>At least 1 inter-state or south-south exchanges on lessons learned and best practices on practical island interventions</p> <p>An accessible project data management and storage system with the complete Project history, results and knowledge products developed and maintained by DECM</p> | <p>information products</p> <p>Data management agreements with partners, plans, reports, guidance documents</p> | | Operations & Finance Officer and Outer Island Coordinators | <p>Risks:</p> <p>Logistical / transport problems and /or prohibitive costs leading to delays in arrival of people and /or materials</p> <p>Team/ island communication difficulties (e.g., only have shortwave radio)</p> |

Annex II. Project Plan



ADAPTATION FUND

REQUEST FOR PROJECT/PROGRAMME FUNDING FROM THE ADAPTATION FUND

The annexed form should be completed and transmitted to the Adaptation Fund Board Secretariat by email or fax.

Please type in the responses using the template provided. The instructions attached to the form provide guidance to filling out the template.

Please note that a project/programme must be fully prepared (i.e., fully appraised for feasibility) when the request is submitted. The final project/programme document resulting from the appraisal process should be attached to this request for funding.

Complete documentation should be sent to:

The Adaptation Fund Board Secretariat
1818 H Street NW
MSN P4-400
Washington, D.C., 20433
U.S.A
Fax: +1 (202) 522-3240/5
Email: afbsec@adaptation-fund.org

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ADAPTATION FUND

PROJECT PROPOSAL TO THE ADAPTATION FUND

PART I: PROJECT INFORMATION

Project/Programme Category: Regular Project

Country/ies: Federated States of Micronesia (FSM)

Title of Project/Programme: Enhancing the climate change resilience of vulnerable island communities in the Federated States of Micronesia (FSM)

Type of Implementing Entity: Regional Implementing Entity

Implementing Entity: Secretariat of the Pacific Regional Environment Programme (SPREP)

Executing Entity/ies: Department of Environment, Climate Change & Emergency Management (DECCEM)

Amount of Financing Requested: US\$9,000,000

Project / Programme Background and Context

National and Local Level Context

Geography and Climate

The Federated States of Micronesia (FSM) is located near the equator about 4,000 km southwest of the Hawaiian Islands in the Western Pacific Ocean and within the Caroline Islands group. It is a group of 647 islands (84 of the islands are inhabited) covering 2,736 square kilometres (km²) in the western Pacific Ocean (Figure 1). The land area totals 704.6 km², with 7,192 km² of lagoon area. The islands vary from small islets inundated at high tide to atolls and large volcanic islands with a land area larger than 80 km². FSM's physical isolation, as well as the distance between States, and between islands within States, combined with limitations in transport, pose multiple development challenges.

The FSM is located north of Papua New Guinea, south of Guam, and east of the Philippines, has an exclusive economic zone covering approximately 2,589,998 km² (1,000,000 sq. mi). Four types of island occur: (1) volcanic high islands, which can be highly rugged in their basalt interiors and are typically surrounded by fringing or barrier reefs; (2) low lying atolls; (3) raised coral islands; and (4) low coral islands. Low lying atoll and coral outer islands are especially isolated and require significant effort to reach from the main islands by boat or small plane. The coral fringing and barrier reefs that surround each island are of great biological significance.

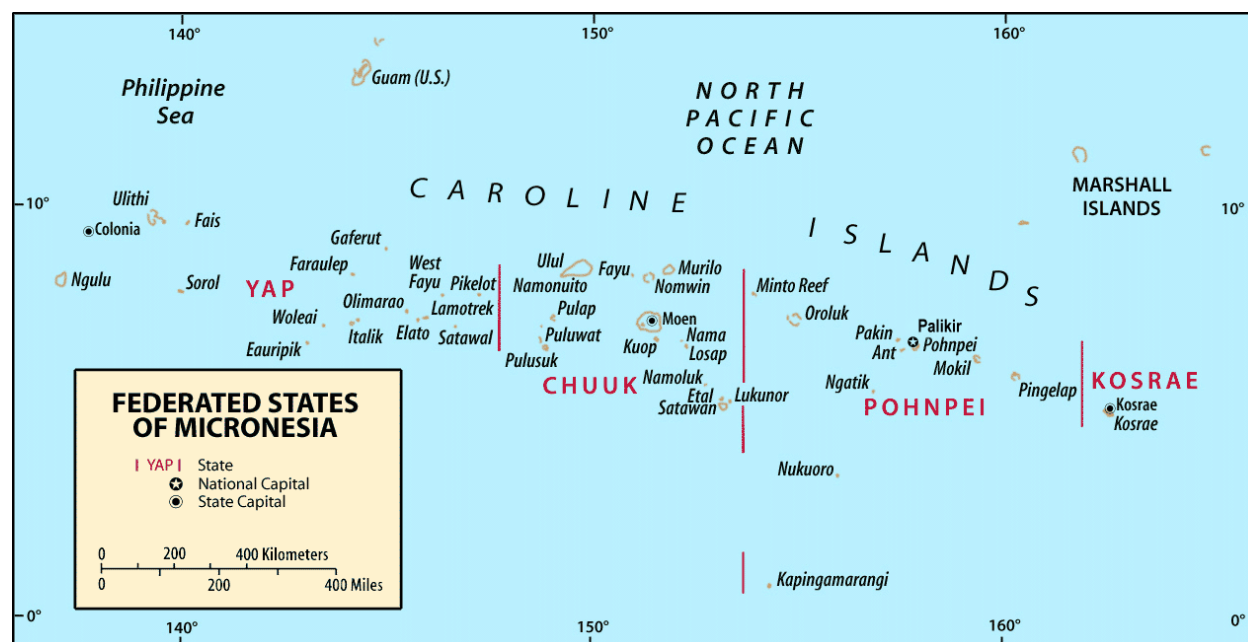


Figure 1. Map of the Federated States of Micronesia¹

Each of the four States is centred on one or more main high islands (Table 1). All but Kosrae State include numerous outlying atolls. The capital of FSM, Palikir, is in Pohnpei State. Many of the islands in FSM are extinct shield volcanoes with steep, rugged centres that are densely

¹ By U.S. Central Intelligence Agency - Federated States of Micronesia (Political) 1999 from Perry-Castañeda Library Map Collection: Federated States of Micronesia Maps, Public Domain, <https://commons.wikimedia.org/w/index.php?curid=46492>

vegetated and eroded. Mangroves grow around the coastal fringes. Land elevations range up to approximately 760 metres (2,500 feet). Other islands are relatively flat, small and swampy, with low-lying, forested atoll islets, typically 1-5 metres above mean sea level².

The major vegetation types in the FSM are native upland forest, agroforest, mangrove forest and savanna, other shrubs and grasslands. About a third of FSM's land area is suitable for agriculture, but less than 5 percent of agricultural land is arable. About half of the agricultural land is used for permanent crops, with the remainder used for other agricultural purposes.

Table 1. Geography of FSM's four states³

| State | No. of Island Groups | No. Islands | No. Inhabited Islands | Topography (HV, A)* | Land area (km ²) | Lagoon Area (km ²) | Popn. (2010) | Popn Density** |
|---------|----------------------|-------------|-----------------------|---------------------|------------------------------|--------------------------------|--------------|----------------|
| Yap | 12 | 78 | 22 | HV + A | 119 | 1049 | 11,377 | 247 |
| Chuuk | 7 | 542 | 55 | HV + A | 127 | 2132 | 48,654 | 990 |
| Pohnpei | 6 | 26 | 6 | HV + A | 342 | 769 | 36,196 | 274 |
| Kosrae | 1 | 1 | 1 | HV | 117 | 0 | 6,616 | 146 |
| Total | 26 | 647 | 84 | | 705 | 3,950 | 102,843 | 378 |

(* HV = high volcanic; A = atolls, **individuals per square kilometre)

The tropical climate of FSM is due to its geographical location in the Western Pacific, just north of the equator, and the strong influence of northeast trade winds, which generates consistently warm temperatures. The trade winds prevail from December through April. Periods of weaker winds and doldrums occur from May to November. Rainfall is generally plentiful, especially on the high volcanic islands of Kosrae, Pohnpei and Chuuk. The region is affected by storms and typhoons that are generally more severe in the western islands, as well as by periods of drought and excessive rainfall associated with different phases of the El Niño – Southern Oscillation (ENSO).

From May to November the rainfall is extremely high on the volcanic islands of Kosrae, Pohnpei and Chuuk. Yap lies in an area that generally experiences a monsoonal climatic pattern, with more frequent periods of drought. The climate of Chuuk is hot and humid with an average temperature of 27°C (81°F), and little variation throughout the year. Average annual precipitation is 3,100 mm (122 inches), with the months of January to March being drier. Pohnpei is generally hot and humid, with a mean temperature of 27°C (81°F). Temperatures vary little from month to month. The mean annual rainfall is 4,826 mm (190 inches), with January and February being slightly drier than the average of all months.

Kosrae's climate is characterized by high temperatures, heavy rainfall, and high humidity. The average annual rainfall measured at the weather station in coastal Lelu is 5,000mm (203 in). In the mountainous interior, rainfall is estimated to be as high as 7,500mm (300 in) annually. Average temperature is again 27°C (81°F) at sea level. Average monthly temperatures vary from the

² FSM, 2015, Second National Communication under the UN Framework Convention on Climate Change

³ Namakin, 2008; FSM Division of Statistics, 2012 *in* FSM, 2015, Second National Communication under the UN Framework Convention on Climate Change, p.16)

annual average by no more than 1°C (0.5°F), and the difference between the average minimum and maximum temperatures is less than 8°C (14°F).

Political and Legislative

Since its inception in 1979, when it formed its own constitutional government, FSM has worked with the United States Government to achieve self-sufficiency through its primary source of assistance, the Compact of Free Association (1986-2003) and the subsequent Compact II (2004-2023).

The country's government is modelled after the federal system of the United States with a national president and four state governors with respective legislatures and judiciaries. The Government has four levels of governance – national, state, municipal, and traditional.

The four states – Chuuk, Kosrae, Pohnpei and Yap – where the project is to be implemented, have a considerable degree of autonomy. Each State Government has its own constitutional Government, consisting of the Executive, Legislative and Judicial branches.

Each FSM State has its own set of environmental laws and regulations recognizing the impacts of climate change and the need for adaptation measures. Under the Compact II, Article VI Section 161 of Title II, FSM is committed to applying the National Environmental Policy Act of 1969 and “to develop and implement standards and procedures to protect its environment”.

In June 2012, the FSM Environmental Protection Act became Public Law. Its purpose is to:

- Reflect the current functions and responsibilities of the National Government in the area of environmental management and protection;
- Eliminate duplication of responsibilities between the National and State Governments in relation to environmental management and protection; and
- Provide the Office of Environment and Emergency Management (now Department of Environment, Climate Change and Emergency Management (DECEM)) with the necessary legal authority to implement, via regulation, the multilateral environmental agreements that FSM has already ratified, including the United Nations Framework Convention on Climate Change (UNFCCC).

This project will build on the existing legislative and policy framework that the National Government and the State of Kosrae have already put in place.

The FSM Environment Sector Plan 2010-2015, prepared in accordance with the FSM Strategic Development Plan (SDP) 2004-2023, identifies achieving higher rates of compliance with environmental laws as a high priority for FSM national and state governments. Among the most serious problems of environmental governance in FSM is that the laws and regulations are not enforced consistently or effectively. The 2012 Environment Protection Act endeavours to address this and related issues, in part by strengthening enforcement action and by requiring the Secretary of DECEM to provide, on an annual basis, an environmental quality report covering the status and conditions of the environment of FSM, and a review of the programmes and activities of the National Government, State governments, municipal governments and nongovernmental organizations (NGOs), with particular reference to their effect on the national environment.

The FSM Government has put in place national frameworks for adaptation. The Strategic Development Plan (SDP) 2004-2023 and the Infrastructure Development Plan (IDP) 2016-2025 are based on several frameworks which provide mitigation and adaptation measures to limit the

impacts of climate change. The SDP for FSM provides a roadmap for social and economic development for 20 years (2004-2023).

Multiple mitigation and adaptation activities are ongoing at the government and agency levels. FSM adopted national policies on climate change (2009) and Disaster Risk Management and Climate Change Adaptation (2013). Kosrae State, in adopting a Shoreline Management Plan in 2014, became the first state to develop a strategic plan that addresses coastal zone management in view of the adverse impacts of climate change.

The Kosrae Shoreline Management Plan (2014) states: *“much development on Kosrae over the last two to three generations has occurred in low-lying coastal areas...many of the approaches we currently use...will be increasingly ineffective or unaffordable as sea levels rise. It will involve thinking differently than we have done in the past, particularly concerning where we locate infrastructure, our communities and our homes”*.

There is an immediate need for capacity to support adaptation at the national level, and specific legislation, regulation and policy frameworks in the other three States to ensure delivery of effective climate resilient measures for greater protection of people and assets in the coastal zones.

Institutional Arrangements for Climate Change

FSM has ratified or implemented a number of protocols and plans including:

- Ratification of the UNFCCC, Kyoto Protocol and Montreal Protocol (also known as the ozone treaty).
- Signing of the Paris Agreement (2016).
- Awarded a Climate Protection Award (2009) from the U.S. Environmental Protection Agency for contributions to climate protection under the ozone treaty.
- Development of a Multi-State Hazard Mitigation Plan (2005).
- Adoption of a nationwide Climate Change Policy (2009) focusing upon climate change mitigation particularly at the international level, and adaptation at the national, state and community levels to reduce FSM's vulnerability to climate change impacts. The Policy outlines the integration of climate change into the Strategic Development Plan/Infrastructure Development Plan (SDP/IDP) and into other policies, strategies, and action plans, including disaster preparedness and mitigation. DECEM is designated as the focal point for all government climate change activities by law under Title 25 of the FSM Environmental Protection Authority Act.
- Development of a joint policy for climate change adaptation and disaster risk management.⁴
- Development of a Framework National Water and Sanitation Policy for FSM (2011). The framework provides the rationale and direction for a Comprehensive National Water and Sanitation Policy for FSM. Key elements of the comprehensive policy include a “Federated States of Micronesia National Water Outlook” and “Water Sector Investment Plan”. The intent of this policy is to mainstream the principles of integrated water resource management and water use efficiency into national and state development planning and resource management.
- Integration of initiatives from a common institutional platform for disaster risk reduction and climate change adaptation overseen by the DECEM.

⁴ GCCA: PSIS. 2013. Climate Change Profile. Federated States of Micronesia. Version 2, July 2013.

Demography

The population of FSM reached 102,843 at the last census undertaken in 2010. The Census highlighted a decline in population from the 2000 Census figures of 107,008. The decline in population reflects a corresponding decline in population growth in FSM over the past three decades. At the national level, annual growth dropped from 3.0 percent in the 1980-89 period, to minus 0.4 percent over the 2000-2010 period. At the state level, Chuuk and Kosrae have negative growth while in Pohnpei and Yap the rate of growth is still positive but very low at 0.4 and 0.1 percent, respectively. While declining fertility has contributed to the drop in the population growth rate, out-migration to the United States and other parts of Micronesia is the primary cause of negative growth.

Table 2. Population and household distribution of FSM⁵

| State | Percentage of total FSM Population | Percentage of total number of FSM HH |
|---------|------------------------------------|--------------------------------------|
| Yap | 11.1 | 13.8 |
| Chuuk | 47.3 | 41.9 |
| Pohnpei | 35.2 | 37.5 |
| Kosrae | 6.4 | 6.8 |

The population of the FSM is unevenly distributed between States in terms of total numbers and per sq. km (Table 2). Chuuk State represents 47% of the population, Kosrae 6%, Pohnpei 35% and Yap 11%. The population is young, with 36% between 0 and 14 years, 59% 15-59 years and 5.5 percent 60 or older, though the average age is increasing. There are 4% fewer women of child-bearing age in the FSM today than 10 years ago and the population is declining for the first time in recent history. This demographic change has been influenced by a Compact between the FSM and U.S. The Compact transfers significant funds to the FSM and promotes outmigration by allowing FSM citizens to go to the U.S. and join its military. In return, it supports the U.S. strategic regional Asian and Pacific military considerations. On high islands, a mariner culture and the rough interior have concentrated populations along the coasts⁶.

Economy

The national and state governments account for over half of the nation's employment and 38% of its GDP. Agriculture is primarily subsistence farming. Natural resources available for economic purposes are limited to timber, marine products, deep-seabed minerals, and phosphate. Commercial fishing is an important source of revenue through licensing fees and export of fish. A wide range of financial and project assistance has been provided through a variety of governments, international institutions, and NGOs, resulting in limited success in developing an integrated, self-supporting, and sustainable economy.

In the Compact II era (2004-2023), FSM is at a critical point in its development. In a relatively short time frame, each FSM State is challenged not only to continue developing a self-sufficient economy, but also to modernize without sacrificing valued cultural traditions and natural resource

⁵ Smith, W.J., J Mount, D. Bennet and P. Shed. 2014. Collaborative research methodologies and the construction of a national geospatial clearinghouse to conserve biodiversity in the Federated States of Micronesia. *Applied Geography* 54:198-208.

⁶ Ibid.

assets. Geographical isolation and poorly developed infrastructure are major impediments to FSM's long-term growth. Over the years, agriculture's socio-cultural role as a safety net for the disadvantaged has greatly diminished. Inequality of income and the incidence of families with incomes below the poverty line are among the highest in the Pacific region. Poverty is a concern and FSM made only limited progress towards achieving the Millennium Development Goals (MDGs) by 2015.

The mainstays of the FSM economy are subsistence farming and fishing. There is limited tourism due to a lack of access and facilities, although it has increased in recent years with small hotels opening in Pohnpei, Yap and Kosrae.

The public sector plays a central role in the economy, as the national and state level governments employ over half of the country's workers and government services and public enterprises account for 38% of GDP. Since the 1995 Economic Summit, the private sector has been a focus of economic development. There are now 22 private locally owned construction companies that also undertake road maintenance.

Daily life in most of the FSM is run on an extended family scale, with village or island functions integrated into this routine. National and state levels of government lack a sustained influence in this routine in most islands. Thus, conservation efforts must connect to the local scale and people with traditional ties into communities if they are to be sustained. The human and physical geography that define the FSM make this a major challenge. Conversely, it is undeniable that given the relative autonomy of islands and villages and the mobile and common nature of many marine resources such as sea turtles and fish, that large-scale planning may need to span "ecoregions"⁷.

Water Security Problems in Outer Islands

Areas of small island countries, such as the FSM, exceed 5,000 mm of precipitation annually. These communities are in some of the wettest places on earth. Nevertheless, their geologic and geographic settings, technology, government capacity, village-scale governance and knowledge base can still make accessing safe drinking water exceedingly difficult. Despite billions of dollars in aid, labour, and local spending, inadequate progress has been made in recent years in many of the less wealthy communities in improving access to safe drinking water⁸.

Despite high national precipitation rates, water supplies on smaller, low-lying atoll islands are extremely vulnerable to droughts and to saltwater inundation caused by high tides. Water for drinking and other uses comes from two sources: rainwater catchments and shallow wells that draw from a layer or "lens" of freshwater underlain by brackish water or saltwater. Groundwater in the part of the lens that is near the ground surface in the central depression of the island is also important for taro cultivation. On some atoll islands, the freshwater lens is thin and highly vulnerable to contamination from the saltwater below, especially if too much freshwater is drawn from the lens.

The El Niño event of 1997–1998 caused severe droughts and water shortages on many of the Pacific Islands including FSM. During the drought, communities were concerned about the high level of demand and increased groundwater withdrawals because of the potential impact of

⁷ Smith, W.J., J Mount, D. Bennet and P. Shed. 2014. Collaborative research methodologies and the construction of a national geospatial clearinghouse to conserve biodiversity in the Federated States of Micronesia. *Applied Geography* 54:198-208.

⁸ Smith, W.J. 2008. *Geographical Journal* Vol. 174 No. 3, pp. 251–268, 2008

saltwater intrusion on taro, breadfruit, and banana crops. Monitoring data are needed to manage rainwater and groundwater resources together and increase the adaptive capacity of low islands to meet the challenges posed by climate variability and change.

The water resources of the 32 atolls of the FSM are under continual threat due to El Niño-induced drought events and sea-level rise. Contamination from septic tanks and wastewater runoff from pig pens is also a major issue.

Another risk is the high sea/surf events. In December 2007 and in 2008, several atoll islands in FSM were flooded by a series of high wave events. These saltwater floods had a significant impact on taro crops that are commonly cultivated in a depression near the centre of the islands. In December 2007, on the outer islands of Chuuk State, where 13,000 people or one-fourth of the state population resides, an estimated 90% of all taro crops were destroyed by saltwater inundation⁹.

Water use within atoll island communities is derived from either captured rainwater (typically through a roof-gutter system that feeds a large storage tank) or groundwater. Rain catchment water is preferred for most domestic purposes such as drinking and cooking, whereas groundwater, typically accessed through hand-dug wells lined with concrete or rocks, is used for bathing and washing clothes. Communities may also use coconut juice to supplement drinking water.

Rain catchment tanks vary in construction material and size. Older tanks are made from concrete, whereas newer ones are made from fibreglass. Depth to water in the hand-dug wells ranges from 1-3 m and fluctuates with the rise and fall of the tides. The water is extracted by either a rope and bucket or a small electric pump and is typically shared by several households.

In general, only large leeward islands appear to be able to maintain substantial freshwater lenses during both average and drought conditions. Most FSM atoll islands are windward and hence contain only a thin lens, irrespective of the rate of rainfall. These observations provide water resource managers of atoll island communities with important generalizations regarding the sustainability of island resources and can be used for future planning within these communities.

The sustainability of water resources on atoll islands is therefore of serious concern due to their small catchment area, low-lying topography, isolation from other island communities, and the continual threat of El Niño-induced droughts. Most of the 32 atolls within the FSM are permanently inhabited, but their residents have always been at risk of water shortages. Groundwater resources are particularly important reserves, since the small exposed area of the island land surface and the high permeability of the carbonate sediments preclude the development of natural surface water bodies or reservoirs. Man-made storage tanks are used to collect rainwater, but these can become depleted quickly during droughts. At such times, island residents rely on groundwater to fulfil their domestic water needs. The fresh groundwater, residing in the “freshwater lens”, however, is also subject to stress and threat of depletion during El Niño-droughts.

The FSM Government is seeking to make each atoll island community sustainable in regard to water resources. Success obviously depends on maintaining sufficient potable water on each atoll

⁹ Keener, V. W., Marra, J. J., Finucane, M. L., Spooner, D., & Smith, M. H. (Eds.). (2012). *Climate Change and Pacific Islands: Indicators and Impacts*. Report for the 2012 Pacific Islands Regional Climate Assessment. Washington, DC: Island Press.

island during even the most severe droughts. Therefore, the volume of freshwater reserves must be predicted for periods of scarce rainfall rather than for normal climate conditions.

Proposed Focus Area

The Government of FSM has identified two outer islands each in Pohnpei, Chuuk and Yap States as priorities for the water security component of this proposal to the Adaptation Fund. These are Kapingamarangi and Nukuoro in Pohnpei; Satawan and Lukunor in Chuuk and Eauripik and Woleai in Yap. The majority are among the atolls most remote from their respective mainlands. The Government has also focused on building the capacity of the communities of Malem and Utwe in Kosrae to respond to climate change as well as improving the resilience of its infrastructure and natural environment to climate change under the coastal component of the proposal. The socio-economic profiles of each of the States and the proposed sites are summarised below.

Yap State

Yap State consists of four main islands of Yap Island, Tomil-Gagil, Maap and Rumung and eight smaller islets sharing a common coral reef. Colonia is the capital of Yap State. It administers both Yap proper and 14 atolls reaching to the east and south for some 800 km, namely Eauripik, Elato, Fais, Faraulep, Gaferut, Ifalik, Lamotrek, Ngulu, Olimarao, Piagailoe (West Fayu), Pikelot, Sorol, Ulithi, and Woleai atolls, as well as the island of Satawa. Yap Island accounts for 84 percent of the state's total landmass and is home to two-thirds of Yap State's population of 12,055 (FSM 2010 Census).

The significance of climate change to Yap State is set out in the Joint State Action Plan. As the westernmost state of FSM, Yap is exposed to a range of threats that create significant vulnerabilities for the state. Yap is located in 'typhoon alley', is likely to be disturbed by earthquakes and tsunamis, and suffers droughts due to the impact of ENSO. ENSO is also the cause of both excessive and below average rainfall. Yap is drier than the other states of FSM and is highly susceptible to drought. The lack of adequate water storage capacity on the outlying islands increases the inhabitants' vulnerability to the impacts of drought. Yap is very vulnerable to flooding during typhoons and storm surges. The State does not regularly receive large amounts of rain so the damage from extreme surge and rainfall events is usually much more intense.

The distances between islands makes it difficult to get much needed food, water and medical supplies to residents after a disaster, meaning Yap is more vulnerable to health and other secondary impacts of disasters than the other FSM states. Through July 2015 and January 2016 island leader and community consultations, facilitated by the Government of Yap through the Department of Resources and Development and SPREP, the atoll islands of Eauripik and Woleai were nominated for water security measures (Section II.H). The most recent impacts caused by Typhoon Maysak and the recent 2015-2016 El Niño phenomenon was felt strongly at these islands requiring water resources to be secured.

Chuuk State

Chuuk is located (830 nm) to the west of Yap state, with Pohnpei (1,208 nm) and Kosrae (1,500 nm) to the east. It is the most populated state of FSM. Chuuk State consists of several island groups with a combined population of 48,615 (FSM Census, 2010). The 2010 Census reported fewer residents in the State compared to 2000 (-1.0 percent decline) as a result of substantial net-migration to neighbouring US Territories, Hawaii, and the US mainland. This was associated with the recent mixed economic fortunes of the State.

Satawan with a population of 692 and Lukunor with 848 are the two Chuuk atoll communities that will be addressed by the project. These islands are only three to five metres above sea level and are prone therefore to impacts of sea level rise. The islands' water wells are brackish and provide only limited water. Some wells are only used to draw water for washing and cooking during drought, as it is unsafe for general consumption. Most water wells are not covered, and therefore contamination from seawater, e-coli, and humus is common. Most households on both islands have at least one water tank, which has been insufficient during drought. The rainwater harvesting systems are in poor condition as a result of sustaining damage from typhoons, lack of spare parts and poor maintenance, leaving these communities highly vulnerable to drought. During periods of drought, people and animals often resort to coconuts and root trees for water and hydration.

Pohnpei State

Pohnpei is a "high" volcanic island, having a rugged, mountainous interior with some peaks as high as 760 metres. It measures about 130 kilometres in circumference and is roughly circular in shape. Pohnpei Island is the largest, highest, most populated, and most developed island in FSM. A coral reef surrounds the island, forming a protected lagoon. There are no beaches on Pohnpei – the coast is surrounded by mangrove forests/stands growing on muddy substrate eroded from interior wetlands in the rainy environment. Several smaller islets, many of them inhabited, lie nearby within the lagoon-reef complex. The population of Pohnpei is approximately 34,840. Pohnpei is more ethnically diverse than any other island in the FSM. This is largely due to it being home to the capital of the national government, which employs hundreds of people from the other States with distinct ethnic and cultural origins.

Kapingamarangi and Nukuoro are the two Pohnpei atolls that will be addressed by the project, with a population of 350 and 210, respectively. The atolls' groundwater resources are already susceptible to seawater intrusion, underground water pollution and surface water pollution from agricultural practices. The western reef rim of Kapingamarangi atoll is almost submerged at high tide. Parts of the islets on this western reef that are used for growing fruit and vegetables are now under threat. As a result, the islanders are now looking to move the growing of fruit and vegetables to the same islets where they raise livestock, as well as on the main island of Touhou where people reside. This change is already putting pressure on the water resources on Touhou, where the highest point is only 90 cm above sea level. On Nukuoro, the staple food crop is taro, which is highly susceptible to saltwater intrusion. During drought, the communities use raised swamp taro patches as water reservoirs to catch water for cooking and washing. Buckets and recycled oil-drums are a common method of storing water at the household level. The population of Nukuoro is highly vulnerable to water and vector-borne diseases as a result of poor water quality.

Kosrae State

Kosrae is the easternmost State and second largest island of the FSM, located approximately 600 km (372 miles) southeast of Pohnpei. Kosrae has a land area of 112 km² (42 square miles) and an Exclusive Economic Zone (EEZ) of 200 nm. Geographic isolation and poorly developed infrastructure are major impediments to Kosrae's (and FSM's) economic growth, and poverty is among the highest in the Pacific region with 23 percent unemployed in 2010. Between 1997 and 2010, Kosrae's population declined by 12 percent to its current population of 6,616 people (FSM Census 2010), which is 6 percent of FSM's population. The negative population growth is largely due to considerable out-migration to the US and its territories. Accordingly, the working population age has dramatically declined, significantly reducing the productive workforce and local production (UNFPA, 2013). This trend is mainly attributed to poor economic performance and reductions in the public sector, which has traditionally been the main employer.

Kosrae is the only State without an outer island. It is divided into four municipalities, with respective populations as follows: Lelu (2,160), Malem (1,300), Tafunsak (2,173) and Utwe (983). Geographically, the State is characterized by steep mountains and deep valleys covered with thick, fertile tropical vegetation and forests, and dense mangrove forests in coastal areas. The island's main natural resources are its abundant forests with significant agricultural potential, marine products, and deep-seabed minerals¹⁰.

While FSM currently has no national strategy for coastal zone management, Kosrae has developed a strategic plan that addresses coastal zone management in view of adverse impacts of coastal hazards and climate change on development and infrastructure. Known as the Kosrae Shoreline Management Plan (SMP) this was developed with considerable community consultation between 1998 and 2000 and updated with further consultation in each municipality in 2013. The SMP sets out the principles for coastal development in Kosrae over the coming decades, and details eight key strategies for responding to climate change and sea level rise and increasing the resilience of Kosrae's coastal communities over the next one to two generations (20-50 years).

Climate Change Impacts and Risks

The future for FSM does not look favourable for any development that is based on a business-as-usual approach. From now until 2100, according to PCCSP and PACCSAP (Australian BoM and CSIRO, 2011, 2014); the latest global climate model (GCM) projections and climate science findings for FSM indicate that:

- Surface air temperature and sea surface temperature are projected to continue to increase (very high confidence);
- El Niño and La Niña events will continue to occur in the future (very high confidence), but there is little consensus on whether these events will change in intensity or frequency;
- Average annual rainfall is projected to increase (medium confidence), with more extreme rainfall events (high confidence);
- Drought frequency is projected to decrease (medium confidence);
- Ocean acidification is expected to continue (very high confidence);
- The risk of coral bleaching will increase in the future (very high confidence);
- Sea level will continue to rise (very high confidence); and
- Wave height is projected to decrease in December–March (low confidence), and waves may be more directed from the south in June–September (low confidence).

A number of studies suggest that global warming could accentuate the current climate regimes and the changes that come with ENSO events (e.g. Hay and Pratt, 2013). This will mean that the inherited and natural coping strategies that the inhabitants of the atoll islands and the atoll environment of FSM will not be enough to respond to these new climate regimes. It will be an ongoing challenge and burden to maintain and sustain the sensitive balance between ecosystem dynamics, the health of the marine environment, human settlement patterns and coastal resource use.

FSM's climate and sea level are both strongly modulated by the ENSO. Following El Niño conditions, the country typically experiences drought. Severe drought events have resulted in

¹⁰ Federated States of Micronesia Infrastructure Development Plan FY2016-FY2025. Volume 6 Yap State Infrastructure Development Plan

water and food shortages as well as the occurrence of fires. Effects of El Niño on the FSM involve the persistence of a high-pressure weather zone over the Western Tropical Pacific for many months, blocking low-pressure, rain-bearing air masses. Nearly all extremely dry years in the FSM occur during the year following an El Niño event (Figure 2). In some years, drought conditions have continued through the wet season.

The driest year on record in Pohnpei and throughout most of Micronesia occurred in 1998, following the major El Niño of 1997. Some El Niño years are very wet depending upon the behaviour of typhoons and the monsoon trough. Most La Niña and neutral years have precipitation that is near normal to slightly above normal, unless it is a year following an El Niño, when rainfall is below normal. Deleterious effects include desiccation of grasslands and forests, drawdown of streamflow and well-heads, and wildfires¹¹.

The droughts of 1982-1983 and 1997-1998 were especially severe on terrestrial habitats, increasing localized threats to biodiversity. Groundwater sources were taxed, agricultural systems damaged, and problems associated with wildfires and invasive species were greatly aggravated. Insufficient rainfall caused water and food shortages, including staples such as taro, coconut, breadfruit, banana, yam, sweet potato, citrus, and sugar cane. Communities in the atolls survived because bottled water, food supplies, and reverse osmosis pumps were imported. Water rationing for only two hours a day in Pohnpei was necessary. High near-surface lagoon and ocean water temperatures, especially associated with low water spring tides, caused coral bleaching and damage to inshore marine ecosystems (Falanruw, 2001). Poor potable water quality resulted in cases of typhoid and cholera. There was also a decrease in fish catches, possibly due to the variations in water temperature that occur during El Niño events.

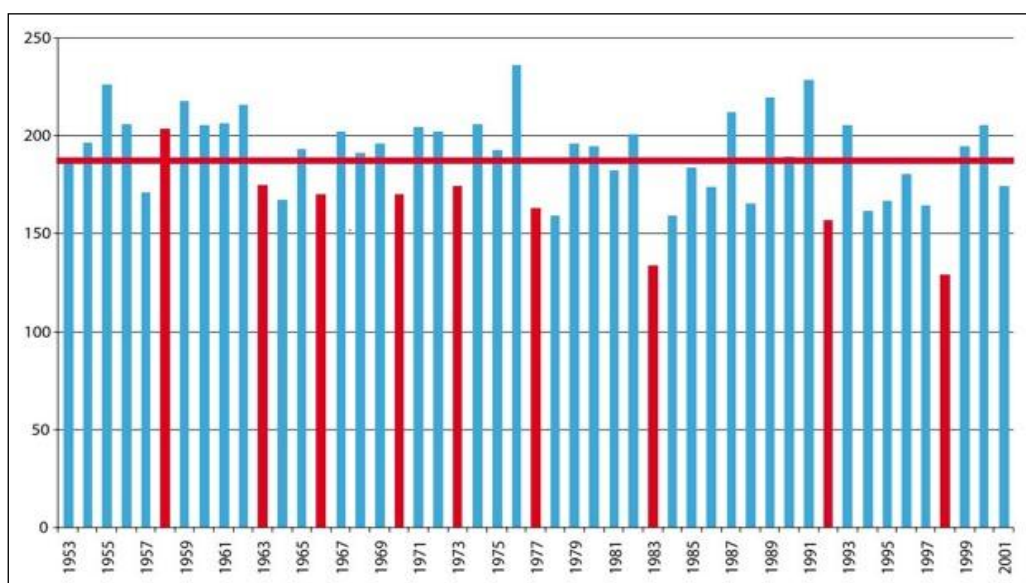


Figure 2. Time series of annual rainfall at the Pohnpei Weather Service Observatory (WSO). Most post-El Niño years (red bars) are dry.
(Source: Lander and Khosrowpanah, 2004)

¹¹ FSM Second National Communication Report to the UNFCCC, 2015.

Sea Level and Extreme High Tides

FSM is located in part of the global ocean that has experienced some of the highest rates of sea-level rise (Figure 4) over the period of available satellite and tide gauge monitoring. Data from the Topex/Poseidon and Jason-1 satellites makes it possible to determine rates of sea-level change between 1992 and 2016.

Monthly averages of the historical tide gauge, satellite (since 1993) and gridded sea-level (since 1950) data agree well after 1993. These data indicate an interannual variability in sea level around FSM of about 26 cm (10 in) (estimated 5–95% range), after removal of the seasonal cycle (Figure 3). FSM's climate and sea level are both strongly modulated by the ENSO. These variations are important as drought, floods, and marine inundation due to high sea levels may damage soil and degrade food resources and drinking water. During an El Niño year, the mean sea level drops across most of Micronesia. During La Niña, the sea level is elevated above its normal value. These changes in sea level are highly coherent across the region from Yap to Guam, Chuuk, Pohnpei, and Kosrae.

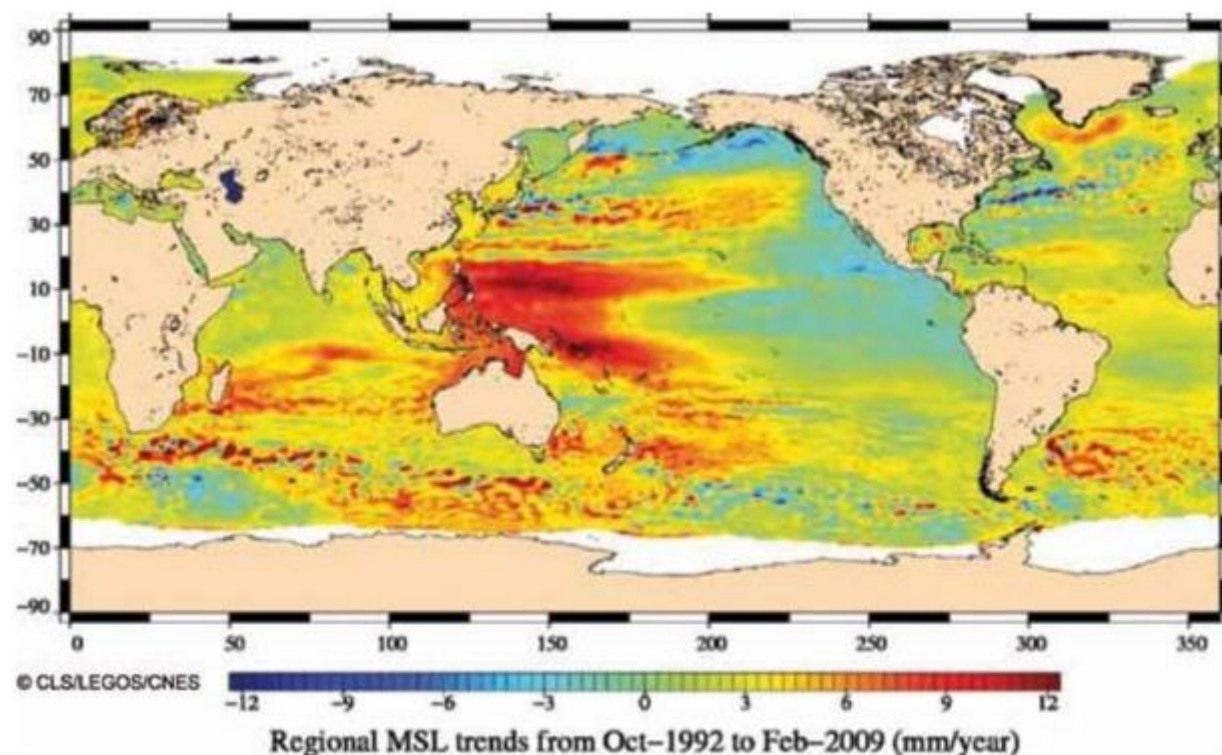


Figure 3. Rate of Sea Level Change, 1992 - 2009

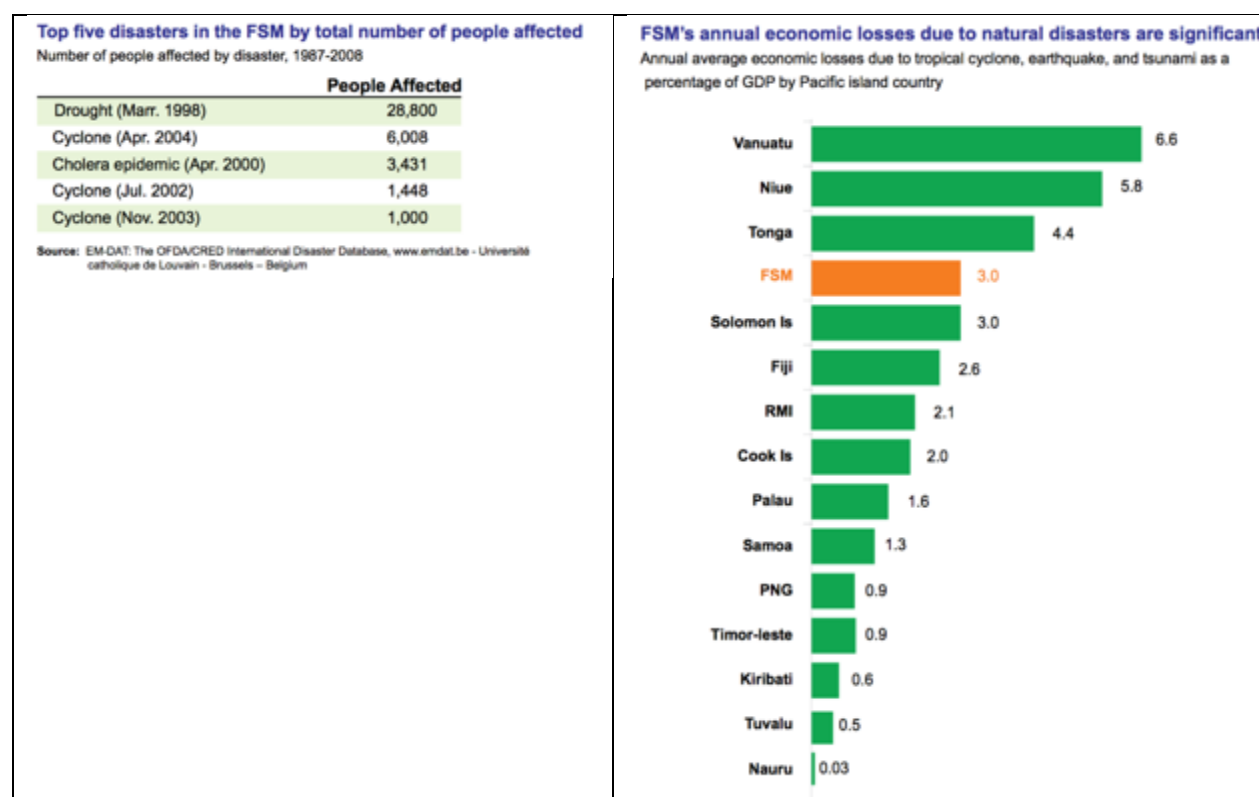
Rainfall

For FSM, wet season (May-October), dry season (November-April) and annual average rainfall amounts are projected to increase over the course of the 21st century. There is high confidence in this direction of change. Most models used in the study indicate little change (-5% to 5%) in rainfall by 2030. However, by 2090 the majority project an increase (>5%) in wet season, dry season, and annual rainfall, with up to a third projecting a large increase (>15%) for eastern FSM under the A2 (high) emissions scenario. There is moderate confidence in this range and distribution of possible futures.

There is an inconsistency between the projected increases in rainfall described above and the recent declining (Pohnpei) or relatively steady (Yap) trends observed at individual meteorological stations. This may be related to local factors not captured by the models (e.g. topography), or the fact that the above projections represent an average over a relatively large geographic region. Models do not agree on future ENSO conditions and therefore on the effect of ENSO on future rainfall patterns. However, models do agree that as a global average, tropical settings are likely to see increased rainfall and rainstorm intensity.

Vulnerability Assessment

Like many Pacific Island countries, the FSM's low-lying atolls and coral islands are very vulnerable to natural hazards and disasters such as cyclones, sea surges, and droughts. On average, annual economic losses due to natural disasters amount up to three percent of GDP.



In FSM, low coral-based outer islands are especially isolated and require significant effort to reach from the main islands by boat or small plane. Of great biological significance are the coral fringing reefs attached to land and extending watersheds into the marine environment in lagoons and the open ocean¹².

The distinction between “high” islands and “low” atoll islands is essential to explain the different climates on islands, their many specialized terrestrial and marine ecosystems, and the forms of human communities they currently support. The terrain of high islands is characterized by abrupt elevation changes (mountains, sheer cliffs, steep ridges and valleys), with the altitude and size of these features varying according to the age of the island. On high islands, orographic rainfall (rain

¹² Ibid

associated with or induced by the presence of mountains) can cause the island to receive much higher rainfall than the surrounding ocean and is responsible for large differences between leeward and windward rainfall. The landscape on high islands is conducive to the formation and persistence of freshwater streams and the development of soils that can support large and diverse plant and animal populations.

In contrast, the low atoll islands are small and flat. They are not high enough to generate orographic rain, and thus the amount of rainfall on low islands is close to that for the surrounding ocean. The atolls generally lack the freshwater and fertile soils that are characteristic of volcanic islands and have limited terrestrial resources. Low islands are especially prone to drought, but their varied coral reef, mangrove, and lagoon environments support rich marine ecosystems. Because high islands have more land and freshwater resources than low islands, they have more long-term options for responding to changes in sea level, rainfall, and other climate variables. The amount of land on volcanic islands that is flat enough for large-scale settlement, development, and agriculture is limited, however, resulting in high concentrations of population, infrastructure, and commercial development in low-lying coastal areas. Thus, while communities on high islands and low islands have somewhat similar short-term challenges associated with climate change, they have different degrees of flexibility in how they can adapt.¹³

Most of the 32 atolls within the FSM are permanently inhabited, but their residents have been continually at risk of water shortages. Groundwater resources are particularly important reserves, since the small exposed area of the island land surface and the high permeability of the carbonate sediments preclude the development of natural surface-water bodies or reservoirs. Atoll aquifers consist of a layer or “lens” of freshwater floating on saltwater. Recharge from rainfall typically forms a thin lens of freshwater that is buoyantly supported by denser, underlying saltwater, and mixing forms a zone of transitional salinity. The thickness of this mixing zone is determined by the rate of recharge, tidal dynamics, and hydraulic properties of the aquifer.

Results from a recent study by a team of researchers from FSM, Guam and the USA, indicate that out of 105 major islands on FSM atolls, only six would likely retain sufficient groundwater to sustain the local community during an intense drought.^{14,15}

Box 1. The Special Challenges of FSM’s Atolls¹⁶

Low-lying atoll islets pose special management challenges in FSM. Dozens of remote atoll islets are occupied by human communities of a few hundred people each.

These islets are composed of sedimentary accumulations of calcium carbonate sands and cobbles derived from the skeletal fragments of reef-dwelling organisms including coral and various carbonate-secreting algae. Some sediments are loose, and others are lithified by natural cements. Loose sedimentary deposits may be

¹³ Keener, V. W., Marra, J. J., Finucane, M. L., Spooner, D., & Smith, M. H. (Eds.). (2012). *Climate Change and Pacific Islands: Indicators and Impacts*. Report for the 2012 Pacific Islands Regional Climate Assessment. Washington, DC: Island Press.

¹⁴ For example, the severe El Niño-induced drought conditions of 1997-1999 in FSM caused water and food shortages including staples such as taro, coconut, breadfruit, banana, yam, sweet potato, citrus, sugar cane, and others. Communities among the atolls survived because bottled water, food supplies, and reverse osmosis pumps were imported. This was an extreme event and provides a worst-case scenario for use in planning for future droughts.

¹⁵ Ibid.

¹⁶ Fletcher C.H. and B.M Richmond. 2010. *Climate Change in the Federated States of Micronesia: Food and Water Security, Climate Risk Management, and Adaptive Strategies*. Center for Island Climate Adaptation and Policy.

transported in various directions (seaward, lagoon ward, or along the shore) and redeposited on the island surface by storm overwash and winds.

Some researchers hypothesize that the tendency for high water events to carry sediment from the reef margin into island interiors may allow these islands to accrete upward with rising sea level. The islet landform might thus persist under a regime of accelerated sea-level rise associated with global warming. Other researchers speculate that atoll islets are pinned on the reef by rock ramparts and when rising waters breach these cemented deposits on oceanic shores, the islet will become unstable and rapidly erode out of existence.

The debate among geologists regarding the fate of atoll islets neglects a key point that is critical to the communities living on these islands: marine inundation, the same process that carries sediment to the island interior, is extremely damaging to atoll freshwater supplies, the soil, the forests that supply food, and the wetlands in which island residents grow taro as a consumable staple. Long before the question of atoll landforms surviving sea-level rise is settled, human communities could be forced to abandon these environments unless a climate adaptation strategy is developed and implemented that provides them with potable water and sufficient food.

The following strategies for adapting to drought and improving sustainability under restricted water conditions have been recommended, with all but strategy 2 directly relevant to FSM's atoll communities¹⁷:

1. Implement a water resources research programme that improves understanding of groundwater, surface water, and their sustainable use.
2. Improve high island water accessibility and retrofit and replace infrastructure in the context of climate risk management.
3. Predict drought events and plan for increased frequency and duration of drought including improvements to emergency services.
4. Plan for more intense rains and the impacts that accompany them: flash flooding, mass wasting, inundation, drainage problems, cut-off communities, and others.
5. Improve low island water planning, usage, and conservation.
6. Identify data gaps in water resources and steps to fill these.
7. Support hydrologic modelling of island aquifer systems.
8. Support down-scaled climate modelling that emphasizes water resources.
9. Expand network of water monitoring instrumentation.
10. Develop a water management plan for each island including each inhabited atoll islet and neighbouring resource islets.

National Level Response to Vulnerability

The FSM Strategic Development Plan addresses climate change by raising awareness of climate change among the general population; developing coastal management plans in all four states; and developing ways to “climate proof” facilities and structure that support social and other services. In 2012, the Presidential Task Force for Disaster Management decided that a Disaster Risk Management (DRM) and Climate Change Policy should be developed for the FSM, building on the Climate Change Policy 2009, and the Disaster Relief Act 1989 to provide overarching policy guidance for joint DRM and Climate Change Action Plans at State level.

The Strategic Development Plan (SDP) for FSM provides a road map for social and economic development for the 20 years (2004–2023)¹⁸. The SDP and the Infrastructure Development Plan

¹⁷ Fletcher C.H. and B.M Richmond. 2010. Climate Change in the Federated States of Micronesia: Food and Water Security, Climate Risk Management, and Adaptive Strategies. Center for Island Climate Adaptation and Policy.

2016-2025 (IDP) both recognise the need for mitigation and adaptation measures to limit the impacts of climate change. FSM developed a Multi-State Hazard Mitigation Plan in 2005, and in 2009 a national Climate Change Policy was adopted. The country developed a combined Policy for Climate Change Adaptation and Disaster Risk Management in 2013. This is being implemented through State Joint Action Plans for Climate Change and Disaster Risk Management. The Office of Environment and Emergency Management (DECEN) is the focal point for all government climate change activities.

While each State has its own strategic development plan, Kosrae is the only State with a climate-responsive Strategic Development Plan (2013–2024). The SDP recognises that “the most prudent approach to addressing effects of naturally occurring events (climate change or disaster risks) long term would be to divert development and settlement along the coast to inland and higher grounds” (SDP 2013–2024, p. 29). The Environmental Results and Targets No. 6 states that by 2023 capacity is strengthened at all levels to climate change adaptation, and management and mitigation of risks of disasters enhanced so that communities are resilient to impacts of climate change and disaster risks. Resilience to climate change is also included within strategies for agriculture.

FSM currently has no national strategy for coastal zone management. The State of Kosrae, however, is the first to develop a strategic plan that addresses coastal zone management in view of the adverse impacts of climate change. Kosrae has a Shoreline Management Plan (SMP), first developed in 2000 and revised and updated in 2014 (Ramsay et al., 2014). The SMP sets out the principles for coastal development in Kosrae over the coming decades, and details *eight key strategies* for increasing the resilience of Kosrae’s coastal communities. Taking on board lessons and practices from the Pacific Adaptation to Climate Change programme (PACC) and other coastal projects, this proposal aims to upscale and replicate lessons learned and best practices through guidance of these eight strategies of the SMP for Kosrae. The eight key strategies are:

- i. Continued development and strengthening of community awareness including outreach activities with a focus on effective natural coastal defence and Kosrae-relevant climate change impacts and adaptation options.
- ii. Amendment of the Kosrae Island Resource Management Authority (KIRMA) Regulations for Development Projects to incorporate climate change considerations and strengthening of regulation implementation to support successful long-term risk reduction and adaptation.
- iii. Over the next one to two generations the primary coastal road network and associated infrastructure currently located on the beach/storm berm is developed inland away from long-term erosion and coastal inundation risk.
- iv. Ensure new development (property, infrastructure) is located away from areas at risk from present and future coastal hazards or is designed with coastal hazards in mind.
- v. Implement a program to encourage existing residential property owners to reposition homes away from areas of high risk from present and future hazards. This may be a staged approach over time as homes are routinely replaced or renovated. Objective prioritization of properties most at risk should also be explored.
- vi. Incorporate a grant component into the housing loan program to help encourage new property to be constructed in areas not exposed to coastal, river floor or landslide hazards.
- vii. Commence community and state discussions to develop a relocation strategy and identify potential approaches to support relocation from areas exposed to coastal hazards where no alternative land is available.

- viii. A strategic approach is adopted for the ongoing provision of coastal defences. These should be considered only where it is sustainable long-term option, or where it is accepted as a transitional approach to protecting areas over the short to medium term to enable relocation strategies to be implemented.

Water and Sanitation

There are significant differences in water and sanitation coverage between and within the four States of the FSM. Chuuk and the outer islands of Yap are especially lagging. Access also varies according to socio-economic status; poorer households are less likely to use improved sanitation facilities than wealthier households.

Water quality and resultant health concerns remain a major challenge in the FSM. Only five out of the approximately 70 public or community water systems serving the main islands feature any type of treatment and even here, water is not consistently “safe” due to inadequate system maintenance and irregular supplies (FSM 2010 MDG Report, p. 80). Moreover, two of the five public sewerage systems available in the FSM pump raw sewage directly into the lagoons without treatment.

The FSM’s Strategic Development Plan 2004-2023 gives high priority to water and sanitation issues with significant infrastructure development funding earmarked to the sector. However, FSM did not meet its own national targets, set for 2010, to provide universal access to safe drinking water and reach 50 per cent of rural and 100 per cent of urban households with sanitary latrines (urban 100%, rural 50%).

The Significance of Local Decision-Making to Water Security Adaptation in FSM

Throughout FSM but especially on the small, low islands, land is scarce. Decision-making has traditionally rested with landowners. Land equals power and land possession and occupancy influence political relationships and decision-making. Complex, diverse, and often competing tenure systems governing ownership and access rights to land have developed throughout the islands. Traditionally, inheritance of land rights depended on membership in a lineage or clan and often was subject to chief-centred authority and control, but in most cases, the oldest male member of the lineage managed the estate. However, after a century of colonial rule, systems of land tenure followed a path away from descendant group ownership toward a western model of individualized tenure. Greater individual self-interest accompanying westernization is weakening traditional systems of land tenure based on lineage. However, authority regarding land use lies also with the local community. Hence, the implementation of any adaptation strategies requires that landowners, local communities, and decision-making bodies are all in agreement with regard to the problem, the need for a solution and the design of adaptation steps. Envisioning changes within the familiar framework of the existing system is more likely to engender greater trust, willingness, and acceptance compared to an approach that does not incorporate familiar elements.¹⁹

¹⁹ Ibid.

Existing Resilient Practices in Water Security

The following table (Table 3) shows a summary of country experiences and practices that have improved resilience and reduce vulnerability to threats in the water and food security and food production sector from the Pacific. These are accepted or prescribed as being correct or most effective (i.e., best practices)²⁰. This project would refer to and consider these interventions to improve the selection and implementation of activities that will provide the most effective, efficient, sustainable, and more relevant approach to improve resilience of communities to climate change.

Table 3. Relevant adaptation measures for water security in the Pacific

| Countries Implemented | Demonstrated adaptation measures for water security |
|-----------------------|--|
| Nauru | By improving resilience to drought by improving management of the island's water supply, Nauru introduced solar water purifiers. The units which have solar panels linked to a water distillation circuit, produce clean drinking water from non-potable sources such as seawater or contaminated groundwater. Nineteen households had solar purifier units fitted, providing 80 litres (L) of additional potable water per day per household. During a drought, this can be used for drinking, cooking and if in sufficient quantity, personal bathing. Even when not under drought conditions this is a useful and safe potable water supply. The system is operated by the household and does not require any major maintenance. The lifespan of the solar purifier is 15 years and no replacement of material is expected during this time. |
| Niue | <p>A process of research, consultation and analysis led to the decision to build a tank moulding facility and begin manufacturing water tanks in Niue. Tanks could be made at half the price of importing them, and this would further increase resilience by reducing dependence on imports. The PACC team joined forces with the Global Climate Change Alliance: Pacific Small Island States (GCCA PSIS–SPC) project, which is funded by the European Union and implemented by the Secretariat of the Pacific Community.</p> <p>The facility is capable of producing up to eight 5,000 L tanks each day. The tanks are made of a robust plastic called high-density polyethylene (HDPE), which is imported in powder form before it is processed and moulded into tanks. The tanks are lightweight, there are no joints that can split, and the plastic material complies with New Zealand and Australian safety standards. Properly maintained, the tanks will last for many decades.</p> |
| Tokelau | Tokelau's three atolls total about 12 km ² of land, rise to no more than 5 m above sea level, and are home to about 1,400 people. With drought a major threat, the PACC project improved water security in terms of both quantity and quality, at both the household and community levels. Activities on all three atolls have included renovating or replacing water infrastructure such as pipes, guttering, and water tanks; and installing 'first flush diverters' which ensure that contaminants from the roofs do not enter the drinking water tanks. |
| Tonga | The objective of the Tonga project was to improve the water supply system to provide Hihifo residents of the main island of Tongatapu with better access to water in terms of reliability and pressure, and better water quality; and to enhance the capacity of the residents to sustainably manage their water resources and to effectively operate and maintain the improved water supply system. A survey of all |

²⁰ The PACC publication series have been reviewed to ensure all information about on-the-ground demonstration activities of the project are best practices (<http://www.sprep.org/pacc/publications/technical-reports>). Lessons learned have been captured in the Experience series of the project and is available online in the same address as well.

| | |
|--------|--|
| | <p>354 households and a focus group discussion with key members of the communities found that the problems were due to a combination of natural, governance and technical factors: the fragile and thin water lens which is increasingly vulnerable; a lack of community participation in the management of the precious water resources; and technical issues, such as breakdown of pumps and leakages. Solutions proposed included:</p> <ul style="list-style-type: none"> ■ Putting a water meter in every household; ■ Installing solar water pumps in villages; ■ More water tanks; ■ Strengthening governance capacities of water committees; and ■ Better transparency and communication between water consumers and water committees. |
| Tuvalu | <p>Tuvalu built a water harvesting system using a church building roof as water catchment, with guttering and downpipes. Capacity: 700,000 L ground cistern compartmentalized. Community ownership 100%. Management plan between government and community to alleviate drought risks. Replication on another community - Tekavatoetoe community and church with a capacity of 288,000 L storage system succeeded. Launched July 2014. The project targeted Funafuti atoll, Lofeagai community, Target population, 637 (97 households, female 323, male 314). The project impacted on 90% of the village population with indirect benefits to the rest of Funafuti atoll. Individuals of the village now meet the minimum water supply of 40 L per household per day during dry periods and droughts.</p> |

Existing Resilient Practices in Coastal Management

Kosrae, PACC Project: The PACC project in Kosrae identified a 7km section of the road in the Tafunsak municipality which was being progressively damaged by flooding from heavy rains and high tides. The original road had been designed to withstand a maximum hourly rainfall of 178 mm. Analysis of climate and sea level data, and projections to 2050, concluded that the road should be redesigned to withstand maximum hourly rainfall of 254 mm. Following a socio-economic assessment, community consultations, and input from expert coastal engineers, the road was redesigned and rebuilt to withstand the anticipated heavier rainfall and higher sea levels. Adaptations included raising parts of the road by up to one and a half metres, fitting larger culverts, and improving drainage. The improved road was officially opened in May 2014. The PACC developed guidelines to share experiences with climate proofing the road, which will help others to replicate this success²¹.

The project also installed tide gauge and rainfall gauges in 2011 to improve availability and quality of local climate and sea level data. These now feed into climate-sensitive decision making and development for the State. The project team based in the Kosrae Island Resource Management Authority (KIRMA) also promoted the mainstreaming of climate risk into all development in the State and the country. The team supported development of the Kosrae State Climate Change Act, which was endorsed in 2011, and amendments to Kosrae's Regulations for Development, which now require all development projects to consider the potential impacts of climate change. The team also contributed to the revision of the 2014 Kosrae Shoreline Management Plan that provides comprehensive strategies for building resilience of Kosrae's coastal communities and infrastructure and now will guide this project.

²¹ <http://www.sprep.org/attachments/Publications/CC/PACCTechRep18.pdf>

The PACC project trialled the implementation of its relocated roads, using this manual as a guide and the purpose is to develop and promote appropriate methods of road engineering that gives the best possible access to communities at minimum cost.

Kosrae has a standard for road design (*Design standards for Kosrae circumferential road extension project*) developed when the circumferential road from Okat to Walung to Utwe was proposed (Barrett Consulting Group Inc, 1987). The standards cover the road pavement design, and associated structures such as drainage, bridges, culverts, and rock revetment for coastal protection. The design standards have been applied for updating sections of the circumferential road, including the section completed under the previous PACC project. These standards are still applicable and have been updated and adjusted based on experience and as new information has become available. This includes:

- Updating rainfall design conditions used in the design of drainage, culverts, and bridges to account for new analysis of extreme rainfall and climate change projections based on the information developed under the Asian Development Bank project: Climate Proofing. A risk-based approach to adaptation. Appendix 1: Federated States of Micronesia Climate Risk Profile²²
- Refined coastal defence design guidelines and design criteria developed during associated activities related to the development of the original Kosrae Shoreline Management Plan in 1998-2000. These changes are based on best-practice guidelines outlined in *Manual on the use of rock in coastal and shoreline engineering*²³.

The nature and success of coastal interventions to enhance resilience to impacts of climate change, as shown by examples from Cook Islands, Samoa and Vanuatu are very site-specific. The activities of this project that address coastal resilience base their design and implementation plans against this backdrop of experiences given the similar circumstances, vulnerability, capacity, state of the natural environment, economy and certain social aspects of FSM.

Project / Programme Objectives:

Project goal

The overall goal of the project is to build social, ecological and economic resilience of the target island communities of FSM and reduce their vulnerabilities to extreme drought, sea level rise and other climate risks through water resource management, coastal resource and development planning, and by promoting gender perspectives and ecologically sound climate resilient livelihoods.

Project objective

The overall objective of the project is to reduce the vulnerability of the selected communities to risks of water shortage and increase adaptive capacity of communities living in Woleai, Eauripik, Satawan, Lukunor, Kapingamarangi, Nukuoro, Utwe, Malem to drought and flood-related climate and disaster risks.

The proposed project will contribute to relevant outcomes and outputs of the Adaptation Fund Strategic Results Framework (AFB/EFC.2/3 from 31 August 2010), and corresponds particularly to the following higher order fund-level objectives as follows:

²² ADB, 2005

²³ CIRIA/CUR, 1991

- **Project Objective 1:** Prepare the necessary institutional and regulatory frameworks, policies, guidance, and tools to help deliver a climate resilient FSM.
- **Project Objective 2:** Strengthen water and livelihood security measures to help 6 outer atoll islands adapt to impacts of climate change related to water, health, and sanitation.
- **Project Objective 3:** Provide communities with climate resilient infrastructure to help relocate from high risk coastal inundation sites.
- **Project Objective 4:** Capture and share the local knowledge produced on climate change adaptation and accelerate the understanding about the kinds of interventions that work in island environments in FSM.

Project strategy

The project strategy is to provide all four (4) State Governments in FSM with development planning tools and institutional frameworks to help coastal communities prepare and adapt for higher sea levels and adverse and frequent changes in extreme weather and climate events. The project strategy is to also provide communities with the resources and technical support needed to adopt and manage concrete climate change adaptation initiatives and actions.

Project Components and Financing:

| Project Components | Expected Outcomes | Expected Concrete Outputs | Amount (US\$) |
|--|--|---|---------------|
| 1. Strengthening policy and institutional capacity for integrated coastal and water management at national, state, and outer island levels | Outcome 1: Strengthened policy and institutional capacity of government to integrate climate risk and resilience into its water and coastal management legislative, regulatory and policy frameworks | Output 1.1. Legislation and policy paper to guide regulation of climate resilient coastal and marine management at national level | \$142,000 |
| | | Output 1.2. State regulations for coastal and marine development projects amended to consider climate change risks and resilience measures | \$143,300 |
| | | Output 1.3. State Water Outlook and Water Sector Investment Plan developed and implemented | \$315,600 |
| 2. Demonstration of water security and sanitation measures in outer islands of Yap, Chuuk and Pohnpei | Outcome 2a: Water conservation and management technology & practices adopted, responding to drought, sea level rise and early recovery from cyclones | Output 2.1. Outer island communities oriented to CC, SLR, and adaptive capacity measures involving water, health, sanitation, and environment | \$365,600 |
| | | Output 2.2. Water Harvesting and Storage System (WHSS) repaired | \$2,459,400 |

| | | | |
|--|--|---|--------------------|
| | | and installed in 6 atoll islands | |
| | Outcome 2b: Appropriate sanitation measures for the outer islands of Yap, Chuuk and Pohnpei are determined for future investment | Output 2.3. Assessment of viable sanitation measures for outer islands in Yap, Chuuk and Pohnpei | \$275,413 |
| 3. Demonstration of adaptation measures for coastal communities in Kosrae State | Outcome 3: Increased resilience of coastal communities and environment to adapt to coastal hazards and risks induced by climate change | Output 3.1. Malem - Utwe inland road and access routes designed for future construction | \$788,000 |
| | | Output 3.2. Transitional coastal protection at Mosral and Paal upgraded for immediate coastal protection | \$2,586,000 |
| 4. Knowledge management for improved water and coastal protection | Outcome 4: Capacity and knowledge enhanced and developed to improve management of water and coastal sectors to adapt to climate change | Output 4.1. Resource materials developed, tailored to local context, translated, published, and shared amongst various stakeholders | \$431,600 |
| 5. Project/Programme Execution cost | | | \$788,018 |
| 6. Total Project/Programme Cost | | | \$8,294,931 |
| 7. Project/Programme Cycle Management Fee charged by the Implementing Entity (if applicable) | | | \$705,069 |
| Amount of Financing Requested | | | \$9,000,000 |

Projected Calendar:

| Milestones | Expected Dates |
|---|--------------------|
| Start of Project/Programme Implementation | March 13, 2018 |
| Mid-term Review (if planned) | September 2021 |
| Project/Programme Closing | September 30, 2023 |
| Terminal Evaluation | December 31, 2023 |

PART II: PROJECT JUSTIFICATION

A. Project Components and Activities

Component 1: Strengthening policy and institutional capacity for integrated coastal and water management at national, state levels and outer islands

Outcome 1: Strengthened policy and institutional capacity of government to integrate climate risk and resilience into its water and coastal and marine management legislative, regulatory and policy frameworks

Output 1.1: Legislation and policy paper to guide regulation of climate resilient coastal and marine management at national level

Activity 1.1.1: Review of National-level legislation and policies for (i) infrastructure to identify climate change requirements; and (ii) regulatory and policy framework for climate change

Current environmental legislation does not necessarily require environmental impact assessments on all projects²⁴. All infrastructure development projects are left to their own willingness to comply with relevant environmental planning provisions. Activity 1.1.1 will undertake a legislative and policy assessment to assess the status of legislation and regulations established at the national and state level for (a) infrastructure to identify climate change requirements and (b) the frameworks for considering climate change. This will work to improve clarity on the regulatory responsibilities within the government structures, and identify ways to improve enforcement performance. A detailed consultation and participatory stakeholder engagement exercise, along with a desk review of existing information will be conducted to produce a detailed report/recommendation to the Government on steps forward to strengthen the framework to build climate resilience.

Activity 1.1.2: Develop guidance based on recommendations from the review of coastal and marine management legislation and policy and monitor progress of recommendations uptake through relevant Departments

Following on from the previous activity, Activity 1.1.2 will seek endorsement of the recommendations and work with each relevant Department to develop the guidance on the implementation of the recommendations from the assessment report. Implementation of the recommendations for each relevant Department will continue over the life of the project and beyond.

Output 1.2: State regulations for coastal and marine development projects amended to consider climate change risks and resilience measures

Activity 1.2.1: Review of State-level legislation and policies for infrastructure to identify climate change requirements

Currently, only Kosrae has regulations for development projects. The other three States of Yap, Chuuk and Pohnpei do not. In 2014, the Kosrae Pacific Adaptation to Climate Change (PACC)

²⁴ IDP 2016-2025, Government of FSM

Project developed the Kosrae Regulations for Development Projects (No. 67-05). These regulations which incorporate climate change impacts and adaptation measures will be considered and used as guidance in this project. One of the key lessons of the Kosrae PACC project was the revision of existing EIA Guidelines and its review processes to incorporate climate change considerations.

This activity involves a series of consultation workshops with all key relevant stakeholders in each of the three states, Yap, Chuuk, and Pohnpei. The consultations will discuss and develop the required regulations, policy, and guidance documents as well as a regulatory framework to effectively take these changes on board at the State congress level. These consultations will follow on from a completed review of the existing regulations on environment protection in each of the three states. The review will seek to examine to what extent climate risks are addressed and if any resilient measures can be identified and/or strengthened. The consultations will provide recommendations on the development of a regulatory framework that will aim to incorporate climate risks and resilience measures and provide a roadmap on the development of State regulation for development projects.

Activity 1.2.2: Develop guidance based on recommendations from the review of coastal and marine management legislation and policy and monitor progress of recommendation uptake through relevant Departments

During the priority consultations in July 2015 and January 2016, Yap, Chuuk and Pohnpei stakeholders re-emphasised the need for regulation, policy, and guidance documents to address climate change impacts, similar to those developed by Kosrae. Activity 1.2.2 will develop guidance based on the recommendations from Activity 1.2.1 for the States and endorsed by the States. The project will work with the relevant State Departments to ensure institutional arrangements are developed, enacted, and supported.

Furthermore, the activity will work with the relevant State Departments to address the recommendations and implement them in accordance with the guidance documents. Stakeholder engagement in implementing the recommendations will ensure all development proponents participating in any development along the coastline and in the marine environment of all islands belonging to the States are aware of and enforce the regulations established. In doing so, the project will gather feedback and report to relevant state and national government departments.

Output 1.3: State Water Outlook and Water Sector Investment Plan developed and implemented

The water sector in FSM is under the mandate of the States, and there is no clear lead proponent of water management issues at the national level currently, although discussions are continuing. In recognition of the unique management arrangements on water, the Project will work with the States to develop their Water Outlook and Investment Plans for implementation within each State.

Activity 1.3.1: Support the implementation of State-level Water Outlook and Investment Plans

Activity 1.3.1 will undertake the development and implementation of the State Water Masterplans, ensuring gender considerations are incorporated throughout the process and into the Masterplans.

Experiences gathered from climate change adaptation projects from the Pacific show that mainstreaming of gender considerations is required at the outset of climate change adaptation planning. It has also shown that the benefits of such mainstreaming at the policy level will trickle down to the most vulnerable at the community levels. The findings from this review will be used to inform and strengthen the Framework for National Water and Sanitation Policy for the FSM by mainstreaming gender aspects. This activity will strengthen the existing National Water Task Force (NWTF) to develop, complete and launch the Masterplans through a gender-sensitized approach.

This activity will use tools for integrating gender perspectives into climate change policies taken from the Pacific Gender & Climate Change Toolkit, developed by Pacific regional organizations²⁵ - to gather targeted policy-relevant information relating to gender and climate change in FSM. The outline of a gender and climate change assessment for the policy is provided in Table 4 below.

Table 4. Outline of the Gender Assessment work activity

| Gender Assessment Outline |
|---|
| Introduction, Background |
| Gender and climate change in FSM: the social dimensions of resilience and adaptive capacity |
| Why integrate gender? (policy and planning) |
| Methodology |
| Limitations |
| Findings of the Assessment |
| Policy design and planning |
| Policy implementation |
| Key recommendations |

The activity will engage the NWTF in implementing the policy elements 4.5 - National Water Outlook, and 4.6 – Water Sector Investment Plan. The NWTF will finalize action plans of these components of the Water and Sanitation Policy and implement the activities.

The Water Outlook Program is an analysis of current trends and future projections of the state of water resources, demand, management issues in view of climate change risks and climate planning. The Program aims to strengthen the monitoring role of government and state-owned enterprises in service delivery for water and sanitation throughout FSM. The activity will develop tailored information on the water outlook, integrated with climate science and meteorology, providing monthly advisory support across FSM to be updated quarterly.

The Water Sector Investment Plan (WSIP) is expected to guide all future investments in the sector to improve the Government's fiscal and physical effectiveness for more efficient achievement of the sector's climate resilient targets and goals. The Plan will consolidate existing State Investment Plans to help address the impacts of climate change such as increased variability in rainfall and prolonged droughts, minimise duplication and contradictions, assess the consequences of reduced sector funding compared to plans, population growth, increased demand, and impact of

²⁵ GIZ, SPC, SPREP, UNDP, GIZ, PACC Project (2015)

water resources management on the economy. It will acknowledge the highly diverse and vastly different resources and capacities to address the impact of climate change on the supply and treatment of freshwater on the main islands and outer islands of each State. The WSIP will identify investment needs according to the climate resilient strategies, targets, and goals of the water sector, to build its resilience to climate change.

Component 2: Demonstration of water security and sanitation measures in outer islands of Yap, Chuuk and Pohnpei

Outcome 2a: Water conservation and management technology and practices adopted, responding to drought, sea level rise and early recovery from cyclones

Output 2.1. Outer island communities oriented to climate change, sea-level rise, and adaptive capacity measures involving water, health, sanitation, and environment

Activity 2.1.1: Arrangements for demonstrations of water technologies

The activity will carry out training workshops on climate change impacts on water and coastal sectors for the States and outer islands. The communities will be actively involved in the orientation on climate change, sea level rise, vulnerability, and adaptive capacity measures involving water, health, sanitation, and environment on the island.

In addition, the Project will provide varied and applicable refresher training. The training will include the use of gender and climate change tools, improving communications between main and outer islands, and application of regulations and policies. There will also be opportunities to provide hands on training e.g. basic plumbing, water tank cleaning and maintenance schedule training for water priority states and outer islands. This will be a proactive adaptive capacity building measure that will be learned from other islands and applied to others. The Project will partner with women's' council groups on the main islands as well as other nongovernmental organizations to carry out this training.

Sex-disaggregated and age-disaggregated group sessions will be carried out in learning, training, and awareness workshops within the communities. The approach will include everyone, through their traditional community-based organizations to actively participate and have their say in activities and strategies of the plan. This will include women, men, youth and elderly and those persons living with disabilities. The meetings may use a variety of tools, including participatory rapid appraisals (PRAs), socio-economic assessment surveys, and gender-sensitization tools.

Through these consultations, other community needs may be identified and addressed to support the activities of the project. These may include basic skills training on managing and implementing project activities on a day to day basis.

With the knowledge and skills developed from the orientation workshops and having clarified and contextualised the social, cultural and environmental aspects of the islands and communities during the inception workshop, the communities will lead in the identification of community, schools, household infrastructures for demonstration of activities of the project.

Output 2.2. Water Harvesting and Storage System (WHSS) repaired and installed in 6 atoll islands

The water harvesting and storage systems will address the climate stresses, namely the prolonged periods of drought such as those experienced in the 1997-1999, 2003-2005, 2015-16 El Niño events, and the extreme weather events leading to high intensity rainfall and lengthening of the dry season months. These climatic stresses necessitated review of atoll water resources that include design and status of wells, sanitation and rainwater tanks and their water holding and storage capacities.

At present, various types of water harvesting systems exist in poor conditions on the islands and people may even resort to coconut juice to meet their water demands²⁶. The rainwater harvesting and groundwater wells that exist are largely privately owned. The current rainwater harvesting systems and storage elements include roofing, guttering, down-piping, water tanks and concrete tanks. All systems are in poor, basic or unusable conditions due to damage from cyclones and extreme high tide events damaging infrastructure, coupled with no maintenance due to lack of equipment and spare parts²⁷. In Yap, for example, 40% of water tanks on all nine outer islands including Woleai and Eauripik do not have proper rain harvesting systems (i.e. tin roofs for collecting rainwater and gutters including down spouts, fasteners, and clips). Nearly 90% of water wells had very low water levels; all are brackish and nearly all were uncovered.



Figure 4. Sample of water tanks and wells from outer islands – Eauripik, Woleai atoll, Ifalik, and Feraulap atoll

(Source: Rapid Needs Assessment, March 2016, Yap, FSM)

Activity 2.1.2: Carry out ground-truthing assessments

To reaffirm data and recommendations gathered from the consultations carried out during planning stages (July, November 2015; January, February 2016), and from recent rapid assessments carried out by the Department of Resources & Development, and International Organisation for Migration (IOM) in March 2016, a **ground-truthing assessment** will be carried

²⁶ Rapid Assessment Report, March 2016, FSM

²⁷ *ibid*

out. This will include carrying out technical surveys on water, water use in the community villages on island, sanitation and health incidences related to water. These surveys will also collect information on social aspects such as traditional knowledge, cultural and political governance and how these may influence the implementation and management of the project.

This activity will carry out a two-step ground-truthing assessment of data collected from a rapid assessment carried out in March 2016 in the atoll islands of Eauripik, Ifalik and Woleai. The ground truthing assessment will identify household and community infrastructure for demonstration. It will be undertaken in two parts, first to conduct hydrological assessments for each island that include interviews and site surveys. The interviews will be carried out with key personnel that hold responsibilities for water, health, and sanitation on each island. It will also interview women, men, and youth in sample households. The survey will ground truth data on:

- Water storage capacity (wells, tanks, etc)
- Available rainwater catchment area
- Water seal toilets (contributing to output 2.3 activities)
- Sewage disposal systems

The second step will be active consultations with the community for finalisation of the site selection for the installation of the water tanks at the household and community levels. Lessons from PACC Nauru have shown that once sites have been established and agreed to, signed agreements between households/community organizations and the island government council should be put in place to ensure the sustainability of the activities throughout and beyond the life of the project. The basic conditions of the agreements are as follows:

Community/private owners agree to:

- access of the privately-owned water infrastructure should be opened to all community population
- undergo training on water conservation practices and maintenance
- carry out maintenance of the installed systems over time per maintenance schedules
- agree to lead in collection of data and participate in monitoring and evaluation of data.
- provide feedback on benefits and challenges of the systems.

Project agrees to:

- provide training on water conservation practices and maintenance
- provision of resources (materials, services)
- provision of spare parts/materials

The results of the community consultations will also produce short (maximum 3 years) or long-term action plans (5 years or more) for managing the water resources on the island. These plans will include three key components: (1) water infrastructure and maintenance (including maintenance schedules); (2) water and health; and (3) awareness and education. The activities outlined under the signed agreements between households and community and the project will also form a part of implementation of the plans.

Activity 2.2.2: Repairing household rainwater harvesting and storage systems

The constituents of the water harvesting, and storage systems include roofing, guttering, downpipes, first flush diverters, cisterns or tank and tank base. The systems are linked to and part of housing infrastructure.



Figure 5. Installing a rainwater harvesting system at the household level
(Source, PACC Niue, 2014)

This activity will rehabilitate, and repair existing materials to close off leaks and improve efficiency of existing rainwater harvesting systems of the households selected from Activity 2.2.1. It will extend the gutters to the full dimensions of the catchment to capture more water; increase the catchment area to improve long-term water security and storage tank size if overflow is frequent.

The repair of household level rainwater harvesting systems and construction of community tank activities will be undertaken under the following minimum requirements:

| Household Level | Sub-Activities |
|------------------------------------|--|
| Rainwater catchment systems | |
| Key activities | Repair household rainwater catchment systems |
| Minimum requirements | <ul style="list-style-type: none"> • Repair existing systems to ensure that there is: • 2 HDPE²⁸ tanks per household criteria for maintenance without • Extend gutters to full dimension • Increase catchment area by using reliability curves²⁹ • Increasing storage tank volume using reliability curves • Clean up awareness campaign • Clean up and maintenance training • Maintenance schedules established • Project and Household agreement for monitoring and maintenance through duration of project |

²⁸ HDPE – high density polyethylene tanks known for stiffness, strength, toughness, resistance to chemicals and moisture, permeability to gas, ease of processing, and ease of forming.

²⁹ Beikmann, A., Bailey, R., (2015) Freshwater Resources for Selected Atolls - Recommendations based on Modelling Study. In: Beikmann, A., Bailey, R., Jenson, J., Kottermair, M., Taboroši, D., Bendixson, V., Flowers, M., Jalandoni, A., Miklavič, B., and Whitman, W. (2015). Enough Water for Everyone? A Modelling Study of Freshwater Resources for Selected Atolls of Yap State, FSM. WERI Technical Report 157. Water and Environmental Research Institute of the Western Pacific, University of Guam, Mangilao, Guam.

| Wells | |
|-------------------------|---|
| Minimum safety measures | <ul style="list-style-type: none"> • Construct rim walls extending up off the ground for wells without walls • Build covers for wells without and repair damaged covers |

The repair and installation of rainwater harvesting systems has worked successfully in many low-lying atoll islands around the Pacific including the Marshall Islands, Tuvalu, Niue, Nauru, and Tokelau.

Activity 2.2.3: Constructing community rainwater harvesting and storage systems

Community tanks are recommended to assist the larger community in times of drought to relieve pressure on individual household water tanks, and to meet basic water requirements for medium-term survival needs. These include meeting not only the short-term survival requirements of drinking and cooking, but personal washing, washing clothes, cleaning home, growing food, and sanitation and waste disposal³⁰.

The construction of community tank activities will be undertaken with the following minimum requirements:

| Rainwater catchment systems | |
|------------------------------------|--|
| Key activities | Install community tanks |
| Minimum requirements | <ul style="list-style-type: none"> • Minimum 2 x 5,000 L / 2,000 Gallon HDPE tanks per atoll island > 100 population • <100 population requires re-assessment • > 400 population = 4 tanks • HDPE tanks preferred over concrete tanks • Extend gutters to full dimension • Catchment area sized appropriately to tank volume using reliability curves. • Encourage standalone catchment areas to shelter tanks and fence for protection • Access and maintenance rules established and to include cleaning each tank on a rotation basis, cleaning to be 3 times per year • Rules for access to include access by neighbouring villages in times of drought • Maintenance schedules established |
| Wells | |
| Minimum requirements | <ul style="list-style-type: none"> • Municipal council review, assessment, and executive orders on environmental advice on burials to encourage use of existing cemeteries and reconsider burials in private residences and plots • Exceptions to consider sites down hydrological gradient from wells. |

³⁰ Based on Maslow's hierarchy of water requirement needs, WHO 2013.

Activity 2.2.4: Implementation of a monitoring and maintenance programme

The island coordinators on each outer island will collect information monthly on the repair and construction work and prepare monitoring progress reports on a quarterly basis. A monitoring and maintenance plan will be developed following completion of repair and construction. Data on water saved, quality, use and distribution, will be collected against the baseline from the surveys. Throughout the duration of the project, the maintenance schedules will be used to monitor the quality and use of assets and provide solutions to maintain the assets using spare parts collected by the project. Climate related extremes and environmental conditions will be recorded as well. The climate extreme events that may occur during the life of the project will be reported against the project and communicated. This will be used to develop lessons and good practices of the project and provide any corrective actions.

Outcome 2b: Appropriate sanitation measures for the outer islands of Yap, Chuuk and Pohnpei are determined for future investment

Output 2.3: Assessment of viable sanitation measures for outer islands in Yap, Chuuk and Pohnpei

Activity 2.3.1: Sanitation measures assessed and piloted in outer islands in Yap, Chuuk and Pohnpei

The cultural diversity amongst the six outer islands of the three States suggests there may be diverse preferences for the types of sanitation technologies used on the islands. The absence of pit toilets on some of the islands on the atolls in Woleai and Eauripik in Yap and Satawan in Chuuk are an advantage for the local groundwater and its quality. These practices should not change if the groundwater is to be retained as a clean and viable source for showering, washing, and cooking, as well as an emergency source for drinking water. The concern, however, is that beaches and shallow seawater are used instead. There is possible evidence of eutrophication during low tide on the lagoon side. When circulation with the ocean is reduced, solar heating of the water is increased, lagoon water can hold less dissolved oxygen. When algal metabolism removes oxygen at night it can cause fish to suffocate. Algal growth in the lagoon is boosted by excessive nutrient input from human waste. Local people have reported that dead fish wash up on the beach following very low tide events on the lagoon side of the island³¹. The onset of climate stresses that include increase in sea surface temperatures will exacerbate this problem contributing to food security issues as well as water, sanitation and health issues.

Activity 2.3.1 will undertake an assessment and pilot of potential sanitation measures in the outer islands which are culturally, environmentally, economically, and socially appropriate. Undertaking extensive consultations with the island communities, the Project will assess the current state of sanitation facilities and the appropriateness (i.e. from a population, cultural, environmental, economic, and social perspective) of these facilities³². Depending on the outcomes of the

³¹ Based on Maslow's hierarchy of water requirement needs, WHO 2013.

³² The assessments may yield some disagreements on proceeding with any sanitation options beyond those already in place. The result may come from any of the six island communities due to cultural and social barriers. If this output is not entertained, the project team will refer the community/island to other potential alternative community adaptation priorities they identify, and the activities therein. The community will reach agreement based on these priorities and that are within the scope of the project and aligned with the Fund's mandate. Lessons from PACC, ECOSAN and IWRM, suggest that the project will need to consult with communities on alternative activities at the outset before

assessments, the Project team will work with the communities to ascertain whether there are other options which could be trialled and whether the community is open to testing other options. The options will be piloted and assessed over the life of the project as part of the monitoring and evaluation arrangements. Depending on the results, scaling up can be implemented under future projects.

The second component of the activity involves education and training within the community of Water, Sanitation and Health (WASH) principles. The importance of education and awareness-raising of sanitation and hygiene is critical in reducing illness. The training for WASH is particularly essential in the outer islands because of existing water storage infrastructure that is not maintained and is in very poor condition. The training and baseline surveys will be undertaken in partnership with UNICEF WASH, with the island coordinators and other interested parties trained in the WASH principles to ensure ongoing training and education.

Component 3. Demonstration of adaptation measures for coastal communities in Kosrae State

Outcome 3: Increased resilience of coastal communities and environment to adapt to coastal hazards and risks induced by climate change

Output 3.1: Malem-Utwe inland road and access routes designed for future construction

Activity 3.1.1: Survey and design road and related infrastructure to ensure climate change resilience

The Kosrae Shoreline Management Plan developed a prioritised list of inland road and essential infrastructure development (Figure 10) to be implemented over the next one to two generations as an essential component for developing resilience to coastal-related hazards and sustained adaptation to climate change. Developing and upgrading the inland road between Malem and Utwe was considered the highest priority due to the current threats posed to vulnerable populations and infrastructure due to wave over-washing and potential breaching of the narrow coastal berm on which present infrastructure and much of the population of Utwe and Malem Municipalities are located. At Paal and Mosral, there is a very real present-day risk that a breach in the berm could occur, resulting in road access to Utwe being cut off and the potential loss also of power and telecommunications which are located alongside the road. Relocating infrastructure is a key enabling mechanism to allow gradual relocation over the next 10-20 years of Malem and Utwe communities exposed to ever increasing coastal erosion and inundation impacts. In addition to developing the inland road and supporting infrastructure complementary activities will be conducted to begin streamlining the process and help both communities relocate inland.

While the direct beneficiaries of the inland road will be the population situated in the Malem – Utwe municipal village communities, all of the Kosrae population will be an indirect beneficiary once construction is completed. There are other potential beneficiaries such as the approximately less than 100 people who reside in Walung municipal. Walung village community does not have access to the main roads of the island. Everyone at present uses boats to travel to Tafunsak. The only road from Walung to the rest of Kosrae is via Utwe and ultimately this will be the only

implementation. This was carried out by the project during the planning stages and a list of alternative adaptation activities that are considered livelihood security measures was produced and listed in the original proposal at Annex 2.

road to Walung as the road south from Tafunsak is now suspended due to the Yela area being protected. In essence, there are two out of five villages reliant on the road access as the only connection to the rest of Kosrae, including the health services, high school, Government centre, airport and port.

The intention is to develop the road to the same standard or higher, as the existing two lane paved road based on the design standards developed for the Kosrae Circumferential Road Extension Project (Barret Consulting Group Inc, 1987), and located around the base of the volcanic part of the island as presently occurs between the airport and Tafunsak village (Figure 11). Over the next one to two generations the inland road will become the primary road access from Utwe and Malem to the main Government Centre at Tofol and to the airport and port.

A recent project review upgraded Environmental and Social Safeguards Plan, and the road designer initial report findings, have indicated the current level of investment and the proposal outlined under the original project plan is not viable under the current project investment. A staged approach based on the priorities identified in the Kosrae Shoreline Management Plan is therefore being adopted to the development of the relocated road.

Stage 1, as per the original project plan, prioritises the full design of the inland road, ensuring the design meets best standards and incorporates the following amendments to the design elements as agreed during stakeholder consultations:

- The road design and construction is to be extended from the original 3.6 miles of priority sections of upgraded road (i.e. Malem to Pilyuul (Section 3), Malem to Utwe (Section 2) and Utwe (Section 1)) to 5.53 miles which will include the road in its entirety (refer Figure 1) and an additional access road.
- The road surface is to be upgraded from the gravel sub-base to asphalt to accommodate the adaptation requirements (i.e. 50 years life span) and erosion and runoff concerns.
- The road lane width is to be reduced from 12 feet to 10 feet per lane, ensuring consistency with FSM standards for road width.
- The design is to include all earthworks, retaining walls and erosion considerations to meet the best standards and to reduce the environmental impacts due to the steep alignment of the road.
- The design is to incorporate areas of historical and cultural importance to ensure these are avoided.
- The rights-of-ways are to be provided to EMPSCO for incorporation into the road design.
- The mitigation actions detailed in the Environmental and Social Safeguards Plan are to be incorporated into both the design and construction phases as appropriate for each phase.
- The design and construction phases should include all utilities and scoping / design work on this will need to be tendered.

The design approach will ensure the road is constructed around the perimeter of the lower slopes of the volcanic part of the island and above the freshwater swamp or mangrove areas to provide a suitable long-term response to coastal inundation. The inland road will be well above areas likely to be directly impacted by sea-level rise over the next century and beyond (Ramsay et al., 2014). Following the natural contour of the topography minimizes any significant road slopes, need for substantial cut and fill, and reduces erosion potential and land slipping hazard. The

intention is that the road, when complete, will be similar to the present inland sections of road, for example between the airport and Tafunsak village (see Figure 8).

The preliminary engineering design report is available at Annex B.

Stage 2 will scale-up the investment under other funding sources to undertake the construction of the road including the establishment of all utilities (i.e. power, water etc). This will also encourage possible movement of the population from the coastal areas to the higher land.



Figure 6: Priority sections of the development of the inland road on Kosrae (as identified in the Kosrae Shoreline Management Plan)

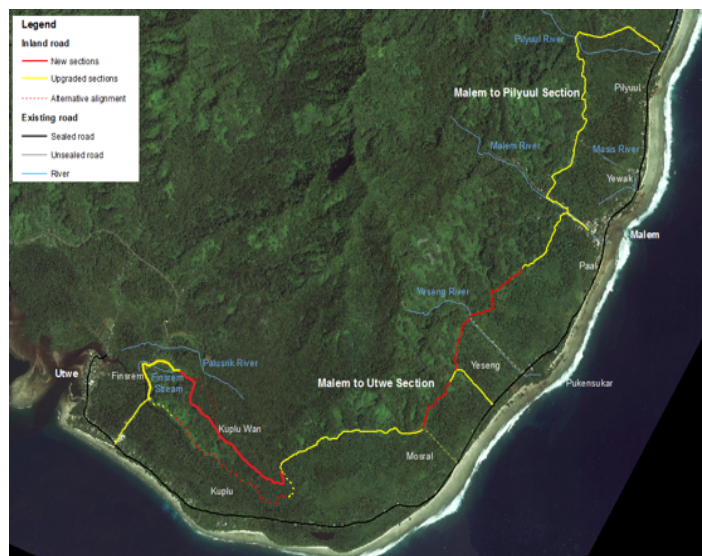


Figure 7: Alignment of inland road between Utwe and Malem. The sections in yellow require upgrading and widening of existing farm roads. The sections in red are new sections of road.



Figure 8: Paved inland road between the airport and Tafunsak village (left) and on the narrow storm berm at Morai, Malem (right)



Figure 9. Areas depicting sections where the road will be constructed, noting the area has been cleared for the survey work to be undertaken

Output 3.2. Transitional coastal protection at Mosral and Paal upgraded for immediate coastal protection

Activity 3.2.1: Coastal protection works

The Kosrae Shoreline Management Plan identified that over the short-term the effect of sea-level rise on the ability of existing coastal defences to provide a “satisfactory” level of protection is likely to be manageable through, for example, upgrading the level of protection of these existing defences. However, beyond this time the magnitude of sea-level rise is expected to be too great to enable such protection to be effective or affordable other than at locations where there are no other management or adaptation options. The SMP developed a coastal defence strategy identifying:

- Long-term defences: a priority on protecting sections of road or other critical infrastructure where there is no other feasible option to reposition away from coastal hazards.
- Transitional defences:

- Upgrading sections of existing defences to provide adequate temporary protection for the road or highly developed areas over the short to medium term to enable longer-term adaptation strategies (such as inland road development) to be implemented.
- Limiting any new sections of coastal defences only to the areas where the road is critically threatened at present (e.g., at Paal and Mosral). This would be undertaken only with a view to provide short to medium term protection

Emergency works were subsequently conducted in response to high tides and waves undermining the road at Paal and Mosral in early 2014. This was an emergency measure involving dumped and roughly placed recycled concrete slabs from upgrading of the runway hardstanding, and at Mosral placement of large concrete filled bags to create a wall. Whilst the emergency works have stabilised the immediate undermining of the road, the *ad hoc* nature of the construction, does not provide an adequate level of protection to the road, with areas still being undermined and the potential for significant damage to occur during storm conditions. The communities of Malem and Utwe discussed this at length during consultations and concluded that given the poor nature of the emergency works that a component of the project to upgrade the emergency defences at both Paal and Mosral was necessary to ensure continued access between Malem and Utwe until the alternative inland road was in place.



Mosral section of Malem road. mass concrete bags, loose boulders, and broken concrete, placed randomly to reduce surge impact and prevent wave overtopping and erosion of road (photo credit: Simpson Abraham, 2015)



Paal section of the coastal road. Existing dumped concrete rubble. A low reef flat breakwater to 'stabilize' shoreline will also be required further south to prevent outflanking and downdrift erosion. (photo credit: Simpson Abraham, 2015)

At Paal, the design and construction phases will include:

1. Treatment for the outlet channel at Pukensukar including measures on transitioning revetment to the channel and extending the side armour.
2. Determination of the placement and size of the low reef flat breakwater to protect the termination of the revetment.
3. Removal of the existing dumped concrete rubble to enable the underlying sand and coral rubble material to be regraded to an approximately 1:2 slope.
4. Geotextile filter layer will be laid between the underlying material and the armour layer to prevent wash out and winnowing of fine material between the armour layer.
5. The concrete slabs are of a sufficient size to withstand design wave conditions over the reef flat at Paal. These will be reused as the armour layer for the base and lower part of the face of the revetment and will be laid at a slope of 1:2 in a stepped manner.

6. There are insufficient concrete slabs to complete the full stepped revetment. Basalt rock armour, sourced from an existing permitted quarry inland between Paal and Mosral, will be used to complete the crest of the revetment. Armour rock will be a minimum of 0.66 m in diameter and will be laid at a 1:2 slope with the crest of the revetment at least 3 rocks wide. The crest of the defence will be above the elevation of the road.
7. At the southern end of the reconstructed defence the revetment the road curves inward with a wider coastal buffer protecting it, with the shoreline position at this location, “held” by a small strand of reef flat mangroves. The revetment will extend behind the existing shoreline at this point to ensure that outflanking and down drift erosion does not occur.

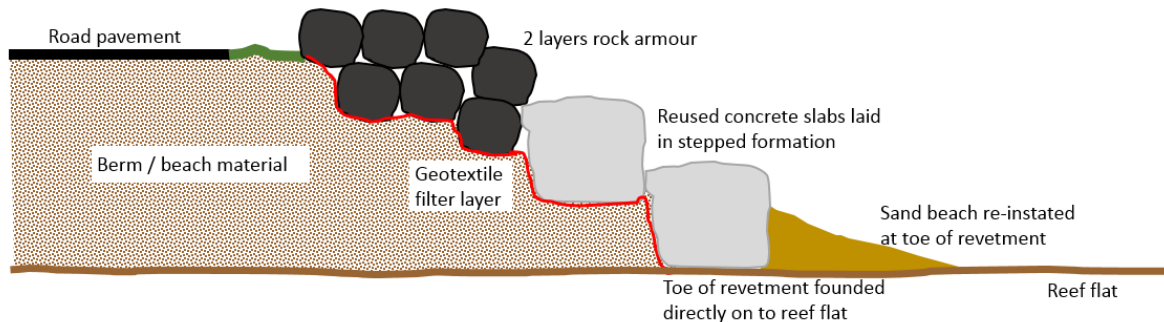


Figure 10. Cross-section of the proposed reconstructed revetment at Paal

At Mosral, the design and construction will include:

1. A concrete wave upstand wall to sit behind the top of the revetment.
2. Incorporation of a low reef flat breakwater.
3. Removal of the existing dumped large concrete blocks and rubble to enable the underlying sand and coral rubble material to be regraded to approximately a 1:2 slope.
4. The small stretch of sand beach in front of the existing defence will be stockpiled on the adjacent reef flat and re-instated in front of the reconstructed defence on completion.
5. Geotextile filter layer will be laid between the underlying graded slope and the armour layer to prevent wash out and winnowing of fine material between the armour layer.
6. The concrete blocks are of a sufficient size to withstand design wave conditions over the reef flat at Mosral. These will be reused as the armour layer for the base of the revetment and will be laid to form the base of the revetment.
7. There are insufficient concrete blocks to complete the full revetment. Basalt rock armour, sourced from an existing permitted quarry inland between Paal and Mosral, will be used to complete the crest of the revetment. Armour rock will be a minimum of 0.66 m in diameter and will be laid at a 1:2 slope with the crest of the revetment at least 3 rocks wide. The crest of the defence will be above the elevation of the road.
8. At the southern end of the reconstructed defence the revetment there is potential for down drift erosion to occur and outflanking of the defence. To prevent this, the slope of the revetment will be constructed at a shallower slope and the armour rock used to construct a wider and flatter toe on the reef flat. This will ease the transition from defence to beach and prevent any exacerbated erosion on the coastline immediately to the south.

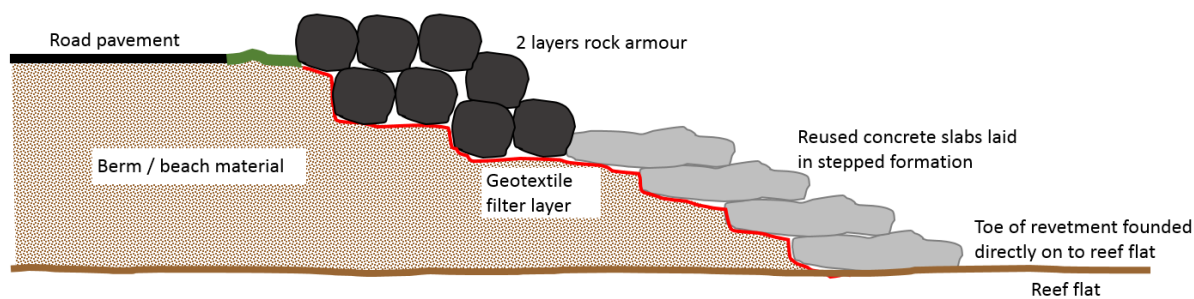


Figure 11. Cross-section of the proposed reconstructed revetment at Mosral

The Executing Entity (DECEM) will be responsible for ensuring the activities associated with the coastal protection works will be undertaken in line with the Project's Environmental and Social Safeguards Plan (ESMP) including ensuring the appropriate Environmental Impact Assessments are undertaken. The design and construction of the coastal protection works will be supervised by the Department of Transport, Communication & Infrastructure's Project Unit to ensure the highest technical and engineering standards are met. In addition, a maintenance plan for the on-going maintenance of the coastal protection works is to be developed and resourced by the Government of Kosrae. This maintenance plan will be required to be submitted to the Executing Entity and Implementing Entity as part of the design work.

Watershed protection and vegetation buffer zones

To complement the hard engineering solutions, soft adaptation measures i.e. watershed protection and vegetation buffer zones will be incorporated into the coastal protection measures. This will include communities in Kosrae developing, implementing and monitoring native vegetation buffer zones along sensitive areas where roads, rivers and coastline meet. The community will:

1. re-plant endemic vegetation around river and stream areas at road crossings, and along the coastal zone; and
2. develop community gardens along road easement strip to stabilise cleared land; and
3. raise awareness about the importance of soft adaptation measures in protecting coastlines, communities and assets including sustainable use of upland areas, catchments, waterways, swamp and mangrove ecosystems.

Component 4: Knowledge management for improved water and coastal protection

Outcome 4: Capacity and knowledge enhanced and developed to improve management of water and coastal sectors to adapt to climate change

Output 4.1: Resource materials developed, tailored to local context, translated, published, and shared amongst various stakeholders

Activity 4.1.1: Undertake knowledge management, communication, and engagement activities

Activity 4.1.1 establishes the knowledge management (KM) platform for the Project, and will lead the KM, communication, engagement and outreach activities designed to raise awareness,

increase uptake of the facilities and services, tools and information, and promote behaviour change, decision-making, and learning amongst the Project beneficiaries. This activity will coordinate across all components and activities to build and communicate the Project's results and information outputs into appropriate formats for the audiences identified in the knowledge management, communication, and outreach strategy. This involves:

- i. The development of strategies and objectives designed to maximise the dissemination and adoption of applied knowledge produced by the Project;
- ii. The creation of content (key messaging and storytelling) that engages stakeholders and inspires them to utilise the knowledge and practice into their decision-making;
- iii. The production of resource materials and practical information products for the Project beneficiaries and broader advisory communications for external stakeholders. These materials will promote visibility of the project, and could include project briefs, brochures, booklets for leaders, pamphlets in English and local languages targeting the communities, and success stories that are shared through national and regional newsletters;
- iv. The utilisation of participatory forums and activities, including outer island sites, which demonstrate the Project's knowledge and models in action;
- v. In conjunction with the project personnel, the building of relationships with key networks and programs which are trusted by stakeholders as credible sources of knowledge and insight;
- vi. The establishment of mechanisms and channels for high-impact delivery and sustain knowledge into practices beyond the life of the project; and
- vii. Utilise existing distribution networks such as SPREP's Pacific Environment and Information's Network (PEIN); the Information's Resource Centre, the Pacific Climate Change Portal (www.pacificclimatechange.net); and the Pacific Disaster Net (www.pacificdisaster.net).

A Knowledge & Communication Officer will be employed to lead the knowledge management, communication, and engagement activities with additional expertise to be contracted as needed to provide strategic advice and guidance, and training as required.

Activity 4.1.2. Capture and document data and information generated by the project

The project will, through this activity, develop a project communication and knowledge management strategy that will guide and ensure the project is visible to partners and stakeholders and the work that they do. It will also guide the capturing, development, production, and dissemination of knowledge products of the project.

The data and information generated, lessons learnt, and best practices of the project will be captured and developed into products that will be peer-reviewed, scientifically edited and published in journals or online and through existing government and regional publication series. The project will learn from the knowledge management process of the PACC project where a Technical Series and Experience Series³³ was established, published, and shared online and in hard copies where possible.

The activity will involve the SPREP INFORM project and engage local expertise on data management to capture, store and collate data and information from across the Project activities.

³³ The PACC Technical Report Series and the Experience Series can be found online at <https://www.sprep.org/pacc/publications>. The products can also be found by searching within the regional climate change portal, <https://www.pacificclimatechange.net>; and the SPREP Information Resource Center and Pacific Environment Information network <https://www.sprep.org/pacific-environment-information-network/pein>

Data and information including metadata, pictures, sound recordings, maps, videos from ground truthing assessments, technical surveys, consultation workshops, reports carried out will be captured and stored. This will be used during the monitoring and evaluation elements of the project to measure results of the project against its strategic results framework.

B. Social, Economic, and Environmental benefits

The project is expected to deliver a set of targeted and interlinked economic, social and environmental benefits, as well as serve as a model for future replication throughout the four States of FSM in other sectors (e.g. food security, marine resource management). The project will promote a set of innovations, together with partner institutions/organisations, that will help create better living conditions for the outer island and coastal communities of FSM.

The project will be implemented in the six outer islands namely Woleai and Eauripik in Yap State, Satawan and Lukunor in Chuuk State, and Nukuoro and Kapingamarangi in Pohnpei State. The project will also be implemented in the Malem and Utwe communities of Kosrae. The relevant demographic details of the villages collected throughout the planning stages are given in the tables below. The key indicators for improved water and toilet access are given below in percentage per household. The figures include the average percentage of households in outer islands.

Table 6. Relevant demographics of Eauripik and Woleai (Yap State) (Source: 2010 Census)

| | Eauripik | Woleai | Total |
|---|----------------------------|--------|-------|
| Population | 114 | 1,039 | 1,153 |
| Male | 45 | 469 | 514 |
| Female | 69 | 570 | 639 |
| Households | 18 | 85 | 103 |
| Source of drinking water, % per household | Improved ³⁴ | | 99.5 |
| | Not Improved ⁵⁴ | | 0.5 |
| Toilet facility - % per household | Improved ³⁵ | | 24.7 |
| | Not Improved ⁵⁵ | | 75.3 |
| No. of Rubber/Plastic Water Tanks | 13 | 67 | 80 |
| No. of Concrete tanks | 0 | 8 | 8 |
| No. of Concrete wells | 6 | 55 | 61 |

³⁴ 'Improved' includes sources from public water supply, community water supply, household tank, protected well, bottled water, and household water tank. 'Not improved' is water truck, rivers, lakes, springs and other sources of drinking water. (source: Divisions of Statistics, SBOC, FSM, 2014)

³⁵ Improved includes flush toilet, water sealed and ventilate improved pit. 'Not improved' are not-ventilated-improved pit, any 'other' form of toilet and not having a toilet (source: Divisions of Statistics, SBOC, FSM, 2014)

Table 7. Relevant demographics of the two outer islands of Chuuk State, Satawan and Lukunor

| | Satawan | Lukunor | Total |
|--|---|---------|-------|
| Population | 692 | 848 | 1540 |
| Male | 360 | 446 | 806 |
| Female | 332 | 402 | 734 |
| Households | 97 | 119 | 216 |
| Sources of drinking water, % per household | Improved ⁵⁴ | | 94.7 |
| | Not Improved ⁵⁴ | | 5.3 |
| Toilet facility - % per household | Improved ⁵⁵ | | 34.2 |
| | Not Improved ⁵⁵ | | 65.8 |
| Rubber / Plastic Water Tanks | Incomplete information. Will be assessed in ground-truthing assessment activities | | |
| Concrete tanks | | | |
| Concrete wells | | | |

Table 8. Relevant demographics of the two outer islands of Pohnpei State, Kapingamarangi and Nukuoro

| | Kapingamarangi | Nukuoro | Total |
|--|--|---------|-------|
| Population | 350 | 210 | 560 |
| Male | 179 | 107 | 286 |
| Female | 160 | 108 | 268 |
| Households | 60 | 36 | 96 |
| Sources of drinking water, % per household | Improved ⁵⁴ | | 98.4 |
| | Not Improved ⁵⁴ | | 1.6 |
| Toilet facility - % per household | Improved ⁵⁵ | | 55.2 |
| | Not Improved ⁵⁵ | | 44.8 |
| Rubber / Plastic Water Tanks | Approximately 60 units of various water holding mechanisms on island | - | - |
| Concrete tanks | | - | - |
| Concrete wells | | - | - |

Table 9. Relevant demographics of the two outer islands of Kosrae State, Malem and Utwe

| | Malem | Utwe | Total |
|------------|-------|------|-------|
| Population | 1300 | 983 | 2,283 |
| Male | 663 | 458 | 1,121 |
| Female | 637 | 525 | 1,162 |

| | | | |
|--|----------------------------|-----|------|
| Households | 224 | 169 | 393 |
| Sources of drinking water, % per household | Improved ⁵⁴ | | 92.4 |
| | Not Improved ⁵⁴ | | 7.6 |
| Toilet facility - % per household | Improved ⁵⁵ | | 98.3 |
| | Not Improved ⁵⁵ | | 1.7 |

The vulnerable groups expected to benefit from this project include:

Women, Men and Youth: The 2010 Census identified domestic chores and responsibilities at the domestic level in households in FSM as being undertaken largely by women and youth. About 85-90% of the population reside in low-lying coastal areas in volcanic islands such as Kosrae, and 100% in the low-lying targeted atoll islands of Yap, Chuuk and Pohnpei which are highly exposed to extreme climate events. Women and children are highly vulnerable to climate hazards and their impact. The proposed interventions in Yap, Chuuk and Pohnpei that address water with indirect benefits to food security will target and support young and elderly women and youth to adapt as the climate changes.

Ultimately, approximately 6,616 inhabitants of Kosrae are likely to benefit from the intervention measures proposed (direct or indirect benefits) in Component 3. The specific and immediate and daily beneficiaries will be the Malem and Utwe municipal village communities. According to the 2010 Census, the Malem population was 1,300 with males 663 and females 637 and the number of households at 238. The Utwe population stood at 983 on the 2010 Census and was composed of 458 males and 525 females. Twenty three percent of the Utwe population is of high school age. Indirect beneficiaries include: (a) approximately 90 people employed who require daily access to go to and from the only high school located in Tofol and the government administration district in Tofol; (b) approximately 100 people who reside in Walung Municipality. Walung village community has no access to the main roads of the island with boat travel therefore the main use of transport to travel to Tafunsak. The only road from Walung to the rest of Kosrae is via Utwe and ultimately this will be the only road to Walung as the road south from Tafunsak is now suspended due to the Yela area being protected. Accordingly, there are two out of five villages reliant on the road access as the only connection to the rest of Kosrae including the health services, high school, government centre, airport, and port.

Business owners and general local consumers

Kosrae: It is anticipated that the livelihood benefits shall include the creation of over 450 employment opportunities across these communities, involving coastal protection engineering support and monitoring, and community engagement/business diversity opportunities. For example, through hired labour in the municipalities for vegetation clearing, manual labour on road construction, provision of services, such as aggregate and rock armour from local quarry operators and local contractors to support the Department of Transport and Infrastructure (DTI). Micro-finance renovation loan schemes such as Palau's successful Renewable Energy Subsidy Loan program would be one of the programmes that the project will learn from and how it may assist homeowners and landowners in eventually relocating to the new inner road development. Water lines will be installed at the same time as the new road is constructed, followed by electricity and telecommunication lines in the next stage. The eventual relocation of the road will build economic resilience by providing an assurance to business by enabling them to migrate inland and away from the coastal hazardous zones. Furthermore, the proposed road will improve access

to key agroforestry areas around the lower slopes of the volcanic parts of the island increasing potential for food security and agricultural development.

Yap, Chuuk, and Pohnpei: Stabilization of water and food production before, during and after extreme events will make available more nutritional and balanced food at affordable rates. This will allow the more vulnerable and poor populations of the outer islands to better sustain their self-sufficient supply of food, water, and rich-protein food more consistently over time.

Communities in Outer Islands

The communication and awareness raising activities will engage local and national media and will also target all beneficiaries in the island communities, reaching out to different generations of the country. In addition, the information and training sessions on climate change impacts and adaptation measures for the outer islands will also target a large percentage of the outer island population and be gender focused. For the purpose of the project, the term “gender” will focus on men, women and children, including the elderly and people living with disabilities who are living in, and deriving an income from, the strip of land along the coastal zone. The project would emphasize the specific gender-differentiated roles of women and children.

In summary, the main social, economic, and environmental benefits from the project are given below, compared to the baseline scenario.

Table 10. Social, Economic and Environmental Benefits for the outer islands of Yap, Chuuk and Pohnpei

| Type of Benefits | Baseline Scenario | Key Benefits |
|------------------|--|--|
| Social | Lack of outer island development plans addressing climate change impacts | Community mobilized, organized and trained for improved management of water resources, sanitation and health practices |
| | Lack of island water resource management plans incorporating climate and disaster risks | Capacity is built to work collectively for water security, water management, climate change risks and vulnerabilities |
| | Lack of leadership quality to address issues relating to natural resource management and climate change related issues | Specific training will be offered related to water rainwater harvesting systems repair, maintenance, and cleaning of water assets (tanks, gutters, downpipes, and first flush diverters) |
| | No trained personnel on water conservation and management practices, health and sanitation including water harvesting systems maintenance and care | Specific training on pilot scale sanitation options that can be replicated and scaled up in other islands and communities |
| | ‘Dependency’ approach to development with high reliance on diminishing US Compact funds for development (ending in 2023). | Specific training on water, sanitation and health practices and monitoring and survey skills targeting women and youth |

| | | |
|----------------------|---|---|
| Economic | <p>Costs of health treatment and services are high for treatment of water and vector borne diseases (hepatitis, polio, jaundice, crippled, salmonella bacteria, E-coli boils, sores, infections in ears and eyes, protozoa, giardia, vomiting, runny stomach, no energy, roundworms, whip worms).</p> <p>Access to hospitals, loss of income, and medical costs are very high for isolated communities on the outer islands.</p> <p>Low income from crops and capture fishery due to depletion of fishery resources from algal blooms resulting from use of lagoons and seas as toilets.</p> <p>Loss of income and livelihood assets from drought (loss of crops, agriculture fields) as a result of prolonged days with no rain.</p> | <p>Reduced health problems due to improved access to clean water and sanitation.</p> <p>Reduced health costs as a result of availability of sufficient, safe potable water</p> <p>Employment in rainwater harvesting repairs and maintenance, community water tank maintenance</p> <p>Employment in construction of pilot sanitation projects during and after the life of the project</p> <p>Sustained income from maintenance of water and sanitation systems in schools and community governing council properties.</p> <p>Reduced loss of livelihood assets like farms and agriculture fields from drought, cyclones, storm surges, sea level rise and high waves</p> <p>Reduced cost of health services to the communities</p> |
| Environmental | <p>Eutrophication of lagoon side during low tides as a result of using lagoons as toilets</p> <p>Less dissolved oxygen available in lagoon and mangrove areas leading to incidences of suffocated fish and other marine life</p> <p>Algal growth boosted around lagoon and mangrove areas as a result of excessive nutrients from human waste</p> <p>Dead fish wash up on shore during very low tide events on the lagoon side</p> | <p>Restored areas of lagoon side waters, increasing aesthetic appeal and ecosystem services</p> <p>No pollution of groundwater and underground to the reef from wastewater from improved sanitation systems</p> <p>No pollution of surface water and lagoons from human waste</p> <p>No excessive drawing of water from groundwater and wells allowing groundwater replenishment for plants and animals and improving the atoll ecosystems during droughts and after cyclones.</p> |

Table 11. Social, Economic, and Environmental Benefits for Beneficiaries of Kosrae State

| Type of Benefits | Baseline Scenario | Key Benefits |
|------------------|---|--|
| Social | High risk of communities being cut off from access to capital and utilities (power, water, electricity, hospital, | Increase coastal resilience to inundation and erosion benefiting approximately 2,283 inhabitants of Malem and Utwe |

| | | |
|----------------------|--|---|
| | <p>main high school, port, airports) and loss of land.</p> <p>‘Dependency’ approach to development with high reliance on a diminishing US Compact funds for development (ending 2023).</p> | <p>Participation of women, men and youth in decision making processes ensured</p> |
| Economic | <p>Economically poor, low to non-existent level of agricultural labour, highly reliant on imported foods. In addition, labour is also only on a seasonal basis</p> <p>Low-cost but high-risk random bouldering seawall construction along high-risk coastal road areas</p> <p>High risk to assets, safety, and livelihoods from unprotected exposure to risk of natural disasters</p> <p>High risk to infrastructures during cyclones and other natural disasters</p> <p>Eroding/disappearing beaches negatively affects tourism potential</p> | <p>Employment in coastal protection works, and community-based ecosystem management activities for families in the project villages.</p> <p>Reduced loss to income, time and stress as a result of continued access to key utility services on island (water, electricity, telecommunications, hospital, ports, schools, safety (police))</p> <p>Lower risk as a result of coastal zone protection measures.</p> |
| Environmental | <p>Frequent sea water inundation of coastal environment as a result of breaches of coastline from king tide, high tide events as well as storm surges</p> <p>Saltwater inundation on coastal environment and plantations and residential areas</p> <p>Lack of community-based ecosystems management practices at community level to manage ecosystems in lowland and upland areas</p> | <p>Coastal protection is strengthened to protect the coastal road and land, from water over topping, overwash, inundation and severe erosion.</p> <p>Protection of coastal areas from cyclones, erosion</p> <p>Limited inundation and overwash as a result of the transitional coastal defences</p> <p>Road design considers improvements to drainage and erosion controls, to prevent water logging from flash flooding, sediments entering waterways and erosion.</p> |

Indirect environmental benefits are also expected to accrue from the project, especially under Components 2 and 3. First, the project will utilise the available rainwater to the best possible extent for plants (crops, trees) and animals (livestock, local species). Second, improving water quality maintenance and tank water protection for utilisation in dry conditions. Third, preventing water runoff by improving (repairing, installing new) catchment areas, as well as wastewater control would be helpful to minimise soil erosion, improve soil water holding capacity, minimise excessive nutrient runoff, and maintain soil quality and fertility. Fourth, as further outlined in the Environmental Impact Statement (refer original project plan Annex 4a) and cost benefit analysis summary report (refer original project plan Annex 6) developing a watershed management strategy for the upland areas in Kosrae, will help maintain the biodiversity in the upland ecosystem by prohibiting agricultural activities and other development activities that will harm the environment.

Table 12. Key Social, Economic, Environmental Benefits from the project, at the output level

| OUTPUT | Key Benefits (Direct) | | |
|---|--|--|--|
| | Social | Economic | Environmental |
| Component 1. Strengthening policy and institutional capacity for integrated coastal and water management at national, state levels and outer islands | | | |
| Legislation and policy paper to guide regulation of climate resilient coastal and marine management | Adaptation legislation, policies, and plans recognize the social imperatives and risks of the communities in outer islands and municipalities | Greater certainty for local businesses to scale up to meet the expected needs for future infrastructure and adaptation measures. | National legal standards for application country wide, especially in relation to water quality and sanitation management in coastal areas. |
| State regulations for development projects amended to consider climate change risks and resilience | Protection of the most vulnerable communities, especially women, youth and the disabled. | Contractors and other businesses will have clear guidance on the need to consider climate change risks in engineering designs and infrastructure | Better management of the local coastal and marine environment by developers and setting aside areas (such as mangroves) that need to be protected. |
| National Water & Sanitation Policy developed | Policy recognizes the susceptibility of outer island communities to drought, El Niño, and typhoons and cyclones | Economic benefits of reduced health costs, lost workdays, damaged fisheries, and staple crops | National guidance on the principles to be followed for sustainable water access and sanitation practices |
| National Water Outlook and Water Sector Investment Plan | Proactive and systematic planning at the municipality levels for farmers, fisher folks, women, youth based on sound climate and water information | Concerted and targeted investment for cost-effective and efficient responses from partners and stakeholders to water related crisis | Environmental benefits of sustainable water resources management and coordinated investment plans on water and sanitation infrastructure. |
| Component 2. Demonstration of water security and sanitation measures in outer islands of Yap, Chuuk and Pohnpei | | | |
| Climate change adaptation plans | Women, men and youth involved in decision making on managing their own island resources | Targeted and directed support by partners to reduce damage to outer island assets and infrastructure | Effective reduction in loss and damage to ecosystems caused by climate change and extreme weather events. |
| Water harvesting and storage systems installed in 6 islands | Plenty of good quality water, sanitation and health benefits for women and men of the islands in atoll during climate extreme events (drought, post cyclones, etc.). | Reduced cost of shipping in water during long dry spells | Pressure on underground water is reduced and is replenished for benefit of the natural ecosystems |

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| Improved sanitation systems established | Improved health and sanitation with tangible quality of life benefits, particularly for women and children | Cost-saving on water purchases, especially during droughts. Reduced loss of fish catches due to pollution of lagoons. | Reduced water pollution, improved quality of groundwater, and possibility of composting sewage sludge. |
| Trained stakeholders on water conservation and management | Skilled and resourceful community members to respond to and address urgent water needs | Cost-saving on water purchases, repairs to water storages and rainwater catchments | Improved environmental management of coastal ecosystems |
| Component 3. Demonstration of Kosrae Inland Road Relocation Initiative | | | |
| Design of 3.6 miles (5.8km) of inland and access road routes | All residents of Malem and Utwe will eventually be able to commute to and from the capital and where services are provided (government, business district, hospital, port, airport, schools, etc.). | The road will provide access to economic opportunities for several thousand residents and save on boat operating costs for those who currently have no road access. | Design considers mitigation of impact of road on catchment drainage pathways, avoiding inundation and flash floods impact on the environment and residential areas |
| Transitional coastal protection at Mosral and Pal upgraded | Allows for immediate to future commute by all Kosrae commuters, in particular access by Utwe to and from central business district | Reduce cost and pressure on project to hasten construction and relocation of the road. | Protection of coastal areas from inundation and severe coastal erosion. |
| Community-based ecosystem management strengthened | Knowledge and skills at the municipality level to be able to manage changes of the natural environment, ecosystems from development in the short to long term | | Protected watershed areas and managed development of upland and coastal areas to minimize environmental impacts and maintain ecosystem services of the natural forests and mangrove areas |
| Component 4. Knowledge management for improved water and coastal protection | | | |
| Resource materials developed | Knowledge and information captured and shared for replication and upscaling to other island communities and secure future support for adaptation. Dissemination of information country wide. | Resource materials on adaptation technologies, water resources management, and sanitation can help local businesses gear up for new business opportunities. | The resource materials should identify specific environmental protection measures that can be implemented in FSM to protect coastal resources and ecosystem services. |
| Stakeholders brought together to share, learn and exchange | Knowledge, awareness, and skills developed for communities to be able to undertake | By reaching out to and coordinating local businesses, and providing start up | All residents in FSM's coastal zones stand to benefit from the lessons learned from this |

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| | implementation, monitoring and future planning of concrete adaptation activities for their islands, homes, and environment | employment, local communities can avoid expensive outside services when small scale repairs and maintenance are needed | project. By bringing them together online or in person, stakeholders can learn and adopt successful adaptation approaches in their home communities. |
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As may be seen from above, implementation of the project will not cause any negative social and environmental impacts. Outer Island communities and municipalities have been consulted in the design of the project components which are in line with the prevalent regulations, policies, and standards of National and State governments. Components proposed under the project have been designed and / or updated in full consideration of the Social and Environmental Policy of the Adaptation Fund (refer Annex C).

C. Cost-effectiveness of the Proposed Project

Component 1 focuses on mainstreaming climate change at the national and state levels, through operationalizing the policy and planning processes for infrastructure, water, and sanitation services. **Component 2** focuses on increasing access to (and storage of) good quality water and assessing and piloting sanitation options. The benefits of these activities are expected to reach over 3,250 individuals either as direct or indirect beneficiaries, across the six selected atolls during the project.

The per capita cost of the water security activities (Component 2) will be high given the inherent demographic (low population density) and geographical (distance to outer islands is only accessible by boat) nature of FSM, as in other Pacific island countries. The costs are justified, however, as the interventions address immediate to long-term needs and are sustainable. The activities under **Component 4** will invest in knowledge management that will ensure sustainability, replication and up scaling of programmes and activities.

The cost effectiveness of the project based on the component outputs of the project for Components 1 and 2 only is given in the following table (Table 13). The cost effectiveness of **component 3** activities is outlined separately below.

Table 13. Cost effectiveness of the project for Components 1 and 2 only

| Current addressing mechanism | How is it addressed by the Project | Cost Effectiveness |
|---|---|---|
| Component 1, Output 1.1: Legislation and policy paper to guide regulation of climate resilient coastal and marine management at national level | | |
| FSM has a national climate change and disaster risk management policy. The Strategic Development Plan (SDP) provides for the macro-economic framework and the policies for each sector; the sector planning matrices; and the Infrastructure Development | Development of a national and or state legislative framework, legislative draft that identifies and recognizes the social, economic, and environmental imperatives to FSM's future development. | The legislative framework/draft will introduce climate resilient factors into its environmental governance and development frameworks. In particular, it will assist FSM's SDP and IDP 2016-2025 in their governance aspects. |

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| <p>Plan (IDP). Of the four states, only Kosrae and Pohnpei have SDPs.</p> <p>FSM does not have legislation either at the national or state level to enact climate resilient management of its coastal and marine resources.</p> <p>With the exception of Kosrae State, there are no laws and regulations at the national level to protect and conserve FSM's coastal and marine resources from business as usual development. Only Kosrae has a climate change law, climate change policy, climate mainstreamed Regulation for Development Projects 2014 and EIA Guidelines</p> | <p>The project may not be able to achieve the final endorsement of a law on management of its natural resources, as there is likelihood it will be beyond the scope (time) of the project.</p> <p>The project, however, will develop a legislative framework / draft that will direct the national and state governments to initiative legislative and regulatory work to guide and govern its resources. The national government will continue the development of this framework beyond the lifetime of the project.</p> | <p>Greater efficiency and effectiveness of expenditure will be achieved through the clarity and standards provided by a nationwide approach. The legislative framework/draft developed by the project will trigger and push for state governments to develop their own regulations for development projects – similar to Kosrae's RDP 2014 and EIA Guidelines.</p> <p>The project will initiate actions to review, improve, and strengthen the SDP and IDP to ensure developments, especially infrastructure developments along the coastal and marine areas, are climate resilient. All future infrastructure projects will need to be climate-proofed in accordance with the draft legislation.</p> |
| Component 1, Output 1.2: State regulations for coastal and marine development projects amended to consider climate change risks and resilience measures | | |
| <p>With the exception of Kosrae State, existing EIA regulations of Yap, Chuuk and Pohnpei have not yet incorporated climate change and disaster.</p> <p>None of three States have climate resilient regulations for development projects.</p> <p>There is no mechanism to keep development in check with climate resiliency, using environment impact assessment at a minimum. The current practice is largely voluntary and easily ignored.</p> | <p>The project will consult, review, develop, endorse, and promulgate regulations for development projects in each of the three states. It will take on board lessons from Kosrae State under the PACC project the developed and revised the RDP 2014 for Kosrae.</p> <p>The project will look at existing regulations including the EIA regulations and update those regulations to incorporate climate risks and resilience factors to strengthen them.</p> <p>The project will advocate that the regulations are adopted, institutionalized, and applied to any development in the each of the States.</p> | <p>Long -term contribution of the project to the ongoing development of climate change environmental monitoring and governance at national and state levels</p> <p>Opportunity of government stakeholders to review their existing regulations, policies, and practices in light of climate change factors.</p> |
| Component 1, Output 1.3: State Water Outlook and Water Sector Investment Plan developed and implemented | | |
| <p>FSM has a framework for a policy but does not have a policy on water and sanitation. It has</p> | <p>The project will incorporate climate risks and resilience factors into the State's Water</p> | <p>The Plans will enable the water plans at the State level to be</p> |

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| <p>institutionalized the framework but has made no progress on developing and finalizing a policy.</p> <p>There is no outlook programme in FSM to inform and assure stakeholders of the availability and distribution of water. This will have a major impact on both the main island and outer island population.</p> <p>There is no mention in the framework of mainstreaming climate change into the policy.</p> <p>The components of the policy proposed under the framework does not incorporate climate risks and resilience, governance and support programs for water and sanitation issues across FSM, including on the highly vulnerable outer islands.</p> <p>There is no mechanism that informs farmers, businesses, or village communities of what El Niño and La Niña will mean for different parts of FSM, and therefore its impact on water resources.</p> <p>Current practices rely on weather information and climate information provided by NASA, NOAA and SPREP. The scale by which information is provided and the time lapse is not enough to prepare and take decisions. This continues to have a detrimental effect on society, the economy (agriculture, tourism) and environment.</p> <p>There is poor consideration of investment planning required to ensure sustainability of services of the water sector throughout FSM and across its islands.</p> | <p>Outlook and Water Sector Investment Plans.</p> <p>The project will attempt to link its work under other outputs to the policy. Activities under Components 2 and 4 will be incorporated into the implementation of the Plans.</p> <p>The project will work in partnership with NOAA, NASA, SPREP Climate Change Centre through its Pacific Meteorology Desk to develop climate and weather-based products that inform scenarios of water availability on account of rainfall, temperature, wind, extreme weather events, and ENSO. It will also work to develop the capacity of local stakeholders to understand the early warnings provided by global partners and translate them into meaningful and timely avoidance actions.</p> <p>The project will develop a water sector investment plan that FSM can prioritise costed actions for water and sanitation in each state and at all island levels – main, lagoon and outer islands.</p> <p>The project will improve institutional capacity for monitoring and support for action on findings from the water investment planning workshops</p> <p>The project will consider in the plans the need to acquire external financial assistance to meet its safe water and sanitation goals to build resilience of the water sector to climate change impacts</p> | <p>better streamlined into development work.</p> <p>The policy will enable climate change adaptation programmes for water, food, health, and sanitation to be formally considered and addressed not only by government but by its development partners.</p> <p>Through avoiding duplication and maladaptation, the Policy will ensure that all water supply and sanitation projects are climate-proofed and cost-effective.</p> <p>The project will contribute to developing products tailored to sectors (tourism, agriculture, transportation, etc.) that will inform choices for the different development sectors.</p> <p>The project will create a shift in paradigm by building individual and systematic capacities of the local institutions, to develop the outlook products. This will increase the sustainability of the national water outlook beyond the life of the project and cost-effectiveness of future projects.</p> <p>The plan will produce prioritised and costed actions for water and sanitation in each state and at the island level including all islands – main, lagoon and outer islands.</p> <p>The plan will minimise costs for future water supply upgrades by maximising the use of existing assets as far as possible, and respond to its human capacity development needs</p> <p>The plan will build on lessons and best practices gathered from the water demonstration</p> |
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| <p>FSM lacks human capacity development that is needed for integrated water resource management and sustainable water supply solutions.</p> <p>The States are unable to systematically upgrade and utilize their existing assets for the supply of water in a sustainable manner across all islands (main, lagoon and outer islands)</p> <p>FSM lacks an investment plan at state level to be able to manage internal finances and acquire external financial assistance to meet safe water and sanitation goals.</p> | | <p>activities in the six outer islands of the project. It will help inform and develop the investment plan, particularly in strengthening the outer island components of the plans. The plans will also ensure the effective use of resources based on informed and evidence-based decision making.</p> |
| Component 2. Output 2.2: Water harvesting and storage systems (WHSS) installed in six atoll islands | | |
| <p>Almost all households in the outer islands have water tanks that are either in very poor condition or are not used at all. Often there are water tanks but very poor or no rainwater harvesting systems. Nearly 40% of the tanks in the outer islands of Woleai and Eauripik do not have proper rainwater harvesting systems.</p> <p>Nearly 90% of water wells had very low water levels, all brackish and all uncovered.</p> | <p>Repairing of existing rainwater harvesting systems.</p> <p>Training of women, men and youth on maintenance and cleaning of existing systems.</p> <p>Establishing maintenance schedules with families / households.</p> <p>Building community tanks to alleviate pressure on individual household water tanks during drought.</p> <p>Ensure minimum 2 tanks per household / 2 community tanks per island to serve maximum 100 population.</p> | <p>Repairing the existing rainwater harvesting systems will be cost-effective as it will utilize existing resources that are currently underutilized.</p> <p>Applying the optimal 2 water tanks per household rule will assist with cleaning of one tank interchangeably while the other is being utilized. The same rule is applied at the community level but for 10,000L capacity, plastic tanks, 2 minimum per maximum population of 100 persons.</p> <p>Communities will be involved in the development of tank maintenance protocols to ensure full community ownership.</p> |
| Component 2, Output 2.3: Assessment of viable sanitation measures for outer islands in Yap, Chuuk and Pohnpei | | |
| <p>There are three common types of toilets that exist in the outer islands - flush toilet, water sealed and ventilated improved pit. These toilets use a lot of water that could have been conserved for other use (washing, bathing, watering,</p> | <p>If the communities are willing to try alternative approaches, the most suitable sanitation options will be piloted and assessed over the life-of-the project as part of the monitoring and evaluation scheme. Depending upon the results, scaling up can</p> | <p>Effective sanitation and hygiene reduce health costs by containing and killing pathogens, thus avoiding costly visits to the medical clinic for diarrhoea, yellow eyes, or more serious</p> |

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| etc.). It is also not healthy and sanitary, and the wastewater contributes to pollution and contamination of the underground water, reef, and lagoons. While current practices may be difficult to change, the project will undertake an assessment and pilot of potential sanitation measures in the outer islands which are culturally, environmentally, economically, and socially appropriate. | <p>be implemented under future projects.</p> <p>The second part of the activity involves education and training within the community of WASH principles. The importance of education and awareness-raising of sanitation and hygiene practices is critical in reducing illness.</p> | <p>diseases like cholera and typhoid.</p> <p>As a public health measure, this approach to preventing and avoiding disease is much more cost-effectiveness than expanding medical facilities to treat those who become ill.</p> |
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The elements of cost-effectiveness and efficiency of the activities under the specific outputs 2.2 and 2.3 are further outlined in the following table (Table 14).

Table 14. Specific elements of cost effectiveness and efficiency for key activities in Component 2

| Output / Activity | Elements of Cost-effectiveness | Efficiency |
|--|--|--|
| Water Harvesting and Storage system | | |
| Household rainwater harvesting system | <p>Increasing the catchment area is the most cost-effective way of ensuring that each drop of rain is collected and stored safely</p> <p>Keeping all elements of the catchment systems clean ensures that there is sustained water supply. Closing the household or community tanks could incur high costs if water has to be imported during a drought.</p> <p>Choosing the right tank size relative to catchment area is a cost-effective approach as it means that rainwater is not wasted if the tank is too small and needless cost is incurred if the tank is too large.</p> | <p>Improving guttering of existing rainwater collection systems ensures that rainwater is collected in the most efficient manner.</p> <p>Collecting rainwater in a household harvesting system is much more efficient than relying on groundwater supplies, especially if they need to be pumped.</p> |
| Community water tanks | <p>Increasing catchment area is a cost-effective approach to ensure that all available rainwater is collected and stored for daily use and with reserves for drought conditions.</p> <p>Plastic tanks (HDPE) with manhole covers are easy to clean, maintain and moved allowing for use of land for other livelihood activities. Concrete tanks take up more room, cannot be moved, and are harder to clean.</p> <p>Choosing the right tank size relative to catchment area and the community water</p> | <p>An increased number of the same size of tank means that spare parts are easily available and local technicians can be trained for routine maintenance and repair.</p> <p>Plastic tanks are easier to clean versus concrete tanks, but where concrete tanks already exist it may be more efficient to repair and clean them rather than bringing in new tanks,</p> |

| | | |
|--|--|--|
| | demands is the most cost-effective approach. | especially if the available land area is constrained. |
| Sanitation Options | | |
| Household, Community / school / church / health dispensary unit | Review of current arrangements, public attitudes, and technical sanitation options will uncover the most cost-effective and acceptable sanitation options for each of the project sites. | Sometimes the most efficient sanitation option, such as using the sea to disperse waste, is not the best option from a health and environmental protection perspective. By examining multiple options and experience from other similar atoll communities, the most efficient but least damaging options will be trialled. |

The project interventions under Component 2 would result in the following positive externalities:

- The impact of drought and the aftermath of typhoons on water resources have caused migration from outer islands to the main islands. Social impacts of the remaining population on the outer islands include family and community disintegration, health issues for women, and school dropouts. Improved water security and sanitation and health awareness will assist to relieve these conditions over time, especially during drought and immediately in the early recovery phase following cyclones and typhoons. A sustained and efficient water supply is essential to support all livelihood activities including food security, sanitation, and health.
- Improved village and school level organization and training will assist communities to gain confidence and find solutions to their water and sanitation problems. It will improve the willingness to work collectively to address emerging socio-economic and environmental threats due to climate change.
- Water and land resources remain degraded and unproductive in the outer islands. Project investments will directly help to rehabilitate some unproductive areas and ensure that communities can continue to live sustainably there rather than migrating.
- Some concrete tanks that have leaked cannot be repaired including those that have been repaired previously but leak again. The community concrete tanks are too large to maintain and have taken up land that could have been put to better use. Investing in HDPE plastic tanks versus concrete tanks at community level will improve the ability to clean and carry out maintenance. They can also be moved from one location to another, allowing land to be used for alternative purposes. Where the existing tanks can be repaired, however, this may be the most cost-effective and efficient action to take.
- Natural and social systems remain exposed to vulnerabilities. Project investments will improve the community's capacity to improve and manage the local natural resources on a sustainable basis. Alternatives for achieving long-term water storage and efficiency savings were considered. For example, through the consultations, communities considered the following alternatives (table 15).

Table 15. Alternative Options

| Proposed Activity | Alternatives | Benefits |
|--|---|---|
| Water Harvesting & Storage Systems | | |
| <p>Repairing existing rainwater harvesting systems at household / private level, minimal purchase of just one other PVC to allow cleaning interchangeably</p> <p><i>Cost per household including maintenance cost for at least a year comes to US\$560³⁶.</i></p> | <p>Construction of new systems per household with two HDPE tanks to allow cleaning interchangeably</p> <p>The cost per household will come to US\$1,120 plus added logistical coverage of about US\$5,000 minimum to import all new equipment required to install and monitor, comes to US\$6,000-\$7,000 per household</p> <p>Install Reverse Osmosis Units. The installation of RO Units has been considered in other Pacific island contexts. While the effectiveness of RO units has been proven in some instances, they are accompanied by prohibitively high purchase installation, and maintenance costs and ownership issues. Spare parts are expensive and difficult to replace in outer islands. Filters have short-life span (6 to 12 months).</p> | <p>Repairing existing systems is less expensive and does not take up land which is in short supply.</p> <p>Using existing facilities requires less construction activity and less maintenance</p> <p>Spare parts are easily attainable and shipped within FSM</p> |
| <p>Constructing community tanks to serve and alleviate pressure on private systems</p> <p><i>Cost comes to US\$750 per 2,000 gallon, minimum 2 required to serve a minimum population of 100. Total with guttering and down pipes comes to US\$3,000 per tank</i></p> | <p>Construct new systems for all households on all islands of the atoll without need for any community tanks</p> <p>Provision of systems for all will exceed the budget of the project per state.</p> | <p>Community tanks system is less expensive to import, construct, maintain, clean and own</p> <p>2 community tanks / 100 population easier to manage, clean and maintain compared to many household systems without spare parts</p> |
| <p>An assessment and pilot of potential sanitation measures in the outer islands which are culturally, environmentally, economically, and socially appropriate. Undertaking</p> | <p>Ultimately the pilot project could build either of the following:</p> | <p>By not rushing to judgement on which form of sanitation is best in each village, the dangers of constructing sanitation facilities that don't</p> |

³⁶ Capital cost of water tanks in FSM ranges from \$350 to \$750. The project takes the lowest cost, typical cost if a new water tank size is required of US\$350 for 1,000-gallon capacity. US\$210 for repairs and maintenance. The US\$560 is total activity budget for repair activities of Eauripik outer island divided by the number of households. This is used as the baseline by the project. Transportation costs of the equipment are born by the project.

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| <p>extensive consultations with the island communities, the Project will assess the current state of sanitation facilities and the appropriateness (i.e. from a population, cultural, environmental, economic, and social perspective) of these facilities. Depending upon the outcomes of the assessments, the Project team will work with the communities to ascertain whether there are other options which could be trialled and whether the community is open to testing other options. The options will be piloted and assessed over the life-of-the project as part of the monitoring and evaluation project. Depending upon the results, scaling up can be implemented under future projects.</p> | <p>Bush toilet: this is a hole in the ground with a simple cover around the hole.</p> <p>Pit toilet: pit toilets are usually covered with a concrete slab and have a “house” on the slab. The house needs to be moved when the pit fills up.</p> <p>Ventilated improved pit toilet (VIP): These are really the same as pit toilets but have a PVC pipe added to improve airflow and reduce flies and smells.</p> <p>Water seal: A pit covered with a concrete slab and a concrete toilet seat. A bucket of water is used to flush the waste into the pit.</p> <p>Flush/Septic toilet: A porcelain toilet with a water cistern. These require piped water to flush the waste into a concrete septic tank, where solids settle in the tank. The water collects in the tank and then passes out into a “soak”, or straight into the soil and groundwater. The discharged water should be treated in a properly constructed trench to destroy the pathogens.</p> <p>Self-composting toilet (SCT): The waterless compost toilet works just like a compost heap for your garden. In the garden compost heap, you mix pig manure with dead leaves and chopped up branches and leave it for a few months until it decomposes and makes a good fertiliser. In the SCT it is human manure instead of pig manure, mixed with leaves and left for at least six months so that all the pathogens are killed by the composting process. Costs are <i>US\$4000³⁷ per unit x 5 total per outer island, total range in costs US\$25,000 - \$50,000 based on</i></p> | <p>work, create environmental problems, can't be maintained, or possibly not even used, can be avoided. Based on extensive consultation, examination of current traditional knowledge on existing sanitation systems, and careful evaluation of social, environmental, and economic considerations, the best choices can be made. By piloting these choices, again the dangers of excessive outside determinism can be avoided, and the experience carefully monitored and evaluated before recommending expansion and upscaling.</p> |
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³⁷ Based on cost of 1 unit built in Nauru A\$4,500-\$5000. Not including transportation and shipping costs to be borne by the project through execution costs and other activity costs

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| | <i>outer island distance of shipment of materials</i> | |
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The PACC programme delivered a similar set of activities to those proposed for this project. The terminal evaluation of PACC found that the community driven and managed interventions “successfully....reduced water insecurity through better catchment regularity and retention; rainwater tanks and roof catchment systems”. Results were more mixed with solar purifiers, especially those targeting individual households. The evaluation also acknowledges the relatively high cost of increased water availability achieved by the project, though does not provide a reference baseline. Given the geographic location, decentralized and often non-existent water supply systems, a relatively high cost for provision of water in such environments is to be expected.

Alternative options are either very expensive or socially unacceptable to the outer island communities and against local and World Health Organization health and sanitation standards. The major advantage of the proposed project as against alternative options is its ability to provide sustainable livelihoods through increased provision of enough safe drinking water not only for human consumption but also for plants and animals. The project, therefore, is environmentally sound and socially acceptable. It addresses the immediate threats faced due to drought, sea level rise, typhoons and cyclones, as well as future impacts expected from climate change.

In summary, the following key characteristics of the project, particular to Components 1 and 2, that would considerably enhance its cost effectiveness:

1. The major Component 2 activities of water harvesting, and storage systems and installation of self-composting toilet programs are highly replicable under similar outer island environments and conditions
2. The implementation mechanism by involving experienced NGOs, intergovernmental organizations such as IOM, and linking with the Micronesian Challenge (MC) to strengthen the state and community ownership and achieve high level of local ownership is highly cost-effective. These organizations have been very active during the planning stages of this proposal and very involved with work in the outer islands.
3. Being cost-effective, government departments would convince interest in up-scaling of the project through various programmes such as those under IOM and MC.

Under **Component 3**, a detailed cost-benefit analysis study³⁸ has been completed for the proposal to construct and operate an inland road from Malem to Yeseng to Utwe. A copy of the cost-benefit analysis study is provided in the original project plan (Annex 6). The main purposes of the study were to:

- 'ground-truth' whether the inland road development is a priority investment (strategic rating of 8.9/10) as stated in the State's Infrastructure Development Plan (IDP), Volume 4 of the FSM IDP (DTCI 2015);
- inform how the design of the inland road development can be refined and improved; and

³⁸ The cost-benefit analysis study was supported through the Pilot Program for Climate Resilience: Pacific Regional Track (PPCR-PR) - a regional program which aims to strengthen integration of climate change and disaster risk considerations into 'mainstream' planning and related budgetary and decision-making processes (i.e. 'climate change and disaster risk mainstreaming'). The PPCR-PR is being implemented by the Secretariat of the Pacific Regional Environment Program (SPREP) and the Asian Development Bank (ADB) and is funded through the Climate Investment Fund (CIF). More information on this program can be found at <https://www.climateinvestmentfunds.org/cif/node/7295>

- further develop the evidence-base needed to support funding applications for this infrastructure investment.

The cost-benefit analysis examined the proposal to construct and operate an inland road from Malem to Yeseng to Utwe. This option includes 20 years maintenance and revetment of the existing coastal road in order to provide time for households to relocate to safer areas, as is the intention of the proposed Inland Road Relocation Initiative (IRRI).

The analysis also examined an alternative option to upgrade the existing coastal road, including elevating it and ramparting segments that are particularly exposed to erosion and over-wash.

A wide range of cost and benefit categories for each option were considered, reflecting the many dimensions of coastal hazard risks faced by Malem and Utwe coastal communities and of relocating communities and infrastructure inland. A summary of these costs and benefits for each infrastructure option is provided in Table 16 below.

Table 16. Summary of cost-benefit analysis results (PV\$ @ 4% discount rate)

| | Inland road development Phase 1: Malem to Yeseng to Utwe | Upgrade existing coastal road: Malem to Yeseng to Utwe |
|--|--|--|
| <i>(1) Costs</i> | | |
| establishment and operational costs, including awareness programs | 5,846,667 | 5,307,444 |
| impacts on inland environment from inroad development | Not valued | 0 |
| impacts on coastal environment from upgrading existing coastal road | 0 | Not valued |
| | 5,846,667 | 5,307,444 |
| <i>(2) Benefits</i> | | |
| avoided clean-up costs from coastal flooding events | 15,576 | 12,192 |
| avoided damages to cars | Not valued | Not valued, but lower than inland road option |
| avoided damages to home gardens | Not valued | Not valued, but lower than inland road option |
| avoided damages to housing infrastructure | 177,472 | 91,742 |
| avoided damages to road infrastructure | 278,375 | 1,517,936 |
| avoided trauma and loss of life from major typhoon event | Not valued | Not valued, but lower than inland road option |
| avoided income losses associated with road damages (preventing access to workplaces) | 1,452 | 1,185 |

| | | |
|---|--|---|
| avoided disruptions to schooling | Not valued | Not valued, but lower than inland road option |
| avoided disruptions to accessing hospitals | Not valued | Not valued, but lower than inland road option |
| increased food production achieved through improved access to inland areas | 2,446,134 | 0 |
| other benefits (e.g. tourism and cultural) achieved through improved access to inland areas | Not valued | 0 |
| migration out of Kosrae and associated economic implications | Not valued, but lower than upgrading coastal road option | Not valued |
| Avoided replacement of coastal road at existing design standard | 3,194,855 | 3,194,855 |
| Avoided maintenance of existing coastal road | 22,580 | 22,580 |
| | 6,136,444 | 4,840,490 |
| (3) NPV = (2)-(1) | 289,777 | (466,954) |
| (4) BCR = (2)/(1) | 1.05 | 0.91 |

As can be seen from Table 16, the quantitative results show that only the inland road option is expected to generate net benefits for the Malem and Utwe communities - relative to the status quo scenario - whereby the existing coastal road is retained at its current design specifications and a protective rampart (revetment) constructed to protect sections of the road most exposed to over-wash.

The CBA report also emphasizes that a number of important costs and benefit categories were not valued due to a lack of data, and hence are not reflected in the quantitative results. These costs and benefit categories include:

- benefits of the inland road relating to (i) avoided damages to cars and home gardens; (ii) avoided trauma and loss of life from major typhoon events; (iii) avoided disruptions to schooling; (iv) avoided disruptions to accessing hospitals; and (v) a range of other benefits expected to be generated from improving access to inland areas (e.g. tourism and culture);
- environmental costs of upgrading the existing coastal road, especially in terms of downstream coastal erosion; and
- broader economic implications relating to outmigration from Kosrae if the existing coastal road is maintained or upgraded.³⁹

When these categories are taken into account, the inland road option would be expected to show a much stronger return on investment and represents a worthwhile use of resources. The social and environmental impacts will also be avoided, minimized, reduced through the proper application of the mitigation factors outlined in the Environmental Social and Management Plan (Annex C).

³⁹ households located seaward of the coastal road have advised they will leave Kosrae if their safety remains compromised.

The CBA report further stresses that a number of other (non-public-infrastructure related) barriers are constraining households' capacity to relocate to inland areas - and that these barriers will need to be addressed if the infrastructure investment is to fully realize its intended objectives.

Key barriers identified as part of community consultations were a lack of access to finance (e.g. to construct a new house) and a lack of access to land located upland. Moreover, if households are slow to relocate inland, then the Government will likely be required to re-establish the coastal road - when it meets the end of its economic life in approximately 20 years' time. This would represent a substantial additional cost for the Government - in the order of US\$3.4 million. This reinforces the need for complementary measures to address non-infrastructure-related barriers to relocation.

The key findings and conclusions outlined in the CBA report are consistent with the recommendations made in the Kosrae Shoreline Management Plan (2014). The key findings have also been peer-reviewed by different stakeholders, including technical officials from SPREP, the Pacific Community (SPC), German International Co-operation Agency (GIZ), and the National Institute of Water and Atmospheric Research (NIWA).

Based on the CBA results, the Inland Road Development - Phase 1 Malem to Yeseng to Utwe is confirmed as a high priority investment for Kosrae. Moreover, the CBA results suggest that this project should be pursued ahead of some other infrastructure projects ranked higher than in the Infrastructure Development Plan 2016-2025. One example is the Lelu water systems improvement project for which a CBA study was also completed and shown to be economically unviable.

The project will not be able to fully fund Phase 1 of the inland road development, which is the establishment and operational costs, including awareness programmes with a total cost of US\$5,846,667. The remaining allocation of US\$9 million under the AF for FSM will not suffice the concerted implementation of all components of the project. Component 3 alone constitutes 47% of the total project activity costs. The Kosrae State Government with assistance of the National FSM government continues to pursue discussion with development partners to support implementation of Phase II of the inland road development. The Government has confirmed this commitment through a letter to the AF Board dated 8 July 2016 (refer Annex 8 of the original Project Plan).

D. Consistency with National Strategies

This project is based on National and State Government policies and strategies as outlined in the table below.

| No. | National / State Government Policy, responsible agency | Project elements consistent with the policy |
|-----|--|--|
| 1 | Nationwide Climate Change Policy <i>Department of Environment, Climate Change & Emergency Management (DECCEM)</i> | Developing legislation and regulation frameworks for climate resilient development in coastal and marine areas Developing climate resilient water and sanitation policies Implementing water outlook program to prepare and manage water resources in advance of climate |

| | | |
|---|--|--|
| | | variability and changes |
| 2 | National Strategic Development Plan | <p>Protection, conservation of freshwater, marine and terrestrial ecosystems, inland road relocation, coastal protection from erosion, training, and awareness of CC, SLR, vulnerability, issues and causes of increasing hazards.</p> <p>Developing climate resilient regulations for development projects – to ensure developments at the coastal areas are climate-proofed.</p> |
| 3 | Nation Wide Integrated Disaster Risk Management and Climate Change Policy <i>DECEM</i> | <p>Cross-sectoral climate change coordination mechanisms within office of environment and emergency management at national level, state environment protection agencies.</p> <p>Preparation of outer islands against onset of El Nino periods that bring long dry spells.</p> <p>Training of outer island communities on water and sanitary monitoring and other disaster preparedness and response measures</p> |
| 4 | Kosrae Climate Change Act <i>Kosrae State Government</i> | <p>Cross-sectoral climate change coordination mechanisms amongst Kosrae State Government departments and utilities</p> <p>Abide with regulations for development projects requirements to meet EIA guidelines and standards</p> <p>Apply climate change hazard mitigation actions to protect society and the environment</p> |
| 5 | Kosrae Shoreline Management Plan <i>Kosrae Island Resource & Management Authority (KIRMA)</i> | Implementing the first priority of the shoreline management plan under the Inland Road Relocation Initiative (IRRI) program |
| 6 | KSG Regulations for Development Project <i>KIRMA</i> | Abide by regulation rules and requirements under the project |
| 7 | Kosrae Strategic Development Plan, <i>Office of Development Assistance</i> | <p>Mainstreaming climate change into development through design and construction of roading infrastructure</p> <p>Revetment of existing coastal roads to prolong the shelf life of the roads from sea level rise and resultant tidal surges, king tides and extreme high tide events.</p> |
| 8 | Pohnpei State Strategic Development Plan <i>Pohnpei State Government</i> | <p>Integrated water resource management in the outer islands helping to conserve safe drinking water.</p> <p>Implementing simple and effective wastewater treatment technologies such as self-composting toilets. It does not use water, but it effectively decomposes off of wastewater in environmentally friendly set up.</p> <p>Constructing potable water source facilities in outer islands that will provide significant support to environmental improvement and economic growth on main island.</p> |

| | | |
|----|--|--|
| 9 | National Infrastructure Development Plan (NIDP) <i>Ministry of Transport, Infrastructure and Communication</i> | Implementing cost-effective, safe, reliable, and sustainable infrastructure (environmentally sound and climate proofed) Implementing high priority infrastructure needs of the states that is submitted to national government under guidance of the NIDP |
| 10 | National Climate Change and Health Action Plan <i>Department of Health</i> | Reducing incidences of water and vector-borne diseases in outer islands / hard to reach places. Building capacity of women, men and youth to better water, sanitation and health conditions and assets on island through trainings, survey assistance, construction and carrying out monitoring roles |
| 11 | Kosrae Shoreline Management Plan, <i>KIRMA</i> | Implementing the priority strategy identified by the KSMP |
| 12 | Yap Joint State Action Plan, <i>Department of Resources & Development</i> | Implementing the water goals for the outer islands |
| 13 | National Framework on Water and Sanitation Policy | Integrated water resource management helping to conserve water Optimize water use by increasing water use efficiency by at least 20% Enhancing storage, both above and below ground, special effort to increase water storage capacity |
| 14 | "Endorsing Access and Right to Safe Drinking Water and Sanitation in the Micronesia Region" - Micronesian Traditional Leaders Conference | Providing access to safe drinking water and sanitation in the outer island regions of Micronesia Providing training and awareness amongst the women, men, and youth of the outer islands Building capacity of the traditional leaders, island governing councils to manage climate change adaptation projects relating to water, sanitation and health |
| 15 | Second National Communication Report to the UNFCCC | Providing water and water tanks to outer islands immediately including improving food security by provisions of water to plants and crops |
| 16 | National Biodiversity Strategy and Action Plan | Carry out a community-based ecosystem management program with municipal communities Work with leading NGOs to carry out monitoring and surveying of ecosystems |
| 17 | National Action Plan to Combat Land Degradation | Develop and implement water shed protection strategies. Build capacity of communities to lead and manage community-based ecosystem management programs. |
| 18 | Joint National Action Plan for climate change adaptation (CCA) and disaster risk management (DRM) (developing) | Carry out coordination mechanisms at national and state levels involving the national office of environment and emergency management, state EPAs and departments of resources and development and |

| | | |
|----|---|---|
| | | department of transport, infrastructure, and communications |
| 19 | National Environmental Policy Act of 1969 | Protection, conservation of freshwater, marine and terrestrial ecosystems, inland road relocation, coastal protection from erosion, training, and awareness of CC, SLR, vulnerability, issues and causes of increasing hazards. Developing climate resilient regulations for development projects – to ensure developments at the coastal areas are climate-proofed. |

E. Technical Standards

The overall objective of the Project is in line with the Climate Change Policy of the FSM Government 2009, the Framework for National Water and Sanitation Policy 2011, and the Infrastructure Development Plan 2016-2025. At the state level, the Climate Change Act 2011 and the Regulations for Development Projects 2014 and EIA Guidelines 2014 of the State of Kosrae as well as adhering to the recommendations of the Joint Strategic Action Plan on Climate Change and Disaster Risk Management of each State, will apply. Also, the Project will be governed by the policy and preference of the Government of FSM in adherence to all the specific local criteria. Apart from that, the project would also adhere to the recommendations communicated by FSM's Second National Communication report 2015 to the UNFCCC relating to climate change adaptation benefits.

The National Government provides guidance and technical assistance to the States when needed and requested on matters related to planning, economic development, natural resources, fisheries, and the environment.⁴⁰ The National Climate Change Policy of 2009, for instance, provides guidance related to infrastructure as follows:

Adaptation

- a. All development activities in FSM to take into account projected climatic changes in their design and implementation as stipulated in the FSM Strategic Development Plan/Infrastructure Development Plan (SDP/IDP); and
- b. To use ecosystem-based approaches where applicable.

Technology Transfer

- a. To optimize the use of local technologies where available;
- b. To identify technology that is locally appropriate; and
- c. To enhance easy access to, and sustainable use of new technologies

Finance

- a. To maximize the use of local resources through establishment of sustainable financing mechanisms to support adaptation, mitigation, and resource management initiatives.

⁴⁰ Federated States of Micronesia State-Wide Assessment and Resource Strategy 2010-2015+. Undated. p. 10. <http://www.wflccenter.org/islandforestry/fsm.pdf>

The involvement of the key stakeholders in the technical teams, working committee and project steering committee will ensure compliance with policies, guidance, and laws. The monitoring of compliance to technical standards, where applicable, would be done at field level units by the Outer Island Project Working Committees for Yap, Chuuk and Pohnpei, and by the Kosrae Island Resource Management Authority (KIRMA). SPREP as RIE and DECEM as EE would monitor the adherence to the technical standards during periodic field visits.

Table 17 provides a summary of the key activities and the applicable standards that are applied by the relevant government department supporting the project.

Table 17. Applicable standards applied to project activities

| No. | Activity | Applicable Standards | Application to Project by: |
|--|--|---|---|
| Component 1: Strengthening policy and institutional capacity for integrated coastal and water management at national, state levels and outer island | | | |
| 1 | Legislative framework and draft | Apply normal procedural standards in draft legislation and replicate lessons from Kosrae State Climate Change Act (refer to further description below) | Division of Litigation, Department of Justice |
| 2 | State regulations for development projects | Apply normal procedural standards in draft legislation and replicate lessons from Kosrae State Regulations for Development Projects. (Refer to further description below) | Offices of the Attorney General Yap State, Chuuk State, Pohnpei State |
| Component 2: Demonstration of water security and sanitation measures in outer islands of Yap, Chuuk and Pohnpei | | | |
| 3 | Rainwater harvesting systems | Minimum standards of the Rainwater Catchment Design and Installation Standards (ARCSA, 2009) State EPA Regulations Climate Adaptation Guide for Infrastructure 2014 | Environment Protection Agency – Yap, Chuuk and Pohnpei States |
| 4 | Self-composting toilet programs constructed | Sustainable sanitation manual and guidelines for a waterless composting toilet (SPREP, 2007) State EPA Regulations Climate Adaptation Guide for Infrastructure 2014 | Environment Protection Agency – Yap, Chuuk and Pohnpei States |
| Component 3: Demonstration of Kosrae inland road relocation initiative | | | |
| 5 | Survey and design road and related infrastructure to | Design standards for Kosrae circumferential road extension | Department of Transport, |

| | | | |
|--|---|---|---|
| | ensure climate change resilience | project. Standards cover the road pavement design, and associated structures such as drainage, bridges, culverts, and rock revetment for coastal protection – ADB 2005 | Communications & Infrastructure |
| | | Engineering design standards: subsurface conditions, material specifications, cross section and standard dimensions and drainage and erosion – ADB 2011 | Department of Transport, Communications & Infrastructure |
| | | Non-engineering design standards: maintenance planning and early warning, land use planning, community-based ecosystems management – ADB 2011, KSG (KIRMA) 2015 | Department of Transport, Communications & Infrastructure, Kosrae Island Resource Management Authority |
| 6 | Coastal protection works | Refined coastal defence design guidelines and design criteria developed during associated activities related to the development of the original Kosrae Shoreline Management Plan in 1998-2000. <i>Manual on the use of rock in coastal and shoreline engineering</i> (CIRIA/CUR, 1991 | Department of Transport, Communications & Infrastructure |
| | For both road design and coastal protection works | Climate Adaptation Guide for Infrastructure 2014 | Department of Transport, Communications & Infrastructure |
| Component 4: Knowledge management for improved water and coastal protection | | | |
| 10 | Key stakeholder participation | IDP strategic consideration of 'Involvement of States' | DECEM, State EPA and R&D offices, KIRMA |
| 11 | Generation of evidence-based learning | SNC Report adaptation recommendations, National Climate Change Policy suggested benefits | RIE, DECEM |
| 12 | Sharing of learning | Government protocols for participation in learning sharing events | DECEM, State EPA offices, R&D office, KIRMA |
| 13 | Development of knowledge products | Knowledge standards established by SPREP and other agencies | SPREP and DECEM |

FSM does not have a formal building code. At present projects are generally designed in accordance with international codes, standards, and guidelines, but with only limited account taken of the specific circumstances of FSM. Some guidelines have been developed for specific aspects including seismic and wind loading and are summarized in Climate Adaptation Guide for Infrastructure. FSM through the Department of Transport and Infrastructure, under the guidance of the IDP 2016-2025, plans to develop a National Building Code with State specific requirements where appropriate. The Code will be based on the International Building Code and other US based

codes and standards but will also take account of the requirements of FSM and incorporate existing state and national guidelines.

Without any national or state level rainwater catchment design and installation standards, the project will attempt to apply and meet minimum standards of the American Rainwater Catchment Systems Association (ARCSA) and the American Society of Plumbing Engineers (ASPE) based on its Rainwater Catchment Design and Installation Standards manual (ARCSA, 2009). The standard will be applied to new rainwater catchment installations, alterations, additions, maintenance, and repairs to existing installations. The standards are designed to assist engineers, designers, plumbers, builders, developers, local government, and users in safely implementing a rainwater catchment system. The environmental norms (water quality) notified with regards to rainwater harvesting systems, will be in conformity with the pollution norms outlined under each state of the State Environmental Protection Agency regulations.

F. Project Duplication

The project target areas are not the focus of any other climate change adaptation initiatives. In fact, this is the first, focused effort to implement a climate change adaptation project based on identified priorities on the ground in these remote and vulnerable islands of Yap, Chuuk and Pohnpei. In Kosrae state, this will be the second time a project will be focused on climate-proofing roading infrastructure, but a first time on the southern and most vulnerable coastlines of Malem and Utwe. The first project was a pilot project, that was successfully demonstrated under the PACC project in the northern coastline of Tafunsak from 2009 – 2015⁴¹.

This project would be the first to explicitly focus on improving water security as an adaptation strategy in the selected outer islands of FSM. The protection and preservation of ecosystems (lagoon and mangrove areas) and reduction of incidences of water and vector-borne diseases are complementary adaptation measures of the project. It will complement ongoing government programmes that are being implemented to improve outer island water resource management, agricultural productivity, and conservation of biodiversity. The project will take required measures to avoid potential fund duplication with other funding sources for similar activities. Some of the potential schemes/programmes of Government that have complementary components are outlined in Annex D.

G. Learning and Knowledge Management

The Project proposes a dedicated component to improve and strengthen knowledge management services, communication and engagement, and working with Project members to support the capacity building activities at the State and outer island level (i.e. training, awareness and information sessions). Knowledge management and communication, while focused in Component 4 for budgetary purposes will be a central, cross-cutting element across all activities.

A cornerstone of communication, engagement and outreach for the Project is participation. Component 4 will provide a systematic approach at the country level to improving understanding on climate change impacts on water and coastal zones. In doing so, the goal is to enhance and activate participation of key stakeholders to address the risks and challenges of climate change in the coastal sector in a holistic manner.

⁴¹ See Technical Report No.18 <https://www.sprep.org/pacc/publications/technical-reports>

The Project's Knowledge Management & Communication Strategy will seek to promote improved understanding of climate change impacts and adaptation measures to build resilience through a coordinated effort to promote behaviour change, decision-support, and learning. The Strategy will guide the Project's design, development, dissemination and uptake of tools, information products and training materials generated from activities to the target stakeholders. It will include key messages, stakeholder analysis, tools and tactics including a set of indicators to monitor and evaluate effectiveness.

The knowledge management and communication component will be responsible for the development and dissemination of project outputs to the appropriate stakeholders and will be involved in the development of training materials, plans and manuals. Any lessons learned from the dissemination and uptake of the outputs to the stakeholders will be captured through progress reports, field reports and the ongoing monitoring and evaluation. Information products, tools and training materials will be translated into English and the local dialects to be cognizant of the cultural diversity of the outer islands of the project.

Data Management Systems

Knowledge and understanding are important for driving and bringing about informed decision making. The project, "Building National and Regional Capacity to Implement Multilateral Environmental Agreements by Strengthening Planning and the State of Environmental Assessment and Reporting in the Pacific", referred to as the Inform project, recognises the need for this data-driven decision making. The project has established a Pacific island network of national and regional data repositories and reporting tools to support the monitoring, evaluation, and analysis of environmental information, which supports environmental planning, forecasting, and reporting requirements.

The Project will work closely with the Inform project, of which FSM is a partner, to utilise the established FSM knowledge management system to record, store and enable access to all data and information generated by the Project.

Lessons learned

The Project will capture lessons learned and good practices through various mechanisms including:

- The project design to phase the adaptation measures i.e. provision of water storage and harvesting across the six outer islands provides for adaptative management and learning process to be continually fed back into the Project's implementation and planning across all of the outer islands.
- The active participation of stakeholders in decisions relating to climate change impacts and adaptation measures e.g. water security, coastal protection enables stakeholder buy-in and ownership to the Project and the outcomes.
- The Project's monitoring and evaluation approach provides for real time monitoring and continual capturing of information which can be fed back into the Project to improve implementation of activities.
- Each component and activity will capture and feedback any lessons and good practices into the implementation of the Project.

H. Stakeholder Consultative Process

The stakeholders of the project include local community, traditional community leaders, municipal government council, NGOs; research institutions such as the College of Extension Services of Micronesia; women's councils; sub-regional organizations such as the Micronesian Challenge and International Organization for Migration, and government agencies such as the departments of Environment (EPA), Office for Internal Affairs, Planning & Budget, Resources & Development, Youth and Social Affairs, Transport & Infrastructure and Communications.

The stakeholders identified and consulted during the Project Planning and in the Project implementation phase are outlined below.

| State | Community | Government | NGOS & IGOS |
|---------------------|---|--|--|
| National Government | - n/a | Vice President of the Federated States of Micronesia Secretary (Minister) of the Department of Foreign Affairs (NDA of AF) Secretary of Finance Secretary of Resources and Development Secretary of Overseas Development Assistance Governor and Lieutenant Governors of Yap, Chuuk, Pohnpei and Kosrae United States Embassy of FSM - National PMU, Infrastructure | |
| Yap State | Village community – Woleai, Eauripik Council of Pilung (Yap Proper) chief leaders Council of Tamol (Outer islands) chief leaders Traditional Leaders and Mayors of Woleai and Eauripik | Office of Internal Affairs (OIA) Fishing Authority (FA) Office of Planning & Budget (OPB) Environment Protection Agency (EPA) Department of Agriculture & Forestry (DAF) Resources & Development (R&D) | International Organization for Migration (IOM) |
| Chuuk State | Satawan community (Women, men) | DAF EPA | Chuuk Women's Council IOM |

| | | | |
|---------------|---|---|--|
| | Lukunor community (Women, men) Traditional Leaders and Mayors of Satawa and Lukunor | ODA R&D College of Micronesia (COM) College Extension Services (CES-COM) College Research Extension (CRE-COM) | |
| Pohnpei State | Traditional leader (Nukuoro) Women leaders (Kapinga) Chief leader (Pingelap Atoll) Church minister Traditional Leaders and Mayors of Kapingamarangi and Nukuoro | CES-COM CRE-COM Department of Lands and Natural Resources (LNR) Department of Transport and Infrastructure (DTI) FSM Youth and Social Affairs DAF Conservation Society of Pohnpei (CSP) Office of Emergency and Environment Management (OEEM) Pingela Atoll Conservation | IOM Micronesian Challenge (MC) Red Cross Society |
| Kosrae State | Traditional Leaders and Mayors of Malem and Utwe Malem and Utwe Community Members (e.g. farmers, landowners, fishermen, Council Chairman, bankers, food inspectors) | Governor's Office KIRMA Kosrae Transport, Communication & Infrastructure Kosrae Housing Authority KSG Dept. of Education Dept. of Health Malem Municipal Government Tafunsak Municipal Government Lelu Town Government FSM TIC Kosrae Utility Authority Kosrae State Legislature Dept. of Administration & Finance DREA | Micronesian Challenge Trust (Kosrae Office) Kosrae Conservation Society Organization COM IMO MCT |

| | | | |
|--|--|--|--|
| | | Kosrae Land Court DAF Dept. Environment ODA | |
|--|--|--|--|

Project Implementation Phase: During project implementation, a number of stakeholder consultations have taken place to ensure stakeholder engagement, participation and buy-in to the Project, and to work with relevant stakeholders to realign the project outcomes, outputs and activities with realistic on-ground expectations. These consultations have been undertaken through inception meetings, State meetings and engagements, outer island community meetings and informal consultations by the Project Management Unit. The list of stakeholders consulted is outlined in the table above. Key outcomes from the consultations are included at Annex E.

Stakeholder consultation during the Project Implementation phase has been twofold:

1. The Project team has undertaken stakeholder engagements to ensure continued inputs from affected communities and participation in activities. In 2019 and early 2020 the team undertook six (6) visits to the outer islands of Yap, Chuuk and Pohnpei. In June 2019, the Yap AF Team visited Woleai atoll to carry out the project inception workshops and conduct an assessment of the atoll's water resources infrastructures. In January 2020, the Pohnpei AF Team visited the Island of Kapingamarangi to introduce the AF project to the island leadership and in May 2019 the team visited again the island of Kapingamarangi and Nukuoro to reaffirm and verify hydro assessments done by the islands Community Coordinators. The Chuuk AF Team visited the islands of Lekinloch and Satawan to carry out the project inception workshop to the community members and undertake a ground-truthing mission for the two islands water resources. A second trip in Chuuk was also conducted in the month of June 2020 to complete the assessment of privately own water infrastructure on the island of Satawan. In the month of April 2020, the Pohnpei team revisited the islands of Nukuoro and Kapinga to carry out water quality tests for the selected water wells and tanks and assess the condition of the selected sites to identify the appropriate designs for improvement. Details of these missions and the stakeholder engagements are provided in the table below.

| Island & Date | Purpose of Mission | Stakeholders Consulted |
|---|--|--|
| Kapingamarangi (January 22-23, 2019) | Undertake arrangements for water and sanitation technologies, and reaffirm data and recommendations gathered from the consultations during the planning stages | Island Council Members: Bercin Dumm Bethwel Hitapuwa Shelton Lomboi Elwin Mateak Usasi Kaipas Ruy Dick Koisimy Haduet Edesio Hackson Domicy Dugh Kisiro Lick Mayor, Nathan Maruame |

| | | |
|--|--|---|
| | | <p>Kapingamarangi School Principal, Midion Andrew</p> <p>SPC RENI Project Sean Kaarard, Project Manager Caleb Gamule, Former Mayor of Kapinga (assistant)</p> <p>Pohnpei State Legislature Senator Edgar Likaned, Kapingamarangi Island</p> |
| Kapingamarangi (June 19 – 26, 2019) | To reaffirm assessment from Kapinga community coordinator and obtained and verify preliminary hydro assessment from Nukuoro community coordinator | Mayor Nathan Ulik A/Mayor, Nukuoro Jaybee Joseph Community Coordinator Community members |
| Woleai, Yap (June 28 – July 9, 2019) | Woleai Inception and Water Assessment | Chief of Woleai Mwairal Woleai Chiefs Elders Community members in five Woleai communities Woleai Women groups |
| Chuuk (January 22 – 29 2020) | Assessment of Mortlock region with FSM DECEM in Collaboration with Chuuk State Government and AF project conducting inception workshop | Mayor Traditional leaders Community members |
| Nukuoro and Kapingamarangi, Pohnpei (April 25 – May 3, 2020) | Ground-truthing assessment on selected project sites on Nukuoro and Kapingamarangi | A/Mayor Nukuoro Community members |
| Satawan, Chuuk (June 17-23, 2020) | Continued Assessment of the project site | Mayor, Satawan Community members Edwin Assito, Community Coordinator Church leaders |

2. In October 2019, the Implementing Entity undertook a supervisory mission to FSM to work with the Executing Entity / Project Management Unit on aspects of the project which were challenging to implement due to scope, scale and budgetary constraints. Stakeholder consultations focused on the State of Kosrae due to the issues raised on Component 3 involving the construction of the inland road and coastal protection works. The discussions aimed at understanding expectations from the Government and communities, discussing the constraints with the project in meeting expectations, and discussions and subsequent decisions to realign project outcomes, outputs and activities with realistic on-ground expectations. Stakeholders consulted with included:

| Name | Ministry / Organisation | Title |
|-----------------|--|---|
| Carson Sigrah | Governor's Officer (Kosrae) | Governor |
| Arthy Nena | Governor's Officer (Kosrae) | Lieutenant Governor |
| Blair Charley | Kosrae State | Director, KIRMA |
| Jason Jack | Kosrae State | AF Project - Kosrae OFO |
| Richard Moufa | Department of Environment, Climate Change and Emergency Management (DECEM) | Project Manager – AF Project |
| Ymee G Charley | DECEM | AF Project Accountant |
| Kikuo Apis | DECEM | AF Project Communication Officer |
| Noel Yagisemal | Yap State | AF Project – Yap OFO |
| Morthy Solomon | Pohnpei State | AF Project – Pohnpei OFO |
| Correy Abraham | DECEM | Adaptation Program Manager |
| Layla Phillip | DECEM | Administrative Officer |
| Leandro Olano | Kosrae Transport, Communication & Infrastructure | Engineer |
| Robert Goodwin | National PMU, Infrastructure | Manager |
| Steven George | HRDA | Executive Director-Kosrae Housing Authority |
| Andy George | KCSO | Executive Director |
| Betwin Tilfas | KIRMA | GIS Specialist |
| Kiobu Luey | KIRMA | Permitting Unit Supervisor |
| Lipar George | KSG | ODA-Administrator |
| Raymond Moody | KIRMA | Permitting Unit-Assistant |
| Rollinson Ned | Governor's Office (Kosrae) | Chief of Staff |
| Nena William | Disaster-Governor's Office | DCO |
| Hiron Livae | Dept of Transportation & Infrastructure | Director |
| Bruce Howell | PMO – Kosrae State | Manager |
| Tulensru Waguk | Dept. of Education | Director |
| Arthur Talley | Malem Municipal Government | V.Chairman Council |
| Abraham Phillip | Malem Municipal Government | Chairman R&D Committee |
| Kun Mongkeya | Dept. of Health Services | Administrative Officer |
| Albert Jackson | Tafunsak Municipal Government | Mayor |
| Presley Abraham | Lelu Town Government | Mayor |
| Witson Phillip | FSM TIC | FSMTC Kosrae Manager |
| Fred Skilling | Kosrae Utility Authority | General Manager |
| Yamado Melander | Kosrae State Legislature | Senator-Utwe Rep. |
| Rensley Sigrah | Dept. of Administration & Finance | Director |

Project Planning Phase: Details of stakeholder consultations during the original planning phase are described below. During the planning phase, five rounds of consultative meetings were undertaken with stakeholders including community, government, and NGOs (Annex F).

- Round One (July 2015): Reaffirmed the adaptation priorities of the project from the communities and government against their development plans and priorities to address climate change in the specific sites. These priorities were identified by the State governments during the concept planning stage in 2013 and 2014.

- Round Two (November 2015): The second consultative meeting was to work with the National and Kosrae State Government in securing a development partner to assist in the construction of the Malem-Utwe inland road and access roads.
- Round Three (November 2015): Meeting with the Kosrae State Government and community to establish an Inland Road Relocation Initiative (IRRI) adaptation strategy. The objectives of this meeting were twofold: (i) examine the methodology, results and findings of the completed cost-benefit analysis (CBA) study for the Malem to Utwe inland road component (refer original project plan) and; (ii) develop a Monitoring and Evaluation Framework (MEF) for the project to reduce climate risks faced by the Malem and Utwe communities (refer original project plan). The results of the consultation contributed to the strategic results framework elements of Component 1, 3 and 4.
- Round Four (January–February 2016): Development of MEF for Yap, Chuuk, and Pohnpei addressing water resource management, food security and marine resource management as priorities for adaptation in the outer islands of the states. As a result, three more MEFs were developed which contributed to strategic results framework for component 2. All the findings of the consultative and follow up meetings contributed to framing the strategic results for Components 1, 3 and 4.
- Round Five (May 2016): Environmental Impact Assessment for Kosrae given the potential for risks from the proposed construction of the inland road. The consultations were carried out for both Malem and Utwe communities.

Two sets of follow-up visits and one partnership and due diligence meeting was carried out from November-December 2015, January-February 2016, and June 2016, respectively. These visits included high level government officials such as the Vice President of FSM, Secretary (Minister) and officials of the Office of Overseas Development Assistance, Resources & Development, Finance and Department of Foreign Affairs serving as the National Designated Authority of the Adaptation Fund for FSM. Special attention was paid to Kosrae given the potential risks of the activities under Component 3. As such, follow up meetings with Kosrae included high level state government representatives that included the Governor, Lieutenant Governor, Cabinet members, Speaker and Legislature, Attorney General, the Infrastructure Planning and Implementation Committee (IPIC); and mayors and traditional leaders of Malem and Utwe communities. The follow up visits in Pohnpei also included the United States Embassy to FSM and the College of Micronesia.

I. Justification for Funding Request

The Project aims to enhance resilience to climate change impacts on the vulnerable outer island communities of the Federated States of Micronesia (Kosrae, Yap, Chuuk and Pohnpei). This is being implemented through several adaptation actions at the National, State, and outer island level. The targeted outer islands are remote and subjected to a range of climate and other environmental stressors which have yet to be fully assessed or quantified in a way that the full socio-economic benefits can be determined.

However, it is evident there is a lack of secure water facilities and coastal protection measures in the islands, placing increased pressure on the social wellbeing of the local communities and driving out-migration of working age people, hollowing out these communities. Over the longer term, the ultimate habitability of these islands will be impacted by a combination of broader environmental and social stressors, among which climate change is likely to be the most serious.

The Project aims to maximise the funding amount for concrete adaptation interventions and to provide the support or platforms for these adaptation interventions and their long-term sustainability, responding to government and outer island community requests and priorities.

The design of the four components was largely influenced by results of the consultative engagements undertaken during the project planning phase, and more recently during the implementation phase as outlined in this proposal.

The details outlined below provides justification for the funding requested, focusing on the cost of adaptation reasoning, illustrating the impact of AF funding compared to no funding (baseline) related to expected project outcomes.

| Component | Baseline (without AF) | Additional (with AF) |
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| Component 1. Strengthening policy and institutional capacity for integrated coastal and water management at national, state, and outer island levels | <p>There is a lack of integrated implementation of policies and management of resources across the national, state, and outer island levels. For example, the National Climate Change Policy (2009) is implemented at the national level, with only Kosrae State reviewing and strengthening its State legal and regulatory policies⁴².</p> <p>Coastal zone protection and enforcement of existing regulations is undertaken through the EPA (or KIRMA in Kosrae), based on EPA USA regulations. These are not always appropriate or applicable to the State / outer island environment and can be costly to implement. They also require qualified staff and skills that are not available in the outer islands.</p> <p>The States of Yap, Chuuk and Pohnpei do not have state-level policy frameworks or legal / regulatory instruments incorporating climate change risks and impacts. As a result, approximately 95 percent of construction and infrastructure-related developments in the</p> | <p>The original project design did not sufficiently consider the complex political environment of the Federated States of Micronesia including responsibilities for decision-making at the National and State levels.</p> <p>The revised plan prioritises a review of the national and state legislation and policy on water and coastal management and undertaking the development of State water outlooks and water sector investment plans. This focus acknowledges the decision-making on these issues is undertaken at the State level rather than at the National level.</p> <p>The activities will review national and state legislation and regulations and develop guidance for the implementation of recommendations at the sectoral level. This is aimed at strengthening the regulatory approach to incorporating climate change into coastal and water sectors and development requirements. It will also ensure the policy and institutional framework is appropriate and relevant to the conditions in the FSM rather than the more</p> |

⁴² This was undertaken through the Pacific Adaptation to Climate Change (PACC) project (2009-2014) and guides the regulatory environment for development projects in Kosrae. For example, the Okat Bridge construction in Kosrae (\$12.7m in 2014) was the first development project to apply the regulations.

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| | <p>coastal and urban zones are undertaken through a business-as-usual approach.</p> <p>There are no management plans at the outer island level to manage water, coastal or marine resources against climate change impacts. Community consultations and scientific studies have indicated the urgent need for water, sanitation, and coastal management plans to maintain and sustain good quality drinking water, coral reefs, and fisheries.</p> <p>A review and assessment of legal and regulatory frameworks and instruments is required to position Government (national and state) to mainstream climate change into the sector development programmes.</p> | <p>developed US environment. Furthermore, it responds to a lesson learned from the PACC project and its terminal evaluation.</p> |
| <p>Component 2. Demonstration of water security and sanitation measures in outer islands of Yap, Chuuk and Pohnpei</p> | <p>Of the six outer islands, only Kapingamarangi Atoll (Pohnpei) addresses climate change adaptation in the community development plan. A portable water reservoir system is the number one climate change adaptation priority activity for Kapingamarangi according to its 'Utamadua Development Plan' 2015. Other priorities include shoreline erosion prevention, food security and natural disaster preparation.</p> <p>Rainwater harvesting systems are in place on all six outer islands, but are either no longer in use, in poor condition, cannot be maintained or harbour harmful pathogens that carry vector and water-borne diseases. Within one month of drought, some communities must resort to drinking coconut juice to quench their thirst. Stagnant water in water tanks and saline water from wells are used for washing and cooking. Women and youth are required</p> | <p>Investing in repair of existing household and private rainwater harvesting systems by providing equipment, training and establishing maintenance support plans and educating all members of the community will assist in expanding and maintaining a good supply of drinking water that will prove useful during drought periods.</p> <p>This was the highest recommendation from a rapid assessment of water resources in the outer islands of Yap following the drought experienced as a result of the 2015/16 El Nino.</p> <p>At the household level, the project will ensure through its ground-truthing assessment that repair and installation</p> <p>The project will undertake ground-truthing assessments to assess the number of tanks for repair or new installations in the outer islands of Yap, Chuuk and</p> |

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| | <p>to collect water from neighbours or travel long distances to fetch water from dry and salinized wells. Rainwater harvesting systems often do not have spare parts available on island to assist with maintenance. Concrete tanks and cisterns are no longer supported by the communities as a feasible option to store water. They are difficult to maintain and occupy valuable land on the islands which cannot be used for any development or other purpose.</p> <p>In terms of sanitation, the six islands either have bush, pit, VIP, water seal, flush/septic, or no toilets at all. The islands that do not have any toilet facilities use the lagoon or the ocean side beaches. The safety and health concerns on both the environment (lagoon side beaches, mangrove areas, terrestrial ecosystems) and people (hepatitis, polio, salmonella, e-coli, giardia, roundworms, whip worms, etc.) are therefore a high concern with the Ministry of Health for these outer islands. In times of drought and other climate change impacts, these negative health and sanitary effects have been exacerbated. Other toilets that require water puts pressure on individual family-owned water tanks and therefore compete with washing, cooking and other needs.</p> | <p>Pohnpei. Initial reviews undertaken in 2019 highlight approximately 42 tanks will be repaired or installed.</p> <p>Saving water and promoting health and sanitation habits is an adaptation strategy that the project will apply at the individual and household level that is very much required and will become useful when impacts of climate change are at its worse. The project will target the younger generation to build this habit and impact behavioural change.</p> <p>Following lessons learned from previous projects in the Pacific, illustrating SCT are not necessarily viable from a technological or cultural perspective, the Project will undertake an assessment of what will be appropriate for these outer islands prior to installation of any agreed-to options with the communities. The options will be piloted and evaluated prior to any larger-scale implementation.</p> <p>The six target islands of the three States are distant from the main islands where the key government and central business districts are located. Logistics and procurement activities will cost the project significantly, in aspects such as transportation, communications and time. The consultations, and ground truthing social and environment assessments will take time and will require expert involvement to identify and demonstrate adaptive measures which can be undertaken in the islands. practices.</p> |
| Component 3. Demonstration of adaptation measures for coastal communities in Kosrae State | <p>A full review of the Kosrae coastline has been carried out. The review has led to the development of the Kosrae Shoreline Management Plan 2014 which has since been</p> | <p>The people of Malem and Utwe community have clearly outlined, reiterated, and repeated the need to implement the priorities identified in the KSMP 2014.</p> |

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| | <p>endorsed by the Governor of the State.</p> <p>A number of priority interventions were identified and, in following up for upscaling of the PACC project results, all stakeholders (communities, government, NGOs, etc.) agreed to the priority intervention measures of the PACC project be implemented.</p> | <p>Following extensive consultations in 2019 with the National Government (i.e DECEM, TC&I), the State of Kosrae and utilising information from the upgraded ESM Plan and the road design firm, it was agreed the project would only be able to undertake Phase 1 of the inland road construction in Kosrae.</p> <p>Phase One will design the road to best practice engineering standards, and ensure the mitigation actions outlined in the ESM Plan are in place.</p> <p>The AF project will strengthen and upgrade the infrastructure protecting the shoreline and current vulnerable coastal road from sea level rise, destructive storm surges and coastal inundation in Mosral and Paal. The protection works will undergo a design element and utilise the increase in budget to ensure best practice engineering standards are met, including the development of a Government funded maintenance plan.</p> |
| Component 4. Knowledge management for improved water and coastal protection | <p>All States of FSM have projects that provide lessons and information only for the project and is largely for visibility of the project during the time of the project. There is no programmatic approach and institutional and systemic capacity program that ensures climate change information continues to be made available and produced for the benefit of the communities and state in water and coastal zone management areas.</p> <p>Yap, Chuuk and Pohnpei have programmes and schemes that promote water conservation but as business as usual and do not have climate change clearly incorporated. Some outer islands, for example,</p> | <p>The project engage stakeholders to consult, solicit, and collate views of all stakeholders for the activities. Engagement throughout the project will be guided by the Gender Strategy and Action Plan, which will be significant for the outer islands whereby traditional cultures including decision-making remain.</p> <p>The project will develop knowledge products, data and information for use to improve and strengthen implementation, as well as sharing with other entities and projects to strengthen overall projects within FSM. The products will be shared and disseminated amongst local, state, national, sub-regional and regional levels.</p> |

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| | <p>Kapingamarangi have their own community development plans. These address economic and social development, and political reform. Climate change adaptation, however, is only addressed under the economic development section. Climate change is not seen in a holistic manner in these development plans.</p> <p>Kosrae State, during the conceptualising and planning stages of this project, decided on the importance of addressing climate risks in infrastructure plans and community development plans.</p> <p>All islands have resources in English and less in the local context. Traditional knowledge is also not equally captured as the science and social science of the impacts of climate change.</p> <p>The mainstreaming of climate change in national and state curricula is carried out voluntarily and there are no specific and targeted materials that will improve climate education amongst the young and future generations of FSM.</p> <p>Capacity development in terms of training personnel in key sectors of society and the economy on climate change is addressed largely at the project level. There is no programmatic approach to building capacity within the water and coastal sector with the exception of Kosrae for the latter development sector.</p> <p>There is a technology framework that has already been developed and assisted by regional partners of FSM. For example SPREP developed a knowledge management online database through the Pacific climate change portal</p> | <p>The products will be tailored to local context, translated, published, and shared amongst various stakeholders. This will allow usability amongst a wide range of audience in the FSM and the Pacific.</p> <p>Lessons learned will be captured and incorporated into ongoing activities and emerging projects.</p> <p>Stakeholders from each of the States will come together to share, learn and exchange knowledge and skills on climate change, adaptation planning, monitoring, vulnerability assessments and climate change. Institutional and individual capacity will be built via training events, lessons and learning workshops of the project. The knowledge and skills built from these workshops will engage the national, state and local teams deliver on the adaptation activities of the project. Exchange visits to sites will be a key part of building knowledge and sharing it as quickly as possible. These will allow exposure to methods, tools, hands-on learning of the various coastal management techniques that are available and being trialled at the different island environments of the project. The project will focus on enhancing two-way communication between scientists and traditional knowledge holders, educating the modern scientists, and appreciating knowledge of the indigenous beneficiaries in natural resource management in the outer islands. The sustainability, relevance, effectiveness, and efficiency of the project will rely on a large part to this component that will complete the bottom-up and top-down approach of the project.</p> |
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| | (https://www.pacificclimatechange.net). These will be used to store and capture information developed and collected by the project. | |
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J. Sustainability

The project will ensure activities implemented are owned by the stakeholders across national, state, and outer islands levels. Furthermore, sustainability of the project outputs will be strengthened through the following avenues.

Institutional sustainability: The project paves the way for national and state level governments to sustain and scale-up actions from the project through the development of guidance and regulations which have been requested by government stakeholders and which will be anchored into existing and future ministry and departmental programmes.

The strengthening of legislation, regulations, and policies at the national level to address and respond to climate change impacts on coastal and water sectors will impart two sustainability benefits. Firstly, from a bottom-up approach, it will strengthen FSM's stance on responding to climate change threats as a nation, contributing to the region's solidarity efforts to mainstream climate change and disaster risks into its development. FSM's position and stance on enhancing resilience will attract development and bilateral partners to invest in a climate resilient development for FSM. As a result, it will help implement its goals under the Paris Agreement and set a process of mainstreaming climate into policy, to achieve its intended nationally determined contributions under the UNFCCC. It will, at the same time, sustain support of the top-down benefits as a result.

Despite the autonomous governance at the state level, national legislation will channel support and resources to protect and conserve the nation's natural resources, and promote climate resilient development of its people, at the capital and outer island communities.

State regulations for development projects will support national legislation and implement best practices, replicated from the Kosrae example. Future development such as infrastructure projects, along the coastline of the main islands as well as the outer islands will need to comply with these regulations. Policy and guidance documents that will be identified, and/or those existing, are linked to these regulations and will help development partners and those providing technical assistance to FSM, to comply.

The National Water and Sanitation Policy will strengthen the work of the National Water Task Force. This Task Force will be able to continue its work through proper training, institutionalisation of processes, and implementation of components of the policy. These include the Water Outlook Programme and Water Sector Investment Plan. The latter plan is a sustainability plan in place for investment in the water sector of FSM. It will be the platform that all stakeholders, including development partners, will need to work from in providing technical and funding assistance, resources, and services to the water sector. The project will work to mainstream climate change into the investment plan to ensure future investments in the water sector are climate resilient.

Economic sustainability: Investing in increasing the resilience of vulnerable communities through asset investment is a sustainable economic approach. It will reduce the future costs related to droughts and resulting health issues from poor quality drinking water and inadequate sanitation. The rainwater harvesting and storage systems will provide increased storage, which is essential for drought conditions. Furthermore, the systems will be made resilient to climate change by locating community tanks in safe localities around the islands. The individual household water tanks will allow serviceability of one while the other is being used. This is useful when drought is expected, and one other tank provides the sustenance. There is also reasonable chance of one of the tanks surviving a typhoon/hurricane. The minimum of two x 10,000 L HDPE tanks per island population of 100 has been calculated to suffice the community with safe drinking water. Again, when one other tank is being emptied and cleaned, the other tank maintains the supply, easing the pressure on individual family water tanks. HDPE plastics are known for stiffness, strength, toughness, resistance to chemicals and moisture, permeability to gas, ease of processing, and ease of forming. They can therefore withstand high temperatures and salt spray conditions. The project will ensure these assets are sheltered, secured, and protected.

In response to accelerated sea level rise within the next 10-20 years, the ground-truthing assessment that will be carried out will determine the location where the tanks will be safe from threats of erosion, king tide high wave impacts, storm surges, wave overtopping and over washing

Environmental sustainability: The national and state policies and strategies, as well as the on-ground concrete adaptation measures, will consider environmental impacts as documented in the Environmental and Social Management Plan (ESMP). All the project's proposed interventions are designed to be environmentally sustainable. For example, the water harvesting systems focus on providing rainwater to supply water to the people in an effective and sustainable manner, without relying on the thin groundwater lens which is often contaminated or saline. Furthermore, the policy and planning activities outlined in Outputs 1.1, 1.2 and 1.3 will emphasise environmental sustainability, thus helping engage stakeholders at the national, state, and outer island levels in working with environmental aims in mind.

Financial sustainability: Financial sustainability is essential to the continued operations and maintenance of the adaptation measures applied in this project. By ensuring that local communities are fully consulted and trained in simple repair of water supply and sanitation systems, there is less need for expensive maintenance and repair services from the capital.

Under Component 3, Kosrae coastal protection works, the Government of Kosrae will be responsible for the development and subsequent resourcing of an ongoing maintenance plan and schedule. This will be an expected deliverable from the activity.

Replication and Scaling up: The institutional arrangement for implementation of the project is based on the institutional capacity and its operational mandate given by State and National Government. This will help to synergise the project outcomes in future plans and policies of the Government. Based on the data and analysis that will be undertaken during implementation, the viability, sustainability, and replicability of the model will be tested. The approach taken in relation to sanitation is extremely important as it avoids top-down dictation of technologies that may not be workable under the outer island conditions, where land is at a premium. Through extensive consultation, evaluation of current arrangements, and piloting new approaches, the optimum approach can be realized, thus avoiding maladaptation and waste of scarce financial resources, and allowing upscaling in other outer islands in FSM and other Pacific island countries.

The capacity of the executing entities at national, state and municipality/outer island levels has been designed to allow for future, similar programmes to be operationalized. The institutions, that include Working Committees, department management units on water, sanitation, infrastructure construction will synergise these works in future plans and policies of the Government. In Kosrae, the project is already considering replicating the climate-proofing of road infrastructure. It will continue to build on expanding the capacity of individuals that started with the PACC project. The situation is similar for water-related projects of Yap, Chuuk and Pohnpei. The project is already learning lessons from the GCCA:PSIS project and has incorporated these lessons into its design. The project design has learned to plan around the difficult transportation and logistical schedules with the Department of Transportation when organizing shipments of equipment and services to the outer islands.

The process documentation and evidence-based assessments and studies, gathered from monitoring activities as well, will provide the necessary information to develop peer-reviewed information and knowledge products that users, including academic institutions, policy and decision makers at all levels, will capitalise on and enable wider replication of success stories from the project.

K. Environmental and Social Impacts and Risks

An overview of environmental and social impacts and risks identified as relevant to the project is summarised below. A more detailed and activity-based assessment of potential risks and impacts is provided in the project's Environmental and Social Management Plan (Annex C), including an assessment of Adaptation Fund Safeguard Policies and their applicability to the Project.

An initial safeguards screening was undertaken in 2016 and was subsequently audited in July 2019 where several discrepancies between the AF ESS Policy and assessment were identified. Updated screening was undertaken in 2019 in accordance with the AF ESS policy and the policy guidance document. The updated ESMP is the safeguard instrument for the FSM AF project's technical and physical investments.

SPREP also implements all projects according to their own Environmental and Social Safeguards Policy through a series of 'Environmental and Social Standards'. As an Implementing Entity for AF, SPREP has audited and updated their ESS in 2019, to ensure that they comply with and fully encompass the AF policy.

The table below identifies which of the Adaptation Fund's ESP Principles are not triggered by this project and therefore require no further assessment, and which Principles are triggered require additional assessment and/or management through implementation of the ESMP.

| Checklist of environmental and social principles | No further assessment required for compliance | Potential impacts and risks – further assessment and management required for compliance |
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| <i>Compliance with the Law</i> | | √ |
| <i>Access and Equity</i> | | √ |
| <i>Marginalized and Vulnerable Groups</i> | √ | |
| <i>Human Rights</i> | | √ |

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| <i>Gender Equity and Women's Empowerment</i> | | √ |
| <i>Core Labour Rights</i> | | √ |
| <i>Indigenous Peoples</i> | | √ |
| <i>Involuntary Resettlement</i> | | √ |
| <i>Protection of Natural Habitats</i> | | √ |
| <i>Conservation of Biological Diversity</i> | √ | |
| <i>Climate Change</i> | √ | |
| <i>Pollution Prevention and Resource Efficiency</i> | | √ |
| <i>Public Health</i> | | √ |
| <i>Physical and Cultural Heritage</i> | | √ |
| <i>Lands and Soil Conservation</i> | √ | |

Below is an outline of the assessment of the Adaptation Fund ESS Principles against project activities including risk identification.

| AF ESS Principles | Applicability to Project |
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| Principle 1: Compliance with the Law <i>Projects/programmes supported by the Fund shall be in compliance with all applicable domestic and international laws.</i> | <p>Permits will be needed for the following activities:</p> <ul style="list-style-type: none"> • Coastal reinforcements (Kosrae) <p>The following regulations are applicable for this project:</p> <ul style="list-style-type: none"> • Kosrae State Code • Kosrae Regulations for Development Projects • FSM Earthmoving regulations • FSM Labour Act • Yap State Code • Pohnpei State Code • Chuuk State Code • FSM National Code • Basel and Waigani Convention • Convention on Biological Diversity |
| Principle 2: Access and Equity <i>Projects/programmes supported by the Fund shall provide fair and equitable access to benefits in a manner that is inclusive and does not impede access to basic health services, clean water and sanitation, energy, education, housing, safe and decent working conditions, and land rights. Projects/programmes should not exacerbate existing inequities, particularly with respect to marginalized or vulnerable groups.</i> | <p>The exact sites for installation of water security interventions in Yap, Chuuk and Pohnpei are not yet determined. Under this principle, the guidelines state that allocating access to Project benefits should be fair and impartial. If the site selection and consultation process of Component 2 is not carefully planned, then there is the risk that there may be bias and therefore lack of access and equity to the improved water resources</p> <p>To demonstrate compliance with this principle, the ESMP describes the process of allocating and distributing the Component 2 interventions and by showing how this process ensures fair and impartial access to benefits. One risk of fair access is the installation of interventions on private land without securing long</p> |

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| | term access to the interventions. Risks of this type are addressed in the ESMP. |
| Principle 3 – Marginalised and Vulnerable Groups <i>Projects/programmes supported by the Fund shall avoid imposing any disproportionate adverse impacts on marginalized and vulnerable groups including children, women and girls, the elderly, indigenous people, tribal groups, displaced people, refugees, people living with disabilities, and people living with HIV/AIDS. In screening any proposed project/programme, the implementing entities shall assess and consider particular impacts on marginalized and vulnerable groups.</i> | <p>This principle is not triggered by the project as there are no disproportionate adverse impacts foreseen from the various components due to the triggering of Principle 2.</p> |
| Principle 4 – Human Rights <i>Projects/programmes supported by the Fund shall respect and where applicable promote international human rights.</i> | <p>This principle is triggered by all projects funded by AF.</p> <p>The AF bases this principle on the United National Declaration of Human Rights and requires that at a minimum, and regardless of whether the country is a Party to them, the nine-core international human rights treaties will be monitored.</p> <p>The project will adhere to this principle through contractual clauses with any contractors and through oversight by the IE</p> |
| Principle 5 – Gender Equality and Women’s Empowerment <i>Projects/programmes supported by the Fund shall be designed and implemented in such a way that both women and men 1) have equal opportunities to participate as per the Fund gender policy; 2) receive comparable social and economic benefits; and 3) do not suffer disproportionate adverse effects during the development process.</i> | <p>There are known links between water supply, WASH and the role of the females in the house. It is therefore critical to ensure that ongoing consultation is undertaken with a fair gender representation throughout project implementation.</p> <p>The ESMP identifies key stakeholders or key stakeholder groups for women’s representation in consultations; provides specific instruct the implementation team to include woman in all future consultations; includes parameters for monitoring gender equality and women’s empowerment in the ESMP monitoring plan.</p> |
| Principle 6 – Core Labour Rights <i>Projects/programmes supported by the Fund shall meet the core labour standards as identified by the International Labour Organisation.</i> | <p>This principle is applicable for all AF projects.</p> <p>As FSM has not ratified the ILO, the ESMP demonstrates how the ILO core labour standards will be incorporated in the design and the implementation of the project as appropriate.</p> <p>The project will adhere to this principle through contractual clauses with any contractors and also through oversight by the IE.</p> |
| Principle 7 – Indigenous People | <p>Most of the population of the project sites are indigenous, in the sense of having ancestral attachment to their land which is still</p> |

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| <p><i>The Fund shall not support projects/programmes that are inconsistent with the rights and responsibilities set forth in the UN Declaration on the Rights of Indigenous Peoples and other applicable international instruments relating to indigenous peoples.</i></p> | <p>important in the livelihoods of the majority who are rural dwellers. This reliance on natural resources and both customary and legal rights are recognised under Federal and State.</p> <p>As Indigenous Peoples are the overwhelming majority of direct project beneficiaries safeguard measures should be been integrated into the project's overall design through the ESMP. They include: (i) Free, prior, and informed consultation leading to broad community support during project preparation; (ii) Measures to ensure culturally appropriate processes and benefits; (iii) Measures to ensure that adverse impacts are mitigated and (iv) Measures for disclosing key project documents in a language understandable to them.</p> <p>Community consultation and regular engagement with the community is integral and the ESMP stipulates that this will be undertaken through the life of the project.</p> |
| <p>Principle 8 – Involuntary Resettlement <i>Projects/programmes supported by the Fund shall be designed and implemented in a way that avoids or minimizes the need for involuntary resettlement. When limited involuntary resettlement is unavoidable, due process should be observed so that displaced persons shall be informed of their rights, consulted on their options, and offered technically, economically, and socially feasible resettlement alternatives or fair and adequate compensation.</i></p> | <p>Component 2 will require the installation of water security interventions which are designed to be accessible to the entire community. It is expected that all interventions should be installed on government or communal land on the islands. However, if there are no suitable public lands, private lands may have to be used. If this is the case, the landowner would have to sign an easement to allow long term access to his lands for this purpose and also agree (depending on the type of intervention installed) to manage the land use around the intervention to prevent contamination from, for e.g. pig pens. This easement will only be entered on a voluntary donation basis.</p> |
| <p>Principle 9 – Protection of Natural Habitats <i>The Fund shall not support projects/programmes that would involve unjustified conversion or degradation of critical natural habitats, including those that are (a) legally protected; (b) officially proposed for protection; (c) recognized by authoritative sources for their high conservation value, including as critical habitat; or (d) recognized as protected by traditional or indigenous local communities.</i></p> | <p>Under the AF definitions in this principle, 'natural habitats' are within the Kosrae inland road construction footprint but none of these are considered to be 'critical natural habitats'. Under the Kosrae Land Use Plan the road alignment passes through 'Areas of Particular Concern' and 'Special Consideration Districts'. The design of the road will need to consider these areas.</p> <p>This ESMP describes these areas, explains why they cannot be avoided and discusses the potential impacts. For each affected critical natural habitat, provide an analysis on the nature and the extent of the impact including direct, indirect, cumulative, or secondary impacts; the severity or significance of the impact; and a demonstration that the impact is consistent with management plans and affected area custodians.</p> |
| <p>Principle 10 – Conservation of Biological Diversity <i>Projects/programmes supported by the Fund shall be designed and implemented in a way that avoids</i></p> | <p>This principle is not triggered by the project as the road construction will not be undertaken in this project – only road design.</p> |

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| <p><i>any significant or unjustified reduction or loss of biological diversity or the introduction of known invasive species.</i></p> | |
| <p>Principle 11 – Climate Change <i>Projects/programmes supported by the Fund shall not result in any significant or unjustified increase in greenhouse gas emissions or other drivers of climate change.</i></p> | <p>Not applicable to this project</p> |
| <p>Principle 12 – Pollution Prevention and Resource Efficiency <i>Projects/programmes supported by the Fund shall be designed and implemented in a way that meets applicable international standards for maximizing energy efficiency and minimizing material resource use, the production of wastes, and the release of pollutants.</i></p> | <p>Component 3 has the potential to produce pollution and the contractor will be required to produce a 'Waste and Pollution Prevention Management Plan' as detailed in the AF ESS guidelines.</p> <p>Component 2 may require the production of concrete for any construction work during installations and this ESMP provides the measures that must be implemented to avoid spillage and pollution.</p> |
| <p>Principle 13 – Public Health <i>Projects/programmes supported by the Fund shall be designed and implemented in a way that avoids potentially significant negative impacts on public health.</i></p> | <p>There are clear impact risks during the component 3 construction activities and operational phase with the coastal protection work, from movement of construction machinery, changes in traffic patterns and potential increase in sediment loading streams and the coastal environment etc.</p> <p>There are also potential public health impacts from the water security interventions in component 2 and this ESMP provides mitigation measures and strategies.</p> |
| <p>Principle 14 – Physical and Cultural Heritage <i>Projects/programmes supported by the Fund shall be designed and implemented in a way that avoids the alteration, damage, or removal of any physical cultural resources, cultural sites, and sites with unique natural values recognized as such at the community, national or international level. Projects/programmes should also not permanently interfere with existing access and use of such physical and cultural resources.</i></p> | <p>The nature of the known cultural sites along the Kosrae road alignment have been identified and described in the EIS. The EIS also provides a chance find procedure for discovery of any as yet unknown cultural site. This will need to be considered during the design phase.</p> <p>The ESMP includes the chance find procedure and includes measures to be taken during construction to protect these known and as yet unknown sites.</p> |
| <p>Principle 15 – Lands and Soil Conservation <i>Projects/programmes supported by the Fund shall be designed and implemented in a way that promotes soil conservation and avoids degradation or conversion of</i></p> | <p>This principle is not applicable to this project as the Kosrae road construction activity is limited to design only.</p> |

| | |
|---|--|
| <p><i>productive lands or land that provides valuable ecosystem services.</i></p> | |
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PART III: IMPLEMENTATION ARRANGEMENTS

A. Institutional Arrangements

Project Implementing Agency

The Secretariat of the Pacific Regional Environment Programme (SPREP) will undertake the responsibilities of the Adaptation Fund Project Implementing Agency for the Project. SPREP will provide management, financial and technical oversight through a Task Manager. The Task Manager will be responsible for project oversight, undertake supervision missions and monitor and report progress to an internal Task Team Group, consisting of staff with relevant expertise (i.e. SPREP Project Review and Monitoring Group). SPREP, as the Adaptation Fund IA, can assist in ensuring the results of the project are distilled and disseminated regionally, within the AF and other agency channels to promote uptake of information in country dialogues.

Project Executing Agency

The Department of Environment, Climate Change & Emergency Management (DECEM) will undertake the responsibilities of the Project Executing Agency. The PEA will establish the Project Management Unit (PMU) - a fully dedicated team to oversee project implementation including the management and oversight of all activities undertaken by the technical experts / organisations; project procurement including contract administration and management; project monitoring and evaluation; oversight of all engagement, and knowledge management, outreach and communication activities. The PMU will also act as the Secretariat for the Project Steering Committee and will assist this Committee in undertaking their responsibilities.

Project Management Unit

The Project Management Unit (PMU) core staff (Figure 12) will include a: Project Manager, Project Accountant, Knowledge & Communication Officer and Operations & Finance Officers for Kosrae, Pohnpei, Chuuk and Yap. Island Coordinators will be appointed for the six outer islands (Woleai, Eauripik, Satawan, Lukunor, Nukunoro and Kapinga). Funding for the outer island coordinators will be divided between the PMU budget and Component 2 due to the role's on-ground technical assistance and overall island coordination responsibilities.

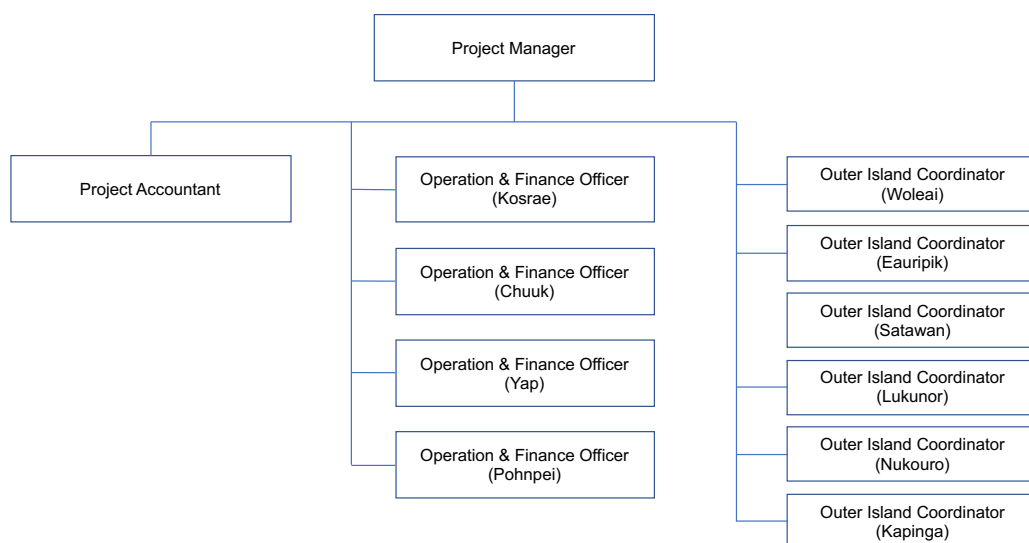


Figure 12. Project Management Unit structure

The Project Manager will provide oversight and management of the operations of the project. A Project Accountant will support the Project Manager in managing the project's finances. In addition, the PMU will hire as appropriate, short-term and long-term consultants to undertake key activities, e.g., to provide technical expertise across the activities.

Core responsibilities include:

| Position | Key Responsibilities |
|-----------------------------------|--|
| National Project Director | <ul style="list-style-type: none"> • Organize and co-chair the Project Board reviews • Provides high-level advice to the Board on progress, risks, and issues against the objectives of the project. • Monitor and control the progress of the project at a strategic level, in particular reviewing the objectives of the project regularly • Appoint the project management team • Ensure overall objective and goals of the project remains on target, is achievable and will be completed within the agreed scope of the project |
| Project Manager | <ul style="list-style-type: none"> • Overall responsibility for the implementation of the project • Engage with external stakeholders to achieve project objectives • Responsible to the NIE for fulfilling monitoring and evaluation activities under the project. • Liaise with SPREP Country Programme Manager and account managers • Lead and motivate the project management team • Manage the information flows between the directing and delivering levels of the project • Provide oversight to the project activities of each component, taking responsibility for overall progress and use of resources and initiating correction action where necessary • Secretary to the Project Board • Advise the Project Board through the National Project Director of any deviations of the project. • Prepare bi-annual progress reports • Schedule and respond to annual financial audits |
| Project Accountant | <ul style="list-style-type: none"> • Manage and advise on project financials • Develop and forecast the financial outlook and report to relevant stakeholders • Provide financial advice to the Project Manager • Provide administrative support for the project management team at national level |
| Knowledge & Communication Officer | <ul style="list-style-type: none"> • Lead the project's knowledge and communications including development of a strategy and implementation of the strategy • Lead and guide the development of project knowledge products • Provide advice to the project team on knowledge and communications |

| | |
|-------------------------------|---|
| Operations & Finance Officers | <ul style="list-style-type: none"> • Support the Project Manager to manage the implementation of activities at the State and outer island levels • Provide advice on State and outer island policies, procedures, practices • Provide administrative and financial support on State-led activities • Provide regular reports on progress to the Project Manager |
| Outer Island Coordinators | <ul style="list-style-type: none"> • Coordinate the execution of activities and services on the outer islands with the island / municipal governing councils • Report progress, risks and issues of the project to the OFO's and Project Manager • Communicate project data and information to the Project Manager, outer island councils and communities |

Table 18. Estimate project management costs

| Execution Activity Role | US\$ |
|--------------------------------------|---------------------|
| Project Management Unit Staff | |
| Project Manager | \$144,220 |
| Project Accountant | \$84,000 |
| Knowledge & Communication Officer | \$60,000 |
| Operations & Finance Officers | \$224,000 |
| Outer Island Coordinators | \$96,000 |
| Monitoring & Evaluation | |
| Terminal evaluation | \$50,000 |
| Office Costs | |
| Office supplies | \$33,098 |
| Travel & Workshops | |
| Travel | \$47,000 |
| Workshops | \$5,700 |
| Audits | |
| External Auditor | \$44,000 |
| Total | \$788,018.00 |

Implementation Partners

Given the political and geographical environment of FSM, the project will be working through multiple political layers i.e. national, state, and outer islands. Whilst the Executing Agency and Project Management Unit will be positioned at the national level, it is important to ensure the States and the outer islands feel ownership and 'buy-in' into the project. To assist with the implementation of activities at the State level, the project will be working closely with the State Governments as implementing partners i.e. Kosrae State Government, Pohnpei State Government, Yap State Government and Chuuk State Government (Figure 17).

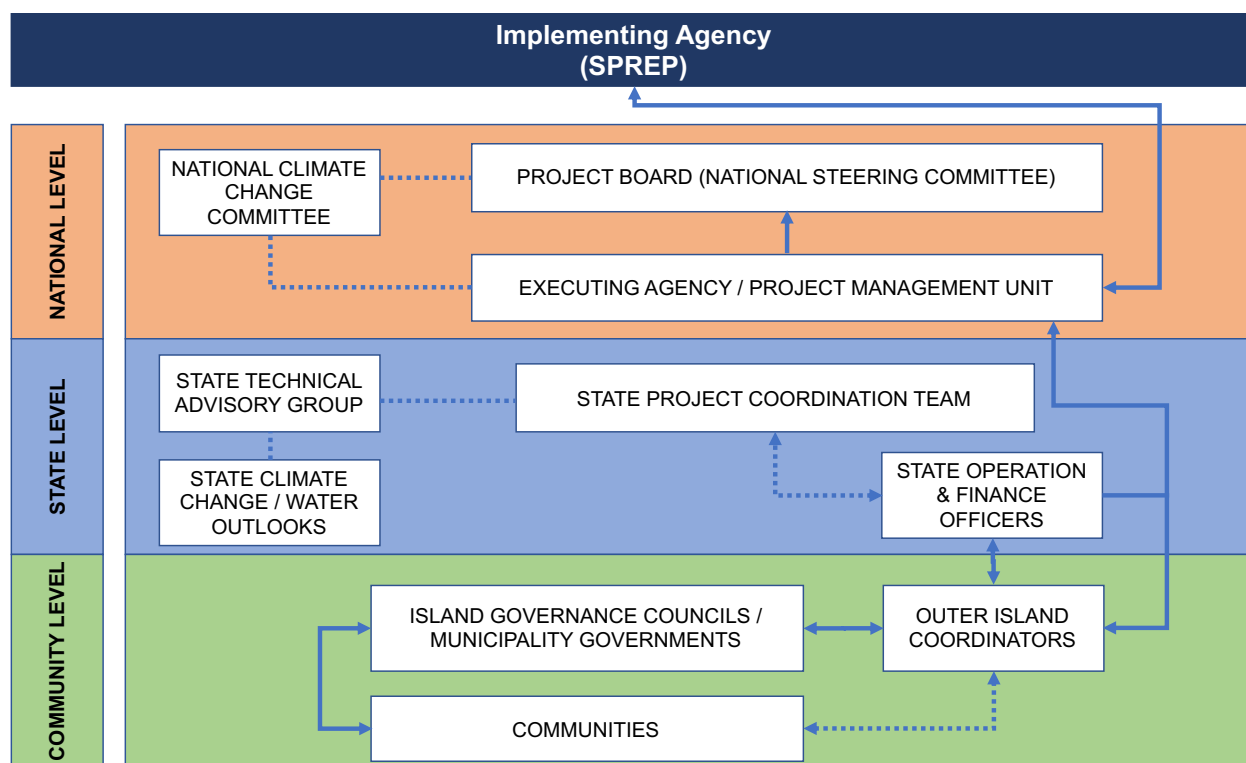


Figure 13. Project implementation arrangements at national, state and outer island level

Governance Structure

Project Board

To adhere to the governance requirements for the project, a Project Board will be established. The Board will provide the independent approval process for the annual workplans and funding allocations as well as provide advice on how best to link the project outputs to national and state policy mechanisms. Specifically, the Project Board will have responsibility for:

- Approving the resources and authorizing the funds necessary for the project
- Ensure effective decision making across the project components and activities
- Providing visible and sustained support for the Project Manager
- Ensure effective communication both within the project team and with external stakeholders
- Provide assurance that all activities have been delivered satisfactorily
- Approve the Terminal Report and ensure that any issues, lessons, and risks are documented and passed on to the appropriate body
- Support approval of project closure and send project closure notification to SPREP

The Board will consist of representatives from:

- Department of Environment, Climate Change and Emergency Management (Chair)
- Department of Resources and Development Yap
- Environment Protection Agency Chuuk
- Environment Protection Agency Pohnpei;
- Kosrae Island Resource Management Authority (KIRMA) Kosrae

- Department of Transport & Infrastructure Kosrae
- Office of Development Assistance (ODA) Kosrae
- Office of Attorney General
- Secretariat of the Pacific Regional Environment Programme (SPREP)

Observers may include the following with invitations at the discretion of the Project Management Unit:

- Micronesian Challenge
- Micronesian Conservation Trust (MCT)
- International Organization for Migration (IOM)
- College of Micronesia
- South Pacific Community (SPC)
- SPC North Pacific Regional Office (NPRO)
- United Nations Development Programme (UNDP)
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

B. Financial and Project Risk Management

The core institutional, project and financial risks have been identified and are outlined in the Project Risk Management Plan below. The Plan will continue to be monitored and updated by the Project Management Unit throughout the project term.

| Project: | Enhancing climate change resilience in vulnerable communities in the outer islands of the Federated States of Micronesia | | | | | | | | | | Project Number: | | | | |
|---|---|---|---|---------------------------------|-------------------------------|-------------------------------|---|-------------------------------|--|---|---|--------------------------------|-------------------------------|-------------------------------|--------------------------------------|
| Date of Development / Last Review: | March 2020 | | | Date of Next Review: | | October 2020 | | | | | Country: | Federated States of Micronesia | | | |
| Program Manager: | Richard Moufa | | | | | | | | | | Sectors: | | | | |
| Objectives: | | | | | | | | | | | | | | | |
| Risk Event - what could happen | Risk Source - what could cause the event to happen | Risk Impact - what would happen if the event occurs? | Has this risk occurred in this program? | Risk rating before any controls | | | Existing Controls (what's currently in place?) | Overall Control Effectiveness | Proposed Treatments (if no further treatment required or available, please explain why) | Person(s) Responsible for Implementing Treatments | Implementation Date for Proposed Treatments | Target rating when Proposed | | | Does this risk need to be escalated? |
| | | | | Likelihood (refer to matrix) | Consequence (refer to matrix) | Risk Rating (refer to matrix) | | | | | | Likelihood (refer to matrix) | Consequence (refer to matrix) | Risk Rating (refer to matrix) | |
| Institutional Risks | | | | | | | | | | | | | | | |
| Delay in recruiting appropriately skilled staff and continuity of staff | Lack of skilled professionals in the country | Project may be delayed in commencement due to lack of resources | Yes | Likely | Moderate | High | No existing controls, however recruitment processes follow Government of FSM guidelines | Partly effective | Advertising in FSM and utilise advertising through job sites and promote through contact networks. | Executing Agency | Commencement of project | Likely | Moderate | High | No. PMU is now in place |
| High turnover of staff members in project management unit may negatively impact on the delivery of project activities | Lack of resources to deliver role requirements; better job offers elsewhere | Reduced capacity of Project team; Loss of project knowledge; Delayed delivery on Project activities | No | Possible | Minor | Moderate | All project-related staff positions are recruited at FSM staff rates. Implementation of professional development opportunities. | Effective | Positions are recruited at rates as per FSM project staffing guidelines; incentives e.g. training and development provided to personnel | Executing Agency | Ongoing | Possible | Moderate | Moderate | No |
| Lack of an enabling environment to enable the Project to work effectively on the outer islands | Constraints in the political environment and coordination at national, state and island level, and / or poor relationship building between the project and state and island level | Project delays; inability of the project to undertake evidence base and implement interventions | No | Likely | Major | High | Mechanisms for working in the outer islands are in place including building strong relationships with the States and outer island communities | Partly effective | Project will work through State and Outer Island mechanisms; community engagement and participation will be a priority | Executing Agency | Ongoing | Possible | Moderate | Moderate | No |
| Reputational risk for the Executing Agency and Implementing Agency | Poor implementation of project activities in the outer islands; lack of proper and effective community engagement; political agendas change | Project delays; loss of faith from the Government (National and State level) and Outer Islands in the project | No | Possible | Moderate | Moderate | The PMU is experienced in working on the Outer Islands and understands the internal systems; relationships at the national, state and outer island level are in place | Partly effective | Project will establish and maintain continual feedback processes between the outer islands and states; joint decision-making framework is developed and in place under the project; the states and outer islands are to be involved / consulted in all aspects of the project impacting upon them | Project Management Unit | Ongoing | Possible | Minor | Moderate | No |
| Project is no longer supported at the Government level | New Government and/or change in Government priorities | Reduced support from Ministries, States and outer islands for the Project | No | Possible | Moderate | Moderate | The project currently has the support of the Government at all levels and strong communication channels are in place between the national, state and outer island communities | Effective | The project will ensure stakeholders at the national, state and outer island level is provided with regular updates on progress; the findings from the project will provide core evidence of the importance of such projects in the outer islands | Project Management Unit | Ongoing | Possible | Minor | Moderate | No |
| Implementation of project becomes challenging due to inputs from various sectors | Change in policies, increased interest in the project from sectors | Project implementation could be delayed or slowed whilst decisions are made | No | Possible | Moderate | Moderate | Clear outline of the project objectives and functions at the national, state and island level is provided. | Uneffective | Open communication pathways between the project and Government (national, state and island) and provision of regular updates. Project Steering Committee is established and provides an avenue for inputs from sectors and interested parties | Project Manager | Ongoing | Possible | Minor | Moderate | No |
| Inadequate monitoring and evaluation plans that fail to establish relevant baselines and data collection methodologies result in the program being unable to validate results in a manner that can demonstrate progress towards agreed outcome achievement. | Poor quality partner M&E systems; partner competency deficits prevent the timely establishment of relevant baselines | Project is unable to validate results in a manner that demonstrates progress against targets | No | Possible | Minor | Moderate | Systems are currently not in place for the project | Uneffective | M&E plan is developed as part of the project plan and will be reviewed upon implementation during the inception phase. Greater engagement between the IA and EA to build M&E capacity. Establishment of M&E Officer position within the Project Coordination Unit. Project is designed to include baseline and regular tracking and reporting. | Project Manager and M&E Officer | Ongoing | Possible | Minor | Moderate | No |

| Risk Event - what could happen | Risk Source - what could cause the event to happen | Risk Impact - what would happen if the event occurs? | Has this risk occurred in this program? | Risk rating before any controls | | | Existing Controls (what's currently in place?) | Overall Control Effectiveness | Proposed Treatments (If no further treatment required or available, please explain why) | Person(s) Responsible for Implementing Treatment/s | Implementation Date for Proposed Treatment/s | Target rating when Proposed | | | Does this risk need to be escalated? |
|--|--|---|---|---------------------------------|-------------------------------|-------------------------------|---|-------------------------------|--|--|--|------------------------------|-------------------------------|-------------------------------|--------------------------------------|
| | | | | Likelihood (refer to matrix) | Consequence (refer to matrix) | Risk Rating (refer to matrix) | | | | | | Likelihood (refer to matrix) | Consequence (refer to matrix) | Risk Rating (refer to matrix) | |
| Project Risks | | | | | | | | | | | | | | | |
| Project roll-out and/or activities are delayed | National, State and outer islands fail to agree on the rollout of activities in a timely manner | Delays across all activities | No | Possible | Major | High | Inception workshops have been undertaken in States to ensure common understanding of the project | Partly effective | The project will work with stakeholders on timelines and activity roll-out | Executing Agency | Ongoing | Possible | Major | High | Yes |
| | Project plan and budget is not appropriately established to enable effective implementation | Delays across all activities or activities not able to be implemented due to inadequate funding | Yes | Almost Certain | Severe | Very High | Review of the project undertaken by the IA and EA leading to agreement the project requires a restructure to effectively implement activities and to realign activities which are not possible to undertake due to budget insufficiencies | Effective | A restructuring paper has been submitted to the AF seeking amendments to the project plan and budget | Implementing Agency and Project Management Unit | Ongoing | Unlikely | Severe | High | Yes |
| | Boats or charter flights are canceled or are not able to be booked for project transportation. Boats are also dry docked for repairs. | Delays in visits to islands impacting on transport of materials or personnel to undertake activities | No | Likely | Major | High | The PMU is exploring all options, however, these are limited. Working with the boat company for schedules and to negotiate additional days on the island for project personnel | Effective | The existing controls are adequate at this point however, monitoring needs to continue | Project Management Unit | Ongoing | Likely | Moderate | High | No |
| | A natural disaster or inclement weather | Potential delays to the whole project depending on the impact of the disaster and location; Delays across activities due to weather conditions delaying transport or ability to undertake fieldwork | No | Possible | Moderate | Moderate | GoK has an early warning system in place however there are no controls in place for the project if this leads to delays | Uneffective | The project will work closely with KMS to monitor any events and provide mitigation actions at the time | Project Management Unit | Ongoing | Possible | Moderate | Moderate | No |
| | Disease outbreak and health emergencies | Potential delays to implementation of project due to quarantine mechanism put in place by target communities for any visitors to the communities; Marine transportation are reserved for medical emergency use only | Yes | Likely | Moderate | Moderate | N/A | | Alternate timeline of project's extension | Project Management Unit | Mid-2020 | Possible | Moderate | Moderate | No |
| | Institutional arrangements or focal point for sectors at the national, state or island level are not in place which are critical to undertaking project activities | The activity may be delayed or not able to be undertaken | Yes | Almost Certain | Moderate | High | The PMU is working with the national departments to determine responsibility for water management and activities moved to mid-2020 to wait for a decision on who will lead in the water sector at the national level. | Effective | If the activity is unable to be undertaken as per the project plan, adaptive measures will be implemented and the activity revised to suit the environment | Project Manager | Mid-2020 | Likely | Moderate | High | Yes |
| | Permissions from council of traditional leaders on outer islands could delay visits and activities | Field visits cannot go ahead and activities on-ground are delayed | Yes | Possible | Major | High | The PMU is working closely with outer island coordinators and State coordinators to ensure permissions for visits are worked into the project implementation timelines | Effective | n/a at this stage | Project Management Unit | Ongoing | Possible | Moderate | Moderate | No |
| Effective engagement and consensus building by different water users, public and private stakeholders to agree on an integrated approach to freshwater and wastewater management | Lack of active engagement with ALL community members on the various options on water/waste managements. | Benefits of project may delay | No | Possible | Moderate | Low | The PMU is working closely with the state utility companies and other local NGO's and similar project on the best integrated approach | Effective | The project needs to consult the community and project stakeholders on the integrated approach before implementation of project | Project Management Unit and the States Project Technical Group | Mid-2020 | Likely | Minor | Moderate | No |
| Community acceptance of technical design options proposed by project | Community members and leadership were not consulted enough on the proposed type of technology | Implementation of the project will be delayed and potential expense add on for redesign of technology | No | Likely | Moderate | Moderate | PMU's ongoing development of awareness tool will help address the risk | Effective | Encourage more consultancy and engagement with community or redesign technology to suites the local settings | Project Management Unit and the States Project Technical Group | Mid-2020 | Likely | Minor | Moderate | NO |
| Failure to engage effectively with stakeholders and achieve implementation of activities | The activities in the outer islands are developed and implemented without appropriate input from relevant stakeholders | Lack of stakeholder 'buy-in' into the on-ground adaptation measures | No | Likely | Major | High | The project has undertaken inception workshops and consultations at the national, state and outer island level to ascertain inputs and amend implementation strategy. Stakeholder engagement is continuing through the PMU and led by the community coordinators, State Finance & Administration Officers and the National Project Manager. | Effective | In addition to existing controls, strengthened coordination mechanisms and engagement as outlined in the project logframe and as per the existing controls | Project Management Unit | Ongoing | Possible | Major | High | No |

| | | | | | | | | | | | | | | | |
|---|---|---|-----|----------|----------|----------|--|-----------|--|---|---------|----------|----------|----------|----|
| Endorsement of interventions in outer islands may take longer than expected | The island, state and national political environment does not enable the turnaround time for approval of interventions or any necessary policies and procedures | Interventions are not agreed to with communities; Policies and procedures are not endorsed; delay in implementation of activities | No | Possible | Major | High | Continued engagement between the PMU with stakeholders at the national, state and outer island level | Effective | The project management unit is ensuring all stakeholders at all levels are engaged in consultations and decision-making. The national and state Governments are kept informed of progress via regular communications from the PMU | Project Management Unit | Ongoing | Unlikely | Moderate | Moderate | No |
| Lack of use of water and sanitation facilities installed by the Project | Lack of: stakeholder engagement; cultural considerations; utilisation of the evidence-base to make decisions on the options; inappropriate infrastructure | Poor implementation and ineffective use of the installations | No | Possible | Major | High | The project plan has been amended to ensure the outer islands have clearly identified options for infrastructure. Furthermore, outer island communities will be engaged in decisions and input into the options to ensure the appropriateness of the options in the island / village context | Effective | Continued engagement with the communities and ensure inputs are incorporated into the options and design of the options | Project Management Unit | Ongoing | Possible | Moderate | Moderate | No |
| Traditional values and governing structures restrict the participation of women | Cultural traditions and values | Lack of full stakeholder engagement and buy-in | No | Possible | Moderate | Moderate | The project team ensure there are separate meetings for women and men, and have island facilitators | Effective | Whilst this is effective, the project requires a Gender & Social Inclusion Plan which will provide greater detail on mitigation actions to be undertaken | Project Management Unit | Ongoing | Possible | Minor | Moderate | No |
| Failure to implement the ESM Plan | Lack of understanding of the importance of the ESM Plan and how to implement the mitigation actions | Poor implementation and failure to effectively meet the project objectives | Yes | Possible | Major | High | A revised ESM Plan has been developed and budgeted for in the project plan. Training has been put in place for the PMU and the ESM Plan is also been monitored by the IA | Effective | Ensure training and on-going guidance is provided to the PMU to ensure full implementation of the Plan | Implementing Agency and Project Management Unit | Ongoing | Unlikely | Moderate | Moderate | No |
| Theft of assets from the water systems | Community members take assets for personal use | The assets e.g. tanks are no longer available for community use | No | Possible | Moderate | Moderate | A MOA and regulations are in progress addressing this issue. The project is working with the municipal and national governments to treat any infrastructure built by the FSM AF project to be considered national property for the duration of the project, thus, any damage to the infrastructure will be considered a national offence. In addition, the community coordinator role will be to make sure the infrastructure is secured, protected and well maintained. | Effective | n/a at this stage | Project Management Unit | | Unlikely | Minor | Low | No |
| Construction Materials Shortage | Lack of coordination with local suppliers and bigger projects and government demands of supplies for its relief disaster efforts will be prioritized | Stalling of project implementation of construction of technologies | No | Likely | Moderate | Moderate | A list of needed/ required construction materials have been identified by the relevant stakeholders. | Effective | Acquire services/ materials from foreign countries/ suppliers | Project Management Unit | Ongoing | Possible | Moderate | Moderate | No |
| In-kind contribution from local communities | Lack of cooperation and coordination and agreements between community leaders, members and the state leaderships on ownership of the project and key roles and responsibilities | Additional cost for project to cover labor and local construction materials provided by the community. | No | Likely | Moderate | Moderate | Development of MOU/ MOA between community leadership and the project on set/ specific roles of community during implementation of project | Effective | Secure co-finance scheme from the state and national government | Project Management Unit | Ongoing | Possible | Moderate | Moderate | No |
| Training is not customised for outer island audiences | "Off the shelf" training courses do not address cultural issues and practicality of systems and available services in the outer islands, so are inappropriate and do not achieve desired project outcomes | Reputational damage to the project; wasted investment in trainings; outer island people have time away from other duties without any practical advantage or value | No | Possible | Moderate | Moderate | The project is ensuring all community trainings are appropriate, in the island language and follow appropriate cultural guidelines | Effective | The project will ensure any training is appropriately framed for the audience. Training and mentoring will be ongoing throughout the life-of-the project and not based on one-offs. The training will also focus on train-the-trainer to ensure sustainability | Project Management Unit | Ongoing | Unlikely | Minor | Low | No |

| Risk Event - what could happen | Risk Source - what could cause the event to happen | Risk Impact - what would happen if the event occurs? | Has this risk occurred in this program? | Risk rating before any controls | | | Existing Controls (what's currently in place?) | Overall Control Effectiveness | Proposed Treatments (If no further treatment required or available, please explain why) | Person(s) Responsible for Implementing Treatment/s | Implementation Date for Proposed Treatment/s | Target rating when Proposed | | | Does this risk need to be escalated? |
|---|---|--|---|---------------------------------|-------------------------------|-------------------------------|--|-------------------------------|--|--|--|------------------------------|-------------------------------|-------------------------------|--------------------------------------|
| | | | | Likelihood (refer to matrix) | Consequence (refer to matrix) | Risk Rating (refer to matrix) | | | | | | Likelihood (refer to matrix) | Consequence (refer to matrix) | Risk Rating (refer to matrix) | |
| Financial Risks | | | | | | | | | | | | | | | |
| Funds misappropriation, corrupted procurement, contract and human resource management processes | Poor contract determination processes; poor financial management systems and processes | Reputational damage to partner and the project. Resources applied to achieving project objectives reduced. Undermining in AF confidence in working with delivery partner and country partner. Possible ineligible expenses | No | Unlikely | Major | Moderate | Engagement with known partners with good reputation; Government of FSM financial management and procurement systems and controls are in place confirming appropriate management capacities and controls; budgets and program deliverables designed to ensure effective procurement; budget categories clearly defined; proactive monitoring of programs, budgets and acquittals. | Very effective | No further treatment required; current arrangements appropriate to feasibility of risk management in current context | Project Manager / Finance Manager | Ongoing | Unlikely | Major | Moderate | No |
| Financial audits are not provided in a timely manner or show discrepancies | No internal audit controls in place | A lack of appropriate financial management reduces reputation of the project and Executing Agency | Yes | Likely | Minor | Moderate | Government of FSM audit processes are in place, however, the first EA audit was procured by the IA due to the EA not being able to procure an Auditor and thus leading to a potential conflict | Ineffective | The IA and EA Financial Units have been informed the EA has to undertake responsibility to procure and lead on the audit on the EA. Delineation between IA and EA needs to be put in place. The EA is now implementing a ToR for an Auditor to undertake the Audits for the entirety of the project. | Project Manager / Finance Manager | Ongoing | Unlikely | Moderate | Moderate | No |
| Complaints on inappropriate procurement of work packages | No procurement process is in place or implemented | Reputational risk; poor delivery of services | No | Unlikely | Moderate | Moderate | Government of FSM procurement processes are in place | Very effective | No further treatment required; current arrangements appropriate to feasibility of risk management in current context | Project Manager / Finance Officer | Ongoing | Unlikely | Minor | Low | No |
| Project is delayed due to delays in contracts | Contractual negotiations are slow | Project implementation delays | Yes | Likely | Moderate | High | No existing controls are currently in place | Ineffective | The IA and EA are experienced in contract administration and will work closely to ensure contractual negotiations are undertaken in a timely manner. | Implementing Agency & Project Executing Agency | Ongoing | Unlikely | Minor | Low | No |
| Activities are under-budgeted or costs increase | Activities may not be able to commence or be undertaken fully | The project does not successfully meet its objectives | Yes | Almost Certain | Major | Very High | The original project plan and budget have been reviewed, highlighting challenges with meeting the project objectives. The review has triggered a restructuring paper to better align activities and budgets. | Effective | The new project budget has been planned out in detail and the scale and scope of the project has been reduced during the restructuring phase. Budgets have been developed to allow flexibility within the activities and the funds allocation | Implementing Agency & Project Management Unit | Ongoing | Possible | Moderate | Moderate | No |
| Non-procurement of essential items for field visits to the outer islands | Lack of understanding by finance department of the requirements for outer island visits | The team may miss the timeslot to visit the outer islands | Yes | Likely | Major | High | The PMU has been asked to prepare a brief or manual on operations in the outer islands including requirements for visits. The manual / brief will be approved by the Implementing Agency, thus establishing clear guidelines for finance units. | Effective | n/a at this stage | Project Management Unit | Ongoing | Possible | Minor | Moderate | No |

C. Environmental and Social Risk Management

According to the assessment undertaken against the AF ESS Policy, the Project has a risk rating of Category B meaning that it can have minor (or easily reversible) environment, social or gender impacts.

The ESMP was reviewed and revised in October 2019, and will undergo a further review to assess any outstanding risks associated with the revised activities under Component 3, noting that ESS audits will be undertaken on an annual basis to ensure compliance with the Adaptation Fund ESS Policy and to ensure compliance with the measures outlined in the ESMP and provide updates to the ESMP.

The ESMP focuses on process-oriented risk management, where the mechanisms are incorporated into the program's implementation to ensure that rigorous risk assessment and management measures are applied to each intervention, as they defined, approved and implemented across the relevant activities.

Screening for Interventions

During implementation of the project, a checklist will be used for the regular examination of the components and activities. A screening checklist has been prepared for the EE PMU and is included in the ESMP. This document attempts to apply the 15 Principles of the AF ESP to all proposed infrastructure, water security and sanitation interventions as they are designed, in a way that the PMU can easily understand better what they are trying to achieve and the AF objectives.

Community Engagement

Critical to the management of risk during project design and implementation is the continual, inclusive, and well-planned consultation and engagement plan. The plan is aimed at early and consistent stakeholder involvement and engagement with a focus on the target communities, including women, youth, and vulnerable groups. The ESMP has a detailed Community Engagement Plan which identified responsibilities, timeframes, milestones, and objectives. As a Gender and Social Inclusion Plan had not been developed during the initial project planning phase, the PMU will contract a Gender Specialist to develop a Project Gender & Social Inclusion Plan, and who will work with the Project team to develop mechanisms to ensure effective facilitation at all community consultations. The Outer Island Coordinators established on each of the target outer islands will also be tasked to ensure that communications between the PMU and the communities are regular and meaningful.

The PMU will ensure that marginalised and vulnerable groups in the targeted areas are included in public consultations, holding smaller focus groups as necessary, including: the disabled, single mothers who are heads of households and the elderly

Land Access

The Project requires that no infrastructure can be installed on any lands without a formal agreement in place with the landowner. The process for securing the land is detailed in the ESMP and will be carried out during the initial scoping phase of the activities to prevent delays during installation.

Grievance Mechanism

The ESMP has established a complaints procedure, which will be the Grievance Redress Mechanism (GRM). Complaints pertaining to the project activities implemented with AF resources will be addressed to executives of the PMU. The GRM is designed to ensure that members of the public can submit grievances to the PMU via email, in writing, by telephone or in person. Additionally, it is designed to account for the traditional complaints processes in villages by which community members can submit grievances directly with their Island Council, or village leaders who will, in turn, then forward the complaint to the PMU. The five-step grievance management process will be applied to the project by the following process.

| Step | Application/How | Responsibility |
|---|---|---|
| Publicise the process | Develop a procedure which explains how the grievance mechanism will work on the specific project site | SPREP, DECEM |
| | Present the grievance mechanism at a public meeting help with affected communities | DECEM, EPA Yap, Chuuk, Pohnpei; KIRMA Kosrae |
| Receive and register | Identify locations to receive grievances and ensure accessibility to all affected stakeholders | DECEM, EPA Yap, Chuuk, Pohnpei; KIRMA Kosrae |
| | Recognise that some grievances may be submitted in writing while others will be communicated verbally. All grievances are to be treated with the same level of seriousness and respect. | |
| | Log all complaints into a database | |
| Review and investigate grievances | Review and investigate grievances | EPA Yap, Chuuk, Pohnpei; KIRMA Kosrae |
| | Explain the process and the timeframe for the GRM process | |
| | Appoint an appropriate person to obtain information and investigate. | |
| Develop resolution options, response to grievances and closeout | Develop a proposed resolution process, involving communities where appropriate | State level – EPA Yap, Chuuk, Pohnpei; KIRMA Kosrae |
| | Implement the agreed solution | DECEM |
| | Follow-up with complainant to ensure satisfaction | |
| | If unsatisfied: Discuss further options. Identify local partners who might be able to assist in finding solutions | |
| | If still unresolved, refer matter to third-party mediation or external review. | |
| Monitor and Evaluate | Regularly monitor the number and type of grievances received, resolved and outstanding | DECEM, SPREP |
| | Evaluate trends over time and stages of project development | |
| | Report all grievances to the SPREP via relevant periodic reporting | DECEM |

D. Monitoring and Evaluation Arrangements

Roles and responsibilities for M&E will be shared by the Implementing Agency, the Executing Agency and PMU as described in Table 19.

The Project Executing Agency will be responsible for the implementing the monitoring and evaluation strategy and ensuring reporting of progress against workplans. The Results Framework will serve as the basis for project monitoring and evaluation (M&E) and additional impact assessments will be undertaken throughout the project cycle.

Implementation progress will be monitored against Results Framework Indicators and data will be stored in the project management information system for project management and evaluation (refer Activity 4.2.2). The project will conduct a series of baseline surveys at the onset of the project implementation, followed by assessments at the mid-term and project end dates to determine the project achievements against the Project Objective and Key Results.

An externally engaged consultant will undertake a mid-term review and project completion review. The reviews will evaluate achievements against the Key Results Indicators and assess progress and achievements against the project components, and ultimately the project development objective.

Table 19. M&E roles and responsibilities

| Stakeholder | Roles and Responsibilities |
|--|--|
| Implementing Agency | <ul style="list-style-type: none"> • Provide high level oversight, guidance and M&E expertise as required. • Ensure M&E is embedded in project operations |
| Project Management Unit and Executing Agency | <ul style="list-style-type: none"> • Lead and manage M&E activities and project reporting • Develop detailed results framework and M&E Implementation Plan during the scoping phase • Design and carry out or commission the baseline/situation analysis • Ensure responsibilities and timing for collection of monitoring data is clear • Design reporting templates and tools and provide guidance on their use • Ensure collection of monitoring data is integrated into project activities • Coordinate gathering of information from monitoring visits • Manage and analyse project M&E data as required • Carry out or commission and manage real time studies as required • Use M&E data and information to guide project implementation, including through the convening of regular reflection sessions with the IA, DPs and other stakeholders as appropriate • Commission and manage an end-of-program evaluation, including an analysis of socioeconomic benefit • Manage dissemination of M&E data and reporting to stakeholders |
| Implementation Partners | <ul style="list-style-type: none"> • Provide regular reports and data as required by the M&E Implementation Plan |
| Outer Island Councils | <ul style="list-style-type: none"> • Provide access to data and information as required • Facilitate M&E at the Island level by arranging access and authorising activities |

Independent Evaluation

The project would carry out at least two independent external evaluations as follows:

Mid-term Evaluation: The project will undergo an independent Mid-Term Evaluation (MTE) at the mid-point of project implementation, managed and oversighted by the Implementing Agency. The MTE will determine progress being made toward the achievement of outcomes and will identify course correction if needed. The evaluation will address effectiveness, efficiency, and timeliness of project implementation. It will check the relevancy of the project activities so far carried out by the project. It will outline risks and issues that relate to the management and implementation of the project. The list of recommendations will highlight decisions and actions that require responses and execution. The evaluation will review and suggest lessons in relation to the design, implementation, and management of the project. The findings of the evaluation will inform the final half of the project period.

Final Evaluation: The project will undergo a final evaluation that will be carried out within three months following implementation closure of the project. The evaluation will be carried out by an independent evaluation time. A final project annual review (PAR) meeting will be conducted following the completion of the final evaluation report. All stakeholders will review the report and the final PAR meeting will be to present, discuss, finalize, and endorse the final evaluation report of the project.

The content of the evaluation report will include progress towards the outcome of the project. It will review any immediate impact and sustainability of results of the project. It will outline results against the strategic results framework and provide a conclusion, of whether the project has achieved its goal, objectives, outcomes and outputs it set out to implement. A review on the contribution to capacity development and knowledge management in FSM would be presented in the report. The report will outline key management and capacity recommendations highlight results, lessons learned, best practices. It must amalgamate these results into a section of the report, designed to be useful for future projects and or programs of FSM.

The final evaluation will be managed by the Executing Agency, supported by the Implementing Agency. Responsibilities will include developing terms of reference, procurement of the evaluation team, and management of the logistics, and ensuring reports are submitted on time.

Table 20. Monitoring and Evaluation budget

| Type of M&E activities | Responsible Party | Timeframe | Reporting | Budget |
|--|-------------------|--------------------------------------|------------------------------|----------|
| State and Outer Island inception workshops and Reports | Project Manager | Within twelve months of commencement | Six-monthly reports | \$40,000 |
| Measurement of baseline data ⁴³ | PMU | Within twelve months of commencement | Six-monthly reports | n/a |
| Periodic progress reports | Project Manager | Bi-annual | Six-monthly progress reports | \$12,000 |
| Compliance with ESM Plan | Project Manager | Bi-annual | Six-monthly progress reports | \$50,000 |

⁴³ Costs are incorporated into other monitoring activities

| | | | | |
|-----------------------------|--|---------------------------|--|------------------|
| Compliance with Gender Plan | Project Manager | Bi-annual | Six-monthly progress reports | \$50,000 |
| Community consultations | PMU | At least every six months | Six-monthly progress reports Site visit reports | \$144,400 |
| Field site visits | PMU | At least every six months | Six-monthly progress reports Site visit reports | \$307,500 |
| Monitor and review | Implementing Agency | At least every six months | Mission reports and evaluations | \$119,880 |
| Mid-term Evaluation | Implementing Entity & Executing Entity | Mid-point of project | MTR Report | \$50,000 |
| Final Evaluation | Implementing Entity & Executing Entity | End of project | Final evaluation report | \$60,000 |
| Project terminal report | Implementing Entity & Executing Entity | End of project | Terminal report | \$40,000 |
| Total | | | | \$873,780 |

E. Project Results Framework

The Project Results Framework consists of five outcomes and nine project outputs as outlined below.

| Expected Result | Indicator | Baseline data | Targets | Source of Verification / Data collection methods | Frequency | Responsibility | Assumptions and Risks |
|---|---|--|---|--|--------------------------------------|-----------------|--|
| Project Objectives: <ol style="list-style-type: none"> 1. Prepare the necessary institutional and regulatory frameworks, policies, guidance, and tools to help deliver a climate resilient FSM 2. Strengthen water and livelihood security measures to help 6 outer atoll islands adapt to impacts of climate change related to water, health, and sanitation 3. Provide communities with climate resilient infrastructure to help relocate from high risk coastal inundation sites 4. Capture and share the local knowledge produced on climate change adaptation and accelerate the understanding about the kinds of interventions that work in island environments in FSM | | | | | | | |
| Component 1: Strengthening policy and institutional capacity for integrated coastal and water management at national, state levels and outer island levels | | | | | | | |
| Outcome 1: Strengthened policy and institutional capacity of government to integrate climate risk and resilience into its water and coastal and marine management legislative, regulatory and policy frameworks | Number of national and state level stakeholders participating in EPA, R&D, NWTF meetings, planning and implementation of activities. Number of regulatory framework drafts developed for water and coastal management regulations at state level | FSM regulations for development projects does not consider climate risks and resilience, with the exception of the Kosrae State Regulations for Development Projects 2014. Existing water and coastal management policies lack consideration of existing climate change risk and disaster risk, | 13 strategies or plans reviewed or developed by end of Project. | Stakeholder consultation reports. Legal and regulatory policy assessment reports including recommendations. Guidance documents on mainstreaming climate change into legislative and policy frameworks. Policies or plans. Policies or legislation adopted highlighting the uptake of the | Baseline, bi-annual, mid-term, final | Project Manager | Assumptions: Political will and commitment to encourage participation of key government stakeholders at national level. Political will to adopt the guidance and recommendations within Departments. Risks: Limited or no buy-in from national stakeholders. Change of Government and priorities. |

| Expected Result | Indicator | Baseline data | Targets | Source of Verification / Data collection methods | Frequency | Responsibility | Assumptions and Risks |
|---|---|--|--|---|--------------------------------------|-----------------|--|
| | | and projected risks. A framework for developing a water and sanitation policy, water outlook, and water sector investment plan exists but no plans that integrate climate risks and consider gender-sensitive approaches. | | guidance and recommendations. | | | |
| Output 1.1: Legislation and policy paper to guide regulation of climate resilient coastal and marine management at national level | National-level legislation and policies reviewed to incorporate climate change considerations into marine and coastal management. Guidance developed based on recommendations adoption of recommendations evident within relevant Departments. | No current and future climate risks mainstreamed into current legislation, regulation, policy and guidance documents for coastal and marine development projects in FSM. | At least one national coastal and marine management policy and legislation reviewed with recommendations and guidance developed on mainstreaming climate risk and resilience. Recommendations adopted by at least one Department. | Stakeholder consultation reports. Legal and regulatory policy assessment report including recommendations. Guidance documents on mainstreaming climate change into legislative and policy frameworks. Policies or legislation adopted highlighting the uptake of the | Baseline, bi-annual, mid-term, final | Project Manager | Assumptions: Political will and commitment to encourage participation of key government stakeholders at national level. Political will to adopt the guidance and recommendations within Departments. Risks: Limited or no buy-in from national stakeholders. |

| Expected Result | Indicator | Baseline data | Targets | Source of Verification / Data collection methods | Frequency | Responsibility | Assumptions and Risks |
|--|--|---|---|---|--------------------------------------|---|--|
| | | | | guidance and recommendations. | | | Change of Government and priorities. |
| Output 1.2: State regulations for coastal and marine development projects amended to consider climate change risks and resilience measures | State-level legislation and policies reviewed to incorporate climate change considerations into marine and coastal management. Guidance developed based on recommendations adoption of recommendations evident within relevant Departments. | No current and future climate risks mainstreamed into current legislation, regulation, policy and guidance documents for development projects in Yap, Chuuk and Pohnpei States. | At least one State coastal and marine management policy and legislation reviewed with recommendations and guidance developed on mainstreaming climate risk and resilience. Recommendations adopted by at least one Department. | Stakeholder consultation reports. Legal and regulatory policy assessment report including recommendations. Guidance documents on mainstreaming climate change into legislative and policy frameworks. Policies or legislation adopted highlighting the uptake of the guidance and recommendations. | Baseline, bi-annual, mid-term, final | Project Manager / Operations & Finance Officers | Assumptions: Political will and commitment to encourage participation of key government stakeholders at national level. Political will to adopt the guidance and recommendations within Departments. Risks: Limited or no buy-in from national stakeholders. Change of Government and priorities. |
| Output 1.3: National Water and Sanitation Policy endorsed with climate and disaster risks and resilience, and gender mainstreamed | Completion of the National Water and Sanitation Policy. Endorsement of the National Water and Sanitation Policy. | No water and sanitation policy. | National Water and Sanitation Policy developed and ready for endorsement. | Stakeholder consultation reports. National Water and Sanitation Policy. President and Government resolution on National Water & Sanitation Policy | Baseline, bi-annual, mid-term, final | Project Manager | Assumptions: Political will and commitment to developing a National WSP. Strong Government leadership and support for development of the WSP. Risks: |

| Expected Result | Indicator | Baseline data | Targets | Source of Verification / Data collection methods | Frequency | Responsibility | Assumptions and Risks |
|---|---|---|--|--|--------------------------------------|---|--|
| | | | | | | | Limited or no buy-in from Government and other stakeholders. |
| Output 1.4: State Water Outlook and Water Sector Investment Plan developed and implemented | Completion of the review and updates of the State Water Outlook and Water Sector Investment Plan. Implementation of State Water Outlook and Water Sector Investment Plans. | No State Water Outlook and Water Sector Investment Plan in Yap, Chuuk and Pohnpei | State Water Outlook and Water Sector Investment Plans updated in 4 States. WOSWIP implemented in at least one State. | Stakeholder consultation reports. Water Outlook and Water Sector Investment Plans. | Baseline, bi-annual, mid-term, final | Project Manager, Operations & Finance Officers | Assumptions: Political will and commitment to updating the WOSWIPs. Strong State leadership and support for development of the WOSWIP. WOSWIP are already developed in all States and require updating. Risks: Limited or no buy-in from State government stakeholders. |
| Component 2: Demonstration of water security and sanitation measures in outer islands of Yap, Chuuk and Pohnpei | | | | | | | |
| Outcome 2a: Water conservation and management technology and practices adopted, responding to drought, sea level rise and | Number of outer islands and its communities with increased storage capacity to store potable and grey water Number of people (disaggregated by GSI categories) | Poorly maintained traditional water harvesting and conservation infrastructure and technology available. It cannot cope with the dry seasons. | By project end, at least 80% of households on the target outer islands have improved access to water through either new or repairs to current, water storage facilities. | Participatory evaluation report, survey report progress report developed by Municipal Government quarterly reporting Data collected by the Island municipal | Baseline, bi-annual, mid-term, final | Project Manager, Operations & Finance Officers, Outer Island Coordinators | Assumptions: Household / Individuals accept the need to limit water usage Maintenance plans can be implemented Risks: |

| Expected Result | Indicator | Baseline data | Targets | Source of Verification / Data collection methods | Frequency | Responsibility | Assumptions and Risks |
|--|---|---|---|--|--------------------------------------|--|---|
| early recovery from cyclones | benefitting from interventions by the project. | No monitoring stations on island to collect and monitor rainfall data to advice on water conservation practices including advice on other sectors | | government office through rain gauges (on water resources, quality, use and maintenance of water conservation and management technologies) Water facility assessments | | | Theft of water resources Logistical/transport problems and/or prohibitive costs leading to delays in arrival of people and/or materials (R2) |
| Outcome 2b: Appropriate sanitation measures for the outer islands of Yap, Chuuk and Pohnpei are determined for future investment | Educational & awareness programmes for the outer islands Types of sanitation measures for participating outer islands | Existing sanitation measures are health-hazards to the communities | At least 1 WASH programme implemented in all 6 outer islands At least two options for sanitation measures identified for the participating outer islands | WASH Programmes delivered in outer islands Surveys Sanitation options | Baseline, bi-annual, mid-term, final | Project Manager, Operations & Finance Officers, Outer Island Coordinators | Assumptions: Outer island communities will be willing to participate in developing and trialling the sanitation measures Communities will participate in WASH programmes Risks: No community buy-in |
| Output 2.1: Outer island communities oriented to CC, SLR, and adaptive capacity measures involving water, health, sanitation and environment | Number of community trainings on climate change, sea-level rise, adaptation and resilience. Number of people (disaggregated by GSI and other categories as | The six island sites have limited understanding of the impacts of climate change and sea level rise on the water, health, sanitation and environment sectors. | At least 60% of the community population in the six outer islands (of which close to 50% are women) are educated on the impacts of CC and SLR on water, health, sanitation and the environment, and | Review reports, stakeholder consultation reports Stakeholder surveys and evaluations Approved water conservation and management plans | Baseline, bi-annual, mid-term, final | Project Manager, Operations & Finance Officers, Outer Island Coordinators, Knowledge & Communication Officer | Assumptions: Community are receptive to training and are able to engage Risks: Community engagement is low |

| Expected Result | Indicator | Baseline data | Targets | Source of Verification / Data collection methods | Frequency | Responsibility | Assumptions and Risks |
|-----------------|---|---|--|--|-----------|----------------|-----------------------|
| | <p>appropriate, e.g. community members, local government etc) trained in climate change, sea-level rise, and adaptation and resilience measures.</p> <p>Number of people (disaggregated by GSI and other categories as appropriate, e.g. community members, local government etc) trained in the implementation of the water conservation and management plans.</p> <p>Completion of stakeholder consultations to review, improve and validate water conservation and management plans.</p> <p>Evaluation (feedback) by outer island community members on the value and</p> | <p>Limited knowledge and experience in the application of climate change information to adaptation planning in outer islands.</p> | <p>have their capacity enhanced to develop adaptation measures to address these impacts.</p> <p>At least 80% of those that participate in the above capacity building activities have acquired knowledge and skills to develop and implement adaptation plans and actions.</p> | <p>Communication materials for climate change, SLR, adaptation and resilience trainings</p> <p>Communication materials for water conservation and management plans</p> | | | |

| Expected Result | Indicator | Baseline data | Targets | Source of Verification / Data collection methods | Frequency | Responsibility | Assumptions and Risks |
|--|--|---|---|---|--------------------------------------|---|---|
| | effectiveness of the training. | | | | | | |
| Output 2.2: Water Harvesting and Storage System (WHSS) repaired and installed in 6 atoll islands | <p>Completion of recommended improvements to current water infrastructure in six outer islands.</p> <p>Completion of installation of new rainwater harvesting systems in six outer islands.</p> <p>Number of infrastructure improvements by type, island and village supported by the project</p> <p>Number of people (disaggregated by GSI categories) benefitting from interventions installed by the project.</p> | <p>Water cisterns and tanks exist on the islands in poor conditions (leakages, contaminated), including poor guttering and down piping.</p> <p>There is no culture of maintenance of water harvesting systems at community level due to lack of specialised equipment and maintenance planning.</p> | <p>80% of households on the target outer islands have improved access to potable water from the WHSS.</p> <p>At least 20% of women, men and youth community groups on the outer islands are trained in the maintenance of community water harvesting and storage systems.</p> | <p>Reports on infrastructure assessments in the outer islands.</p> <p>Reports on numbers of facilities repaired and installed.</p> <p>Maintenance guides.</p> <p>Reports from community trainings.</p> <p>Community surveys</p> | Baseline, bi-annual, mid-term, final | Project Manager, Operations & Finance Officers, Outer Island Coordinators | <p>Assumptions: Most households will benefit and have access to water facilities once installed</p> <p>Availability of skilled facilitators</p> <p>Community involvement including participation of women and elders</p> <p>Risks: Logistical / transport problems and /or prohibitive costs leading to delays in arrival of people and /or materials</p> <p>Team/ island communication difficulties (e.g., only have shortwave radio)</p> <p>Unsuitable infrastructure (e.g., house roofs can't support catchment systems)</p> |
| Output 2.3: Assessment of viable | At least two options for sanitation have | Very limited awareness of WASH | Sanitation options are being tested and monitored in at | Reports, briefing notes, monitoring | Baseline, bi-annual, | Project Manager, Operations & | Assumptions: Availability of skilled facilitators |

| Expected Result | Indicator | Baseline data | Targets | Source of Verification / Data collection methods | Frequency | Responsibility | Assumptions and Risks |
|---|--|---|---|--|-----------------|---|---|
| sanitation measures for outer islands in Yap, Chuuk and Pohnpei | <p>been identified and tested in the participating outer islands</p> <p>Number of people (disaggregated by GSI categories) benefitting from WASH (led by strategic partners including UNICEF, MYWSA and others to be identified) programs to which the project is contributing</p> | <p>techniques useful for application during drought periods and post-typhoon situations.</p> <p>Limited sanitation facilities with some facilities not used by communities. Currently the majority of people use the lagoon for toileting.</p> <p>The existing water-flushed toilets or pit-latrines are in poor condition, with leakage into soil and lagoon.</p> <p>Contamination / eutrophication of lagoon from excessive nutrient input from human waste</p> | <p>least 50% of the target outer islands</p> <p>At least 50% of people on the six outer islands have participated in the WASH programme</p> | <p>visit reports, real time study reports</p> <p>Completion of sanitation best practice review</p> <p>Completion of a sanitation options menu</p> <p>Completion of installation of solutions based on the menu.</p> <p>Emerging outcomes will be identified through monitoring visits and possibly a real time evaluative study.</p> | mid-term, final | Finance Officers, Outer Island Coordinators | <p>Community involvement including participation of women and elders</p> <p>Risks: Logistical / transport problems and /or prohibitive costs leading to delays in arrival of people and /or materials</p> <p>Accessibility to labs to validate soil and lagoon monitoring tests</p> <p>Team/ island communication difficulties (e.g., only have shortwave radio)</p> |
| Component 3: Demonstration of Kosrae Inland Road Relocation Initiative | | | | | | | |

| Expected Result | Indicator | Baseline data | Targets | Source of Verification / Data collection methods | Frequency | Responsibility | Assumptions and Risks |
|--|--|---|--|---|----------------------------|--|---|
| Outcome 3: Increased resilience of coastal communities and environment to adapt to coastal hazards and risks induced by climate change | Number of women, men and youth benefiting from the access provided by inland road Number of women, men and youth benefiting from coastal defences | Malem-Utwe coastal road highly exposed to severe coastal erosion and is in high risk of being washed away within the next 10 -30 years Unsealed inner road limits access of communities inland | One road design produced in line with best practice. At least 80% of the inhabitants of Malem and Utwe (20-75 years age group) feel they have increased coastal resilience to inundation and erosion. | Road design report and survey results. Stakeholder surveys Training / information session reports and evaluations | Bi-annual, mid-term, final | Project Manager, Kosrae Operations & Finance Officer | Island stakeholders and key players (e.g.: Kosrae State Government) have a high interest in, support for, and engagement in capacity building activities in Kosrae. Political will and commitment from the community and government Continuous support provided by the government and development partners. |
| Output 3.1: Malem - Utwe inland road and access routes designed for future construction | Design for construction of the road completed to best practice. | No road or design for a new road exists | A completed road design that includes all climate risks and resilience aspects as well as consideration for all essential utility requirements. Financing of the road construction is achieved. | Consultant reports Road design report and survey results. | Bi-annual, mid-term, final | Project Manager, Kosrae Operations & Finance Officer | Assumptions: Procurement process will follow FSM Government procurement processes Procurement process will be undertaken by experienced personnel Risks: Design will raise inclusions beyond the budget allocation |

| Expected Result | Indicator | Baseline data | Targets | Source of Verification / Data collection methods | Frequency | Responsibility | Assumptions and Risks |
|--|--|---|---|--|---|---|---|
| | | | | | | | Consultants may not be experienced in road design in this type of geographical and climate location |
| Output 3.2: Transitional coastal protection at Mosral and Paal upgraded for immediate coastal protection | Coastal revetment design completed to best practice Length (in kilometres/miles) of coastline revetment Number of women, men and youth participating and engaged in community-based ecosystem management and trainings | Ineffective loose boulder defences at Mosral and Paal patched only after extreme events Limited replanting has been undertaken near waterways and on coastal strip. Replanting will need to be undertaken post the construction of coastal walls | Mosral and Paal coastline protected in the order of 2.5 km or 1.6 miles At least 50% of communities have participated in replanting and land stabilisation schemes | DT&I reports Consultant / engineer reports on design Concrete evidence of coastal protection e.g. photographs, construction reports Activity reports Participant lists Community surveys Photos / videos | Baseline, bi-annual, mid-term and final | Project Manager, Kosrae Operations & Finance Officer | Assumptions: Procurement process will be undertaken by experienced personnel KSG is able to fund maintenance of the transitional defences Risks: The coastal defence work may cost more than the budget allocation due to unknown costs, problems or changes to the scope and scale |
| Component 4: Knowledge management for improved water and coastal protection | | | | | | | |
| Outcome 4: Capacity and knowledge enhanced and developed to improve management of water and coastal sectors to adapt to climate change | Number of awareness materials on climate change, sea-level rise, vulnerability, and adaptive capacity prepared in local language and distributed to | Programs carried out by various stakeholders (government, private sectors, and academic institutions) in the Outer Islands are not consolidated | At least 60 awareness and knowledge management products on the project results are produced and disseminated to stakeholders. | Site/field visits and surveys. Project reports Project monitoring and evaluation reports. Project monitoring and evaluation | Baseline, bi-annual, mid-term, final | Project Manager, Knowledge & Communication Officer, Kosrae Operations & Finance Officer and Outer Island Coordinators | Assumptions: Local capacity exists to produce training materials that are of a high standard. Strong island and community interest in, support for, and engagement in |

| Expected Result | Indicator | Baseline data | Targets | Source of Verification / Data collection methods | Frequency | Responsibility | Assumptions and Risks |
|--------------------------------|---|---|--|--|----------------------|------------------|--|
| | <p>community and other stakeholders.</p> <p>Number of success stories developed and shared on briefs, brochures, pamphlets, posters prepared and distributed.</p> <p>Number of men, women and youth participating in trainings and planning meetings.</p> | <p>and implemented under island development plans that exist.</p> <p>No systematic approach to awareness of opportunities and issues around climate change in outer islands and community / municipal government levels</p> <p>There is lack of gender-sensitized management and execution of climate-related projects and programs.</p> <p>The approaches with existing projects are only in pilot and in silo approaches without integration across program planning.</p> | <p>At least eight success stories or knowledge products generated on lessons learned and best practices have been produced, published, and shared with targeted stakeholders each project year</p> <p>At least 50% of perception responses (at least 50% are from women) to significant level of awareness and acknowledgement of gender and climate change benefits – compliance with natural resource management and gender dimensions of climate change</p> | <p>reports documenting lessons learned and good practices in climate change mainstreaming that comprehensively addresses gender</p> <p>Independent evaluation reports</p> <p>Training evaluation reports</p> | | | <p>capacity building activities in the Outer Islands of each State.</p> <p>Risks: Locally available printing, video and audio production capacity</p> |
| Output 4.1: Resource | Completion of recruitment of | No project awareness | By the end of the Project, at least 60 | Executed contract or workplan, | Baseline, bi-annual, | Project Manager, | Assumptions: |

| Expected Result | Indicator | Baseline data | Targets | Source of Verification / Data collection methods | Frequency | Responsibility | Assumptions and Risks |
|---|---|--|---|--|-----------------|--|--|
| materials developed, tailored to local context, translated, published and shared amongst various stakeholders | <p>Knowledge and Communication Officer</p> <p>Completion of project-level knowledge management strategy</p> <p>Number of practical information products made by the project (by type and intended audience)</p> <p>Number of public communications of results and information made by the project (by type and intended audience)</p> <p>Number of Project-related reports in local media</p> <p>Completion of data management plan/roadmap</p> <p>Completion of data systems integration</p> <p>Completion of sustainability plan for integrated data system</p> | <p>materials have been developed or made available</p> <p>No data management strategy is in place.</p> | <p>awareness and knowledge management products on the project results are produced and disseminated to stakeholders</p> <p>At least 1 inter-state or south-south exchanges on lessons learned and best practices on practical island interventions</p> <p>An accessible project data management and storage system with the complete Project history, results and knowledge products developed and maintained by DECM</p> | <p>strategy document, information products</p> <p>Data management agreements with partners, plans, reports, guidance documents</p> | mid-term, final | Knowledge & Communication Officer, Kosrae Operations & Finance Officer and Outer Island Coordinators | <p>No delays in the recruitment process(es)</p> <p>Risks: Logistical / transport problems and /or prohibitive costs leading to delays in arrival of people and /or materials</p> <p>Team/ island communication difficulties (e.g., only have shortwave radio)</p> |

F. Alignment with the Results Framework of the Adaptation Fund

| Project Objective(s) ⁴⁴ | Project Objective Indicator(s) | Fund Outcome | Fund Outcome Indicator | Grant Amount (USD) |
|--|--|---|--|--------------------|
| Project Objective 1: Prepare the necessary institutional and regulatory frameworks, policies, guidance, and tools to help deliver a climate resilient FSM | Number of institutional, regulatory, and planning guidance, frameworks and tools introduced to implement climate resiliency for all FSM States | Outcome 7. Improved policies and regulations that promote and enforce resilience measures | 7. Climate change priorities are integrated into national development strategy | \$600,900 |
| Project Objective 2: Strengthen water and livelihood security measures to help 6 outer atoll islands adapt to impacts of climate change related to water, health, and sanitation | Number of risk-exposed communities in Yap, Pohnpei and Chuuk protected through adaptation measures | Outcome 3: Strengthened awareness and ownership of adaptation and climate risk reduction processes at local level | 3.1. Percentage of targeted population aware of predicted adverse impacts of climate change, and of appropriate responses 3.2. Modification in behaviour of targeted population | \$365,600 |
| | | Outcome 4. Increased adaptive capacity within relevant development and natural resource sectors | 4.2. Physical infrastructure improved to withstand climate change and variability-induced stress | \$2,459,400 |
| | | Outcome 5. Increased ecosystem resilience in response to climate change and variability-induced stress | 5. Ecosystem services and natural assets maintained or improved under climate change and variability-induced stress | \$275,413 |
| Project Objective 3: Provide communities with climate resilient infrastructure to help | Number and length of climate adaptive infrastructure designed and constructed in Kosrae | Outcome 4: Increased adaptive capacity within relevant development | 4.2. Physical infrastructure improved to withstand climate change and variability-induced stress | \$3,374,000 |

⁴⁴ The AF utilized OECD/DAC terminology for its results framework. Project proponents may use different terminology, but the overall principle should still apply

| | | | | |
|---|---|---|---|---------------------------|
| relocate from high risk coastal inundation sites | | and natural resource sectors | | |
| Project Objective 4: Capture and share the local knowledge produced on climate change adaptation and accelerate the understanding about the kinds of interventions that work in island environments in FSM | Number of knowledge products developed and number of men, women and youth trained on climate change, sea-level rise, vulnerability and adaptive capacity | Outcome 3: Strengthened awareness and ownership of adaptation and climate risk reduction processes at local level | 3.1. Percentage of targeted population aware of predicted adverse impacts of climate change, and of appropriate responses 3.2. Modification of behaviour in targeted population | \$431,600 |
| Project Outcome(s) | Project Outcome Indicator(s) | Fund Output | Fund Output Indicator | Grant Amount (USD) |
| Outcome 1: Strengthened policy and institutional capacity of government to integrate climate risk and resilience into its water and coastal and marine management legislative, regulatory and policy frameworks | Number of national and state level stakeholders participating in EPA, R&D, NWTF meetings, planning and implementation of activities. Number of regulatory framework drafts developed for development projects regulations at state level | Output 7: Improved integration of climate-resilience strategies into country development plans | 7.1. No., type, and sector of policies introduced or adjusted to address climate change risks 7.2. No. or targeted development strategies with incorporated climate change priorities enforced | \$600,900 |
| Outcome 2a: Water conservation & management technology and practices adopted responding to drought, sea level rise and early recovery from cyclones | No. of demonstrations on climate change, sea-level rise and adaptive capacity measures involving water, health, sanitation, and environment undertaken on the outer islands. No. of population in the outer islands trained in climate change, sea-level rise, and adaptive capacity measures. Demonstrated increase in understanding of climate change, sea-level rise, and adaptive | Output 3: Targeted population groups participating in adaptation and risk reduction awareness activities | 3.1.1. Number and type of risk reduction actions or strategies introduced at local level 3.1.2. No. of news outlets in the local press and media that have covered the topic | \$365,600 |

| | | | | |
|--|---|---|---|-------------|
| | capacity measures in communities in the outer islands. | | | |
| | No. of water storage facilities improved or constructed. Storage capacity for potable and grey water at household and community level increased. | Output 4: Vulnerable physical, natural, and social assets strengthened in response to climate change impacts, including variability | 4.1.2. No. of physical assets strengthened or constructed to withstand conditions resulting from climate variability and change (by asset type) | \$2,459,400 |
| | Rainfall data collected on a monthly basis used to provide advice on water conservation practices and advice on other development sectors (farming, fishing, etc.). Water conservation and management plans in place on the outer islands of Yap, Chuuk and Pohnpei. Water quality monitoring programme in place and improvement in water quality demonstrated. | Output 5: Vulnerable physical, natural, and social assets strengthened in response to climate change impacts, including variability | 5.1. No. and type of natural resource assets created, maintained, or improved to withstand conditions resulting from climate variability and change (by type of assets) | |
| Outcome 2b: Appropriate sanitation measures for the outer islands of Yap, Chuuk and Pohnpei are determined for future investment | Number of sanitation measures assessed and piloted in outer islands in Yap, Chuuk and Pohnpei. Number of WASH trainings undertaken on the outer islands. Demonstration of changed behaviour on WASH in targeted Population. | Output 3: Targeted population groups participating in adaptation and risk reduction awareness activities | 3.1.1. Number and type of risk reduction actions or strategies introduced at local level 3.1.2. No. of news outlets in the local press and media that have covered the topic | \$275,413 |
| Outcome 3: Increased resilience of coastal communities and environment to adapt to | Best practice road design developed and no. of people who will benefit from future construction of the road. | Output 4: Vulnerable physical, natural, and social assets strengthened in | 4.1.2. No. of physical assets strengthened or constructed to withstand conditions resulting from | \$3,374,000 |

| | | | | |
|--|--|--|--|-----------|
| coastal hazards and risks induced by climate change | No. of people benefiting from the construction of coastal defences. | response to climate change impacts, including variability | climate variability and change (by asset types) | |
| Outcome 4: Capacity and knowledge enhanced and developed to improve management of water and coastal sectors to adapt to climate change | <p>No. of awareness materials on climate change, sea-level rise, vulnerability, and adaptive capacity prepared in local language and distributed to community and other stakeholders.</p> <p>Number of project success stories developed and shared.</p> <p>Number of men, women and youth participating in trainings and planning meetings.</p> <p>Demonstrated increase in understanding of climate change, sea-level rise and adaptative capacity measures in communities in the outer islands.</p> | Output 3: Targeted population groups participating in adaptation and risk reduction awareness activities | <p>3.1.1 No. and type of risk reduction actions or strategies introduced at local level</p> <p>3.1.2. No. of news outlets in the local press and media that have covered the topic</p> | \$431,600 |

Table 20. Alignment with Adaptation Fund Core Indicators

| Adaptation Fund Core Indicators | | Indicative Targets | Comments |
|---|--|---|---|
| 1. Number of beneficiaries | | <p>Direct beneficiaries: 5,536 (Female: 2,803; Male: 2,727)</p> <p>(Outputs 2.1, 2.2, 2.3, 3.2 and 4.1)</p> | This only counts direct beneficiaries in the six target outer islands and Kosrae State (Malem and Utwe) who will benefit from the water security measures, coastal protection measures and training, awareness raising exercises and sessions. It does not include indirect beneficiaries. Beneficiaries are based on population (male and female) under the 2010 Census. |
| 3.1. Percentage of targeted population aware of predicted adverse impacts of climate change, and of appropriate responses | | At least 50% of participants are either partially aware, mostly aware or fully aware of | Includes populations of the six outer islands (Woleai, Eauripik, Satawan, Lukunor, Kapinga, Nukuoro) only and is based on 50% of the participants attending trainings and information |

| | | |
|---|--|---|
| | the climate change impacts and adaptation measures (Outputs 2.1 and 4.1) | sessions perceiving a shift in their level of understanding and awareness of climate change impacts and adaptation measures to build resilience. |
| 3.1.1. Number and type of risk reduction actions or strategies introduced at local level | At least 80% of households in target outer islands have improved access to water (Output 2.2) 13 strategies or plans reviewed (Output 1.1, 1.2 and 1.3) | The implementation of water security strategies / actions will provide increased water storage capacity and improved water quality to the communities in the target outer islands. This action is linked to the repair, maintenance, and installation of infrastructure under Output 2.2 and will include training in the maintenance of infrastructure and water management. The strategies and plans will be at the national and state levels and ensure climate risk and resilience is incorporated into strategies and plans for water, marine and coastal development. This will support national and state level authorities to better plan and mitigate against climate impacts in these sectors. |
| 3.1.2. No. of news outlets in the local press and media that have covered the topic | At least 10 news outlets covering the topics by project end 60 awareness and knowledge management products produced by project end (Output 4.1) | This will be implemented through the knowledge management and communication activities of the project and be at the national, state, and local levels. In addition, some media will have an external reach through regional and international channels via social media, project partner networks and south-south exchanges. |
| 3.2. Modification in behaviour of targeted population | At least 50% of the population in the six outer islands have changed their behaviour through implementation of WASH Programmes (Output 2.3 and 4.1) | The WASH Programmes are designed to raise awareness, educate and train communities on water, sanitation and health. These programmes will be implemented in partnership with UNICEF WASH in the target outer islands. |
| 4.2. Physical infrastructure improved to withstand climate change and variability-induced stress | Water storage infrastructure is 'mostly improved' to 'fully improved' in at least five target outer islands (Output 2.2) | The implementation of water security strategies / actions will provide increased water storage capacity and improved water quality to the communities in the target outer islands. This action is linked to the repair, maintenance, and installation of infrastructure under Output 2.2 and will include training in the maintenance of infrastructure and water management. |
| 4.1.2. No. of physical assets strengthened or constructed to withstand conditions resulting from climate variability and change (by asset type) | At least 50% of identified water infrastructure on the outer islands improved or constructed by project end | The number and type of water infrastructure to be improved or constructed will be identified during the outer island water assessments. |

| | | |
|---|---|---|
| | (Output 2.2) One coastal protection measure (i.e. coastal wall) constructed (Output 3.2) | Coastal protection measures are to be constructed in Kosrae State only under Output 3.2. This includes the construction of protection measures and implementation of soft adaptation measures e.g. vegetation replanting. |
| 5. Ecosystem services and natural assets maintained or improved under climate change and variability-induced stress | Project actions to improve water quality within lagoon areas on outer islands have been moderately effective (Outputs 2.1, 2.2 and 2.3) | The ecosystem service of water provisioning and improved water quality will be measured through ongoing monitoring conducted in the outer islands. |
| 5.1. No. and type of natural resource assets created, maintained, or improved to withstand conditions resulting from climate variability and change (by type of assets) | 1 natural resource asset (water) improved and maintained (Output 2.2) | The water asset for the outer island communities will be created, maintained, or improved through new or reconditioned water storage facilities i.e. water tanks. In the majority of cases, this will involve repairing and reconditioning of water tanks. The outcome will be increased water storage capacity for the communities. Training in water safety and water management will be undertaken to ensure ongoing maintenance of the infrastructure |
| 7. Climate change priorities are integrated into national development strategy | 13 strategies or plans reviewed At least 2 guidance guidelines developed (Outputs 1.1, 1.2 and 1.3) | FSM regulations for development do not currently consider climate risks and resilience. The review, recommendations, guidance, and strategy development will ensure climate risks and resilience are incorporated into the water, marine and coastal sectors. |
| 7.1. No., type, and sector of policies introduced or adjusted to address climate change risks | 1 national policy developed on water and sanitation 4 State water outlooks and water investment plans developed | |
| 7.2. No. or targeted development strategies with incorporated climate change priorities enforced | 13 strategies or plans integrating climate risk and resilience in the water and coastal sectors reviewed and / or developed | |

G. Project Budget

| COMPONENT | OUTPUT | OUTCOME | Year 1: 2018 (USD) | Year 2: 2019 (USD) | Year 3: 2020 (USD) | Year 4: 2021 (USD) | Year 5: 2022 (USD) | Year 6: 2023 (USD) | Total Output Budget | Total Outcome Budget |
|---|---|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|------------------------|-------------------------|
| Component 1. Strengthening policy and institutional capacity for integrated coastal and water management at national, state levels and outer island levels | Output 1.1 Legislation and policy paper to guide regulation of climate resilient coastal and marine management at national level | Outcome 1: Strengthened policy and institutional capacity of government to integrate climate risk and resilience into its water and coastal management legislative, regulatory and policy frameworks | - | 79,250.00 | 34,250.00 | 28,500.00 | - | - | 142,000.00 | 600,900.00 |
| | Output 1.2 State regulations for coastal and marine development projects amended to consider climate change risks and resilience measures | | - | - | 72,400.00 | 70,900.00 | - | - | 143,300.00 | |
| | Output 1.3 State Water Outlook and Water Sector Investment Plan developed and implemented | | - | - | 92,800.00 | 83,800.00 | 72,000.00 | 67,000.00 | 315,600.00 | |
| Total Outcome Budget | | | - | 79,250.00 | 199,450.00 | 183,200.00 | 72,000.00 | 67,000.00 | 600,900.00 | 600,900.00 |
| Component 2. Demonstration of water security and sanitation measures in outer islands of Yap, Chuuk and Pohnpei | Output 2.1 Outer island communities oriented to CC, SLR, and adaptive capacity measures involving water, health, sanitation and environment | Outcome 2a Water conservation and management technology & practices adopted, responding to drought, sea level rise and early recovery from cyclones | - | 26,200.00 | 183,200.00 | 76,200.00 | 80,000.00 | - | 365,600.00 | 3,100,413.00 |
| | Output 2.2 Water Harvesting and Storage System (WHSS) repaired and installed in 6 atoll islands | - | 222,400.00 | 1,575,500.00 | 534,250.00 | 118,750.00 | 8,500.00 | 2,459,400.00 | | |
| | Output 2.3 Assessment of viable sanitation measures for outer islands in Yap, Chuuk and Pohnpei | Outcome 2b Appropriate sanitation measures for the outer islands of Yap, Chuuk and Pohnpei are determined for future investment | - | - | 79,500.00 | 101,913.00 | 77,000.00 | 17,000.00 | 275,413.00 | |
| Total Outcome Budget | | | - | 248,600.00 | 1,838,200.00 | 712,363.00 | 275,750.00 | 25,500.00 | 3,100,413.00 | 3,100,413.00 |
| Component 3. Demonstration of adaptation measures for coastal communities in Kosrae State | Output 3.1. Malem - Utwe inland road and access routes designed for future construction | Outcome 3. Increased resilience of coastal communities and environment to adapt to coastal hazards and risks induced by climate change | - | 579,000.00 | 209,000.00 | - | - | - | 788,000.00 | 3,374,000.00 |
| | Output 3.2 Transitional coastal protection at Mosral and Paal upgraded for immediate coastal protection | | - | - | 536,000.00 | 1,541,000.00 | 509,000.00 | - | 2,586,000.00 | |
| Total Outcome Budget | | | - | 579,000.00 | 745,000.00 | 1,541,000.00 | 509,000.00 | - | 3,374,000.00 | 3,374,000.00 |
| Component 4. Knowledge management for improved water and coastal protection | Output 4.1 Resource materials developed, tailored to local context, translated, published and shared amongst various stakeholders | Outcome 4. Capacity and knowledge enhanced and developed to improve management of water and coastal sectors to adapt to climate change | - | 25,000.00 | 113,800.00 | 123,800.00 | 97,000.00 | 72,000.00 | 431,600.00 | 431,600.00 |
| Total Outcome Budget | | | - | 25,000.00 | 113,800.00 | 123,800.00 | 97,000.00 | 72,000.00 | 431,600.00 | 431,600.00 |
| TOTAL OUTCOME BUDGET | | | - | 931,850.00 | 2,896,450.00 | 2,560,363.00 | 953,750.00 | 164,500.00 | 7,506,913.00 | 7,506,913.00 |
| Project Management | | | 48,220.00 | 185,200.00 | 168,000.00 | 162,000.00 | 163,500.00 | 61,098.00 | 788,018.00 | 788,018.00 |
| TOTAL PROJECT MANAGEMENT BUDGET | | | 48,220.00 | 185,200.00 | 168,000.00 | 162,000.00 | 163,500.00 | 61,098.00 | 788,018.00 | 788,018.00 |
| | | | | | | | | | | |
| TOTAL PROJECT BUDGET | | | 48,220.00 | 1,117,050.00 | 3,064,450.00 | 2,722,363.00 | 1,117,250.00 | 225,598.00 | 8,294,931.00 | 8,294,931.00 |

| Component 1. Strengthening policy and institutional capacity for integrated coastal and water management at national, state and outer island levels | | | | | | | | | | |
|---|---|---------------------------------------|----------------|-----------|------------|------------|-----------|-----------|------------|------------|
| OUTPUT | ACTIVITY | BUDGET CATEGORY | BUDGET BY YEAR | | | | | | | USD |
| | | | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| | | | USD | USD | USD | USD | | USD | USD | |
| Output 1.1 Legislation and policy paper to guide regulation of climate resilient coastal and marine management at national level | Activity 1.1.1: Review of National-level legislation and policies for: (i) infrastructure to identify climate change requirements and (ii) regulatory and policy framework for climate change | Consultant - International | | 79,250.00 | 20,750.00 | - | | | 100,000.00 | 142,000.00 |
| | | Workshops / Meetings / Forums | | | 13,500.00 | 13,500.00 | | | 27,000.00 | |
| | | Communications: Publishing / Printing | | | | 15,000.00 | | | 15,000.00 | |
| | | Other | | | | | | | - | |
| | SUB-TOTAL | | - | 79,250.00 | 34,250.00 | 28,500.00 | | - | 142,000.00 | 142,000.00 |
| | Activity 1.1.2: Develop guidance based on recommendations from the review of coastal and marine management legislation and policy and monitor progress of recommendation uptake through relevant Departments | Consultant - International | | | - | - | | | - | - |
| | | Workshops / Meetings / Forums | | | - | - | | | - | |
| | | Communications: Publishing / Printing | | | | - | | | - | |
| | | Other | | | | | | | - | |
| | SUB-TOTAL | | - | - | - | - | | - | - | - |
| Output 1.2 State regulations for coastal and marine development projects amended to consider climate change risks and resilience measures | Activity 1.2.1: Review of State-level legislation and policies for infrastructure to identify climate change requirements. | Consultant - International | | | 36,000.00 | 36,000.00 | | | 72,000.00 | 143,300.00 |
| | | Travel | | | 10,200.00 | 8,700.00 | | | 18,900.00 | |
| | | Workshops / Meetings / Forums | | | 13,800.00 | 13,800.00 | | | 27,600.00 | |
| | | Community Consultations | | | 12,400.00 | 12,400.00 | | | 24,800.00 | |
| | | Other | | | | | | | - | |
| | SUB-TOTAL | | - | - | 72,400.00 | 70,900.00 | | - | 143,300.00 | 143,300.00 |
| | Activity 1.2.2: Develop guidance based on recommendations from the review of coastal and marine management legislation and policy) and monitor progress of recommendation uptake through relevant | Consultant - International | | | - | - | | | - | - |
| | | Travel | | | - | - | | | - | |
| | | Workshops / Meetings / Forums | | | - | - | | | - | |
| | | Community Consultations | | | - | - | | | - | |
| | | Other | | | | | | | - | |
| | SUB-TOTAL | | - | - | - | - | | - | - | - |
| Output 1.3 State Water Outlook and Water Sector Investment Plan developed and implemented | Activity 1.3.1 Support the implementation of State-level Water Outlook and Investment Plans | Consultant - International | | | 27,000.00 | 27,000.00 | 27,000.00 | 27,000.00 | 108,000.00 | 315,600.00 |
| | | Travel | | | 28,000.00 | 28,000.00 | 17,000.00 | 17,000.00 | 90,000.00 | |
| | | Water Forums | | | 13,800.00 | | | | 13,800.00 | |
| | | Workshops: Water Investment Plans | | | 4,000.00 | 3,800.00 | 3,000.00 | 3,000.00 | 13,800.00 | |
| | | Communications: Publishing / Printing | | | - | 5,000.00 | 5,000.00 | - | 10,000.00 | |
| | | Other | | | 20,000.00 | 20,000.00 | 20,000.00 | 20,000.00 | 80,000.00 | |
| | SUB-TOTAL | | - | - | 92,800.00 | 83,800.00 | 72,000.00 | 67,000.00 | 315,600.00 | 315,600.00 |
| COMPONENT TOTAL | | | - | 79,250.00 | 199,450.00 | 183,200.00 | 72,000.00 | 67,000.00 | 600,900.00 | 600,900.00 |

Component 2. Demonstration of water security and sanitation measures in outer islands of Yap, Chuuk and Pohnpei

| OUTPUT | ACTIVITY | BUDGET CATEGORY | BUDGET BY YEAR | | | | | | USD | USD |
|--|---|---|----------------|------------|--------------|------------|------------|-----------|--------------|--------------|
| | | | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| | | | USD | USD | USD | USD | USD | USD | | |
| Output 2.1 Outer island communities oriented to CC, SLR, and adaptive capacity measures involving water, health, sanitation and environment | Activity 2.1.1 Arrangements for demonstrations of water and sanitation technologies | Consultant | | | 48,000.00 | - | | | 48,000.00 | 365,600.00 |
| | | Travel | | | 9,000.00 | - | | | 9,000.00 | |
| | | NGO: | | | 50,000.00 | 50,000.00 | 50,000.00 | - | 150,000.00 | |
| | | Workshops / Meetings / Forums | | 13,800.00 | 13,800.00 | 13,800.00 | - | - | 41,400.00 | |
| | | Training Materials | | | 50,000.00 | | 30,000.00 | | 80,000.00 | |
| | | Community Consultations / Trainings | | 12,400.00 | 12,400.00 | 12,400.00 | - | - | 37,200.00 | |
| | | Other | | | | | | | - | |
| | | SUB-TOTAL | - | 26,200.00 | 183,200.00 | 76,200.00 | 80,000.00 | - | 365,600.00 | 365,600.00 |
| Output 2.2 Water Harvesting and Storage System (WHSS) repaired and installed in 6 atoll islands | Activity 2.2.1. Carry out ground-truthing assessments | Travel | - | 60,000.00 | - | | | | 60,000.00 | 102,400.00 |
| | | Field costs (transport, fuel etc) | - | 20,000.00 | - | | | | 20,000.00 | |
| | | Equipment | - | 10,000.00 | - | | | | 10,000.00 | |
| | | Community Consultations | - | 12,400.00 | - | | | | 12,400.00 | |
| | | Other | | | | | | | - | |
| | | SUB-TOTAL | - | 102,400.00 | - | - | - | - | 102,400.00 | 102,400.00 |
| | Activity 2.2.2 Repairing household rainwater harvesting and storage system. | Salary: Local builders | | | - | 15,000.00 | | | 15,000.00 | 1,558,000.00 |
| | | Outer Island Coordinators | | 24,000.00 | 24,000.00 | 24,000.00 | 24,000.00 | | 96,000.00 | |
| | | Equipment / Materials (wells & tanks) | | 33,000.00 | 1,100,000.00 | - | | | 1,133,000.00 | |
| | | Transportation & Logistics (People & Materials) | | | 140,000.00 | 140,000.00 | | | 280,000.00 | |
| | | Workshops / Meetings / Forums | | | 8,500.00 | 8,500.00 | | | 17,000.00 | |
| | | Training (Community) | | | 8,500.00 | 8,500.00 | | | 17,000.00 | |
| | | SUB-TOTAL | - | 57,000.00 | 1,281,000.00 | 196,000.00 | 24,000.00 | - | 1,558,000.00 | 1,558,000.00 |
| | Activity 2.2.3. Constructing community rainwater harvesting and storage systems. | Salary: Local builders | | | - | 11,250.00 | 11,250.00 | | 22,500.00 | 396,500.00 |
| | | Travel | | | - | 30,000.00 | 30,000.00 | | 60,000.00 | |
| | | Equipment / Materials (wells & tanks) | | | 130,000.00 | 150,000.00 | | | 280,000.00 | |
| | | Workshops / Meetings / Forums | | | - | 8,500.00 | 8,500.00 | | 17,000.00 | |
| | | Community Consultations | | | - | 8,500.00 | 8,500.00 | | 17,000.00 | |
| | | SUB-TOTAL | - | - | 130,000.00 | 208,250.00 | 58,250.00 | - | 396,500.00 | 396,500.00 |
| | Activity 2.2.4. Implementation of a monitoring and maintenance programme | Travel | | 35,000.00 | 42,000.00 | 43,500.00 | - | - | 120,500.00 | 402,500.00 |
| | | Equipment: Water quality | | 28,000.00 | 28,000.00 | 28,000.00 | 28,000.00 | - | 112,000.00 | |
| | | Training | | | 8,500.00 | 8,500.00 | 8,500.00 | 8,500.00 | 34,000.00 | |
| | | Community Consultations (Mngt Plans) | | | 8,500.00 | 8,500.00 | | | 17,000.00 | |
| | | Consultant | | | 54,000.00 | 18,000.00 | | | 72,000.00 | |
| | | Communications: Publishing / Printing | - | | 15,000.00 | 15,000.00 | | | 30,000.00 | |
| | | Workshops / Meetings / Forums | | | 8,500.00 | 8,500.00 | | | 17,000.00 | |
| | | Other | | | | | | | - | |
| | | SUB-TOTAL | - | 63,000.00 | 164,500.00 | 130,000.00 | 36,500.00 | 8,500.00 | 402,500.00 | 402,500.00 |
| Output 2.3 Assessment of viable sanitation measures for outer islands in Yap, Chuuk and Pohnpei | Activity 2.3.1. Sanitation measures assessed and piloted in outer islands in Yap, Chuuk and Pohnpei. | Consultant | | | 54,000.00 | 18,000.00 | | | 72,000.00 | 275,413.00 |
| | | Equipment (SCT or other piloted) | | | | 60,000.00 | 60,000.00 | | 120,000.00 | |
| | | Transportation & Logistics (Materials) | | | | - | - | | - | |
| | | Community Consultations & Training | | | 17,000.00 | 17,000.00 | 17,000.00 | 17,000.00 | 68,000.00 | |
| | | Training | | | 8,500.00 | 6,913.00 | - | | 15,413.00 | |
| | | Other | | | | | | | - | |
| | | SUB-TOTAL | - | - | 79,500.00 | 101,913.00 | 77,000.00 | 17,000.00 | 275,413.00 | 275,413.00 |
| COMPONENT TOTAL | | | - | 248,600.00 | 1,838,200.00 | 712,363.00 | 275,750.00 | 25,500.00 | 3,100,413.00 | 3,100,413.00 |

| Component 3. Demonstration of adaptation measures for coastal communities in Kosrae State | | | | | | | | | | |
|--|---|-------------------------|----------------|-------------|-------------|--------------|-------------|-------------|--------------|--------------|
| OUTPUT | ACTIVITY | BUDGET CATEGORY | BUDGET BY YEAR | | | | | | | USD |
| | | | 2018 USD | 2019 USD | 2020 USD | 2021 USD | 2022 USD | 2023 USD | USD | |
| Output 3.1. Malem - Utwe inland road and access routes designed for future construction | Activity 3.1.1 Survey and design road and related infrastructure to ensure climate change resilience | Consultant | - | 450,000.00 | 200,000.00 | | | | 650,000.00 | 788,000.00 |
| | | Travel | | 9,000.00 | 9,000.00 | | | | 18,000.00 | |
| | | Survey work | | 120,000.00 | | | | | 120,000.00 | |
| | | SUB-TOTAL | - | 579,000.00 | 209,000.00 | - | - | - | 788,000.00 | |
| Output 3.2. Transitional coastal protection at Mosral and Paal upgrade for immediate coastal protection | Activity 3.2.1. Upgrade coastal protection works | Design and Construction | | | 500,000.00 | 1,450,000.00 | 500,000.00 | | 2,450,000.00 | 2,586,000.00 |
| | | Travel | | | 18,000.00 | 18,000.00 | 9,000.00 | | 45,000.00 | |
| | | Watershed protection | | | | 55,000.00 | - | | 55,000.00 | |
| | | Community Consultations | | | 18,000.00 | 18,000.00 | | | 36,000.00 | |
| | | Other | | | | | | | - | |
| | | SUB-TOTAL | - | - | 536,000.00 | 1,541,000.00 | 509,000.00 | - | 2,586,000.00 | 2,586,000.00 |
| COMPONENT TOTAL | | | - | 579,000.00 | 745,000.00 | 1,541,000.00 | 509,000.00 | - | 3,374,000.00 | 3,374,000.00 |

| Component 4. Knowledge management for improved water and coastal protection | | | | | | | | | | |
|---|--|-----------------------------------|----------------|-------------|-------------|-------------|-------------|-------------|------------|------------|
| OUTPUT | ACTIVITY | BUDGET CATEGORY | BUDGET BY YEAR | | | | | | | USD |
| | | | 2018 USD | 2019 USD | 2020 USD | 2021 USD | 2022 USD | 2023 USD | USD | |
| Output 4.1. Resource materials developed, tailored to local context, translated, published and shared amongst various stakeholders | Activity 4.2.1. Undertake knowledge management, communication and engagement activities | Consultant | | | 30,000.00 | 30,000.00 | - | | 60,000.00 | 335,600.00 |
| | | Travel | | | 9,800.00 | 9,800.00 | 3,000.00 | 3,000.00 | 25,600.00 | |
| | | Communication Products | | 25,000.00 | 50,000.00 | 60,000.00 | 70,000.00 | 45,000.00 | 250,000.00 | |
| | | Other | | | | | | | - | |
| | | SUB-TOTAL | - | 25,000.00 | 89,800.00 | 99,800.00 | 73,000.00 | 48,000.00 | 335,600.00 | 335,600.00 |
| | Activity 4.2.2 Capture and document data and information generated by the project | Database Management: INFORM | | | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 40,000.00 | 96,000.00 |
| | | Staff: M&E Officer / Data Officer | | | 14,000.00 | 14,000.00 | 14,000.00 | 14,000.00 | 56,000.00 | |
| | | Other | | | | | | | - | |
| | | SUB-TOTAL | - | - | 24,000.00 | 24,000.00 | 24,000.00 | 24,000.00 | 96,000.00 | 96,000.00 |
| COMPONENT TOTAL | | | - | 25,000.00 | 113,800.00 | 123,800.00 | 97,000.00 | 72,000.00 | 431,600.00 | 431,600.00 |

Project Management Budget

| Detailed Budget (in US\$) | | | | | | | | |
|--|------------------|-------------------|-------------------|-------------------|-------------------|------------------|-------------------|-------------------|
| Budget Categories | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Total Category | Total |
| | | | | | | | | |
| | USD | USD | USD | USD | USD | USD | USD | USD |
| | | | | | | | | |
| Project Staff: Project Manager | 24,220.00 | 30,000.00 | 30,000.00 | 30,000.00 | 30,000.00 | - | 144,220.00 | 608,220.00 |
| Accountant | 12,000.00 | 18,000.00 | 18,000.00 | 18,000.00 | 18,000.00 | - | 84,000.00 | |
| Knowledge & Communication Officer | 12,000.00 | 12,000.00 | 12,000.00 | 12,000.00 | 12,000.00 | - | 60,000.00 | |
| Operations and Finance Officer (Kosrae) | - | 14,000.00 | 14,000.00 | 14,000.00 | 14,000.00 | - | 56,000.00 | |
| Operations and Finance Officer (Pohnpei) | - | 14,000.00 | 14,000.00 | 14,000.00 | 14,000.00 | - | 56,000.00 | |
| Operations and Finance Officer (Chuuk) | - | 14,000.00 | 14,000.00 | 14,000.00 | 14,000.00 | - | 56,000.00 | |
| Operations and Finance Officer (Yap) | - | 14,000.00 | 14,000.00 | 14,000.00 | 14,000.00 | - | 56,000.00 | |
| Outer Island Coordinator (Woleai) | - | 4,000.00 | 4,000.00 | 4,000.00 | 4,000.00 | - | 16,000.00 | |
| Outer Island Coordinator (Eauripik) | - | 4,000.00 | 4,000.00 | 4,000.00 | 4,000.00 | - | 16,000.00 | |
| Outer Island Coordinator (Satawan) | - | 4,000.00 | 4,000.00 | 4,000.00 | 4,000.00 | - | 16,000.00 | |
| Outer Island Coordinator (Lukunor) | - | 4,000.00 | 4,000.00 | 4,000.00 | 4,000.00 | - | 16,000.00 | |
| Outer Island Coordinator (Nukuoro) | - | 4,000.00 | 4,000.00 | 4,000.00 | 4,000.00 | - | 16,000.00 | |
| Outer Island Coordinator (Kapinga) | - | 4,000.00 | 4,000.00 | 4,000.00 | 4,000.00 | - | 16,000.00 | |
| Sub-Total (Salaries) | 48,220.00 | 140,000.00 | 140,000.00 | 140,000.00 | 140,000.00 | - | 608,220.00 | 608,220.00 |
| Travel | | 9,000.00 | 9,000.00 | 9,000.00 | 10,000.00 | 10,000.00 | 47,000.00 | 179,798.00 |
| Monitoring and Evaluation | | | | | | 50,000.00 | 50,000.00 | |
| Equipment / Office Supplies | | 18,500.00 | 6,000.00 | | | | 24,500.00 | |
| Consumables | | 1,000.00 | 2,000.00 | 2,000.00 | 2,500.00 | 1,098.00 | 8,598.00 | |
| Audit | | 11,000.00 | 11,000.00 | 11,000.00 | 11,000.00 | | 44,000.00 | |
| Workshops / Forums | | 5,700.00 | | | | | 5,700.00 | |
| Project Steering Committee | | | | | | | - | |
| Sub-Total (Admin Expenses) | - | 45,200.00 | 28,000.00 | 22,000.00 | 23,500.00 | 61,098.00 | 179,798.00 | 179,798.00 |
| | 48,220.00 | 185,200.00 | 168,000.00 | 162,000.00 | 163,500.00 | 61,098.00 | 788,018.00 | 788,018.00 |

Implementing Agency Fee

| | AF costs for IA fees | Budget estimates (USD) |
|---------------------------------------|---|------------------------|
| Project Development | | |
| 1 | Develop, appraise and finalize project proposal , including mission travel; Project planning workshop | 141,014.00 |
| Sub-Total | | 141,014.00 |
| Implementation and Supervision | | |
| 2 | Finalize project implementation arrangements, technical assistance, supervision missions, monitoring and reporting, procurement and financial management, Audits, mid-term review | 426,700.00 |
| Sub-Total | | 426,700.00 |
| Completion and Evaluation | | |
| 3 | Oversee the preparation of the project completion report/independent terminal, evaluation and project closing, financial closure | 75,605.00 |
| Sub-Total | | 75,605.00 |
| IA Systems Support | | |
| 4 | Legal, IT, core costs | 61,750.00 |
| Sub-Total | | 61,750.00 |
| | | |
| IA FEE: TOTAL | | 705,069.00 |

H. Disbursement Schedule

| | Upon signature of Agreement | One Year after Project start | Year 2 | Year 3 | Year 4 | Year 5 | Total (USD) |
|--------------------------|-----------------------------|------------------------------|---------------------|---------------------|-------------------|---------------|---------------------|
| Scheduled date | April 2017 | 13 March 2019 | 13 March 2020 | 13 March 2021 | 13 March 2022 | 13 March 2023 | |
| Project Funds | 1,150,678.00 | 1,843,235.00 | 2,447,175.00 | 2,722,363.00 | 131,480.00 | - | 8,294,931.00 |
| Implementing Entity fees | 97,807.60 | 156,674.99 | 208,009.88 | 231,400.73 | 11,175.80 | - | 705,069.00 |
| Total | 1,248,485.60 | 1,999,909.99 | 2,655,184.88 | 2,953,763.73 | 142,655.80 | - | 9,000,000.00 |

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

A. Record of endorsement on behalf of the government⁴⁵

| | |
|---|---------------------------------|
| <i>(Enter Name, Position, Ministry)</i> | <i>Date: (Month, day, year)</i> |
|---|---------------------------------|


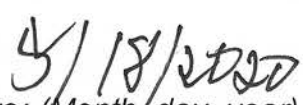
B. Implementing Entity certification

| | |
|---|----------------------------|
| <p>I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans National Development and Adaptation Plans, the 2004 National Strategic Development Plan, 2013 National Policy on Disaster Risk Management Plan and Climate Change Adaptation, 2011 Kosrae State Climate Change Act, 2014 Kosrae Shoreline Management Plan and other relevant regulations, and subject to the approval by the Adaptation Fund, <u>commit to implementing the project/programme in compliance with the Environmental and Social Policy of the Adaptation Fund</u> and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.</p> | |
| <p><i>Kosi Latu</i> Director General SPREP</p> | |
| Date: | Tel. and email: +685 21929 |
| Project Contact Person: Melanie King & Filomena Nelson | |
| Tel. And Email: +685 21929 (melaniek@sprep.org and filomenan@sprep.org) | |

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

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

A. Record of endorsement on behalf of the government⁴⁷

| | |
|---|---|
|  (Enter Name, Position, Ministry) |  Date: (Month/day, year) |
|---|---|

B. Implementing Entity certification

I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans National Development and Adaptation Plans, the 2004 National Strategic Development Plan, 2013 National Policy on Disaster Risk Management Plan and Climate Change Adaptation, 2011 Kosrae State Climate Change Act, 2014 Kosrae Shoreline Management Plan and other relevant regulations, and subject to the approval by the Adaptation Fund, commit to implementing the project/programme in compliance with the Environmental and Social Policy of the Adaptation Fund and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.

Kosi Latu
 Director General
 SPREP

| | |
|---|----------------------------|
| Date: | Tel. and email: +685 21929 |
| Project Contact Person: Melanie King & Filomena Nelson | |
| Tel. And Email: +685 21929 (melaniek@sprep.org and filomenan@sprep.org) | |

⁴⁷ Each Party shall designate and communicate to the secretariat the authority that will endorse on behalf of the national government the projects and programmes proposed by the implementing entities.

FSM Endorsement Letter



DEPARTMENT OF FOREIGN AFFAIRS

of the

FEDERATED STATES OF MICRONESIA

P.O. Box P.S. 123

Palikir, Pohnpei FM 96941

Telephone: (691) 320-2641/2613 Fax: (691) 320-2933

May 15, 2020

Ms. Sylviane Bilgischer
Chairperson
The Adaptation Fund Board
c/o Adaptation Fund Board Secretariat
Email: secretariat@adaptation-fund.org
Fax: 202 522-3240/5

SUBJECT: Endorsement for Project Proposal for “Enhancing the Climate Change Resilience of Vulnerable Island Communities in the Federated States of Micronesia (FSM)”

Dear Chairperson Bilgischer:

In my capacity as the National Designated Authority (NDA) for the Adaptation Fund in the Federated States of Micronesia (FSM), I confirm the above subject project proposal is in accordance with the Government's national priorities in implementing adaptation activities to reduce adverse impacts and risks, posed by climate change in the FSM.

In this connection, I am pleased to endorse the above-mentioned project proposal for support consideration under the Adaptation Fund. If approved, the project will be implemented by the Secretariat of the Pacific Regional Environment Program (SPREP) and executed by the Department of Environment, Climate Change, and Emergency Management (DECCEM)

Thank you and with kind regards, I am,

Sincerely,

A handwritten signature in black ink, appearing to read "Kandhi A. Elieisar", with a long, sweeping flourish extending to the right.

Kandhi A. Elieisar
Secretary/National Designated Authority

XC: Secretary, Department of Environment, Climate Change, and Emergency Management
FSM Permanent Mission to the UN

Kosrae State Endorsement Letter



GOVERNMENT
OF KOSRAE

Office of the
Governor
Kosrae State

Post Office Box
158 Tofol, Kosrae FM 96944

Telephone (691) 370-3002/3003/3009

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

Subject: Endorsement for activities under Component 3 of the project proposal, *"Enhancing the Climate Change Resilience of Vulnerable Island Communities in the Federated States of Micronesia (FSM)"*

Dear Adaptation Fund Board:

In my capacity as Governor of the State of Kosrae, which will benefit from the activities under Component 3 of the above mentioned project, I confirm that the project proposal is in accordance with the state government's priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in the FSM.

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the project will be implemented by the Secretariat of the Pacific Regional Environment Programme (SPREP) and executed by the FSM Department of Environment, Climate Change and Emergency Management.

Sincerely,


Carson K. Sigrah
Governor

Annex A. FSM land ownership

Box 2. Land in FSM

Land in FSM is managed under a complex mix of modern and traditional systems. Land is intricately connected to people's perception of inheritance and community. This needs to be tackled with a long-term perspective. The majority of transactions for commercial ventures transpire with survey; titling and documentation completed under modern land management institutions. Chuuk is an exception, due to long-standing unresolved disputes between individuals and clan groups. Disputes also arise periodically in the other states and can take an inordinately long period of time to resolve.

In Kosrae, Chuuk and Yap land rights may be legally sold to FSM citizens, but in Pohnpei land can only be sold to Pohnpeians. The FSM Constitution forbids the ownership of land by foreigners, but they are permitted to lease land. Multiple ownership of land still exists throughout the FSM, requiring the consensus of families, clans and traditional leaders for leases and development. This can present a constraint to development depending on the ability to achieve consensus. In all states the market for land is characterized by few transactions, limited market information, no formal mechanisms for public dissemination of market transaction data and price demands from (often multiple) landowners. As a result of these conditions, together with prevailing cultural factors influencing the perceived value of land, it can be said that transactions are only partly influenced by economic market forces and the potential productive value of land.

Distortions and rigidities in land market transactions will be difficult to reduce and change will undoubtedly be gradual. A focus on public education and information dissemination may result in accelerating this process. It is important that the current program of surveying and recording land titles of land available for development in the states is completed. Improvements in mortgage laws, leasehold mortgages and land management in general require actions within each state.

Chuuk State has taken action by passing leasehold mortgage law but has not yet promulgated regulations to implement the law. The extent to which land can be leveraged and mortgaged is important for increasing productive activity and incomes. Land assets that become locked outside the modern market economy cannot be leveraged or redeployed for production. The overall effect is that many landowners are asset rich and income poor.

Currently all land in Kosrae above the so-called *Japanese Line* (indicated in blue in map at right) is under government control. During the Japanese occupation of Kosrae, public lands were expanded to include the shoreline below the mean high-water mark, the mangroves and the upland forests above the Japanese Line, which includes approx. 67% of the total land area of Kosrae. As much as 50% of this area is too steep for any development and should be maintained as forest for watershed protection. A recent Constitutional amendment (Amen 19, 1995) was passed which allows reclamation of land above the Japanese Line by the original landowners. Land will be awarded by issuing a Certificate of Title to an individual or to the Tenancy-in-Common. A procedure for reclamation must be established by law before any advancement can be made and should be guided by this land use plan.



Sources: FSM 2023 Action Plan (pgs 47-48); Kosrae State Land Use Plan 2003

Annex B. Design services for Kosrae Inland Road Project: Preliminary engineering design report

Annex C. Environmental and Social Management Plan

Federated States of Micronesia

Enhancing Climate Change Resilience of Vulnerable Island Communities in FSM

Environmental and Social Management Plan

ENHANCING THE CLIMATE CHANGE RESILIENCE OF VULNERABLE ISLAND COMMUNITIES IN FSM

Environmental and Social Management Plan

Quality Information

Document Environmental and Social Management Plan Revision B

Date October 2019

Prepared by Kate Walker, SPREP

Revision History

| Revision | Revision Date | Details |
|----------|---------------|------------------------------------|
| A | May 2016 | ESMP for Project Preparation |
| B | October 2019 | Updated for Project Implementation |

Glossary

| | |
|-------|--|
| AF | Adaptation Fun |
| AP | Affected Persons |
| CBA | Cost Benefit Analysis |
| DECEM | Department of Environment, Climate Change and Emergency Management |
| DTI | Department of Transport & Infrastructure |
| EE | Executing Entity |
| EIA | Environmental Impact Assessment |
| EIS | Environmental Impact Statement |
| EPA | Environmental Protection Agency |
| ESCP | Erosion and Sediment Control Plan |
| ESMP | Environmental and Social Management Plan |
| ESS | Environmental and Social Safeguards |
| FSM | Federated States of Micronesia |
| GRM | Grievance Redress Mechanism |
| IE | Implementing Entity |
| IWRM | Integrated Water Resource Management |
| KIRMA | Kosrae Island Resource Management Authority |
| KSMP | Kosrae Shoreline Management Plan |
| NGO | Non-Governmental Organisation |
| NWSP | National Waste and Sanitation Policy |
| PCT | Project Coordination Team |
| SCT | Self-Composting Toilets |
| SECP | Stakeholder Engagement and Consultation Plan |
| SPREP | Secretariat of Pacific Regional Environmental Program |
| TOR | Terms of Reference |
| WASH | Water, Sanitation and Hygiene |
| WHSS | Water Harvesting Storage System |

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1 Introduction

The Adaptation Fund's 'Enhancing the Climate Change Resilience of Vulnerable Island Communities in the Federated States of Micronesia' project (the project) has been designed to provide climate resilient interventions focusing on water security and coastal management. The overall goal of the project is to build social, ecological and economic resilience of the target island communities of FSM and reduce their vulnerabilities to extreme drought, sea level rise and other climate risks through water resource management and development planning, and by promoting gender perspectives and ecologically sound climate resilient livelihoods.

The project will achieve this through four components:

Component 1: Strengthening policy and institutional capacity for integrated coastal and water management at national, state levels and outer islands.

Component 2: Demonstration of water security and sanitation measures in outer islands of Yap, Chuuk and Pohnpei.

Component 3: Demonstration of adaptation measures for coastal communities in Kosrae State.

Component 4: Knowledge Management for improved water and coastal protection.

This Environmental and Social Management Plan (ESMP) has been prepared to document the environmental and social risks and impacts presented by the project and sets out the associated mitigation and management measures that will be implemented as part of project delivery.

The process leading to the development of this ESMP reflects and is based on the initial assessment by SPREP that the project is a 'Category B' project with moderate and manageable impacts confirmed to a limited geographic area. The most significant risk arises around Component 3 of the project (the Kosrae adaptation measures), and for which a targeted Environmental Impact Statement (EIS) for the road design (and future construction) has been undertaken and specific management strategies and actions devised.

Initial project screening based on the EIS, field investigations, stakeholder meetings and desktops study of similar projects in the region as well as a review of potential options confirms an assessment of Category B for the project. It finds that, **as long as the allocated budget for Component 3 is sufficient to meet the full design technical specifications for the entire length of the Malem to Utwe road (new and existing sections plus access roads)** potential impacts are less than significant, site specific, mostly reversible and that a range of potential measures for mitigation can be readily designed in the majority of cases. This statement will be reviewed against the final detailed design when it is completed. In accordance with The Adaptation Funds (AF) Environmental and Social Safeguard (ESS) policy, an environmental assessment is required to adequately screen and assess potential environmental and social impacts, and to prepare an ESMP.

Additionally, in accordance with AF ESS safeguard policy regarding involuntary resettlement, a screening of the land required, the land ownership and lease arrangements is required to confirm that no involuntary land acquisition or resettlement will be required.

Therefore, this ESMP has been produced to ensure the integration of environmental and social stewardship into the project as required by FSM's relevant laws and regulations and the Environmental and Social Safeguards Policies of the Adaptation Fund.

The ESMP provides the set of mitigations, monitoring, and institutional measures to be taken during the implementation and operation of the Project to eliminate adverse environmental and social impacts, offset them or reduce them to acceptable levels. The ESMP also includes the actions needed to implement these measures.

At this stage of project preparation, there are still some unknowns such as the specific locations of water security interventions under Component 2 therefore this ESMP provides guidance for screening of potential locations to assist with the final selection process, and covers all foreseeable risks and impacts and provides the relevant suite of mitigation measures.

1.1 Integration of ESMP

It is the responsibility of SPREP as the Implementing Entity (IE) and the Executing Entity (EE) under the Department of Environment, Climate Change and Emergency Management (DECCEM), to ensure that the ESMP is fully integrated into the Project. It is the IE's responsibility that proper processes and monitoring is in place to ensure the project is delivered with no significant negative environmental or social impact.

SPREP and DECCEM (as the respective IE and EE) will:

- Ensure that all government employees and contractors are sensitized on aspects of the plan and received appropriate training to fulfil their individual environmental and social responsibilities.
- Ensure that the necessary resources and skills are retained to successfully carry out all mitigation measures.
- Formally monitoring and report on the environmental and social performances of all activities.
- Require that contract services manage their environmental and social performance in line with this ESMP.

DECCEM will also coordinate the State Project Coordination Teams (PCT) to:

- Continually monitor and report as needed issues related to social and environmental risk.
- Raise awareness amongst target communities on the Environmental and Social Policy of the AF and this ESMP

The ESMP shall form part of any bid documentation or TOR, and it shall be the IE's responsibility to ensure that ALL procurement documents and contractual specifications is subject to review against this ESMP to ensure that all appropriate safeguard measures are captured at the bid stage and in all contracts.

It is further the responsibility of the IE's to ensure that this ESMP is considered in review of any Terms of Reference (TOR) for Technical Assistance developed for the Project. The safeguard requirements for any design or supervision of the Project will be fully integrated into TOR to ensure that all safeguard responsibilities allocated within the ESMP are realized at the tender stage.

In this way, the ESMP will be fully integrated within the Project so that the required measures will be fully appreciated by all responsible parties and successful implementation will be achieved.

1.2 Disclosure

As part of the requirements of FSM national and state laws and AF ESS policy, the ESMP is to be publicly disclosed by the DECEM as the EE responsible for project implementation. DECEM will ensure the ESMP is disclosed in hard copy and online, in a manner that can be easily downloaded with existing network bandwidth and the accessibility that people currently have to the internet. A public flyer and/or radio advert will alert the public to the disclosure of the instruments. Likewise, DECEM will ensure that several copies of all prepared safeguard instruments are available locally at the relevant State Government offices and easily accessible to affected groups and local Non-Governmental Organisations (NGOs).

The ESMP will be reviewed, updated and approved if necessary. For each approved updated version of this ESMP, the DECEM as the EE will be responsible for disclosure through the above channels.

2 Project Description

This section is informed by the FSM Adaptation Fund Project Proposal Document, the Kosrae Road Relocation Environmental Impact Statement and other supporting documents with additional information obtained through consultations with the IE and EE project teams and a site visit to Kosrae. The information in this section has been used to inform the ESS assessment and management plan

2.1 Project Overview

The project seeks to enhance the community resilience through working with communities focusing on improving water security measures in outer islands of Yap, Chuuk and Pohnpei, and increasing the resilience of coastal communities to adapt to coastal hazards and risks induced by climate change. The project is expected to deliver a set of targeted and interlinked economic, social and environmental benefits, as well as serve as a model for future replication throughout the four states of the country in other sectors (food security, marine resource management). The project will promote a set of innovations, together with partner institutions/organisations that will help create better living conditions for the outer islands and coastal communities of FSM.

The overall goal of the project is to build social, ecological and economic resilience of the target island communities of FSM and reduce their vulnerabilities to extreme drought, sea level rise and other climate risks through water resource management, coastal resources and developments planning, and by promoting gender perspectives and ecologically sound climate resilient livelihoods.

The overall objective of the project is to reduce the vulnerability of the selected communities to risks of water shortage and increase adaptive capacity of communities living the identified villages to drought and flood related climate and disaster risks.

The overall objective is broken down into the following project objectives:

Project Objective 1: Prepare the necessary institutional and regulatory frameworks, policies, guidance and tools to help deliver a climate resilient FSM.

Project Objective 2: Strengthen water and livelihood security measures to help 6 outer atoll islands adapt to impacts of climate change related to water, health and sanitation.

Project Objective 3: Provide communities with climate resilient infrastructure to help relocate from high risk coastal inundation sites.

Project Objective 4: Capture and share the local knowledge produced on climate change adaptation and accelerate the understanding about the kinds of interventions that work in island environments in FSM.

These objectives will be achieved through the project strategy to provide all four State Governments in FSM with development planning tools and institutional frameworks to help coastal communities prepare and adapt for higher sea levels and adverse and frequent changes in extreme weather and climate events. The project strategy is also to provide communities with the resources and technical support needed to adopt and manage concrete climate change initiatives and actions.

The project sets out to achieve this through the following project activities, grouped by component and expected outcomes.

Table 1: All proposed project components, outcomes, outputs and activities.

| Project Components | Expected Outcomes | Expected Outputs | Project Activities |
|---|---|--|--|
| 1. Strengthening policy and institutional capacity for integrated coastal and water management at national, state levels and outer islands. | Strengthened policy and institutional capacity of government to integrate climate risk and resilience into its water and coastal management legislative, regulatory and policy frameworks | 1.1 Legislation and policy paper to guide regulation of climate resilient coastal and marine management at national level. | 1.1.1 Review of National-level legislation and policies for: (i) infrastructure to identify climate change requirements and (ii) regulatory and policy framework for climate change . |
| | | | 1.1.2 Develop guidance based on recommendations from the review of coastal and marine management legislation and policy) and monitor progress of recommendation uptake through relevant Departments. |
| | | 1.2 State regulations for coastal and marine development projects amended to consider climate change risks and resilience measures. | 1.2.1 Review of State-level legislation and policies for infrastructure to identify climate change requirements. |
| | | | 1.2.2 Develop guidance based on recommendations from the review of coastal and marine management legislation and policy) and monitor progress of recommendation uptake through relevant Departments. |
| | | 1.3 State Water Outlook and Water Sector Investment Plan developed and implemented. | 1.3.1 Support the implementation of State-level Water Outlook and Investment Plans. |
| | | | |
| 2. Demonstration of water security measures in outer islands of Yap, Chuuk and Pohnpei | Water conservation and management technology & practices adopted, responding to drought, sea level rise and early recovery from cyclones. | 2.1 Outer island communities oriented to CC, SLR, and adaptive capacity measures involving water, health, sanitation, and environment. | 2.1.1 Arrangements for demonstrations of water and sanitations technologies. |
| | | | 2.1.2 Carry out ground-truthing assessments. |
| | | 2.2 Water Harvesting and Storage System (WHSS) repaired and installed in 6 atoll islands. | 2.2.1 Repairing household rainwater harvesting and storage system. |
| | | | 2.2.2 Constructing community rainwater harvesting and storage systems. |

| Project Components | Expected Outcomes | Expected Outputs | Project Activities |
|---|--|--|--|
| | | | 2.2.3 Implementation of a monitoring and maintenance programme. |
| | Appropriate sanitation measures for the outer islands of Yap, Chuuk and Pohnpei are determined for future investment. | 2.3 Assessment of viable sanitation measures for outer islands in Yap, Chuuk and Pohnpei. | 2.3.1 Sanitation measures assessed and piloted in outer islands in Yap, Chuuk and Pohnpei. |
| 3. Demonstration of adaptation measures for coastal communities in Kosrae State | Increased resilience of coastal communities and environment to adapt to coastal hazards and risks induced by climate change. | 3.1 3. Malem - Utwe inland road and access routes designed for future construction. | 3.1.1 Survey and design road and related infrastructure to ensure climate change resilience. |
| | | 3.2 Transitional coastal protection at Mosral and Paal upgraded for immediate coastal protection. | 3.2.1 Upgrade coastal protection works. |
| 4. Knowledge management for improved water and coastal protection | Capacity and knowledge enhanced and developed to improve management of water and coastal sectors to adapt to climate change. | 4.1 Resource materials developed, tailored to local context, translated, published, and shared amongst various stakeholders. | 4.1.1 Undertake knowledge management, communication and engagement activities. |
| | | | 4.1.2 Capture and document data and information generated by the project. |

2.2 Project Sites

The project activities in Table 1 will be implemented across FSM. Figure 1 and Figure 2 below gives geographical context to the States of FSM which are discussed throughout the ESMP.

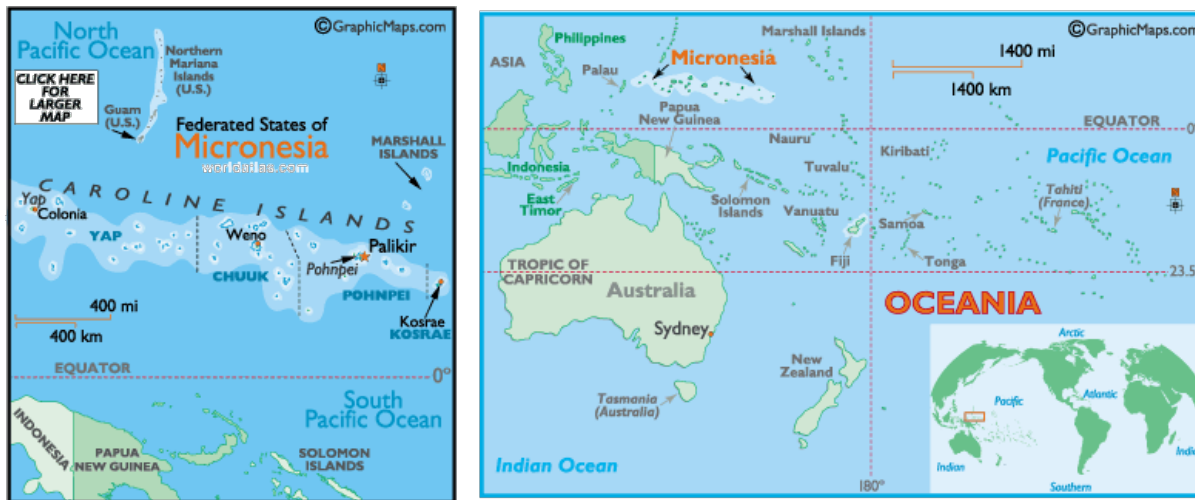


Figure 1: Federated State of Micronesia geographic context

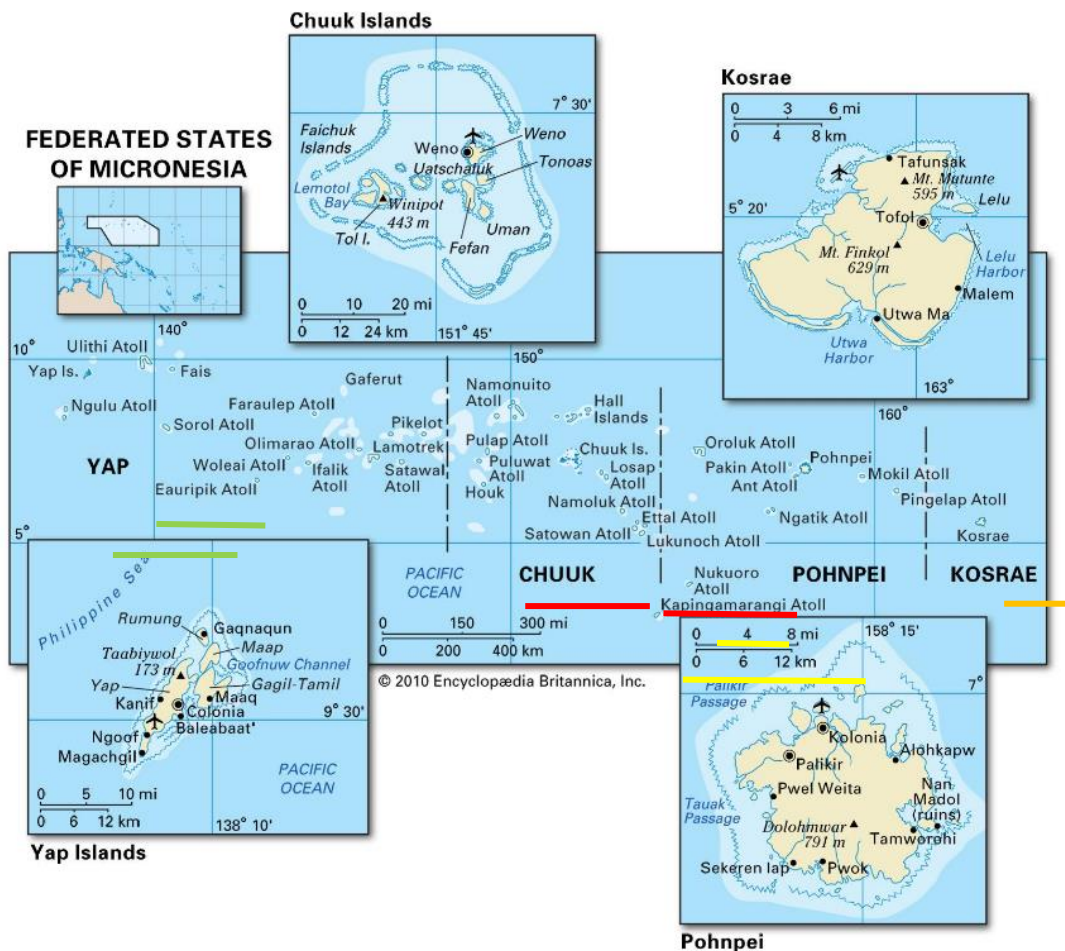


Figure 2: States of FSM

The Government of FSM has identified two outer islands each in Pohnpei, Chuuk and Yap states as priorities for the water security component of this project. These are Kapingamarangi and Nukuoro in Pohnpei; Satawan and Lukunor in Chuuk and Eauripik and Woleai in Yap. The majority are among the atolls most remote from their respective mainland. Figure 1 highlights the atoll location of these islands while the subsections below show the location of the islands nominated under component 2.

2.2.1 Pohnpei: Kapingamarangi and Nukuoro

Kapingamarangi and Nukuoro are the two Pohnpei atolls that will be addressed by the project, with a population of 350 and 210 respectively. Both atoll's ground water resources are already susceptible to sea water intrusion, underground water pollution and surface water pollution from agricultural practices.

Kapingamarangi atoll (Figure 3) is by far the most southerly atoll or island of the country. The total area of the atoll, including the lagoon, is 74km². Out of this, 1.1km² is land area, spread over 33 wooded islets on the eastern side of the atoll, three of which are inhabited. The western reef rim of Kapingamarangi atoll is almost submerged at high water. Much of the islets on this western reef that is used for growing fruit and vegetables are now under threat. As a result, the islanders are now looking to move the growing of such fruit and vegetables to the same islets where they are raising livestock as well as on the main island of Touhou where people reside. This is already putting pressure on the water resources on Touhou, where the highest point is only 90 cm.

Nukuoro is another outlying atoll (Figure 4) in southern FSM. The total area, including the lagoon, is 40km², with a land area of 1.7km² which is divided among more than 40 islets that lie on the northern, eastern and southern sides of the lagoon. By far the largest islet is Nukuoro islet, which is the center of population and the capital of the municipality. On Nukuoro, the staple food crop is taro. Taro is highly susceptible to salt water intrusion. During drought, the communities use raised swamp taro patches as water reservoirs to catch water for cooking and washing. Buckets and recycled oil-drums are a common method of storing water at the household levels. The population of Nukuoro are highly vulnerable to water and vector-borne diseases as a result of poor quality of water.

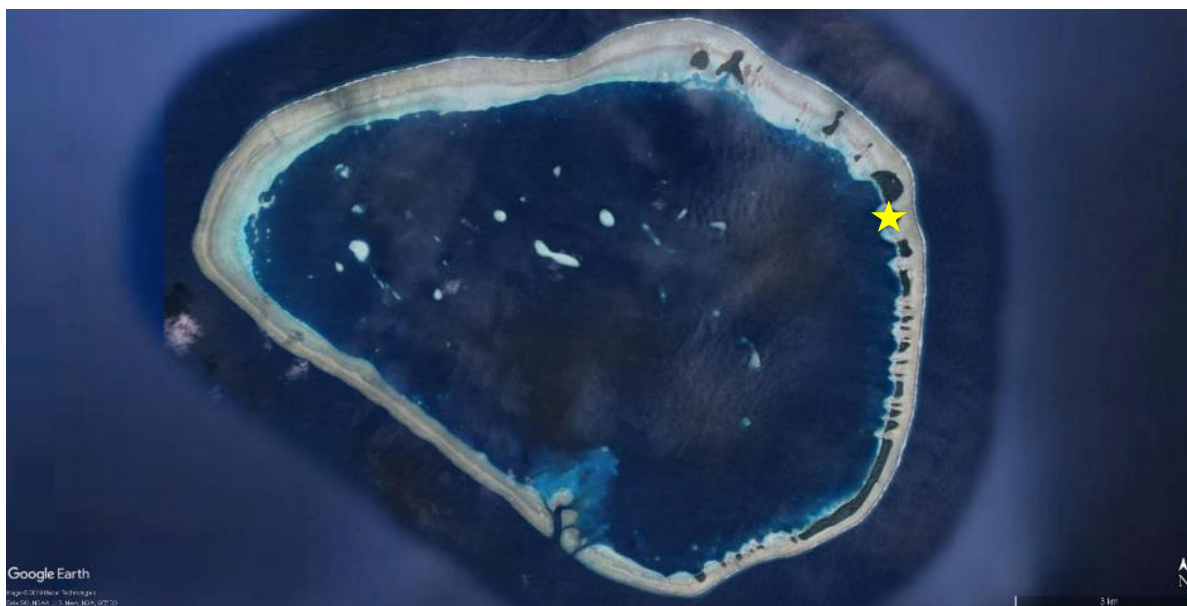


Figure 3: Kapingamarangi atoll with largest settlement shown (yellow star)



Figure 4: Nukuoro atoll with largest settlement shown (yellow star)

2.2.2 Chuuk State: Satawan and Lukunor

Satawan (Figure 5) with a population of 692 and Lukunor (Figure 6) with a population of 848 are the two Chuuk atoll communities that will be addressed by the project.

Satawan atoll is located about 250km southeast of Chuuk lagoon proper. It has a land area of about 5km². There is a primary and secondary school that serve the islands but no regular electricity of running water. Lukunor is a small atoll located about 264km to the southeast of Chuuk.

On both atolls, the islands are only three to five meters above sea level and are therefore prone to impacts of sea level rise. The islands water wells are brackish and provide only limited water. Some wells are only used to draw water for washing and cooking during drought, as it is unsafe for general

consumption. Most water wells are not covered, and therefore contamination from sea water, e-coli, and humus is common. Most of the households on both islands have at least one water tank, which has found to be unsustainable during drought. The rainwater harvesting systems are in poor condition as a result of sustaining damage from typhoons, lack of spare parts and poor maintenance, leaving these communities highly vulnerable to drought. During periods of drought, people and animals often resort to coconuts and root trees for water and hydration.

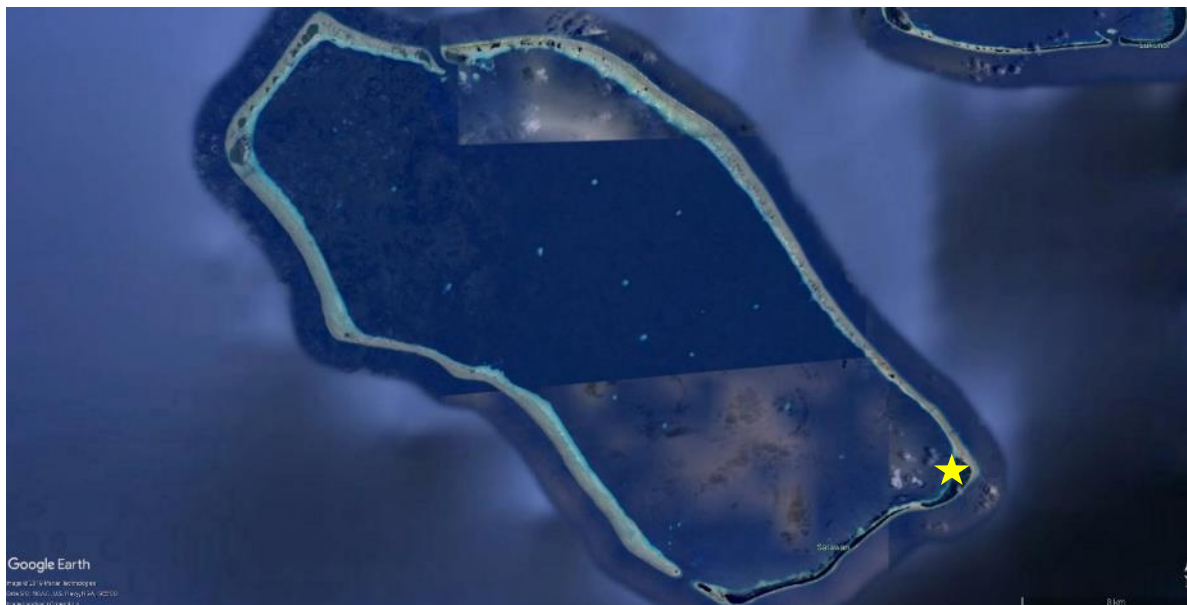


Figure 5: Satawan atoll with largest settlement shown (yellow star)



Figure 6: Lukunor atoll with largest settlement shown (yellow star)

2.2.3 Yap: Eauripik and Woleai

Eauripik (Figure 7) and Woleai (Figure 8) atoll's are two of 14 outlying atoll's administered by Yap state. Eauripik atoll has a population of 113 and consists of three islands with a total land area of 0.24km². All the islets are covered with coconut palms. Eauripik is one of the smallest and most

remote populated islands in the Pacific. Its population live at a high density and combine subsistence production of tree and root crops with various forms of fishing from reefs, lagoon and ocean.

Woleai atoll is approximately 108km northeast of Eauripik. It is a coral atoll of twenty-two islands, the largest of which is called Woleai. The northern and eastern rims of the atoll have several relatively large islets and the atoll itself has a total land area of 4.5km².

The significance of climate change to the State of Yap is set out in the Joint State Action Plan. As the westernmost state of FSM, Yap is exposed to a range of threats that create significant vulnerabilities for the state. Yap is in 'Typhoon Alley', is likely to be disturbed by earthquakes and tsunamis, and suffers droughts due to the impact of El Niño Southern Oscillation (ENSO). ENSO is also the cause of both excessive and below average rainfall. Yap is drier than the other states of FSM and is highly susceptible to drought. The lack of adequate water storage capacity on the outlying islands increases the inhabitant's vulnerability to the impacts of drought. Yap is very vulnerable to flooding during typhoons and storm surges. The state does not regularly receive large amounts of rain and thus the damage from extreme surge and rainfall events is usually much more intense.

The distances between islands makes it difficult to get much-needed food, water and medical supplies to residents after a disaster, meaning Yap is more vulnerable to health and other secondary impacts of disasters than the other FSM states. Through July 2015 and January 2016 island leader and community consultations, facilitated by the government of Yap through the Department of Resources & Development and SPREP, the atoll islands of Eauripik and Woleai are nominated for water security measures. The most recent impacts caused by Typhoon Maysak and the recent 2015-2016 El Nino phenomena was felt strongly at these islands requiring water resources to be secured.



Figure 7: Eauripik atoll with largest settlement shown (yellow star)

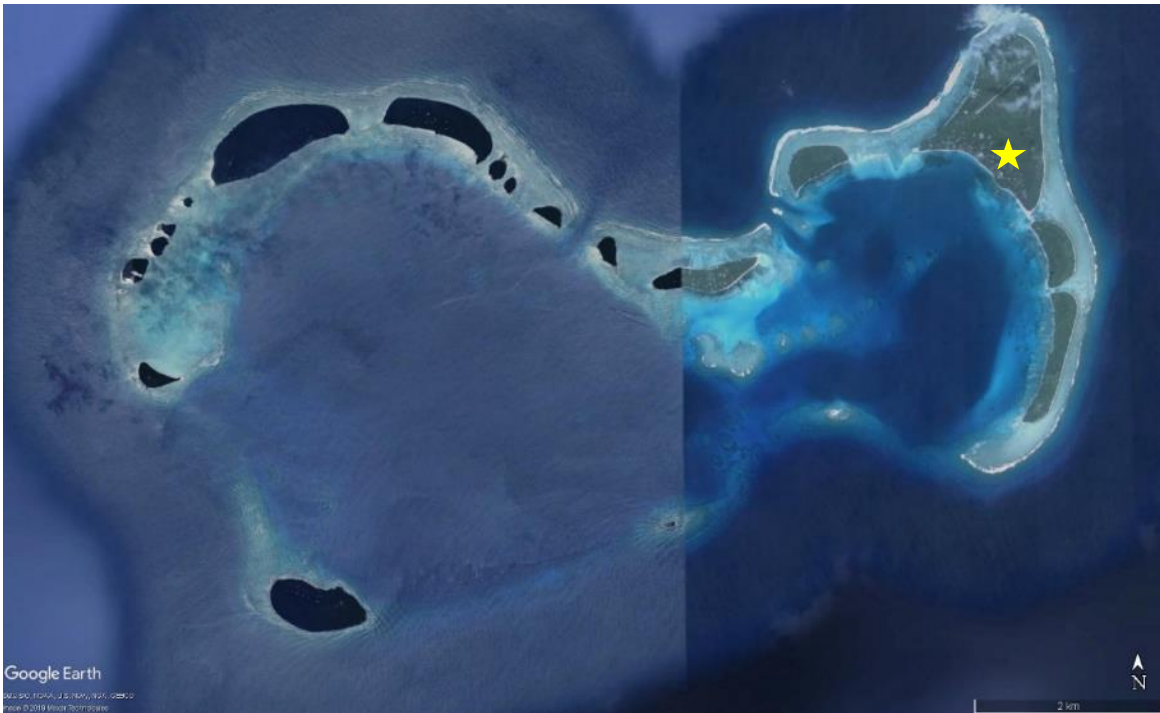


Figure 8: Woleai atoll with largest settlement shown (yellow star)

The government has also focused on building the capacity of the communities of Malem and Utwe in Kosrae to respond to climate as well as improving the resilience of its infrastructure and natural environment to climate change under component 3.

2.2.4 Kosrae State

Kosrae (Figure 9) is the easternmost and second largest island of the FSM, located approximately 372 miles southeast of Pohnpei. Kosrae has a land area of 112km² and a population of just over 6,000 people.

Kosrae is the only state without an outer island. It is divided into four municipalities, with respective populations as follows: Lelu (2,160), Malem (1,300), Tafunsak (2,173) and Utwe (983).

Geographically, the state is characterized by steep mountains and deep valleys covered with thick, fertile tropical vegetation and forests, and dense mangrove forests in coastal areas. The island's main natural resources are its abundant forests with significant agricultural potential, marine products and deep-seabed minerals¹.

Kosrae is a high volcanic island surrounded by a fringing reef, mangroves and coastal strand forests that have been historically used for lumber and fuel by residents. There is a shallow fringing reef spotted with boulders of coral heads that have been dislodged from the fore – reef during occasional cyclone events. There are no outer islands. The island has steep, heavily vegetated watersheds, which in the mid to upper parts of the catchment are in relatively natural state. Where clearing or deforestation on sloping areas does occur, however, intense rainfall quickly denudes exposed soil. Invasive vegetation is a significant problem and has taken a foothold in many of the lower parts of many of the catchments.



Figure 9: Kosrae State with Malem (yellow) and Utwe (blue) shown

2.3 Physical Interventions

This subsection looks in more details at the physical interventions planned under components 2 and 3 drawing from the Project Proposal Document and Kosrae site visits. The Project Proposal Document (Part II, Section A) goes into more detail on the following sections and should be referred to in conjunction with this ESMP.

2.3.1 Water Security Interventions (Component 2)

2.3.1.1 Water Harvesting and Storage Systems (WHSS)

Ground truthing assessments (project activity 2.1.2) will be carried out to reaffirm data and recommendations gathered from the consultations carried out during the planning stages of the project (July, November 2015; January, February 2016), and from rapid assessments carried out by

¹ Federated States of Micronesia Infrastructure Development Plan FY2016-FY2025. Volume 6 Yap State Infrastructure Development Plan

the Department of Resources and Development, and International Organisation for Migration (IOM) in March 2016. This will include carrying out technical surveys on water, water use in the community villages on the islands, sanitation and health incidences related to water. These surveys will also collect information on social aspects such as traditional knowledge, cultural and political governance and how these may influence the implementation and management of the project.

Following on from this, the water harvesting and storage systems will address the climate stresses, namely the prolonged periods of drought such as those experienced in the 1997-1999, 2003-2005, 2015-2016 El Nino events, and the extreme weather events leading to high intensity rainfall, and lengthening of the dry season months.

At present, various types of water harvesting systems exist in poor conditions on the islands and people resort to coconut juices to meet their water harvesting demands². The rainwater harvesting and ground water wells that exist are largely privately owned. The current rainwater harvesting systems and storage elements including roofing, guttering, down piping, water tanks and concrete tanks. All systems are in poor, basic or unusable conditions as a result of damage from cyclones, extreme high tide events damaging infrastructure coupled with no maintenance due to lack of equipment and spare parts³. In Yap, for example, 40% of water tanks on all nine outer islands including Woleai and Eauripik do not have proper rain harvesting systems (tin roofs for collecting rainwater and gutters including down spout, fasteners and clips). Nearly 90% of water wells had very low water levels; all are brackish and nearly all were uncovered. These neglected or nonfunctional wells often become a breeding ground for mosquitos bringing a risk to public health by increasing vulnerability to communicable diseases.

The project (activity 2.2.1) will rehabilitate, and repair existing materials of the household and community systems selected from the ground truthing assessments to close leaks and improve efficiency of existing rainwater harvesting systems. It will extend the gutters to the full dimensions of the catchment to capture more water; increase the catchment area to improve long-term water security and storage tank size overflow is frequent.

In addition to the repair activities, the project will construct (activity 2.2.2) community tanks to assist the larger community in times of drought to relieve pressure on individual household water tanks and to meet basic water requirements for the medium-term survival needs. These include meeting not only the short-term survival requirements of drinking and cooking, but personal washing, washing clothes, cleaning home, growing food and sanitation and waste disposal. The construction of community tanks will be undertaken under the following minimum requirements:

² Rapid Assessment Report, March 2016 FSM

³ FSM Adaption Fund Project Proposal Document

| | COMMUNITY LEVEL |
|------------------------------------|---|
| Rainwater catchment systems | |
| Key activities | Install community tanks |
| Minimum requirements | <ul style="list-style-type: none"> • _ Minimum 2 x 5,000 L / 2,000 Gallon HDPE tanks per atoll island > 100 population • _ <100 population requires re-assessment • _ > 400 population = 4 tanks • _ HDPE tanks preferred over concrete tanks • _ Extend gutters to full dimension • _ Catchment area sized appropriately to tank volume using reliability curves. • _ Encourage standalone catchment areas to shelter tanks and fence for protection • _ Access and maintenance rules established and to include cleaning each tank on a rotation basis, cleaning to be 3 times per year • _ Rules for access to include access by neighboring villages in times of drought • _ Maintenance schedules established |
| | Design and Upgrading of Wells |
| Minimum requirements | <ul style="list-style-type: none"> • _ Municipal council review, assessment and executive orders on environmental advice on burials to encourage use of existing cemeteries and reconsider burials in private residences and plots • _ Exceptions to consider sites down hydrological gradient from wells. |

The table above is sourced from the original project documentation. This ESMP provides additional safeguard measures (Section 7.2.1) for the location, land management around and use of wells. DECEM PMU will ensure these additional requirements are incorporated into the bid documentation for design and/or construction of these interventions.

2.3.1.2 Self-Composting Toilets (SCT)

SCTs are proposed for each of the six islands identified under the water security component, however the exact numbers and locations of SCTs have not been finalised. It is known that wherever they are installed, there will be at least one unit each per gender.

During project preparation, the community leaders of the outer islands chose to invest in technologies to conserve water as much as possible to respond to the drought periods driven by El

Nino. Self-composting toilet technologies has been chosen as one of the investments along with RWHSS. The technologies have been proven in communities in Tuvalu and Nauru through the Integrated Water Resource Management (IWRM) project in partnership with PACC, as one of the best solutions to conserve water as it uses no water at all, and the technology avoids sewage contamination of the groundwater. It therefore promotes replenishment of groundwater useful for bathing, washing, planting, and depending on the environment for cooking. The current practice of using the lagoon side as toilets will be reduced significantly as the schools and community halls or public places – will be targeted by the project to install these units. This practice contributes to reducing marine eutrophication on the lagoon side.

This project will therefore aim to develop a plan to promote self-awareness on the benefits of self composting toilets to adapt to and respond to climate change in the immediate to long-term. It will demonstrate the units at schools and/or community halls, churches, etc. It will train teachers, boys, girls and community members on the use of the units and its functions. It will train the beneficiaries on WASH and water conservation practices in school and communities as well as monitoring and care after.

The cultural diversity amongst the six outer islands of the three states suggests there may be diverse preferences for the types of sanitation technologies used on the islands. The absence of pit toilets on some of the islands on the atoll in Woleai and Eauripik in Yap and Satawan in Chuuk are a blessing for the local groundwater and its quality. In these locations, the benefits of the SCT should be clearly communicated to ensure that pit latrines continue to be avoided. A concern would be that continued avoidance of the pit latrine would lead to communities using open defecation on land or beaches or defecation in the ocean. There is possible evidence of eutrophication during low tide on the lagoon side. The onset of climate stresses that include increase in sea surface temperatures will exacerbate this problem contributing to food security issues as well as water, sanitation and health issues.

The project proposal document notes that the ground-truthing assessments in activity 2.1.2 may yield some results on disagreement to proceeding with output 2.3 and its activities. The result may come from any of the six island communities as a result of cultural and social barriers. In the event that this output is not entertained, the project team will refer the community / island to other community potential alternative adaptation priorities they identified during project planning consultations.

2.3.2 Kosrae Infrastructure Investments (Component 3)

2.3.2.1 *Paal and Mosral Coastal Defence Upgrade*

The Kosrae Shoreline Management Plan (KSMP) identifies that over the short-term the effect of sea-level rise on the ability of coastal defences to provide a “satisfactory” level of protection is likely to be manageable through, for example upgrading the level of protection of these existing defences. Upgrading of the critically threatened sections of road at Paal and Mosral (Figure 10) is a suitable transitional defence while the long-term solution of relocating the road inland is implemented. This is undertaken only with a view to provide short to medium term protection.

Emergency works (Figure 11) were subsequently conducted in response to high tides and waves undermining the road at Paal and Mosral in early 2014. This was an emergency measure involving dumped and roughly placed recycled concrete slabs from the upgrading of the runway hard standing, and at Mosral of large concrete filled bags to create a wall. Whilst the emergency works

has stabilized the immediate undermining of the road, the ad hoc nature of the construction, does not provide an adequate level of protection to the road with over wash being experienced during storm or high wave conditions.



Figure 10: Paal (blue circle) and Mosral (yellow circle) sites for coastal defences upgrade works



Figure 11: Existing emergency coastal defence works at Mosral (left) and Paal (right)

At Paal, the 160 m length of the emergency defences will be reconstructed (Figure 12). This will involve:

1. Remove the existing dumped concrete rubble to enable the underlying sand and coral rubble material to be regraded approximately 1:2 slope.

2. Geotextile filter layer will be laid between the underlying material and the armour layer to prevent wash out and winnowing of fine material between the armour layer.
3. The concrete slabs are of a sufficient size to withstand design wave conditions over the reef flat at Paal. These will be reused as the armour layer for the base and lower part of the face of the revetment and will be laid at a slope of 1:2 in a stepped manner.
4. There are insufficient concrete slabs to complete the full stepped revetment. Basalt rock armour, sourced from an existing permitted quarry inland between Paal and Mosral, will be used to complete the crest of the revetment. Armour rock will be a minimum of 0.66 m in diameter and will be laid at a 1:2 slope with the crest of the revetment at least 3 rocks wide. The crest of the defence will be above the elevation of the road.
5. At the southern end of the reconstructed defence the revetment the road curves inward with a wider coastal buffer protecting it, with the shoreline position at this location, “held” by a small strand of reef flat mangroves. The revetment will extend behind the existing shoreline at this point to ensure that outflanking and down drift erosion does not occur.

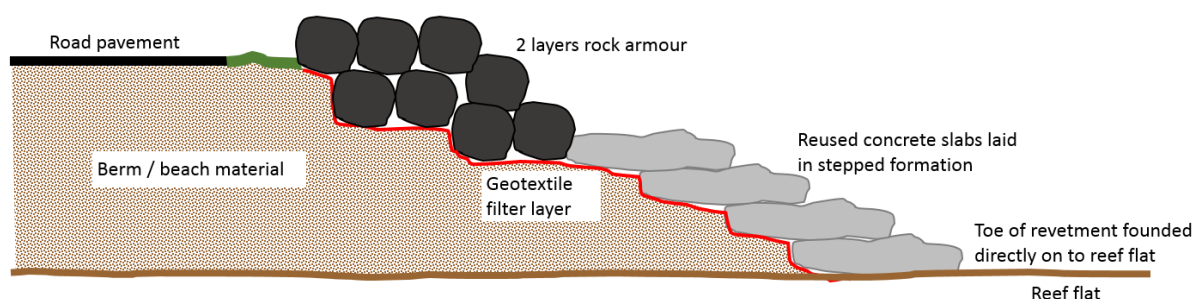


Figure 12: Cross-section of the proposed reconstructed revetment at Paal. Source: Project Proposal Document

At Mosral, the 110 m length of the emergency defences will be reconstructed (Figure 13). This will involve:

1. Remove the existing dumped large concrete blocks and rubble to enable the underlying sand and coral rubble material to be regraded to approximately a 1:2 slope.
2. The small fillet of sand beach in front of the existing defence will be stockpiled on the adjacent reef flat and re-instated in front of the reconstructed defence on completion.
3. Geotextile filter layer will be laid between the underlying graded slope and the armour layer to prevent wash out and winnowing of fine material between the armour layer.
4. The concrete blocks are of a sufficient size to withstand design wave conditions over the reef flat at Mosral. These will be reused as the armour layer for the base of the revetment and will be laid to form the base of the revetment.
5. There are insufficient concrete blocks to complete the full revetment. Basalt rock armour, sourced from an existing permitted quarry inland between Paal and Mosral, will be used to complete the crest of the revetment. Armour rock will be a minimum of 0.66 m in diameter and will be laid at a 1:2 slope with the crest of the revetment at least 3 rocks wide. The crest of the defence will be above the elevation of the road.

6. At the southern end of the reconstructed defence the revetment there is potential for down drift erosion to occur and outflanking of the defence. To prevent this, the slope of the revetment will be constructed at a shallower slope and the armour rock used to construct a wider and flatter toe on the reef flat. This will ease the transition from defence to beach and prevent any exacerbated erosion on the coastline immediately to the south.

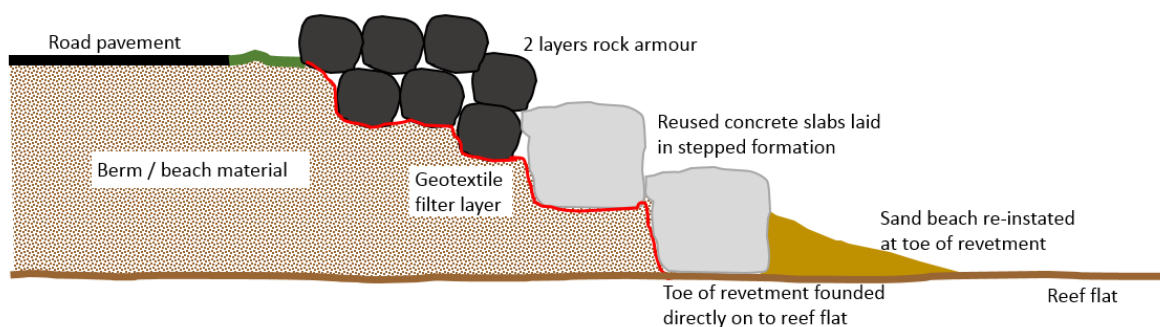


Figure 13: Cross-section of the proposed reconstructed revetment at Mosral. Source: Project Proposal Document

TC&I will supervise and provide oversight of the design and construction of the coastal protection works at Paal and Mosral. It will provide oversight of the work ensuring quality control and the activity will be in compliance with the protective engineering structure design standards of the Kosrae circumferential road extension project (ADB, 2005). The proposed works have been permitted through KIRMA's Development Review and permitting process and KIRMA will provide oversight to ensure all design and environmental requirements are adhered to during the construction.

2.3.2.2 Kosrae Inland Road (Malem to Utwe)

The KSMP developed a prioritised list of inland road and essential infrastructure development to be implemented over the next one to two generations as an essential component for developing resilience to coastal-related hazards and sustained adaptation to climate change. Developing and upgrading the inland road between Malem and Utwe was considered the highest priority due to the current threats posted to vulnerable populations and infrastructure due to wave overwashing and potential breaching of the narrow coastal berms upon which present infrastructure and much of the population of Utwe and Malem municipalities are located.

This activity will design the inland road up to an sealed (asphalted) standard. Figure 14 shows the detailed road alignment along with respective section types and lengths between Malem and Utwe (See Annex 1 for larger version). This final road alignment selection process is detailed in the Environmental Impact Statement.

This is the first stage of the inland road construction. Construction of the road in the future should be subject to a new environmental assessment and permitting.

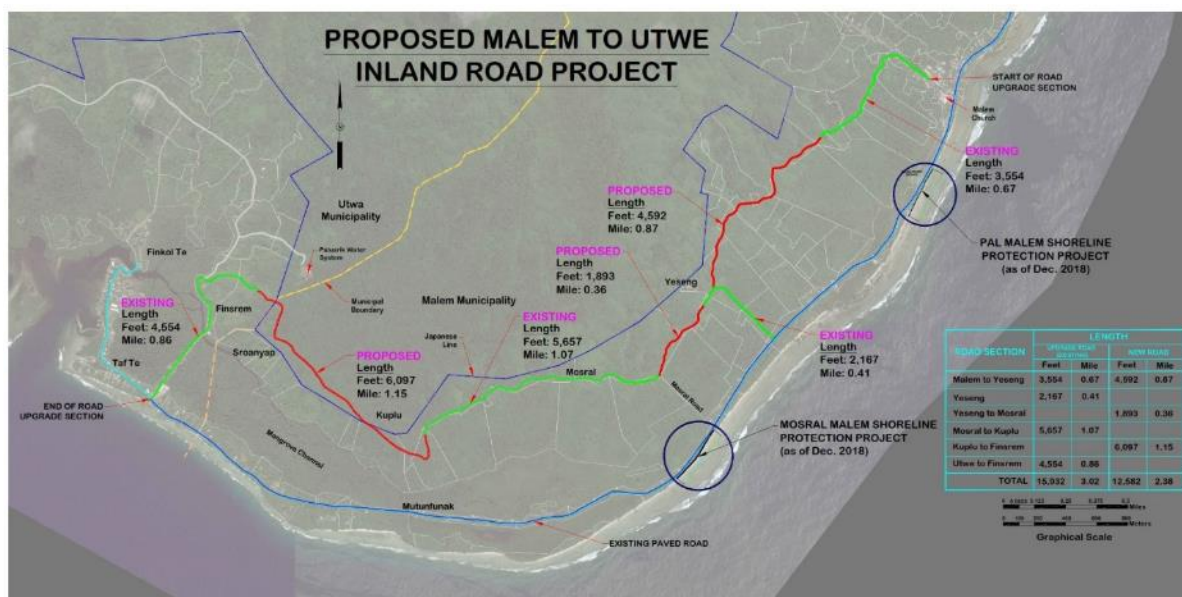


Figure 14: Detailed road alignment for Kosrae Inland Road

To date, the full road alignment has been subject to a topographic and geological survey by the design engineers, there is also a draft detailed design which has been developed by the engineer. This has been costed at USD\$3.9m and is for the three sections of new alignment only (the red sections in the figure above). The engineer is currently upgrading their design to take into account the entire proposed inland road and additional changes to the design, and this will have implications on the cost.

The inland road design is based on the design standard developed for Kosrae circumferential road extension project (Barret Consulting Group, Inc, 1987) and is consistent in design to other parts of Kosrae's primary road network. It assumes:

A 60ft standard road easement width (Figure 15):

- The road design and construction is to be extended from the original 3.6 miles of priority sections of upgraded road (i.e. Malem to Pilyuul (Section 3), Malem to Utwe (Section 2) and Utwe (Section 1)) to 5.53 miles which will include the road in its entirety (refer Figure 1) and an additional access road.
- The road surface is to be upgraded from the gravel sub-base to asphalt to accommodate the adaptation requirements (i.e. 50 years life span) and erosion and runoff concerns.
- The road lane width is to be reduced from 12 feet to 10 feet per lane, ensuring consistency with FSM standards for road width.
- A 3% cross-section drainage gradient for the sub-base surface (although consultations between EE and the design engineer suggested that a steeper gradient may be required in hill terrain to minimise road surface erosion);
- Existing sections of inland farm roads will be widened to obtain a roadway width of 30ft., and include construction of roadway drainage structures (bridges and culverts) and resurfacing to sub-base course level;
- The design is to include all earthworks, retaining walls and erosion considerations to meet the best standards and to reduce the environmental impacts due to the steep alignment of the road.

- The design is to incorporate areas of historical and cultural importance to ensure these are avoided.
- The rights-of-ways are to be provided to EMPSCO for incorporation into the road design.
- The mitigation actions detailed in the Environmental and Social Safeguards Plan are to be incorporated into both the design and construction phases as appropriate for each phase.
- An integrated infrastructure approach is adopted which includes relocation of power distribution, and any water or telecom service infrastructure. The design phase should include all utilities and scoping / design work on this will need to be tendered.

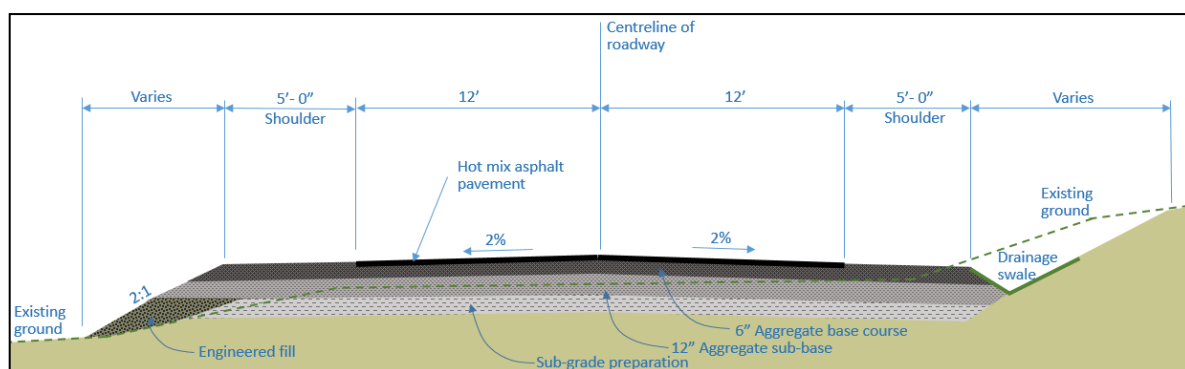


Figure 15: Typical road cross-section. Based on the design standard developed for Kosrae circumferential road extension project (Barret Consulting Group Inc., 1987). Source: Project Proposal Document.

Several activities have been or will be undertaken to design and prepare for future construction of the total distance of the Malem-Utwe inland road and access routes as follows:

- Light impact vegetation clearance (completed)
- Full topographic survey (completed by design engineers)
- Full survey by Kosrae's Historic Preservation Office (completed)
- Full geological survey (completed by design engineer)
- Detailed design for each section of road (underway by design engineer)
- Procurement of companies to provide the goods and services to support DTI in construction of the road
- Future construction of the road (including earthworks and land clearance)

The original project proposal document states that the proposed inland road between Malem and Utwe will be 3.6 miles (5.8km) in length made from a combination of access roads, existing farm road and new road construction. There has been a budget of USD\$788,000 allocated for this activity to complete the design of the road to a sealed, asphalted level.

2.3.3 Kosrae Road Analysis of Alternatives

The Cost Benefit Analysis (CBA) report for this activity looked at several alternatives from a CBA perspective. Environmentally and socially, these same key alternatives are discussed below:

Construct road to asphalt level in first instance: There are several potentially significant impacts identified in this ESMP which are linked to erosion and sedimentation. The primary factors which will control the scale of this impact are (i) project budget and (ii) time lag between project completion and upgrading road to asphalt surface. As there are unknowns over both of these factors, we cannot

be certain of the long-term impacts of this project. One alternative to the proposed activity is for the construction of the road to sub-base level be postponed and instead, this project be used to develop highly detailed design of the road to include asphalt level, this ESMP would be expanded to become an EIA to include all works to complete the road to an asphalt surface, develop a full detailed budget for the road, undertake any other feasibility studies needed and finalise the entire package into a procurement bid document. This package could then be used to source an adequate level of funding to complete the road construction to its final phase in one go.

In this scenario, a larger budget allocation would be given to the Paal and Mosral coastal defence upgrades to ensure that they are robust enough to secure the road for the next few years while the above takes place.

This alternative will require serious consideration by the project proponents should items (i) or (ii) above eventuate.

Elevating Coastal Road: This option is not considered appropriate given the predicted future impacts of climate change and the flooding risk of the low-lying coastal berm area at these sites. The costs of undertaking this would be significant, and it doesn't fall into line with the Kosrae States long term vision for climate resilient infrastructure as described in the Kosrae Shoreline Management Plan (KSMP). This ESMP and the CBA both agree that this is not a suitable alternative.

2.4 Land Requirements

The Malem to Utwe inland road passes through 86 parcels of land each of which requires an easement to be signed by the correct landowner and then registered with the Attorney General's office. The final alignment has been planned to avoid the resettlement of any residences on these land parcels. Ongoing consultations throughout the project planning and design stages continue to reinforce the landowners support of this activity and the confirmation that easements will be signed on a voluntary basis by landowners.

For any instances of objection to the routing of the road by landowners, the project team will in the first instances look to make small adjustments in the alignment to avoid any potential negative impacts on landowners. At this advanced stage in obtaining signed easements, there is only one case of an objection to the route which has been resolved by re-routing the road approximately 10m to the south around the landowner's boundary to avoid his garden area.

These land easements fall under the definition of voluntary donations as, according to the Adaptation Fund's principle on Involuntary Resettlement, the landowner has the right to refuse to sign without any repercussions or recrimination.

Component 2 will require the installation of water security interventions which are designed to be accessible to the entire community. It is anticipated that all interventions should be installed on government or communal lands on the island. However, if there are no suitable public lands, private lands may have to be used. If this is the case, the landowner would have to sign an easement to allow long term access to his lands for this purpose and also agree (depending on the type of intervention installed) to manage the land use around the intervention (as per the stipulations in this ESMP) to prevent contamination from, for e.g. pig pens.

At the project level it is important to note that, while not anticipated, if the national or state governments seek to use their legal rights to acquire the land of any landowner who refuses to sign an easement for any project activity, then this will be considered as involuntary resettlement and

the AF's principle on Involuntary Resettlement will be triggered and all the requirements of that principle will have to be implemented. The AF process for involuntary resettlement would be:

- 1) Provide justification for the need for involuntary resettlement by demonstrating any realistic alternatives that were explored, and how the proposed involuntary resettlement has been minimized and is the least harmful solution.
- 2) Describe in detail the extent of involuntary resettlement, including the number of people and households involved, their socio-economic situation and vulnerability, how their livelihoods will be replaced, and the resettlement alternatives and/or the full replacement cost compensation required whether the displacement is temporary or permanent.
- 3) Describe in detail the involuntary resettlement process that the project/programme will apply, and the built-in safeguards to ensure that displaced persons shall be informed of their rights in a timely manner, made aware of the grievance mechanism, consulted on their options, and offered technically, economically, and socially feasible resettlement alternatives or fair and adequate compensation. This also should include an overview of the applicable national laws and regulations.
- 4) Justify the conclusion that the involuntary resettlement is feasible.
- 5) Describe the adequacy of the project/programme organisational structure to successfully implement the involuntary resettlement as well as the capacity and experience of the project/programme management with involuntary resettlement.
- 6) Build awareness of involuntary resettlement and the applicable Principles and procedures of the project/programme.

3 Policy, Legal and Administration Framework

3.1 National and State Legislation

3.1.1 Environmental Legislation

The legal instruments that are the foundation of FSM's environmental safeguards legal regime are 'Federated States of Micronesia Environmental Protection Act 1999' and the 'Environmental Impact Assessment Regulations 1989'. National policy documents which contains provisions related to the principles and elements of the environmental safeguards are the 'Federated State of Micronesia's State-Wide Assessment and Resource Strategy 2010-2015+', 'Federates States of Micronesia's Strategic Development Plan 2004-2023' and 'Nation Wide Integrated Disaster Risk Management and Climate Change Policy 2013'.

The FSM Environmental Protection Act 1999 states that an Environmental Impact Assessment can only be carried out if a project is likely to have potential environmental risks and impacts.

Under Principle 1 of the Adaptation Fund Environmental and Social Policy (Compliance with the Law) the project activities were screened against the Environmental Protection Act and it has been determined that the water security and sanitation interventions under Component 2 do not require a separate environmental impact assessment as it is considered to be low risk with little to no adverse environmental impacts.

The 2016 EIS for Component 3 of the project concluded that the environmental impacts from the proposed inland road are low to moderate and can be adequately controlled, however subsequent assessment under this current ESMP has identified some moderate to significant potential impacts.

3.1.1.1 Environmental Framework for Kosrae

Kosrae has enacted legislation and prepared a range of resource and management plans to give effect to its responsibilities in relation to the management, protection and conservation of the environment and natural resources (KIRMA, 2014). These responsibilities are principally implemented by the Kosrae Island Resource Management Authority (KIRMA), a semi-autonomous government agency, which is mandated to: "protect the environment, human health, welfare and safety and to abate, control and prevent pollution or contamination of air, land and water by balancing the needs of economic and social development with those of environmental quality and adopting regulations and pursuing policies which, to the maximum extent possible, ensure that economic and social development is environmentally sustainable" (Kosrae State Code, Section 19.101).

Under Title 19 of the Kosrae State Code and the Regulations for Development Projects KIRMA have responsibilities and powers to administer a development permit system. Where a potential project may have significant impact on the environment, these regulations require an Environmental Impact Assessment (EIA).

This assesses the physical, ecological, aesthetic, cultural, economic, social, or health effects or impacts of a proposed activity on the environment, whether direct, indirect or cumulative. The Environment Impact Statement describes the potential effects or impacts on the environment in sufficient detail so as to allow the assessors (KIRMA, the Board of Commissioners, and stakeholders) to make a comparison of the alternatives that can be taken to avoid, minimize, rectify, reduce or eliminate, or compensate for the impact of the proposed activity. This assessment process concludes with a decision by the Board of Commissioners to issue a development review permit,

subject to conditions that will avoid, minimize or eliminate the effects or impacts of the proposed activity on the environment. The process is detailed in full in KIRMA's guidance document: Environmental impact assessment in the State of Kosrae, FSM (KIRMA, 2014). The project has completed all applicable EIA steps.

The road construction activity received no objections from the public and communities held in Malem and Utwe communities (June 2016). The KIRMA Board approved the EIS on the 15 September 2016 and a permit was issued with conditions, and there were no appeals to the decision. Subsequent to this and following the safeguards audit of the EIS and original ESMP in July 2019, a new permit will need to be applied for based on this updated ESMP.

The reconstruction of the coastal defences at Paal and Mosral (component 3.2) have been approved following consideration of the proposal and the initial environmental and social impact screening document, KIRMA advised that no specific EIS was needed for this activity. A permit from KIRMA will be required, and the application will be made based on this ESMP.

3.1.1.2 Earthworks Permit for Kosrae Road Construction

The design and future construction of the road will need to consider the following regulations which apply to the Kosrae inland road design and construction activity and state:

- 1) All earthmoving activities within the Federated States of Micronesia shall be conducted in accordance with these regulations and in such a way as to prevent accelerated erosion and accelerated sedimentation. To accomplish this, all persons engaging in earthmoving activities shall design, implement, and maintain erosion and sedimentation control measures which effectively prevent accelerated erosion and accelerated sedimentation. The erosion and sedimentation control measures must be set forth in a plan, must always be available and the site of the project, and must be filed with the FSM Department of Resources and Development.
- 2) The erosion and sedimentation control plan should be prepared by a person trained and experienced in erosion and sedimentation control methods and techniques. The erosion and sedimentation control plan should be prepared to prevent acceleration of erosion and acceleration of sedimentation and shall consider all factors which contribute to erosion and sedimentation, including, but not limited to the following: topographic and/or hydrographic features of the project area; the types, depth, slope and areas of the soils, coral and/or reef; the original state of the area as to plant and animal life; whether any coral reef which may be affected by the earth moving is alive or dead; the proposed alteration to the area; the amount of runoff from the project area; the staging of earthmoving activities; temporary control measures and facilities for use during earthmoving activity; permanent control measures and facilities for long term protection and; a maintenance program for the control facilities including disposal of materials removed from the control facilities or a project area.
- 3) The FSM Earthworks Regulations (section 2.3) provides control measures and facilities which shall be incorporated into all earthmoving activities.
- 4) A permit must be obtained from the FSM Department of Resources and Development before any earthworks commence for this project. Applications shall be on the prescribed form and shall be accompanied by an Erosion and Sedimentation Control Plan.

3.1.2 Other Legislations and Codes

Table 2: Summary of key regulations applicable to this project

| Legislation | Applicability to Project |
|--------------------|---|
| Kosrae State Code | Covers the state regulations pertaining to The Land Council, Environment, Land Development and Road Safety |
| Yap State Code | Cover the leases and use of public lands, protection of marine and water resources, environmental quality protection, land use controls and public health |
| Pohnpei State Code | Covers sanitary and toilet facilities for the state, construction of facilities, environmental protection, public land |
| Chuuk State Code | Covers health and sanitation, environmental protection and preservation and land management |
| FSM National Code | Provides national regulations for historical sites and antiquities, public health safety and welfare and labour |

3.2 Adaptation Fund Safeguard Policies

The Adaptation Fund Environmental and Social Safeguard Policy requires that all projects be screened for their environmental and social impacts, that those impacts be identified, and that the proposed project be categorised according to its potential environmental and social impacts. Regardless in which category a project is screened, all environmental and social risks shall be adequately identified and assessed by the IE in an open and transparent manner with appropriate consultation.

The scope of the environmental and social assessment shall be commensurate with the scope and severity of potential risks. The assessment should assess all potential environmental and social risks and include a proposed risk management plan, or in this case an Environmental and Social Management Plan.

All projects supported by the AF shall be designed and implemented to meet the ESS Policy principles, although it is recognised that depending on the nature and scale of a project not all principles will be relevant to every project.

Initial safeguards screening was undertaken in 2016 and was subsequently audited in July 2019 where several discrepancies between the AF ESS Policy and assessment were identified. Updated screening has been carried out in accordance with the AF ESS policy and the policy guidance document. This updated ESMP is the safeguard instrument for the FSM AF project's technical and physical investments.

SPREP also implements all projects according to their own Environmental and Social Safeguards Policy through a series of 'Environmental and Social Standards'. As an Implementing Entity for AF, SPREP are in the process of auditing and updating their ESS to ensure that they comply with and fully encompass the AF policy. The table below highlights the SPREP standards in relation to the AF principles.

Table 3: Adaptation Fund Safeguard Principles assessment against project activities

| AF & SPREP ESS Principles | Applicability | Applicability to Project |
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| <p>Principle 1: Compliance with the Law <i>Projects/programmes supported by the Fund shall be in compliance with all applicable domestic and international laws.</i></p> <p>SPREP Social and Environmental Policy (Clause 3)</p> | <p>The IE will ensure that the project will comply with the applicable domestic and international law. Needs a description of the regulatory framework for any project activity that may require permits.</p> <p>This principle always applies to all AF funded projects.</p> | <p>Permits will be needed for the following activities: Coastal reinforcements (Kosrae) Earth works (Kosrae)</p> <p>The following regulations are applicable for this project:</p> <ul style="list-style-type: none"> • Kosrae State Code • Kosrae Regulations for Development Projects • FSM Earthmoving regulations • FSM Labour Act • Yap State Code • Pohnpei State Code • Chuuk State Code • FSM National Code • Basel and Waigani Convention • Convention on Biological Diversity |
| <p>Principle 2: Access and Equity <i>Projects/programmes supported by the Fund shall provide fair and equitable access to benefits in a manner that is inclusive and does not impede access to basic health services, clean water and sanitation, energy, education, housing, safe and decent working conditions, and land rights. Projects/programmes should not exacerbate existing inequities, particularly with respect to marginalized or vulnerable groups.</i></p> <p>SRPEP Principle 1: Human Rights</p> | <p>The process of allocating access to project benefits should be fair and impartial. A fair process treats people equally without favouritism or discrimination, and an impartial process treats all rivals or disputants equally. Furthermore, the project will be designed and implemented in a way that will not impede access of any group to the essential services and rights mentioned in the principle.</p> | <p>The exact sites for installation of water security interventions in Yap, Chuuk and Pohnpei are not yet determined. Under this principle, the guidelines state that allocating access to Project benefits should be fair and impartial. If the site selection and consultation process of Component 2 is not carefully planned, then there is the risk that there may be bias and therefore lack of access and equity to the improved water resources</p> <p>To demonstrate compliance with this principle, the ESMP describes the process of allocating and distributing the Component 2 interventions and by showing how this process ensures fair and impartial access to benefits. One risk of fair access is the installation of interventions on private land without securing long term access to the interventions. Risks of this type are addressed in this ESMP.</p> |
| <p>Principle 3 – Marginalised and Vulnerable Groups. <i>Projects/programmes supported by the Fund shall avoid imposing any disproportionate adverse impacts on marginalized and vulnerable groups including children, women and girls, the elderly, indigenous people, tribal groups, displaced people,</i></p> | <p>Impacts on marginalised and vulnerable groups must be considered so that such groups do not experience adverse impacts from the project that are disproportionate to those experienced by others.</p> | <p>This principle is not triggered by the project as there are no disproportionate adverse impacts foreseen from the various components due to the triggering of Principle 2.</p> |

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| <p><i>refugees, people living with disabilities, and people living with HIV/AIDS. In screening any proposed project/programme, the implementing entities shall assess and consider particular impacts on marginalized and vulnerable groups.</i></p> <p>SPREP Principle 1: Human Rights SPREP Principle 3: Child Protection SPREP Safeguard 1: Assessment and Management of Environmental and Social Risks and Impacts (requirement 3)</p> | | |
| <p>Principle 4 – Human Rights <i>Projects/programmes supported by the Fund shall respect and where applicable promote international human rights.</i></p> <p>SPREP Principle 1: Human Rights</p> | <p>Promotion of human rights in the project will be achieved by creating awareness with all involved in the project operations, including design, execution, monitoring, and evaluation, about the Universal Declaration of Human Rights as an overarching principle in the implementation of the project.</p> | <p>This principle is triggered by all projects funded by AF.</p> <p>The AF bases this principle on the United National Declaration of Human Rights and requires that at a minimum, and regardless of whether the country is a Party to them, the nine-core international human rights treaties will be monitored.</p> <p>The project will adhere to this principle through contractual clauses with any contractors and through oversight by the IE</p> |
| <p>Principle 5 – Gender Equality and Women’s Empowerment <i>Projects/programmes supported by the Fund shall be designed and implemented in such a way that both women and men 1) have equal opportunities to participate as per the Fund gender policy; 2) receive comparable social and economic benefits; and 3) do not suffer disproportionate adverse effects during the development process.</i></p> <p>SPREP Principle 2: Gender Equality</p> | <p>Gender equality refers to the equal rights, responsibilities, opportunities and access of women and man and boys and girls as well as the equal consideration of the respective interests, needs, and priorities. To ensure gender equality, measures often need to be taken to compensate or reduce disadvantages that prevent women and men from otherwise operating on an equitable basis. Gender equality and women’s empowerment must be applied in the project design and its implementation regardless of the legal and regulatory framework in which the project is set.</p> | <p>There are known links between water supply, WASH and the role of the females in the house. It is therefore critical to ensure that ongoing consultation is undertaken with a fair gender representation throughout project implementation.</p> <p>The ESMP identifies key stakeholders or key stakeholder groups for women’s representation in consultations; provides specific instruct the implementation team to include woman in all future consultations; includes parameters for monitoring gender equality and women’s empowerment in the ESMP monitoring plan.</p> |
| <p>Principle 6 – Core Labour Rights <i>Projects/programmes supported by the Fund shall</i></p> | <p>The International Labour Organisation (ILO) core labour standards are stated in the 1998 ILO Declaration of Fundamental</p> | <p>This principle is applicable for all AF projects.</p> |

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| <p><i>meet the core labour standards as identified by the International Labour Organisation.</i></p> <p>SPREP Safeguard 4: Labour and Working Conditions</p> | <p>Principles and Rights at Work. Regardless of whether the countries where the AF's projects are implemented have ratified the conventions, in the context of AF funded projects the IE will respect, promote and realise in good faith the principles of the ILO and ensure that they are respected and realised in good faith by the EE and other contractors.</p> | <p>As FSM has not ratified the ILO, the ESMP demonstrates how the ILO core labour standards will be incorporated in the design and the implementation of the project as appropriate.</p> <p>The project will adhere to this principle through contractual clauses with any contractors and also through oversight by the IE.</p> |
| <p>Principle 7 – Indigenous People <i>The Fund shall not support projects/programmes that are inconsistent with the rights and responsibilities set forth in the UN Declaration on the Rights of Indigenous Peoples and other applicable international instruments relating to indigenous peoples.</i></p> <p>SPREP Safeguard 9: Indigenous Peoples</p> | <p>This policy is applied with the project affects, directly or indirectly, indigenous people.</p> | <p>Most of the population of the project sites are indigenous, in the sense of having ancestral attachment to their land which is still important in the livelihoods of the majority who are rural dwellers. This reliance on natural resources and both customary and legal rights are recognised under Federal and State.</p> <p>As Indigenous Peoples are the overwhelming majority of direct project beneficiaries safeguard measures should be integrated into the project's overall design through the ESMP. They include: (i) Free, prior, and informed consultation leading to broad community support during project preparation; (ii) Measures to ensure culturally appropriate processes and benefits; (iii) Measures to ensure that adverse impacts are mitigated and (iv) Measures for disclosing key project documents in a language understandable to them.</p> <p>Community consultation and regular engagement with the community is integral and the ESMP stipulates that this will be undertaken through the life of the project.</p> |
| <p>Principle 8 – Involuntary Resettlement <i>Projects/programmes supported by the Fund shall be designed and implemented in a way that avoids or minimizes the need for involuntary resettlement. When limited involuntary resettlement is unavoidable, due process should be observed so that displaced persons shall be informed of their rights, consulted on their options, and offered technically, economically, and socially</i></p> | <p>This policy refers to both physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or other means of livelihood). Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement because of either: 1) lawful expropriation or temporary or permanent</p> | <p>Component 2 will require the installation of water security interventions which are designed to be accessible to the entire community. It is expected that all interventions should be installed on government or communal land on the islands. However, if there are no suitable public lands, private lands may have to be used. If this is the case, the landowner would have to sign an easement to allow long term access to his lands for this purpose and also agree (depending on the type of intervention installed) to manage the land use around the intervention to prevent contamination from, for e.g. pig pens. This easement will only be entered on a voluntary donation basis.</p> |

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| <p><i>feasible resettlement alternatives or fair and adequate compensation.</i></p> <p>SPREP Safeguard 7: Land Acquisition and Involuntary Resettlement</p> | <p>restrictions on land use, and 2) negotiated settlements in which the buy can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail. This principle does not apply to resettlement resulting from voluntary land transactions in which the seller is not obligated to sell, and the buyer cannot resort to expropriation or other compulsory processes sanctioned by the legal system of the host country if negotiations fail.</p> | <p>For component 3, it is expected that all 83 easements will be through voluntary donation as defined in this principle.</p> <p>If any state or national government seeks to use their legal rights to acquire the land of any landowner who refuses to sign an easement, this will be considered as involuntary resettlement and this principle will be triggered and all the requirements of this principle will have to be implemented.</p> <p>The AF process for involuntary resettlement would be:</p> <ol style="list-style-type: none"> 1) Provide justification for the need for involuntary resettlement by demonstrating any realistic alternatives that were explored, and how the proposed involuntary resettlement has been minimized and is the least harmful solution. 2) Describe in detail the extent of involuntary resettlement, including the number of people and households involved, their socio-economic situation and vulnerability, how their livelihoods will be replaced, and the resettlement alternatives and/or the full replacement cost compensation required whether the displacement is temporary or permanent. 3) Describe in detail the involuntary resettlement process that the project/programme will apply, and the built-in safeguards to ensure that displaced persons shall be informed of their rights in a timely manner, made aware of the grievance mechanism, consulted on their options, and offered technically, economically, and socially feasible resettlement alternatives or fair and adequate compensation. This also should include an overview of the applicable national laws and regulations. 4) Justify the conclusion that the involuntary resettlement is feasible. 5) Describe the adequacy of the project/programme organisational structure to successfully implement the involuntary resettlement as well as the capacity and experience of the project/programme management with involuntary resettlement. 6) Build awareness of involuntary resettlement and the applicable Principles and procedures of the project/programme. |
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| <p>Principle 9 – Protection of Natural Habitats <i>The Fund shall not support projects/programmes that would involve unjustified conversion or degradation of critical natural habitats, including those that are (a) legally protected; (b) officially proposed for protection; (c) recognized by authoritative sources for their high conservation value, including as critical habitat; or (d) recognized as protected by traditional or indigenous local communities.</i></p> <p>SPREP Safeguard 8: Biodiversity Conservation and Sustainable Management of Living Natural Resources</p> | <p>The CBD defines a ‘habitat’ as the place or type of site where an organism or population naturally occurs. ‘Critical natural habitat’ refers to habitats that are not man-made and that fulfil a critical role for an organism or a population that in the absence or disappearance of that habitat might be severely affected or become extinct. The IE will identify: 1) the presence in or near the project area of natural habitats, and 2) the potential of the project to impact directly, indirectly or cumulatively upon natural habitats.</p> | <p>Under the AF definitions in this principle, ‘natural habitats’ are within the Kosrae inland road construction footprint but none of these are considered to be ‘critical natural habitats’. Under the Kosrae Land Use Plan the road alignment passes through ‘Areas of Particular Concern’ and ‘Special Consideration Districts’.</p> <p>This ESMP describes these areas, explains why they cannot be avoided and discusses the potential impacts. For each affected critical natural habitat, provide an analysis on the nature and the extent of the impact including direct, indirect, cumulative, or secondary impacts; the severity or significance of the impact; and a demonstration that the impact is consistent with management plans and affected area custodians.</p> |
| <p>Principle 10 – Conservation of Biological Diversity <i>Projects/programmes supported by the Fund shall be designed and implemented in a way that avoids any significant or unjustified reduction or loss of biological diversity or the introduction of known invasive species.</i></p> <p>SPREP Safeguard 5: Biodiversity and Ecosystem Services SPREP Safeguard 8: Biodiversity Conservation and Sustainable Management of Living Natural Resources</p> | <p>The IE will use the CBD definitions of biological diversity to identify: 1) the presence in or near the project area of important biological diversity; 2) potential of a significant or unjustified reduction or loss of biological diversity, and 3) potential to introduce known invasive species.</p> | <p>Under the definition of the AF, biological diversity concerns not only living organisms of all taxa but also ecosystem processes, habitats, hydrological cycles, processes of erosion and sedimentation, landscapes, etc.</p> <p>Additionally, the ESMP makes the connection between the Kosrae road construction and the potential impacts on marine biodiversity through poor erosion control, describes the marine habitat, the scale of the potential marine impacts and any protective measures that are required.</p> <p>The areas of upland forest which will need to be cleared through the future Kosrae road realignment plan can be considered important biological diversity. There will be loss of this biodiversity through clearance and the potential to introduce invasive species through these works.</p> <p>As required in the principle, this ESMP describes the elements of known biological diversity importance in the road alignment and describes why the impacts cannot be avoided and what measures will be taken to minimise these impacts.</p> <p>The ESMP also provides practical avoidance or protective measures to minimise the impacts.</p> |

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| <p>Principle 11 – Climate Change <i>Projects/programmes supported by the Fund shall not result in any significant or unjustified increase in greenhouse gas emissions or other drivers of climate change.</i></p> <p>SPREP Principle 4: Climate Change</p> | <p>The main drivers of climate change that are considered here are the emission of carbon dioxide gas from the use of fossil fuel and from changes in land use, methane and nitrous oxide emissions from agriculture, emission of hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride, other halocarbons, aerosols, and ozone.</p> | <p>Not applicable to this project</p> |
| <p>Principle 12 – Pollution Prevention and Resource Efficiency <i>Projects/programmes supported by the Fund shall be designed and implemented in a way that meets applicable international standards for maximizing energy efficiency and minimizing material resource use, the production of wastes, and the release of pollutants.</i></p> <p>SPREP Safeguard 5: Resource Efficiency and Pollution Prevention</p> | <p>There are two distinct aspects to this principle. Project shall on the one hand minimise in a reasonable and cost-effective way the resources that will be used during implementation. This applies to all sources and forms of energy, to water, and to other resources and materials inputs. On the other hand, the project will minimise the production of waste and the release of pollutants.</p> | <p>Component 3 has the potential to produce pollution and the contractor will be required to produce a ‘Waste and Pollution Prevention Management Plan’ as detailed in the AF ESS guidelines.</p> <p>Component 2 may require the production of concrete for any construction work during installations and this ESMP provides the measures that must be implemented to avoid spillage and pollution.</p> |
| <p>Principle 13 – Public Health <i>Projects/programmes supported by the Fund shall be designed and implemented in a way that avoids potentially significant negative impacts on public health.</i></p> <p>SPREP Safeguard 6: Community Health, Safety and Security</p> | <p>Possible public health impacts of a project can be determined by assessing its impact on a range of so-called determinants of health. Public health is determined not just by access to medical care and facilities and lifestyle choices, but also by a much broader set of social and economic conditions in which people live.</p> <p>The project may demonstrate that it will not cause potentially significant negative impacts on public health by screening for possible impacts and including the results of the screening. The outcome of the screening should be used to demonstrate compliance with the principle if there are no potentially significant negative impacts on public health are likely.</p> | <p>There are clear impact risks during the component 3 construction activities and operational phase from movement of construction machinery, changes in traffic patterns through the village and potential increase in sediment loading in the village streams and coastal environment, etc.</p> <p>There are also potential public health impacts from the water security interventions in component 2 and this ESMP provides mitigation measures and strategies.</p> |
| <p>Principle 14 – Physical and Cultural Heritage</p> | <p>The IE will identify the presence of cultural heritage in or near the project.</p> | <p>The nature of the known cultural sites along the Kosrae road alignment have been identified and described in the EIS. The EIS</p> |

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| <p><i>Projects/programmes supported by the Fund shall be designed and implemented in a way that avoids the alteration, damage, or removal of any physical cultural resources, cultural sites, and sites with unique natural values recognized as such at the community, national or international level. Projects/programmes should also not permanently interfere with existing access and use of such physical and cultural resources.</i></p> <p>SPREP Safeguard 10: Cultural Heritage</p> | | <p>also provides a chance find procedure for discovery of any as yet unknown cultural site.</p> <p>The ESMP includes the chance find procedure and includes measures to be taken during construction to protect these known and as yet unknown sites.</p> |
| <p>Principle 15 – Lands and Soil Conservation <i>Projects/programmes supported by the Fund shall be designed and implemented in a way that promotes soil conservation and avoids degradation or conversion of productive lands or land that provides valuable ecosystem services.</i></p> <p>SPREP Safeguard 8: Biodiversity Conservation and Sustainable Management of Living Natural Resources</p> | <p>This principle concerns the stewardship of land to either be maintained in its natural state where possible, or if it is converted to promote and protect its functioning. Soil conservation refers to a set of measures to prevent, mitigate or control soil erosion and degradation. There are two aspects to the principle: promotion of soil conservation and avoidance of degradation or conversion of valuable lands. This applies to soils and lands directly affected by the project as well as those influenced indirectly, or as a secondary or cumulative effect. Soil conservation should be incorporated in project design and implementation.</p> <p>The IE will identify: 1) productive lands and/or lands that provide valuable ecosystem services within the project area. If such land exists, the IE will identify and describe: the lands; project activities that may lead to land degradation; reasons why using these lands is unavoidable and the alternatives that were assessed, and; measures that will be taken to minimise productive land</p> | <p>This principle is applicable to the Kosrae road design activity.</p> <p>The soil conservation portion of this principle requires projects to have good erosion and sedimentation controls in place. As this is an important part of the Kosrae State regulations, this is covered in detail in the EIS and an Erosion and Sedimentation Control Plan has been developed for this activity.</p> <p>This ESMP applies the requirements of this principle including analysis of alternatives, measures to minimise degradation or ecosystem service impacts.</p> |

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| | degradation or ecosystem service impacts. | |
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3.2.1 Gender Action Plan

Gender is a strategic priority of the Adaptation Fund and all projects and implementing partners shall strive to uphold women's rights as universal human rights and to attain the goal of gender equality and equal treatment of women and men, including equal opportunities for access to Fund resources and services, in all Fund operations through a gender mainstreaming approach.

The AF's gender policy has the following objectives:

- i. To ensure that the AF will achieve more effective, sustainable and equitable adaptation outcomes and impacts in a comprehensive manner in both its internal and external procedures;
- ii. To provide women and men with an equal opportunity to build resilience, address their differentiated vulnerabilities, and increase their capacity to adapt to climate change impacts; recognizing the need for targeted efforts in order to ensure women's participation;
- iii. To address and mitigate against assessed potential project/programme risks for women and men in relation to concrete adaptation actions financed by the AF;
- iv. To contribute to addressing the knowledge and data gaps on gender-related vulnerabilities and to accelerate learning about effective gender-equal adaptation measures and strategies; and
- v. To consult with affected women and men actively, considering their experiences, capabilities and knowledge throughout the AF processes.

5 Stakeholder Engagement

Stakeholders will require engagement across the project, for physical investments, policy development and other aspects.

5.1 Stakeholder Identification

A stakeholder is defined as a person or group who has an interest in a particular decision or activity relating to the project, either as an individual or as a representative of a group. This includes people who can influence a decision, or can influence actions, as well as those affected by it.

For this project, stakeholder groups will vary across the project activities and sites. Stakeholders have been and will continue to be identified on an ongoing basis by:

- Identifying the various categories of parties who may be affected by or interested in the project; and
- Identifying specific individuals or organisations within each of these categories taking into account:
 - The expected impact area of the project, that is the geographic area over which it may cause impacts (both positive and negative) over its lifetime, and therefore the localities within which people and businesses could be affected;
 - The nature of the impacts that could arise and therefore the types of government bodies, NGOs, academic and research institutes and other bodies who may have an interest in these issues.

5.2 Stakeholder Groups

Primary stakeholder groups applicable to the project are listed and described below.

| Category | Group | Relevance |
|---------------------|--|---|
| National Government | Department of Environment, Climate Change & Emergency Management (DECEM) | Environment Division: This division is responsible for conservation, protection and sustainable utilisation of living and non-living natural resources. Climate Change Division: This division is responsible for management and coordination of FSM's measures and response to the threats and impacts of climate change. |
| Local Governance | Chuuk Department of Public works, Disaster Office | |
| | Yap EPA, Yap Budget and Planning | |
| | Pohnpei Department of Transportation and Infrastructure | |
| | Kosrae Governor's Office | Responsible for management of government lands |
| | Kosrae Island Resource Management Authority | Responsible for issuing environmental development consents |
| | Kosrae Department of Transport and Infrastructure | Responsible for Kosrae Roads design, construction and maintenance |
| | Kosrae Office of Development Assistance | |

| Category | Group | Relevance |
|--|---|---|
| | Municipality Councils and Traditional Leaders | |
| | Village Mayors | |
| Local Groups and NGOs | Kosrae Historic Preservation Office | Responsible for identifying, protecting and managing areas of cultural and historical importance on Kosrae. |
| | Kosrae Conservation and Safety Organisation | Tuvalu Association of NGOs (TANGO) provides a policy voice within government and provides information and communication to its 48 members and the local community. |
| | Women's Groups | Island representatives of the Chuuk Women's Council, Yap Women's Associations, Pohnpei Women's Council and the Kosrae Women Association |
| | Disabled Persons Organisations (DPO) | Pohnpei Consumers Organisation (PCO) whose mission it is to protect and promote the human, civil and legal rights of individuals with disabilities through the provision of information and advocacy. The PCO was the founding DPO in FSM and there now a DPO in each state coordinated by the newly formed National Coalition of DPOs. |
| | Youth Groups | The FSM Youth Council serves as an umbrella organisation for all FSM state youth clubs and youth councils while providing a bridge between national government and the youth. |
| | Island Church Groups | Representatives of the main church groups on each of the islands |
| Project Affected Communities and Individuals | Local Communities | The construction phase is likely to have minor short-term impacts on the communities in and around the project sites (works, ancillary and haulage routes). The operational phase of the project is likely to have long term positive impacts on the community. Consultation for both of these phases will be critical. |
| | Public | The wider Fongafale public will be stakeholders in the development and implementation of the TvICT Project as they will be impacted through changes to access to communications once the cable is commissioned. |

5.3 Stakeholder Engagement and Consultation Plan (SECP)

The SECP needs to be implemented, updated and refined throughout the lifecycle of the Project. During this process the focus and scope of the SECP will change to reflect the varying stages of project implementation and to encompass any changes to project design. The implementation plan is included in Table 4.

The mode of consultation will vary according to the participants, but in all cases will promote participation by ensuring that the venue is accessible, the timing convenient and the manner of conduct of the consultation socially and culturally appropriate. Consultations will be announced to give sufficient notice for participants to prepare and provide input to project design.

Minutes will be recorded for all consultation meetings. Consultations undertaken prior to finalisation of the ESMP have been addressed and incorporated into management measures where appropriate throughout the ESMP. For subsequent consultations, the EE will be responsible for taking any comments forward to either the IE or the Contractor for incorporation. Minutes of consultations and actions taken based on those comments will be included in project reporting.

5.3.1 Implementation Plan

The Implementation Plan (Table 4) for the Project constitutes the following components:

Activity: the various operational consultation activities that will be undertaken as part of the SECP

Objective: the target that each activity needs to reach

Stakeholder: the various stakeholders to be targeted during implementation of the SECP activity;
and

Medium: the method by which the engagement or consultation will be done

The EE will be responsible for early consultations and engagement, but once construction starts, The Kosrae DTI, the KIRMA Project Officer and any contractors will also have engagement responsibilities, primarily around the strengthening of Kosrae coastal developments and the installation of water security interventions.

Table 4: Stakeholder Engagement and Consultation Implementation Plan

| No | Project Activity | Timetable | Objective | Stakeholders | Medium |
|--|---------------------------------|--|---|---|--|
| A: Water Security Interventions | | | | | |
| A1 | Selection of installation sites | From project preparation through to final selection. | Identify and select sites for installations/upgrades which adhere to the safeguards requirements and have community support | Local Governance: Yap, Chuuk Pohnpei Local groups and NGOs: Yap, Chuuk, Pohnpei Village leaders and communities | One-on-one meetings Group meeting with refreshments Structured group meeting with refreshments |
| A2 | Disclosure of the ESMP | On completion of ESMP | To disclose ESMP | All identified | Public flyer, radio announcement, website, hard copies. |
| A3 | Commencement of Works | Two weeks before commencement of any works. | To reconfirm ongoing consultation, feedback and GRM processes | Island Councils Women's Groups Community Site occupants | Community Notice Boards Community Meeting |
| B: Kosrae Road Design | | | | | |
| B1 | Disclosure of ESMP | On completion of ESMP | To disclose ESMP | All identified | Public flyer, radio announcement, website, hard copies. |

| No | Project Activity | Timetable | Objective | Stakeholders | Medium |
|-----------------------------------|-----------------------|---|---|---|---|
| C: Kosrae Coastal Defences | | | | | |
| C1 | Disclosure of ESMP | On completion of ESMP | To disclose ESMP | All identified | Public flyer, radio announcement, website, hard copies. |
| C2 | Commencement of Works | Two weeks before commencement of any works. | To advise of construction schedule, reconfirm management measures and remind of GRM process | Island Councils Women's Groups Community Site occupants | Community Notice Boards Community Meeting |

5.3.2 Resources and Responsibilities

The implementation of the SECP will be the overall responsibility of the EE, with support from the State Governments and Contractors as required. The EE Project Manager will be responsible for arranging and facilitating the meetings as it appropriate and they will also be the focal point for all stakeholder queries and contacts in relation to the implementation of the SECP or the GRM.

It is also the responsibility of the Project Manager to ensure that gender balance is achieved throughout the implementation of the SECP and should ensure culturally appropriate strategies are used to achieve this such as separate meetings for males and females, or targeting female input through women's groups.

5.4 Consultations to Date

Consultations of key stakeholders at state, municipal and public levels has been undertaken as part of the development of the Kosrae Environmental Impact Statement and this ESMP. Safeguard specialist led consultations have been undertaken for the road construction EIS, ESMP and KIRMA development consent as well as coastal defences works on Kosrae. Project Manager led consultations have been undertaken for the water security interventions on Yap, Chuuk and Pohnpei. These build on similar state, municipal and public consultations conducted during the development for this proposal and during the updating of the KSMP in 2013/14 for the State of Kosrae.

Several consultations were undertaken in all four states and discussed and identified environmental and social issues and risks of the project which have been addressed in this ESMP.

In Kosrae, during the EIS process, a presentation and discussion of the project was conducted with firstly, the Mayor and Council Members of both Utwe and Malem Municipalities, and immediately following this, an open public meeting in each Municipality, again also attended by the Mayors and Council Members. Following the presentation, clarifications and discussion around issues were conducted around large scale maps of the project area showing the key Kosrae components. Discussions and issues identified, including changes to the project design were captured in the EIS.

During the development of this ESMP, a safeguards consultation session was conducted on Kosrae with key governance and community stakeholders with a presentation on the additional impacts

identified and to get additional input on the proposed management measures. Discussions and issues identified have been captured in this ESMP.

5.5 Public Disclosure

In Kosrae, KIRMA determines whether a public hearing or consultation is required for any project application. As outlined in Kosrae's EIA process, the draft EIS is generally circulated to all State stakeholders and made available for public consultation. Stakeholders and the community have a minimum of 30 days to provide comments on the proposal. This was completed in 2016 and a final and completed EIS was endorsed.

This ESMP captures the recommended measures in the EIS and will be publicly disclosed in all project locations. This ESMP will be made available in hard copy in all village council offices.

5.6 Grievance Redress Mechanism

Any parties wishing to raise grievances caused by or associated with the project will be able to do so. In the first instance grievances will be managed by the PMU. Depending on the nature of the complaints, or if for any reason the complainant is unwilling to make a report to the PMU, it can submit a complaint through the Municipality Councils and/or traditional leaders.

A grievance redress mechanism (GRM) is presented below to uphold the project's social and environmental safeguards performance. The purpose of the GRM is to record and address any complaints that may arise during the implementation phase of the project and/or any future operational issues that have the potential to be designed out during implementation phase. It should address concerns and complaints promptly and transparently with no impacts (cost, discrimination) for any reports made by project affected people (APs). The GRM works within existing legal and cultural frameworks, providing an additional opportunity to resolve grievances at the local, project level.

The key objectives of the GRM are:

- Record, categorize and prioritize the grievances;
- Settle the grievances via consultation with all stakeholders (and inform those stakeholders of the solutions);
- Forward any unresolved cases to the relevant authority.

Community level grievances are most likely with the proposed project.

The following process will be used to address the issues and concerns that an affected party (AP) may have. The key point of contact for the AP will be the village council who will likely liaise directly with the Contractor, DTI or project team leader (Kosrae) or the Project Manager directly (Yap, Chuuk or Pohnpei). The party receiving the complaint will receive and document all matters and issues of concern from the local community and forward copies of all grievances to the Project Manager.

At all times it is the responsibility of the Project Manager to record, manage and close all grievances. Management of grievances may include issuing instructions to the relevant party to resolve the matter. If the Contractor receives the grievance and is able to effectively resolve the matter to the satisfaction of the AP, the Contractor will provide the Project Manager with the details who will then record the matter.

For concerns such as damage to trees or food gardens, etc., the AP will discuss this with the council, who will then raise the matter immediately with the offending party or their supervisors, if unresolved at the project site. If the concern can be addressed without delay, and the outcome is

satisfactory to the AP, the matter is closed. The Contractor will provide a report to the Project Manager as soon as the complaint has been resolved.

For more extensive complaints such as damage to buildings or land issues such project/Contractor's encroachment on someone's land, the Project Manager will document and record the grievance and manage the response process. APs can submit these types of complaints through any number of channels including via the village council or other third party; directly to the Contractor or project team; in writing; anonymously; verbally; etc. The complaint must be acknowledged within 24 hours of it being lodged. The timing and manner in which it will be resolved will be conveyed to the AP within 48 hours. The delegated party will provide a corrective action report to the Project Manager as soon as the action has been taken.

Should the complainant remain unsatisfied with the response of the delegated party, the complaint will be referred by the Project Manager to the IE, SPREP.

All grievances received and handled will be reported by DECEM to SPREP as the IE via periodic reporting. SPREP will review the handling of grievances to ensure they have been handled correctly.

The five-step grievance management process will be applied to the project by the following process:

Table 5: Grievance Redress process in tabulated form

| Step | Application/How | Responsibility |
|---|---|---|
| Publicise the process | Develop a procedure which explains how the grievance mechanism will work on the specific project site | SPREP, DECEM |
| | Present the grievance mechanism at a public meeting help with affected communities | DECEM, EPA Yap, Chuck, Pohnpei; KIRMA Kosrae |
| Receive and register | Identify locations to receive grievances and ensure accessibility to all affected stakeholders | DECEM, EPA Yap, Chuuk, Pohnpei; KIRMA Kosrae |
| | Recognise that some grievances may be submitted in writing while others will be communicated verbally. All grievances are to be treated with the same level of seriousness and respect. | |
| | Log all complaints into a database | |
| Review and investigate grievances | Review and investigate grievances | EPA Yap, Chuuk, Pohnpei; KIRMA Kosrae |
| | Explain the process and the timeframe for the GRM process | |
| | Appoint an appropriate person to obtain information and investigate. | |
| Develop resolution options, response to grievances and closeout | Develop a proposed resolution process, involving communities where appropriate | State level – EPA Yap, Chuuk, Pohnpei; KIRMA Kosrae |
| | Implement the agreed solution | DECEM |
| | Follow-up with complainant to ensure satisfaction | |
| | If unsatisfied: Discuss further options. Identify local partners | |

| | | |
|----------------------|--|--------------|
| | who might be able to assist in finding solutions | |
| | If still unresolved, refer matter to third-party mediation or external review. | |
| Monitor and Evaluate | Regularly monitor the number and type of grievances received, resolved and outstanding | DECEM, SPREP |
| | Evaluate trends over time and stages of project development | |
| | Report all grievances to the SPREP via relevant periodic reporting | DECEM |

SPREP will also maintain an email based grievance mechanism, so that the public can also lodge grievances directly to SPREP, should they wish to do so. Lodgment of grievances will follow the processes set out in the SPREP Fraud Manual (See website here: <http://www.sprep.org/corporate-documents/sprep-fraud-manual>).

The overall GRM for the project described above is complimented by the Kosrae EIA process which enables members of the public to make submissions and to raise issues that will be considered by the KIRMA Board prior to any decision on a Development Project application, as has been issued for component 3 activities of the project. In addition, anyone affected by the decision of KIRMA also has the right to request review of the decision under the Administrative Procedures Act (Title 2 Chapter 4), which includes agency review and further rights of appeal to the Kosrae State Court and Supreme Court of the FSM.

6 Environmental and Social Impacts

The project has the potential to create a variety of impacts through the implementation of the activities described in Section 2. These potential impacts can either be positive or negative depending on the receptors involved and the activity. The impact of this project on the physical, biological and social environment has been assessed to determine likelihood and identify effective mitigation measures.

There are site-specific and component specific impacts which have been identified and of those identified, only moderate to major impacts requiring specific mitigation are discussed below. All impacts (including minor) are addressed through mitigation measures included in the management plans in Section 7.

Impacts below are presented under the associated impact generating activity.

6.1 Water Security Investments Under Component 2

The following potential significant impacts have been identified in relation to activities under this component which provides for the installation and/or repair of rainwater harvesting systems, groundwater wells and self-composting toilets.

6.1.1 Social Impacts

6.1.1.1 *Installation on private lands*

1. Installation of any physical interventions on privately owned land carries the risk of limiting access if the landowner chooses to query or dispute the use of his land once the project is completed.
2. In addition to this, any interventions which involve community access to improved ground water wells on private land carry with it the need for landowner to agree to long term management of the land surrounding the wells to avoid contamination of the water source. For example, placement of pig pens, waste collection pit latrines, etc., placed near the well head has the potential to introduce contaminated leachate into the water source.

Protective measures

- Avoid installation or upgrades of any community water supply on private land.
- If private land is needed, easements signed and submitted with any private land owners prior to the commencement of any works. Easement should include provisions to manage or relinquish the land within a 30m circle around the well head to minimise the risk of contamination.
- Consultations with the land owners to be documented to demonstrate that any land owners have been made aware of the land use restrictions around any community ground water supply on their land.

6.1.1.2 *Collection of ground water*

1. Some methods of collecting water from well heads have the potential to contaminate both the water collected and the water in the well. If the collecting scoop is stored on the ground around the well, it has the potential to collect pathogens or contaminants from the soil surrounding the well head. This then has the potential to transfer into the ground water or into the water that has been collected creating a public health risk.
2. Some existing wells are in a neglected state or were poorly designed and constructed leading to difficult in access and poor hygiene standards around the well.

3. Solar or electrical pumps are often used as a way to extract water from wells without having to 'touch' the water with a contaminated bucket or scoop. Pumps introduce a risk to the use of the well as they will inevitably break down and are often not able to be replaced or repaired in the Pacific Islands meaning communities will revert back to the bucket or scoop. Technical stakeholders to the project have strongly recommended not to use any electrical pumps.

Protective measures:

- No electrical pumps to be installed under this project.
- Use the Kiribati designed 'Tamana' pump to extract water. This pump required no electrical motor and is built from various sizes and lengths of PVC piping. This design is widely used throughout Kiribati to extract water with a great degree of success. The Tamana Pump's basic components are 25mm PVC pip, usually up to 30m long; a 50mm PVC pipe, 1m long; 1 25mm to 50mm, 45o PVC reducer bend; a 25mm elbow; a 25mm PVC male adaptor; a foot valve; and, a piston made of one-half in PVC piping⁴.
- Project will support activite to upgrade structure of the wells walls and cover the well heads to provide safe, easy access to the water via the Tamana pump.

6.1.1.3 *Design of Self Composting Toilets*

1. If SCT are designed in such a way to allow too much light into the toilet itself the result is an over-use of bulking agent⁵ to cover the sight of human waste. Overuse of the bulking agent will result in a poor compositing process, drying out of the pile and an increased effort to source and refill the bulking agent container. Additionally, the idea of using the SCT is not attractive to many users if they can see the waste pile as it gives the impression of sitting on top of someone else's business. Designs of SCT in the Pacific Islands have frequently neglected this aspect of design.⁶
2. Design of SCT toilets usually call for the use of wood and or plywood which frequently become infested with termites and then deteriorate quickly.
3. A key element in the success of a SCT is the free availability of a bulking agent. Bulking agents provide a dry high carbon source which is critical for the composting process. A significant problem with SCTs in the Pacific Islands has been to find a free bulking agent to use with the toilets. Where no bulking agent is used, the toilet won't work well, will likely smell and the composting process is disrupted. People are likely to abandon SCT if they do smell. Most SCT deigns used in the Pacific Islands are based on a NZ or Australian model which used sawdust as the bulking agent. This is often not available in an atoll island. Casuarina needles have been used in Kiribati but may not be available in the project sites. Another source of bulking agent is coconut husk fibers which are pulled out, so it is very loose. This option might create an additional burden on women who are likely to be the ones responsible for maintaining and cleaning the SCTs. A third option for the project sites is dry brown leaf litter which is often swept up during yard cleaning activities and may be both abundant and require little additional effort to collect. A bucket of brown leaf litter can last several weeks if properly applied.
4. If the SCT is designed with a urine separation facility which can either drain into plants or be collected in a container for use as a soil conditioner. Urine is sterile, not normally containing

⁴ <http://www.unep.or.jp/ietc/Publications/TechPublications/TechPub-8d/kiribati1.asp>

⁵ Bulking agent is a dry high carbon material (such as sawdust or leaf litter) which provides carbon to mix with the high nitrogen of human waste. This ensures that proper composting can take place.

⁶ Compost Toilets and the Potential for use in the Pacific Islands, SPC, April 2017

pathogens, so it is safe to handle but often smells strong due to the ammonia in it and is not pleasant to have within a community.

Protective measures:

- Ensure the waste pile is some distance below the toilet seat and that little light is getting in so that it is hard to see into the toilet. The design should use a pedestal with a round hole at the lower end rather than a toilet seat placed onto a box.
- Treated wood shall be used to minimize risk of termite infestation.
- Consultations with the communities to discuss their preferred bulking agent and also raise awareness of the likely additional workload and importance of using this bulking agent. All consultations to be undertaken in such a way to ensure meaningful input by women.
- Consider providing the communities with wood chipper machines to assist with bulking agent and provide training on the use and maintenance of these machines.
- Banana circles planted close to the toilet to take the urine drain and process the leachate from the toilet is a very effective and sanitary solution
- The SCT designers should be required to use the SPC document 'Composting toilets and the potential for use in the Pacific Islands' as a guide for considerate design of SCTs at the project sites.

6.1.1.4 *Use and Maintenance of Self Composting Toilets*

1. Maintenance of the SCT will often fall to women to undertake creating an additional burden on their workload.
2. All known pathogens (including Round Worm) will die outside the human body within 2 years in the Pacific Islands. Poor maintenance of SCTs will lead to pathogens remaining active in the mix. Poor maintenance of the SCT includes lack of bulking agent availability, lid not being kept closed and chamber not being emptied according to schedule.
3. Poor maintenance of SCTs will also lead to the toilets being abandoned due to lack of cleanliness and bad smells.
4. Not all SCTs are designed to house compost for 2 years in the chamber, therefore secondary processing in a separate container is required to make the compost sanitary and kill all pathogens. This requires the compost to be in a healthy state in the first instance before it is transferred, otherwise the secondary process will not be effective. The longer the compost remains in the toilet chamber the better, but it should be for at least 6 months to ensure that it is safe to handle (with sanitary precautions). The secondary processing site is vulnerable to run off, rodent access or public access (public health issues) if it is not contained in a secure manner.
5. The 2 year old compost can be used on tree crops. The compost should not be used directly on vegetable crops as there is a potential risk of food contamination if the compost has not been correctly processed.

Protective measures:

- Detailed training on the need for and correct method of SCT construction and maintenance should be given to both men and women. Separate consultations should be held with women to get their input and opinion on the likely success of the SCT maintenance given that this will likely fall to them. Equal gender representation is important during trainings to ensure that men feel responsibility towards this task and do not see it as a 'women's job'. An understanding of local traditions and customs is needed for this as discussion of sanitary

matters is often 'tapu' and can be difficult to get input. A local language speaker should lead these trainings and discussions rather than any international representatives.

- Maintenance and monitoring of the secondary processing container needs to be undertaken to ensure that it is meeting all necessary standards for correct processing. The party/organisation responsible for maintenance and monitoring should be identified prior to construction.
- Information posters should be installed in communities to ensure ongoing reminders of correct use and maintenance of SCTs.
- Provide training on when and where to use the compost. Training should include: no use on food crops around harvesting time to provide additional time for any remaining pathogens to die off, after compost has been spread cover it with mulch to avoid the possibility of the compost drying to dust and being carried by the wind, it is best to dig the compost into the ground, do not use on ground being prepared for vegetable crops, do not apply directly on vegetable crops, if compost is fully matured and older than 3 years then all pathogens will be dead and the compost will be safe to use for any kind of agriculture.
- Ensure equal opportunities to apply to work on the construction of the SCTs is given to women.

6.2 Coastal Defence Upgrades in Kosrae

The following potential significant impacts have been identified in relation to activities under this activity which provides for the upgrade and improvement of coastal defence upgrades at Paal and Mosral on Kosrae.

6.2.1 Environmental Impacts

The screening of potential environmental impacts was conducted in May 2016 during the preparation of the EIS for the Kosrae road construction. Assessment was conducted with KIRMA and DTI staff. Initial screening of the potential environmental impacts as conducted using the KIRM Regulations for Development Project – Initial Environmental Assessment Checklist. Potential significant impacts and protective measures are discussed below.

6.2.1.1 Design of Revetment Works

1. Coastal defence works have the potential to cause downdrift erosion on adjacent shorelines at both Moral and Paal. At the southern end of the existing revetment at Paal the road curves inward with a wider coastal boulder protecting it. The shoreline position at this location is held by a small strand of reef flat mangroves. At Mosral, the current transition between the revetment and the beach is sharp which does not help to slow downward drift erosion. Kosrae has a standard for revetment design in the Kosrae Shoreline Management Plan which has been created to take account of re-using existing concrete rubble.
2. At the northern edge of the Mosral revetment works is a non-functional coastal outlet which has become damaged and over-washed creating standing water along the road side which floods upstream during heavy rain events. This damage has caused a loss of linkage in the design between the outflow and the revetment. It is likely that this outlet will need to be repaired as part of the road construction project which may result in the outlet design not complimenting the revetment design and creating additional problems down current.

Protective Measures

- Design of revetment shall include input from DTI engineers to ensure best practices design of the transition between the defence and the beach to the south.

- The revetment at Paal will extend behind the existing shoreline at this point to ensure that outflanking and downdrift erosion does not occur.
- The revetment at Mosral at the southern end will be constructed at a shallower slope and armour rock used to construct a wider and flatter toe on the reef flat. This will ease the transition from defence to the beach and help prevent downdrift and outflanking effects.
- Design of the revetments will include design of repairing the outflow at Mosral to ensure effective linkage between the two pieces of infrastructure.

6.2.1.2 Construction of Revetments

1. For both defence sections construction activities will take place from the edge of the road, over the beach that will underlie the revetment and on the immediate reef flats at the toe of the beach/defence. This has the potential to create an increased risk of sedimentation and erosion of the shoreline from the movement of heavy machinery.
2. Use of heavy machinery in the coastal environment brings with it the risk of fuel or oil spills into the marine environment.

Protective measures:

- The construction footprint on the reef flat will be minimised to no more than 10m in width from the toe of the beach/revetment and will not extend beyond the southern or northern extent of the proposed defence section.
- Access to the reef flat by the construction plant will be over the beach within the area of proposed defence reconstruction.
- At Paal additional care will be taken to ensure no heavy plant encroaches to or impacts on the root system of the mangrove strand that is located further seaward on the reef flat at the southern end of the proposed defence extent.
- Spill kits will be available on site during construction works and all staff members will be trained in their use.
- No refueling activities or storage of hazardous substances are permitted at the coastal construction site.

6.2.1.3 Ground Exposure

Exposed areas during reconstruction of the defences are related to natural sand, gravel and coral rubble materials that comprises the beach and coastal berm. Stirring of this material due to wave action at high tide is a natural occurrence with the size of sand, gravel and coral material resulting in it quickly falling out of suspension. Removing the existing emergency revetment armour material and re-grading the underlying beach will result in some additional localised suspended sediment in the water column at high tide. If properly controlled, this is not anticipated to be significant, will not be above natural occurring limited, and will not impact on sensitive coastal ecosystems such as coral and mangrove areas.

Protective measures:

- No burning of ground cover for clearing shall be practiced.
- No vegetation should be removed from the shoreline berm beyond the southern extent of the proposed defences at Paal and Mosral.
- Stockpiles of beach sand, coral rubble or rock armour will not be located where material can be washed into a drain, stream or wetland area, including on a road pavement, on an overland flow path or within 15m of a stream bank, wetland or mangrove.
- All rock used in the construction of the defences will be volcanic in origin, come from licensed quarry sites, and will be clean and free from silt and other loose terrestrial material.

- A staged approach will be adapted to remove the existing armour layer, reprofiling the underlying beach, laying the geotextile filter layer and replacing the concrete slab/block and rock armour layer. This will ensure that there is a minimal length of beach exposed at any time reducing the potential for increased suspended sediments at high tide.
- Where stockpiling of sediment material is conducted on land or any land areas are cleared of vegetation, geotextile sediment fencing will be erected around all areas. The fence will be installed prior to stockpiling/clearing, as close to the contour of the site as possible, with the bottom edge of the fence buried to at least 150mm, and the fence posts installed on the downside of the fabric. The fences will be checked regularly and where sediment has built up, this will be removed.
- As soon as possible after the works are completed, rehabilitation of and exposed areas, such as the road verge will be undertaken.

6.2.1.4 Control and disposal of wastes and hazardous materials

There is the potential for pollution to be released into the marine and terrestrial environments during the construction works from activities using the heavy machinery, or from any washdown or laydown sites established for the works.

There is also the potential for pollution to be created by the improper management of solid waste generated by the works.

Protective Measures:

- All non-hazardous, non-recyclable waste will be placed in containers and regularly emptied and disposed of to a permitted landfill site.
- Lubricants and used oils will be stored in approved containers and promptly removed from site and disposed of as directed by KIRMA
- Care will be taken to prevent any releases or spills of fuel and lubricants during fueling and maintenance of construction equipment and will be prevented from entering the ground, drainage areas or water courses by using appropriate containers and bunds. No such activities will be undertaken within at least 15m of the coast.
- Any oily debris and contaminated soils will be recovered and disposed of as directed by KIRMA
- Adequate sanitary convenience that meets public health and environmental requirements will be provided for construction staff on site.
- On completion of the works, all surplus materials and construction debris shall be removed and recycled or disposed of in an appropriate manner.

6.2.2 Social Impacts

6.2.2.1 Haulage of Construction Materials

Main haulage activities will involve transport of rock armour from the permitted quarry (possibly at Yeseng) to the sites at Paal and Mosral. This will not pass through built up residential areas but will pass a small number of residential properties potentially causing dust and noise nuisance as well as a safety risk to pedestrian vehicle traffic.

Protective Measures:

- Equipment and trucks passing through Malem village and other residential areas will slow to an appropriate speed to avoid noise and vibration disturbance as far as possible.

- Consultations will be undertaken with affected residents prior to commencement of works to advise of potential impacts and management measures.
- Construction vehicles using public and private roads will be clean with loads secured to prevent accidental spillage. Any accidental spillage of material transported on to roads beyond the immediate construction area will be promptly cleaned up.
- Establishment of machinery storage and washdown areas will be kept to a minimum and will be removed and the area reinstated and vegetated after construction. Any washdown areas shall be a minimum of 15m from any natural water course and washdown run off will not be discharged into natural waterways

6.3 Inland Road Relocation in Kosrae: Design phase

This activity carries the greatest environmental and social impact risk from the project. The following potential significant impacts have been identified in relation to activities under this output which provides for the inland realignment of the coastal road between Malem and Utwe on Kosrae.

The EIS for the road realignment contains details related to the potential environmental impact using the KIRMA Regulations for Development Project – Initial Environmental Impact Assessment checklist. Subsequent to this a 2019 Adaptation Fund safeguards assessment audit identified additional potentially significant impacts. Table 6 below is the updated KIRMA impact assessment table based on the 2019 audit findings (Y – yes, N – no, P – potentially). Parameters which are likely to be impacted by this activity are highlighted in the table.

Table 6: Kosrae EIA Regulations Impact Screening Table

| Environmental Impacts – will the proposed project result in: | | Y | N | P |
|--|---|---|---|---|
| 1. Earth | a. Destruction, covering or modifications of any unique geological or biophysical feature | | X | |
| | b. Contamination of soils or disturbance of previously or potentially contaminated soils? | | | X |
| | c. Creation of steep or other unstable land conditions? | X | | |
| | d. Any potential for increased wind or water erosion (including in coastal areas) or soils, either on or off the site? | X | | |
| | e. Changes in the channel of a stream, or the bed of the ocean or lagoon? | | | X |
| 2. Air | a. Substantial air emissions, including greenhouse gas emissions, or deterioration of existing air quality? | | X | |
| | b. Creation of objectionable odours? | | X | |
| 3. Water | a. Changes in currents, or the course or direction of water movement in either the marine or freshwaters? | | X | |
| | b. Changes in absorption rates, drainage patterns, or the amount of surface run off? | X | | |
| | c. Cause or exacerbate coastal, stream or river flooding or land drainage impacts? | X | | |
| | d. Alterations to the course or flow of flood waters? | X | | |
| | e. Discharge into surface waters or any alteration of surface water, water quality, including, but not limited to, temperature, dissolved oxygen, bacteria or turbidity? | X | | |
| | f. Change in the quality or contamination of ground waters or wells, either through direct additional, withdrawal, seepage, or through interception of an aquifer by cuts or excavations? | | | X |
| 4. Plant life | a. Destruction of any upland or mangrove forest communities? | X | | |
| | b. Destruction of other important plant communities, such as sea grasses, or plants having potential commercial or medicinal value? | | X | |
| | c. Destruction of or a reduction in the numbers of any unique, rare or endangered plant species? | X | | |
| | d. Introduction of a new plant species into the area? | | X | |

| | | | | |
|--|---|---|---|---|
| | e. Result in a barrier to the normal replenishment or movement of existing plant species? | | X | |
| | f. Increase in acreage of any agricultural crop? | X | | |
| 5. Animal life | a. Destruction of any coral reef areas? | | X | |
| | b. Destruction of or reduction in the number of unique, rare or endangered animal species? | | X | |
| | c. Introduction of new animal species into an area? | | X | |
| | d. Result in a barrier to the migration or movement of animals through the environment? | | X | |
| | e. Substantial deterioration in the quality of fish or wildlife habitat? | | | X |
| 6. Alien invasive species | a. The potential introduction of alien invasive species | | | X |
| | b. The risk of spread or movement of an alien invasive species from an infested site to an un-infested site? | X | | |
| 7. Risk of Upset | a. A risk of an explosion or the release of hazardous substances, including, but not limited to oil, pesticides, chemicals or radiation, in the event of an accident or perturbed conditions? | X | | |
| 8. Climate change – will the proposed project be affected by: | | Y | N | P |
| | a. Loss of land associated with ongoing, or storm or typhoon-related, shoreline change or coastal erosion? | | X | |
| | b. Coastal flooding from high tides, large swells, storm or typhoon-related events? | | X | |
| | c. Exposure of people or property to water related hazards such as flooding or tidal waves? | | X | |
| | d. Extreme rainfall and associated flooding, including from rivers and streams, or water logging and drainage of low lying lands? | X | | |
| | e. The effects of sea-level rise or other climate change influences of the hazards in (a) to (c)? | | X | |
| Social impacts – will the proposed project result in | | Y | N | P |
| 9. Earth | a. Exposure of people and property to geological hazards such as landslides, ground failure or similar hazards? | X | | |
| 10. Water | a. Substantial reduction in the amount or quality of water otherwise available for public water supplies? | | X | |
| 11. Noise | a. Increase in existing noise levels or exposure of people to severe noise levels? | X | | |
| 12. Land use | a. Substantial alteration of the present or planned land use of an area? | | | X |
| | b. Incompatibility or conflict with adjacent land use(s)? | | X | |
| 13. Population | a. Relocation or altered distribution, density or growth rate of the human population of the area? | X | | |
| 14. Housing | a. Changes in existing housing or create a demand for additional housing? | X | | |
| 15. Transportation | a. Generation of substantial additional vehicular movement? | | X | |
| | b. Substantial impact on roads and existing transportation system? | X | | |
| | c. Alteration to present patterns or movement of people and/or goods? | X | | |
| 16. Human health | a. Creation of any health hazard or potential health hazards? | | X | |
| | b. Improvement in human health? | | X | |
| 17. Aesthetics | a. Obstruction of or deterioration of any scenic vista? | | X | |
| 18. Recreation | a. Changes in the quality or amount of existing recreational opportunities, including those recommended sites for nature-based tourism? | X | | |
| 19. Cultural resources | a. Alteration or destruction of archeological sites? | | | X |
| | b. Adverse physical or aesthetic effects to a historic resource? | | | X |
| | c. Potential to cause a physical change that would affect unique cultural values? | | X | |
| | d. Restriction of existing religious or sacred uses within the affected area? | | X | |
| Economic impact – will the proposed project result in | | Y | N | P |
| 20. Natural resources | a. A noticeable increase in the rate of use of any natural resource? | X | | |
| | b. Substantial depletion of any non-renewable natural resources? | | | X |
| 21. Public services – will the proposed project affect or result in the need for new or altered services in the following areas? | | Y | N | P |
| | a. Police or fire protection? | | X | |
| | b. Schools? | | X | |
| | c. Parks or other recreational facilities? | | X | |

| | | | | |
|---|-------------------------------|---|---|---|
| | d. Hospital? | | X | |
| | e. Other government services? | | X | |
| 22. Utilities – will the proposed project result in the need for new systems or substantial changes in the following? | | Y | N | P |
| | a. Power | X | | |
| | b. Communications? | X | | |
| | c. Water? | | X | |
| | d. Sewage disposal? | | X | |
| | e. Solid waste disposal? | | X | |

Potential significant environmental and social impacts from this table are discussed below in relation to the impact generating activity and protective measures are also provided.

6.3.1 Environmental Impacts

6.3.1.1 Design of road and drainage

1. The road alignment was identified in 2016 but the detailed design has not yet been completed. The majority of the Malem to Utwe road will run along or close to the 10m contour up to the end of the inland farm road at Kuplu.

The inland road will also cross a number of perennial and intermittent streams that drain the upper catchments into freshwater swamp/mangrove areas and rivers all leading into the marine environment.

Furthermore, increases in sea level and rainfall affects drainage of low-lying swamp and farmland areas behind the coastal berm leading to an increased frequency of waterlogging and flooding of land and potentially increased frequency of drainage and stream outlet blockage at the coast. Increasing the surface area of the inland road through construction of the new sections will increase the amount of rainfall run off into the lower lying areas. If the design of any drainage (including swales, ditches, and cross drains/culverts) does not take into account the downstream impact of the additional rainfall runoff then the flooding impacts will increase.

Drainage also needs to take into account that outfall cannot be onto privately owned land as this would degrade the land and potentially cause flooding.

Protective measures:

- Bridge and culvert design should be based on the most recent extreme rainfall intensity amount available for Kosrae (ADB, 2005) (shown in section 4.3 of the Environmental Impact Statement) using 2025 as the “present day” scenario and the design accommodate rainfall intensities to the 2050 projections.
- Bridges and culverts are designed to accommodate a 25 year return period flow. This is higher than the 10 year return period specified in the design guidance, however a 25 year return period would make allowances for the uncertainties in climate predictions and surprises in rainfall response to climate change.
- The road design standards include specifications for bridge and culvert wing walls to avoid bank erosion immediately upstream/downstream of each structure.
- Where necessary rock mattresses or equivalent should be installed to prevent any erosion of either the upstream or downstream water course. If exit velocities from any of the culverts

or bridges are likely to be significantly increased above normal, energy dissipation measures should also be included to minimise downstream erosion.

- Ensuring no outflow from drainage expels onto private lands.
- Align the road to minimise the long sloping sections, where necessary having shorter steep sections interspersed with flatter sections that follow the topographical contours.
- Having in- or out-sloping road surfaces to encourage greater lateral flow.
- Intercepting longitudinal water movements with dips or cross drains.
- Slowing drainage flows in the swales or drains at the side of the road to prevent erosion of the drainage channel, through for example construction of regular check dams along sloping sections of the road. These are typically made out of graded rock, with other material such as sandbags able to be used as a temporary measure until the rock check dams are installed.

6.3.1.2 Identification of Laydown Sites

Multiple laydown or stockpiling sites will likely be required for these works. Sites will be used to store hazardous substances; stockpile aggregates, excavated soils or other materials; washdown machinery; mix concrete, etc. Environmental degradation can occur if these sites are located close to or within the run-off path of waterways or the marine environment.

Protective Measures:

- All stockpile or laydown sites will be located a minimum of 15m from any natural water course and at least 30m from the coastline.
- Laydown sites will be kept to a minimum and the areas will be reinstated and revegetated on completion of works.
- Laydown and stockpile sites should be on government land where possible. For any sites on private land, the owners should be fully consulted and will sign an agreement for temporary use of the land.

6.3.1.3 Clearing of Native Upland Forest

Between Kuplu and Finsrem approximately 1.15 miles of proposed new road will pass through a section of upland forest both above and below the Japanese line (Figure 14). In order to build the road, the forest will need to be cleared along the alignment and up a maximum width of 60ft.



Figure 16: Special consideration districts. Source: Kosrae State Land Use Plan (Kosrae State, 2003)

The upland forest (Figure 16) is undisturbed and provides a good example of tropical oceanic island rain forest where species diversity is high. In Kuplu Wan the forest is dominated by tall *Horsfieldia* (Nunu), *Fale Sandlewood* (Mwetkwem), *Elaeocarpus carolinensis* (Nahnek), *Banyan tree* (Kohnyah), *Strangler Fig* (Shrah), *Neubergia* (Tohoh) and thickets of *Hibiscus* (Lo) and *Parinari laurina* (Ahset).⁷ Tree ferns, lianas, vines and terrestrial ferns characterize the mid and ground levels. Minimal agroforestry occurs currently within the interior of Kuplu Wan but there has been greater use historically, including during the Japanese period.

Clearing of this tract of forest will remove several large mature tree specimens, some of which (such as the Banyan) are considered to be culturally important as well as biologically significant. The loss of this area of upland forest will be permanent but will be limited in geographic scope to the road easement corridor.

Protective measures:

- Only the road alignment corridor can be cleared of mature tree specimen. Minor coppicing work can be undertaken surrounding the corridor if needed, however no mature tree specimens will be removed outside of this corridor.

⁷ Kosrae State Land Use Plan, Kosrae State, 2003

- Road alignment will be routed to avoid any stands of mature trees which provide important ecosystem services such as soil stabilization.
- No laydown site(s) or stockpile site(s) will be located along the 1.15 mile stretch of new road between Kuplu and Finsrem.

6.3.1.4 Earthworks

1. The most significant impacts related to the construction activities related to potential excessive runoff of soils and silt and soil erosion of cleared or exposed soils from earthworks. The inland road between Malem and Kuplu mostly follows the 10m contour and this was aligned, as far as possible, located on soils with lower erosion potential and to follow the natural topographic contour which helps reduce potential erosion.

The steep sections between Kuplu and Finsrem will be prone to erosion, particularly during rain events which are frequent on Kosrae.

The downstream environments are adapted to a certain amount of natural soil and silt run off. Despite the relatively natural state of the catchments, stream turbidity can increase substantially during periods of intense rain. Measurements in streams leading to the Lelu water supply in Tofol indicated variations in turbidity from < 10 NTU to > 250NTU over short periods of time following rainstorms.⁸ Drinking water is generally less than 5 NTU and highly murky water is > 200NTU. These storm events are generally short in duration with streams reverting to typical flows and low turbidity and do not appear to have significant impact on stream biota or downstream ecosystems. During construction works there is significant potential for increased turbidity from sediment laden run off which could have longer term impacts on the ecosystem health.

2. Earthworks on the slopes of the Kuplu Finsrem plateau as well as earthworks which will create wider sections on road by cutting or filling along any of the road sections have the potential to create steep or unstable land areas which could create landslides. Landslides primarily occur when heavy rains destabilise soil on steep slopes, causing them to crumble.
3. Along the inland road from Malem to Kuplu, there is a notable presence of the creeper vine *Merremia peltate* which is highly invasive and smothers its host plants creating a monoculture which displaces native plant species. From Kuplu to Finsrem, through the new road area the invasive vine isn't present to any significant level (Figure 17). Clearing the forest in this area and undertaking significant earthworks will create the ideal conditions for this vine species to invade the upland forest eventually resulting in a loss of biodiversity along the new section of road. While it is likely that this introduction cannot be avoided, Figure 17 demonstrates that along other sections of the inland road the spread of the vine is relatively contained to the disturbed areas and, as long as the upland forest habitat remains undisturbed outside the road corridor then the geographic scale of the vine will be limited.

⁸ Kosrae Inland Road Realignment Environmental Impact Statement, 2016

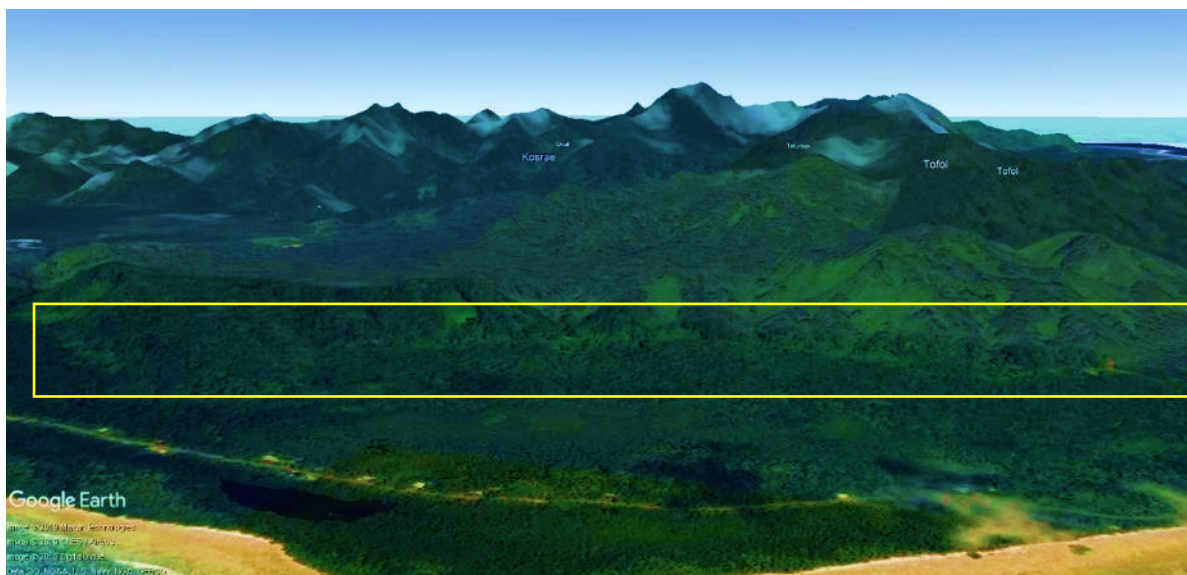


Figure 17: 3D Google Earth view of existing inland road sections between Yeseng and Finsrem (yellow bounding box). Colours edited to show changes in vegetation make up along existing road and upland forest where no road and therefore no altered vegetation exists.

Protective Measures:

- All excavated slopes should be designed and constructed to be resistant to landslides through erosion control techniques, geotextiles, soils and hydrological data.
- Only remove trees and plants which are absolutely necessary between Kuplu and Finsrem.
- Land clearance and excavation should be clearly defined and the footprint minimised to as great an extent as possible.
- Excavated soils will be stockpiled on KIRMA and DTI approved sites and will be controlled to ensure no material can runoff into waterways or the coastal environment.

6.3.2 Social Impacts

6.3.2.1 Alignment through residential property

All easements will be entered into on a voluntary basis and each landowner has the right to refuse donation. There will be instances where the proposed alignment cuts through landowners property and potentially disrupts the use of their residential site and may result in objections from that landowner.

Protective Measures:

- For any disputes over alignment through residential areas, the primary method of settling this would be through avoidance of the disputed area and a small realignment of the road to a more acceptable route.

6.3.2.2 Cultural Heritage

The locations of known historical and culturally important sites are shown in **Error! Reference source not found..** The majority are military installations from the Japanese era with prehistoric sites

at Lele and Kuplu/Mosral. Since these sites were identified during the development of the EIS, a new site which was thought to be one of the original inland settlements has also been identified in the upland forest above Kuplu. This site has been added to the figure below (blue dot) and the road alignment doesn't go through the site, although it passes very close to it.

A survey of the known sites is detailed in the EIS however, it is possible that at any stage of construction works new items of cultural importance or archeological artifacts can be revealed.

Damage to known sites and new sites uncovered during construction is possible when working with heavy construction machinery. Once damaged or lost, these sites cannot be replaced and they must be protected from any damage.

7 Environmental and Social Management Plans

7.1 Introduction

Sections 7.2, 7.3 and 7.4 below contain the required management plans for the physical investments under component 2 and 3 as well as the associated Monitoring Plan for each of the physical investment areas. The management plans include measures to satisfy both National and State regulations as well as the Adaption Fund (and SPREPs) safeguard policies. They describe details of the mitigation measures required, the responsible entity and the applicable project phase.

Monitoring Plans are also provided for each physical investment type. These plans include items which require a one-off check prior to commencement of works and also parameters which need to be monitored weekly to ensure ongoing compliance during construction phase. Where appropriate, there are also recommended monitoring requirements for the operational phase of the works, however these will be the responsibility of the relevant authority to include in their own maintenance arrangements after project completion.

Section 7.6 provides the project team for a guide to site selection for water security investments, particular the sites for well upgrades and installations of SCTs. These tend to be 'rules of thumbs' and will need to be applied in the context of each village.

Section 7.7 provides some higher-level guidance to the EE and IE on how to ensure environmental and social safeguards are implemented into the technical advisory activities. This ensures that all contracts, TORs, policies, plans, frameworks, etc developed under this project are screened to ensure that the development process and the recommendations follow the principles of the Adaption Fund.

7.2 Management Plan for Water Security Measures

7.2.1 Environmental and Social Management Plan

| Activity | Significant Potential Impacts | Mitigation Measures | Location | Timing/ Duration | Who Implements | Who Supervises |
|--|--|---|---------------------|----------------------------------|----------------|----------------|
| 1 Design/Pre-Construction Phase – Water Security Measures | | | | | | |
| Site Selection for Investments | Access to communal water supply compromise if investment is installed on private land without full landowner cooperation. | <ul style="list-style-type: none"> Avoid installation or upgrades of any community water supply on private land. If private land is needed, easements signed and submitted with any private land owners prior to the commencement of any works. Easement should include provisions to manage or relinquish the land within a 30m circle around the well head to minimise the risk of contamination. No compulsory land acquisition will be used for any investment. | Yap, Chuuk, Pohnpei | Prior to design of interventions | Project Unit | DECEM |
| | Water quality comprised from any community ground water sources on private land through poor land use management around well head. | <ul style="list-style-type: none"> Sign easement with landowner to prevent use of land for any contaminate generating activities within 30m radius of well head and to permit access by public health or other relevant officers to conduct water quality testing. Otherwise, Consultations with the landowners to be documented to demonstrate that any landowners have been made aware of the land use restrictions around any community ground water supply on their land. | Yap, Chuuk, Pohnpei | Prior to design of interventions | Project Unit | DECEM |
| Design of Self Composting Toilets | SCT design allows too much light into toilet chamber causing to user to see other human waste leading to overuse of bulking agent and/or abandonment of SCT. | <ul style="list-style-type: none"> Ensure the waste pile is some distance below the toilet seat and that little light is getting in so that it is hard to see into the toilet. The design should use a pedestal with a round hole at the lower end rather than a toilet seat placed onto a box. | Yap, Chuuk, Pohnpei | During design | Designers | Project Unit |

| Activity | Significant Potential Impacts | Mitigation Measures | Location | Timing/ Duration | Who Implements | Who Supervises |
|---------------------------------------|--|--|---------------------|---------------------|----------------------|----------------|
| | | <ul style="list-style-type: none"> Treated wood shall be used to minimize risk of termite infestation. The SCT designers are required to use the SPC document 'Composting toilets and the potential for use in the Pacific Islands' as a guide for considerate design of SCTs at the project sites (Annex 3). Ensure good ventilation to minimize odours. Access for people with mobility issues and the elderly will be considered in the design process to ensure ease of access. | | | | |
| | Lack of readily accessible and easily gathered bulking agent leading to disrupted composting process, foul odours, additional burden on women to gather some types of bulking agent and/or abandonment of composting toilets | <ul style="list-style-type: none"> Consultations with the communities to discuss their preferred bulking agent and also raise awareness of the likely additional workload and importance of using this bulking agent. All consultations to be undertaken in such a way to ensure meaningful input by women. The SCT designers are required to use the SPC document 'Composting toilets and the potential for use in the Pacific Islands' as a guide for considerate design of SCTs at the project sites (Annex 3). | Yap, Chuuk, Pohnpei | During design | Designers | Project Unit |
| | Urine separation facility can lead to foul smelling odour from soils receiving output waste | <ul style="list-style-type: none"> Banana circles planted close to the toilet to take the urine drain and process the leachate from the toilet is a very effective and sanitary solution The SCT designers should be required to use the SPC document 'Composting toilets and the potential for use in the Pacific Islands' as a guide for considerate design of SCTs at the project sites (Annex 3). | Yap, Chuuk, Pohnpei | During Design | Designer & Community | Project Unit |
| Design of water extraction from wells | Contamination of water scoop/bucket from ground around well head for manual extraction | <ul style="list-style-type: none"> Use the Kiribati designed 'Tamana' pump to extract water. This pump required no electrical motor and is built from various sizes and lengths of PVC piping. This design is widely used throughout Kiribati to extract | Yap, Chuuk, Pohnpei | During Design | Designer | Project Unit |

| Activity | Significant Potential Impacts | Mitigation Measures | Location | Timing/ Duration | Who Implements | Who Supervises |
|---|---|--|---------------------|-------------------------|----------------|----------------|
| | leading to contamination of collected water and ground water. For mechanical extraction, risk of failure of electrical (including solar) pumps | water with a great degree of success. The Tamana Pump's basic components are 25mm PVC pip, usually up to 30m long; a 50mm PVC pipe, 1m long; 1 25mm to 50mm, 45o PVC reducer bend; a 25mm elbow; a 25mm PVC male adaptor; a foot valve; and, a piston made of one-half in PVC piping. <ul style="list-style-type: none"> No electrical pumps to be installed under this project. Project will support activities to upgrade structure of the wells walls and cover the well heads to provide safe, easy access to the water via the Tamana pump. | | | | |
| Construction Phase – Water Security Intervention | | | | | | |
| Solid waste production during construction | Overburden on existing waste management practices | <ul style="list-style-type: none"> All solid waste will be securely stored at construction laydown site until disposal. Solid waste which cannot be reused, recycled, composted or otherwise utilised by the community will be removed from the island and disposed of at a permitted landfill on the main island of that state. | Yap, Chuuk, Pohnpei | Throughout construction | Contractor | Project Unit |
| Operation of laydown site | Environmental risks to ground water, coastal water and soil from poorly planned and managed construction staging and laydown site | <ul style="list-style-type: none"> Laydown areas will be sited on public or government owned land. Areas will be securely fenced. Bunded and covered areas will be installed for the storage and handling of hazardous materials and/or substances, the wash down of machinery and the preparation of concrete. Run off from these bunded areas will be collected, treated and tested before being either reused for construction purposes or allowed to discharge into the ground, away from the marine environment. Discharge will | Yap, Chuuk, Pohnpei | Throughout construction | Contractor | Project Unit |

| Activity | Significant Potential Impacts | Mitigation Measures | Location | Timing/ Duration | Who Implements | Who Supervises |
|---|--|---|---------------------|---|----------------|----------------|
| | | <ul style="list-style-type: none"> be at a rate to allow absorption without causing surface flooding Segregated storage for solid waste will be provided. This area will be clearly marked and designed to ensure that as waste is secure. Water conservation measures will be implemented and workers trained on this. Regular inspection of machinery to ensure it is in good working order. | | | | |
| Concrete production for foundation pads or well heads | Ground water pollution | <ul style="list-style-type: none"> Concrete will be prepared on bunded and covered hard stand surface of laydown areas. All waste water from concrete production will be collected and treated to lower the pH and allow particulates to settle out before being recycled for construction purposes. Slurry from concrete production will be collected and treated. Treatment can vary depending on viscosity of slurry but can include the same measures described for treating concrete waste water, or can be by facilitating the solidification of the slurry to form a gel which can be stored and disposed of according to the Solid Waste Management Plan. Solid and cured concrete waste is considered safe to be reused by the community for infrastructure maintenance. The Contractor's will have a spill response plan in place to manage accidental spills or leakages of concrete waste water or slurry. | Yap, Chuuk, Pohnpei | Throughout construction | Contractor | Project Unit |
| Construction within village | Community health and safety risks from construction activities | <ul style="list-style-type: none"> Community consultations carried out as per this ESMP. Post signs on the laydown sites advising community member to keep out. Install secure fencing around laydown sites. | Yap, Chuuk, Pohnpei | Prior to commencement of works and throughout works | Contractor | Project Unit |

| Activity | Significant Potential Impacts | Mitigation Measures | Location | Timing/ Duration | Who Implements | Who Supervises |
|---|---|--|---------------------|---------------------|------------------|----------------|
| | | <ul style="list-style-type: none"> Construction work will only be carried out during normal business hours. Assign personnel to manage traffic movement and safety as required. | | | | |
| Operation Phase – Water Security Interventions | | | | | | |
| Use and Maintenance of Self Composting Toilets | Unfair additional burden on women for SCT maintenance | <ul style="list-style-type: none"> Detailed training on the need for and correct method of SCT maintenance should be given to both men and women. Separate consultations should be held with women to get their input and opinion on the likely success of the SCT maintenance given that this will likely fall to them. Equal gender representation is important during trainings to ensure that men feel responsibility towards this task and do not see it as a 'women's job'. An understanding of local traditions and customs is needed for this as discussion of sanitary matters is often 'tapu' and can be difficult to get input. A local language speaker should lead these trainings and discussions rather than any international representatives. Identification of the party responsible for maintenance and monitoring of the SCT should be identified before construction commences. | Yap, Chuuk, Pohnpei | Ongoing | Village Councils | DECEM |

| Activity | Significant Potential Impacts | Mitigation Measures | Location | Timing/ Duration | Who Implements | Who Supervises |
|---|--|--|---------------------|---------------------------|------------------|----------------|
| | Poor maintenance of SCTs will lead to pathogens remaining active in the compost mix. | <ul style="list-style-type: none"> • Training materials to be developed in local language to cover the key areas of maintenance – lack of available bulking agent, lid not being kept closed, chamber not being emptied according to designers schedule. • Detailed training on the need for and correct method of SCT maintenance should be given to both men and women. • Information posters should be installed in communities to ensure ongoing reminders of correct use and maintenance of SCTs. | Yap, Chuuk, Pohnpei | Prior to hand over of SCT | Project Unit | DECEM |
| | Contaminated run-off, rodent infiltration or public access risks to poorly managed secondary containment units | <ul style="list-style-type: none"> • Maintenance and monitoring of the secondary processing container needs to be undertaken to ensure that it is meeting all necessary standards for correct processing. | Yap, Chuuk, Pohnpei | Ongoing | Village Councils | DECEM |
| | Possible crop contamination from improper use of mature compost | <ul style="list-style-type: none"> • Provide training on when and where to use the compost. Training should include: no use on food crops around harvesting time to provide additional time for any remaining pathogens to die off, after compost has been spread cover it with mulch to avoid the possibility of the compost drying to dust and being carried by the wind, it is best to dig the compost into the ground, do not use on ground being prepared for vegetable crops, do not apply directly on vegetable crops, if compost is fully matured and older than 3 years then all pathogens will be dead and the compost will be safe to use for any kind of agriculture. | Yap, Chuuk, Pohnpei | Prior to hand over of SCT | Project Unit | DECEM |
| Maintenance of water harvesting systems | Contamination of harvested water from dirty guttering and/or mosquito infiltration of storage tank | <ul style="list-style-type: none"> • Training materials to be developed in local language to cover the key areas of maintenance – period clearing of gutters, maintenance of any mosquito screens, basic water quality testing, etc. | Yap, Chuuk, Pohnpei | Prior to hand over of SCT | Project Unit | DECEM |

| Activity | Significant Potential Impacts | Mitigation Measures | Location | Timing/ Duration | Who Implements | Who Supervises |
|----------|-------------------------------|--|----------|---------------------|----------------|----------------|
| | | <ul style="list-style-type: none"> Detailed training on the need for and correct method of maintenance and water quality testing should be given to both men and women. Information posters should be installed in communities to ensure ongoing reminders of correct use and maintenance. | | | | |

7.2.2 Monitoring Plan for Water Security Interventions

| Activity | Mitigation Measures | Monitoring / Frequency | When | Who will monitor | Supervision |
|--|--|--|---|------------------|-------------|
| 1 Design/Pre-Construction Phase – Water Security Measures | | | | | |
| Site Selection for Investments | <ul style="list-style-type: none"> Avoid installation or upgrades of any community water supply on private land. If private land is needed, easements signed and submitted with any private land owners prior to the commencement of any works. Easement should include provisions to manage or relinquish the land within a 30m circle around the well head to minimise the risk of contamination. No compulsory land acquisition will be used for any investment. | One off: Signed voluntary donation easement sighted for any installations on private land. Easement to include 30m diameter from well head and provisions for land use management. | Prior to finalization of site selection | DECEM | SPREP |
| Design of Self Composting Toilets | <ul style="list-style-type: none"> Ensure the waste pile is some distance below the toilet seat and that little light is getting in so that it is hard to see into the toilet. The design should use a pedestal with a round hole at the lower end rather than a toilet seat placed onto a box. The SCT designers are required to use the SPC document 'Composting toilets and the potential for use in the Pacific Islands' as a guide for considerate design of SCTs at the project sites (Annex 3). | One off: Design of SCT to ensure it meets these standards | Prior to approval of design | DECEM | SPREP |
| | <ul style="list-style-type: none"> Consultations with the communities to discuss their preferred bulking agent and also raise awareness of the likely additional workload and importance of using this bulking agent. All consultations to be undertaken in such a way to ensure meaningful input by women. The SCT designers are required to use the SPC document 'Composting toilets and the potential for use in the Pacific Islands' as a guide for considerate design of SCTs at the project sites (Annex 3). | One off: Evidence that bulking agent has been selected based on community consultation | Prior to approval of design | DECEM | SPREP |
| | <ul style="list-style-type: none"> Banana circles planted close to the toilet to take the urine drain and process the leachate from the toilet is a very effective and sanitary solution The SCT designers should be required to use the SPC document 'Composting toilets and the potential for use in the Pacific Islands' as a guide for considerate design of SCTs at the project sites. | One off: design incorporates banana circle and evidence that this has been consulted with the community | Prior to approval of design | DECEM | SPREP |

| Activity | Mitigation Measures | Monitoring / Frequency | When | Who will monitor | Supervision |
|---|--|---|-----------------------------------|------------------|-------------|
| Design of water extraction from wells | <ul style="list-style-type: none"> Use the Kiribati designed 'Tamana' pump to extract water. This pump required no electrical motor and is built from various sizes and lengths of PVC piping. This design is widely used throughout Kiribati to extract water with a great degree of success. The Tamana Pump's basic components are 25mm PVC pip, usually up to 30m long; a 50mm PVC pipe, 1m long; 1 25mm to 50mm, 45o PVC reducer bend; a 25mm elbow; a 25mm PVC male adaptor; a foot valve; and, a piston made of one-half in PVC piping | One off: design incorporates Tamana pump for all upgraded well heads | Prior to approval of final design | DECEM | SPREP |
| Construction Phase – Water Security Measures | | | | | |
| Solid waste production during construction | <ul style="list-style-type: none"> All solid waste will be securely stored at construction laydown site until disposal. Solid waste which cannot be reused, recycled, composted or otherwise utilised by the community will be removed from the island and disposed of at a permitted landfill on the main island of that state. | <p>Weekly: Waste collection at laydown area is secure, well signed and clean.</p> <p>Good housekeeping around project sites.</p> <p>Waste is being removed to a KIRMA approved disposal site.</p> | For duration of works | Project Unit | DECEM |
| Operation of laydown site | <ul style="list-style-type: none"> Laydown areas will be sited on public or government owned land. Areas will be securely fenced. Bunded and covered areas will be installed for the storage and handling of hazardous materials and/or substances, the wash down of machinery and the preparation of concrete. Run off from these bunded areas will be collected, treated and tested before being either reused for construction purposes or allowed to discharge into | One off: All mitigation measures are in place | Prior to commencement of works | Project Unit | DECEM |

| Activity | Mitigation Measures | Monitoring / Frequency | When | Who will monitor | Supervision |
|---|---|---|--|------------------|-------------|
| | <p>the ground, away from the marine environment. Discharge will be at a rate to allow absorption without causing surface flooding</p> <ul style="list-style-type: none"> Segregated storage for solid waste will be provided. This area will be clearly marked and designed to ensure that as waste is secure. Water conservation measures will be implemented and workers trained on this. Regular inspection of machinery to ensure it is in good working order. | Weekly: all mitigation measures are in place and functional as per ESMP. | For duration of works. | Project Unit | DECEN |
| Concrete production for foundation pads or well heads | <ul style="list-style-type: none"> Concrete will be prepared on bunded and covered hard stand surface of laydown areas. All waste water from concrete production will be collected and treated to lower the pH and allow particulates to settle out before being recycled for construction purposes. Slurry from concrete production will be collected and treated. Treatment can vary depending on viscosity of slurry but can include the same measures described for treating concrete waste water, or can be by facilitating the solidification of the slurry to form a gel which can be stored and disposed of according to the Solid Waste Management Plan. Solid and cured concrete waste is considered safe to be reused by the community for infrastructure maintenance. The Contractor's will have a spill response plan in place to manage accidental spills or leakages of concrete waste water or slurry. | One off: all mitigation provisions are in place | Prior to commencement of concrete production | Project Unit | DECEN |
| | | Weekly: concrete production is occurring at designated area, water catchment and treatment systems are functional | During concrete production works | Project Unit | DECEN |
| Construction within village | <ul style="list-style-type: none"> Community consultations carried out as per this ESMP. Post signs on the laydown sites advising community member to keep out. Install secure fencing around laydown sites. Construction work will only be carried out during normal business hours. | One off: fences are in place, signs are in place and community has been consulted. | Prior to commencement of works | Project Unit | DECEN |
| | | Weekly: mitigation measures are being implemented as required in ESMP | Duration of works | Project Unit | DECEN |

| Activity | Mitigation Measures | Monitoring / Frequency | When | Who will monitor | Supervision |
|--|---|--|---------------------------|------------------|-------------|
| | <ul style="list-style-type: none"> Ensure equal opportunities to apply to work on the construction of the SCTs is given to women. Assign personnel to manage traffic movement and safety as required. | | | | |
| Operational Phase | | | | | |
| Use and Maintenance of Self Composting Toilets | <ul style="list-style-type: none"> Detailed training on the need for and correct method of SCT maintenance should be given to both men and women. Separate consultations should be held with women to get their input and opinion on the likely success of the SCT maintenance given that this will likely fall to them. Equal gender representation is important during trainings to ensure that men feel responsibility towards this task and do not see it as a 'women's job'. An understanding of local traditions and customs is needed for this as discussion of sanitary matters is often 'tapu' and can be difficult to get input. A local language speaker should lead these trainings and discussions rather than any international representatives. | One off: evidence that training and consultation has occurred as required. | Prior to hand over of SCT | DECEM | SPREP |
| | <ul style="list-style-type: none"> Training materials to be developed in local language to cover the key areas of maintenance – lack of available bulking agent, lid not being kept closed, chamber not being emptied according to designers schedule. Detailed training on the need for and correct method of SCT maintenance should be given to both men and women. Information posters should be installed in communities to ensure ongoing reminders of correct use and maintenance of SCTs. | One off: training materials produced, training undertaken and posters in place | Prior to hand over of SCP | DECEM | SPREP |
| | <ul style="list-style-type: none"> Maintenance and monitoring of the secondary processing container needs to be undertaken to ensure that it is meeting all necessary standards for correct processing. | Monthly: secondary containment is leak free and well maintained | For life of SCT | Village Council | DECEM |

| Activity | Mitigation Measures | Monitoring / Frequency | When | Who will monitor | Supervision |
|---|--|--|---------------------------|------------------|-------------|
| | <ul style="list-style-type: none"> Provide training on when and where to use the compost. Training should include: no use on food crops around harvesting time to provide additional time for any remaining pathogens to die off, after compost has been spread cover it with mulch to avoid the possibility of the compost drying to dust and being carried by the wind, it is best to dig the compost into the ground, do not use on ground being prepared for vegetable crops, do not apply directly on vegetable crops, if compost is fully matured and older than 3 years then all pathogens will be dead and the compost will be safe to use for any kind of agriculture. | One off: Training provided and attended by all relevant stakeholders | Prior to hand over of SCT | DECEM | SPREP |
| Maintenance of water harvesting systems | <ul style="list-style-type: none"> Training materials to be developed in local language to cover the key areas of maintenance – period clearing or gutters, maintenance of any mosquito screens, etc. Detailed training on the need for and correct method of maintenance should be given to both men and women. Information posters should be installed in communities to ensure ongoing reminders of correct use and maintenance. | Periodic: all elements of water harvesting system are cleaned and functional | Ongoing | Village Council | DECEM |

7.3 Management Plan for Kosrae Coastal Defence Upgrades

7.3.1 Environmental and Social Management Plan

| Activity | Significant Potential Impacts | Mitigation Measures | Location | Timing/ Duration | Who Implements | Who Supervises |
|---|--|--|-----------------|---------------------------------|----------------|----------------|
| Pre-Construction Phase – Kosrae Coastal Defence Upgrades | | | | | | |
| General Impacts | | | | | | |
| Safeguard Integration | No safeguard requirements being adhered to or considered during the design process | <ul style="list-style-type: none"> The ESMP shall be included in the TORs or works agreements. | Paal and Mosral | Prior to finalization of design | Project Unit | DECEM |
| | No safeguard requirements being captured within the works agreement with the PIU | <ul style="list-style-type: none"> Include key mitigation measures from ESMP within the works agreement, particularly the detailed roles as described in Section 8. | Paal and Mosral | Prior to finalization of design | Project Unit | DECEM |
| | No safeguard requirements being contractually applicable to the Contractor during project implementation | <ul style="list-style-type: none"> The ESMP will be included in the contractors specification and contract. Specific mitigation measures for the contractor / supplier shall be highlighted in the general conditions. | Paal and Mosral | During development of contract | Project Unit | SPREP |
| | National safeguard legislation not adhered to during project implementation | <ul style="list-style-type: none"> Obtain Development Consent from KIRMA based on the Kosrae EIA Regulations and using this ESMP to inform the application. | Paal and Mosral | Prior to commencement of works | Project Unit | KIRMA |
| Environmental Impacts | | | | | | |
| Design of Revetment Works | Downdrift erosion on adjacent shorelines at Paal and Mosral | <ul style="list-style-type: none"> Design of revetment shall include input from DTI engineers to ensure best practices design of the transition between the defence and the beach to the south. The revetment at Paal will extend behind the existing shoreline at this point to ensure that outflanking and downdrift erosion does not occur. The revetment at Mosral at the southern end will be constructed at a shallower slope and armour rock used to construct a wider and | Paal and Mosral | During design | DTI | Project Unit |

| Activity | Significant Potential Impacts | Mitigation Measures | Location | Timing/ Duration | Who Implements | Who Supervises |
|---|---|--|-----------------|-------------------------|----------------|--------------------|
| | | flatter toe on the reef flat. This will ease the transition from defence to the beach and help prevent downdrift and outflanking effects. | | | | |
| | Impaired functioning of revetment works from damaged coastal outlet at Mosral leading to increased risk of flooding behind or undermining of revetment. | <ul style="list-style-type: none"> Design of the revetments will include design of repairing the outflow at Mosral to ensure effective linkage between the two pieces of infrastructure. | Mosral | During design | DTI | Project Unit |
| Social Impacts | | | | | | |
| Design of Revetment | Lack of community support for the design | <ul style="list-style-type: none"> Ensure all key community stakeholders are included in the consultations for the final revetment design to ensure local knowledge is captured in the solution. | Paal and Mosral | During design | DTI | Project Unit |
| Construction Phase – Kosrae Defence Upgrades | | | | | | |
| Environmental Impacts | | | | | | |
| Construction of Revetments | Increased risk of sedimentation and erosion of shoreline from movement of heavy machinery | <ul style="list-style-type: none"> The construction footprint on the reef flat will be minimise to no more than 10m in width from the toe of the beach/revetment and will not extend beyond the southern or northern extent of the proposed defence section. Access to the reef flat by construction plant will be over the beach within the area of proposed defence reconstruction. At Paal additional care will be taken to ensure no heavy plant encroaches to or impacts on the root system of the mangrove strand that is located further seaward on the reef flat at | Paal and Mosral | Throughout construction | Contractor | DTI & Project Unit |

| Activity | Significant Potential Impacts | Mitigation Measures | Location | Timing/ Duration | Who Implements | Who Supervises |
|---|--|--|-----------------|-------------------------|----------------|--------------------|
| | | the southern end of the proposed defence extent. | | | | |
| | Risk of fuel or oil spills into marine environment from construction machinery | <ul style="list-style-type: none"> Spill kits will be available on site during construction works and all staff members will be trained in their use. No refueling activities or storage of hazardous substances are permitted at the coastal construction site. | Paal and Mosral | Throughout construction | Contractor | DTI & Project Unit |
| Exposure of soils during reconstruction | Removing the existing armour and regrading underlying beach will result in additional suspended sediment | <ul style="list-style-type: none"> No burning of ground cover for clearing shall be practiced. No vegetation should be removed from the shoreline berm beyond the southern extent of the proposed defences at Paal and Mosral. Stockpiles of beach sand, coral rubble or rock armour will not be located where material can be washed into a drain, stream or wetland area, including on a road pavement, on an overland flow path or within 15m of a stream bank, wetland or mangrove. All rock used in the construction of the defences will be volcanic in origin, come from licensed quarry sites, and will be clean and free from silt and other loose terrestrial material. A staged approach will be adapted to remove the existing armour layer, reprofiling the underlying beach, laying the geotextile filter layer and replacing the concrete slab/block and rock armour layer. This will ensure that there is a minimal length of beach exposed at any time | Paal and Mosral | Throughout construction | Contractor | DTI & Project Unit |

| Activity | Significant Potential Impacts | Mitigation Measures | Location | Timing/ Duration | Who Implements | Who Supervises |
|---|---|---|-----------------|-------------------------|----------------|--------------------|
| | | <p>reducing the potential for increased suspended sediments at high tide.</p> <ul style="list-style-type: none"> Where stockpiling of sediment material is conducted on land or any land areas are cleared of vegetation, geotextile sediment fencing will be erected around all areas. The fence will be installed prior to stockpiling/clearing, as close to the contour of the site as possible, with the bottom edge of the fence buried to at least 150mm, and the fence posts installed on the downside of the fabric. The fences will be checked regularly and where sediment has built up, this will be removed. As soon as possible after the works are completed, rehabilitation of and exposed areas, such as the road verge will be undertaken. | | | | |
| Solid Waste Generation | Potential for pollution to be created by the improper management of solid waste | <ul style="list-style-type: none"> All non-hazardous, non-recyclable waste will be placed in containers and regularly emptied and disposed of to a permitted landfill site. On completion of the works, all surplus materials and construction debris shall be removed and recycled or disposed of in an appropriate manner. | Paal and Mosral | Throughout construction | Contractor | DTI & Project Unit |
| Control and disposal of hazardous materials | Pollution of marine and terrestrial environment | <ul style="list-style-type: none"> Lubricants and used oils will be stored in approved containers and promptly removed from site and disposed of as directed by KIRMA Care will be taken to prevent any releases or spills of fuel and lubricants during fueling and maintenance of construction | | | | |

| Activity | Significant Potential Impacts | Mitigation Measures | Location | Timing/ Duration | Who Implements | Who Supervises |
|---------------------------|---|---|-----------------|-------------------------|----------------|--------------------|
| | | <p>equipment and will be prevented from entering the ground, drainage areas or water courses by using appropriate containers and bunds. No such activities will be undertaken within at least 15m of the coast.</p> <ul style="list-style-type: none"> Any oily debris and contaminated soils will be recovered and disposed of as directed by KIRMA Adequate sanitary convenience that meets public health and environmental requirements will be provided for construction staff on site. | | | | |
| Operation of laydown site | Environmental risks to ground water, coastal water and soil from poorly planned and managed construction staging and laydown site | <ul style="list-style-type: none"> Laydown areas will be sited on public or government owned land. Areas will be securely fenced. Bunded and covered areas will be installed for the storage and handling of hazardous materials and/or substances, the wash down of machinery and the preparation of concrete. Run off from these bunded areas will be collected, treated and tested before being either reused for construction purposes or allowed to discharge into the ground, away from the marine environment. Discharge will be at a rate to allow absorption without causing surface flooding Segregated storage for solid waste will be provided. This area will be clearly marked and designed to ensure that as waste is secure. Water conservation measures will be implemented and workers trained on this. | Paal and Mosral | Throughout construction | Contractor | DTI & Project Unit |

| Activity | Significant Potential Impacts | Mitigation Measures | Location | Timing/ Duration | Who Implements | Who Supervises |
|-----------------------------------|--|---|--------------------|-------------------------|----------------|--------------------|
| | | <ul style="list-style-type: none"> Regular inspection of machinery to ensure it is in good working order. | | | | |
| Social Impacts | | | | | | |
| Haulage of Construction Materials | Noise and dust nuisance from haulage works | <ul style="list-style-type: none"> Consultations will be undertaken with affected residents prior to commencement of works to advise of potential impacts and management measures. Construction vehicles using public and private roads will be clean with loads secured to prevent accidental spillage. Any accidental spillage of material transported on to roads beyond the immediate construction area will be promptly cleaned up. Establishment of machinery storage and washdown areas will be kept to a minimum and will be removed and the area reinstated and vegetated after construction. Any washdown areas shall be a minimum of 15m from any natural water course and washdown run off will not be discharged into natural waterways | All haulage routes | Throughout construction | Contractor | DTI & Project Unit |
| | Increased risk to other vehicle and pedestrian traffic | <ul style="list-style-type: none"> Equipment and trucks passing through Malem village and other residential areas will slow to an appropriate speed to avoid noise and vibration disturbance as far as possible. Spotters will be used at key junctions and through villages to ensure haulage trucks are keeping to the speed limit Signage will be installed to advise drivers of the speed limit through residential areas. | Malem to Utwe | Throughout construction | Contractor | DTI & Project Unit |

| Activity | Significant Potential Impacts | Mitigation Measures | Location | Timing/ Duration | Who Implements | Who Supervises |
|-------------------------------------|--|--|-----------------|-------------------------|----------------|--------------------|
| Construction near residential areas | Community health and safety risks from construction activities | <ul style="list-style-type: none"> Community consultations carried out as per this ESMP. Post signs on the laydown sites advising community member to keep out. Install secure fencing around laydown sites. Construction work will only be carried out during normal business hours. Assign personnel to manage traffic movement and safety as required. | Paal and Mosral | Throughout construction | Contractor | DTI & Project Unit |

7.3.2 Monitoring Plan for Kosrae Coastal Defence Upgrades

| Activity | Mitigation Measures | Monitoring / Frequency | When | Who will monitor | Supervision |
|---|--|---|-----------------------------------|------------------|-------------|
| Pre-Construction Phase – Kosrae Coastal Defence Upgrades | | | | | |
| General Impacts | | | | | |
| Safeguard Integration | <ul style="list-style-type: none"> The ESMP shall be included in the TORs or works agreements. | One-off: Prior to release of any contract documents | Before tender | DECEM | SPREP |
| | <ul style="list-style-type: none"> Include key mitigation measures from ESMP within the works agreement, particularly the detailed roles as described in Section 8. | One-off: Prior to release of any contract documents | Before tender | DECEM | SPREP |
| | <ul style="list-style-type: none"> The ESMP will be included in the contractors specification and contract. Specific mitigation measures for the contractor / supplier shall be highlighted in the general conditions. | One-off: Prior to release of any contract documents | Before tender | DECEM | SPREP |
| | <ul style="list-style-type: none"> Obtain Development Consent from KIRMA based on the Kosrae EIA Regulations and using this ESMP to inform the application. | One off: prior to commencement of works | During design process | DECEM | SPREP |
| Environmental Impacts | | | | | |
| Design of Revetment Works | <ul style="list-style-type: none"> Design of revetment shall include input from DTI engineers to ensure best practices design of the transition between the defence and the beach to the south. The revetment at Paal will extend behind the existing shoreline at this point to ensure that outflanking and downdrift erosion does not occur. The revetment at Mosral at the southern end will be constructed at a shallower slope and armour rock used to construct a wider and flatter toe on the reef flat. This will ease the transition from defence to the beach and help prevent downdrift and outflanking effects. | One-off: Design requirements of ESMP are incorporated into design | Prior to final approval of design | Project Unit | SPREP |

| Activity | Mitigation Measures | Monitoring / Frequency | When | Who will monitor | Supervision |
|---|---|--|-----------------------------------|------------------|-------------|
| | <ul style="list-style-type: none"> Design of the revetments will include design of repairing the outflow at Mosral to ensure effective linkage between the two pieces of infrastructure. | One-off: Final designs include repair/upgrade of Mosral outflow | Prior to approval of final design | Project Unit | SPREP |
| Social Impacts | | | | | |
| Design of Revetment | <ul style="list-style-type: none"> Ensure all key community stakeholders are included in the consultations for the final revetment design to ensure local knowledge is captured in the solution. | One off: report of consultations sighted | Prior to approval of final design | Project Unit | SPREP |
| Construction Phase – Kosrae Defence Upgrades | | | | | |
| Environmental Impacts | | | | | |
| Construction of Revetments | <ul style="list-style-type: none"> The construction footprint on the reef flat will be minimise to no more than 10m in width from the toe of the beach/revetment and will not extend beyond the southern or northern extent of the proposed defence section. Access to the reef flat by construction plant will be over the beach within the area of proposed defence reconstruction. At Paal additional care will be taken to ensure no heavy plant encroaches to or impacts on the root system of the mangrove strand that is located further seaward on the reef flat at the southern end of the proposed defence extent. | <p>Weekly: no evidence of machinery working outside of the 10m boundary.</p> <p>No evidence of other beach access being used by machines other than over existing work site.</p> <p>Mangrove root system remains undamaged at Paal</p> | Duration of works | Project unit | DECEN |
| | <ul style="list-style-type: none"> Spill kits will be available on site during construction works and all staff members will be trained in their use. No refueling activities or storage of hazardous substances are permitted at the coastal construction site. | <p>Weekly: spill kit available on site.</p> <p>All refueling happening at designated sites away from coast.</p> | Duration of works | Project unit | DECEN |

| Activity | Mitigation Measures | Monitoring / Frequency | When | Who will monitor | Supervision |
|---|--|--|--------------------------------|------------------|-------------|
| Exposure of soils during reconstruction | <ul style="list-style-type: none"> No burning of ground cover for clearing shall be practiced. No vegetation should be removed from the shoreline berm beyond the southern extent of the proposed defences at Paal and Mosral. Stockpiles of beach sand, coral rubble or rock armour will not be located where material can be washed into a drain, stream or wetland area, including on a road pavement, on an overland flow path or within 15m of a stream bank, wetland or mangrove. All rock used in the construction of the defences will be volcanic in origin, come from licensed quarry sites, and will be clean and free from silt and other loose terrestrial material. A staged approach will be adapted to remove the existing armour layer, reprofiling the underlying | <p>One off: Contractors plan includes staged approach</p> <p>Stockpile sites adhere to ESMP requirements.</p> <p>Revegetation has occurred on completion</p> | Prior to commencement of works | Project Unit | DECEM |

| Activity | Mitigation Measures | Monitoring / Frequency | When | Who will monitor | Supervision |
|---|---|---|--|------------------|-------------|
| | <p>beach, laying the geotextile filter layer and replacing the concrete slab/block and rock armour layer. This will ensure that there is a minimal length of beach exposed at any time reducing the potential for increased suspended sediments at high tide.</p> <ul style="list-style-type: none"> Where stockpiling of sediment material is conducted on land or any land areas are cleared of vegetation, geotextile sediment fencing will be erected around all areas. The fence will be installed prior to stockpiling/clearing, as close to the contour of the site as possible, with the bottom edge of the fence buried to at least 150mm, and the fence posts installed on the downside of the fabric. The fences will be checked regularly and where sediment has built up, this will be removed. As soon as possible after the works are completed, rehabilitation of and exposed areas, such as the road verge will be undertaken. | <p>Weekly: no evidence of burning</p> <p>No vegetation cleared in excess of project footprint</p> <p>Stockpiles are correctly located and well managed.</p> <p>Aggregates or rocks are clean</p> | For duration of works | Project Unit | DECEN |
| Solid Waste Generation | <ul style="list-style-type: none"> All non-hazardous, non-recyclable waste will be placed in containers and regularly emptied and disposed of to a permitted landfill site. On completion of the works, all surplus materials and construction debris shall be removed and recycled or disposed of in an appropriate manner. | <p>Weekly: Waste collection at laydown area is secure, well signed and clean.</p> <p>Good housekeeping around project sites.</p> <p>Waste is being removed to a KIRMA approved disposal site.</p> | For duration of works | Project Unit | DECEN |
| Control and disposal of hazardous materials | <ul style="list-style-type: none"> Lubricants and used oils will be stored in approved containers and promptly removed from site and disposed of as directed by KIRMA Care will be taken to prevent any releases or spills of fuel and lubricants during fueling and maintenance of construction equipment and will be prevented from entering the ground, drainage areas | One off: all mitigation provisions are in place | Prior to commencement of concrete production | Project Unit | DECEN |

| Activity | Mitigation Measures | Monitoring / Frequency | When | Who will monitor | Supervision |
|---------------------------|---|--|----------------------------------|------------------|-------------|
| | <p>or water courses by using appropriate containers and bunds. No such activities will be undertaken within at least 15m of the coast.</p> <ul style="list-style-type: none">Any oily debris and contaminated soils will be recovered and disposed of as directed by KIRMAAdequate sanitary convenience that meets public health and environmental requirements will be provided for construction staff on site. | <p>Weekly: oils and lubricants stored correctly</p> <p>Good housekeeping at site</p> <p>Waste is being disposed of as per KIRMA instructions</p> | During concrete production works | Project Unit | DECEM |
| Operation of laydown site | <ul style="list-style-type: none">Laydown areas will be sited on public or government owned land.Areas will be securely fenced.Bunded and covered areas will be installed for the storage and handling of hazardous materials and/or substances, the wash down of machinery and the preparation of concrete.Run off from these bunded areas will be collected, treated and tested before being either reused for construction purposes or allowed to discharge into the ground, away from the marine environment. Discharge will be at a rate to allow absorption without causing surface floodingSegregated storage for solid waste will be provided. This area will be clearly marked and designed to ensure that as waste is secure.Water conservation measures will be implemented and workers trained on this.Regular inspection of machinery to ensure it is in good working order. | One off: All mitigation measures are in place | Prior to commencement of works | Project Unit | DECEM |
| | | Weekly: all mitigation measures are in place and functional as per ESMP. | For duration of works. | Project Unit | DECEM |
| Social Impacts | | | | | |

| Activity | Mitigation Measures | Monitoring / Frequency | When | Who will monitor | Supervision |
|-------------------------------------|---|--|----------------------------------|------------------|-------------|
| Haulage of Construction Materials | <ul style="list-style-type: none"> • Consultations will be undertaken with affected residents prior to commencement of works to advise of potential impacts and management measures. • Construction vehicles using public and private roads will be clean with loads secured to prevent accidental spillage. Any accidental spillage of material transported on to roads beyond the immediate construction area will be promptly cleaned up. | <p>One off: consultations have taken place and plans are responsive to these comments</p> <p>Washdown area is correctly established</p> | Prior to commencement of haulage | Project Unit | DECEM |
| | <ul style="list-style-type: none"> • Establishment of machinery storage and washdown areas will be kept to a minimum and will be removed and the area reinstated and vegetated after construction. Any washdown areas shall be a minimum of 15m from any natural water course and washdown run off will not be discharged into natural waterways | <p>Weekly: Roads are clear of spilled materials</p> <p>Good housekeeping at washdown sites</p> | Duration of works | Project Unit | DECEM |
| | <ul style="list-style-type: none"> • Equipment and trucks passing through Malem village and other residential areas will slow to an appropriate speed to avoid noise and vibration disturbance as far as possible. • Spotters will be used at key junctions and through villages to ensure haulage trucks are keeping to the speed limit • Signage will be installed to advise drivers of the speed limit through residential areas. | <p>Weekly: Spotters are in place during haulage</p> <p>Any complaints from communities are addressed and resolved.</p> <p>Signage in place</p> | Duration of haulage | Project Unit | DECEM |
| Construction near residential areas | <ul style="list-style-type: none"> • Community consultations carried out as per this ESMP. • Post signs on the laydown sites advising community member to keep out. • Install secure fencing around laydown sites. • Construction work will only be carried out during normal business hours. • Assign personnel to manage traffic movement and safety as required. | <p>One off: fences are in place, signs are in place and community has been consulted.</p> | Prior to commencement of works | Project Unit | DECEM |
| | | <p>Weekly: mitigation measures are being implemented as required in ESMP</p> | Duration of works | Project Unit | DECEM |

7.4 Management Plan for Kosrae Inland Road Realignment

7.4.1 Environmental and Social Management Plan

| Activity | Significant Potential Impacts | Mitigation Measures | Location | Timing/ Duration | Who Implements | Who Supervises |
|--|--|--|---------------|--|-----------------|----------------|
| Pre-Construction Phase – Kosrae Inland Road Realignment | | | | | | |
| General Impacts | | | | | | |
| Safeguard Integration | No safeguard requirements being adhered to or considered during the design process | <ul style="list-style-type: none"> The ESMP shall be included in the TORs or works agreements. | Kosrae | During development of tender documents | Project Unit | SPREP |
| | No safeguard requirements being captured within the works agreement with the PIU | <ul style="list-style-type: none"> Include key mitigation measures from ESMP within the works agreement, particularly the detailed roles as described in Section 8. | Kosrae | During development of tender documents | Project Unit | SPREP |
| | No safeguard requirements being contractually applicable to the Contractor during project implementation | <ul style="list-style-type: none"> The ESMP will be included in the contractors specification and contract. Specific mitigation measures for the contractor / supplier shall be highlighted in the general conditions. | Kosrae | During development of tender documents | Project Unit | SPREP |
| | National safeguard legislation not adhered to during project implementation | <ul style="list-style-type: none"> Obtain Development Consent from KIRMA based on the Kosrae EIA Regulations and using this ESMP to inform the application. | Kosrae | Prior to commencement of works | | |
| Environmental Impacts | | | | | | |
| Design of road and drainage | Disruption of perennial and intermittent streams that drain the upper catchments into the marine environment | <ul style="list-style-type: none"> Bridge and culvert design should be based on the most recent extreme rainfall intensity amount available for Kosrae (ADB, 2005) (shown in section 4.3 of the Environmental Impact Statement) using 2025 as the “present day” scenario and the design accommodate rainfall intensities to the 2050 projections. Bridges and culverts are designed to accommodate a 25 year return period flow. | Malem to Utwe | During road design | Design Engineer | DTI |
| | Increased run off from increased road surface area exacerbating down stream flooding behind coastal berm. | | | | | |

| Activity | Significant Potential Impacts | Mitigation Measures | Location | Timing/ Duration | Who Implements | Who Supervises |
|----------|-------------------------------|--|----------|---------------------|----------------|----------------|
| | | <p>This is higher than the 10 year return period specified in the design guidance, however a 25 year return period would make allowances for the uncertainties in climate predictions and surprises in rainfall response to climate change.</p> <ul style="list-style-type: none"> • The road design standards include specifications for bridge and culvert wing walls to avoid bank erosion immediately upstream/downstream of each structure. • Where necessary rock mattresses or equivalent should be installed to prevent any erosion of either the upstream or downstream water course. If exit velocities from any of the culverts or bridges are likely to be significantly increased above normal, energy dissipation measures should also be included to minimise downstream erosion. • Align the road to minimise the long sloping sections, where necessary having shorter steep sections interspersed with flatter sections that follow the topographical contours. • Having in- or out-sloping road surfaces to encourage greater lateral flow. • Intercepting longitudinal water movements with dips or cross drains. • Slowing drainage flows in the swales or drains at the side of the road to prevent erosion of the drainage channel, through for example construction of regular check dams along sloping sections of the road. These are typically made out of graded rock, with other material such as sandbags able to be used as | | | | |

| Activity | Significant Potential Impacts | Mitigation Measures | Location | Timing/ Duration | Who Implements | Who Supervises |
|---------------------------------|--|--|-------------------|--------------------------------|-----------------|----------------|
| | | a temporary measure until the rock check dams are installed. | | | | |
| | Erosion and flooding of privately owned land from drainage outflow | <ul style="list-style-type: none"> Ensuring no outflow from drainage expels onto private lands. | Malem to Utwe | During design phase | Design Engineer | DTI |
| Identification of Laydown Sites | Environmental degradation and contamination of water resources if sites located close to or within the run-off path of waterways or the marine environment | <ul style="list-style-type: none"> All stockpile or laydown sites will be located a minimum of 15m from any natural water course and at least 30m from the coastline. Laydown sites will be kept to a minimum and the areas will be reinstated and revegetated on completion of works. Laydown and stockpile sites should be on government land where possible. For any sites on private land, the owners should be fully consulted and will sign an agreement for temporary use of the land. | All laydown sites | During design phase | DTI | KIRMA |
| Sourcing of Aggregates | For any locally sourced aggregates potential adverse impacts include air emissions, noise and vibration, waste, land conversion and dust. | <ul style="list-style-type: none"> Local aggregates will only be sourced from quarries with existing permits from KIRMA and who are operating in compliance with the conditions of those permits. | Quarries | Prior to commencement of works | DTI | KIRMA |
| | If imported consignments are not properly treated and/or washed before shipping, there is the risk of introducing non-native and potentially invasive plants, animals and disease. | <ul style="list-style-type: none"> Any internationally imported equipment and materials will have to comply with FSM biosecurity and quarantine regulations. | Kosrae | Prior to commencement of works | DTI | KIRMA |
| Social Impacts | | | | | | |

| Activity | Significant Potential Impacts | Mitigation Measures | Location | Timing/ Duration | Who Implements | Who Supervises |
|--|---|--|---------------|---------------------|------------------|-----------------|
| Alignment through residential properties | Disruption to land owners access to and use of village property | <ul style="list-style-type: none"> For any disputes over alignment through residential areas, the primary method of settling this would be through avoidance of the disputed area and a small realignment of the road to a more acceptable route. | Malem to Utwe | During design phase | Design Engineers | Project Unit |
| Community Engagement | Misconceptions regarding the project raising peoples fears regarding project footprint and objectives | <ul style="list-style-type: none"> Implement the Stakeholder Engagement and Consultation Plan (Section 5 of this ESMP) | Malem to Utwe | During design phase | Project Unit | KIRMA and DECEM |

7.4.2 Monitoring Plan for Kosrae Inland Road Realignment

| Activity | Mitigation Measures | Monitoring / Frequency | When | Who will monitor | Supervision |
|--|--|---|--|------------------|-------------|
| Pre-Construction Phase – Kosrae Inland Road Realignment | | | | | |
| General Impacts | | | | | |
| Safeguard Integration | <ul style="list-style-type: none"> The ESMP shall be included in the TORs or works agreements. | One off: ESMP in TOR | Prior to release of any procurement document | DECEM | SPREP |
| | <ul style="list-style-type: none"> Include key mitigation measures from ESMP within the works agreement, particularly the detailed roles as described in Section 8. | One off: required elements included in contract | Prior to release of any procurement document | DECEM | SPREP |
| | <ul style="list-style-type: none"> The ESMP will be included in the contractors specification and contract. Specific mitigation measures for the contractor / supplier shall be highlighted in the general conditions. | One off: required elements included in contract | Prior to release of any procurement document | DECEM | SPREP |
| | <ul style="list-style-type: none"> Obtain Development Consent from KIRMA based on the Kosrae EIA Regulations and using this ESMP to inform the application. | One off: Development Consent approved | Prior to commencement of works | DECEM | SPREP |
| Environmental Impacts | | | | | |
| Design of road and drainage | <ul style="list-style-type: none"> Bridge and culvert design should be based on the most recent extreme rainfall intensity amount available for Kosrae (ADB, 2005) (shown in section 4.3 of the Environmental Impact Statement) using 2025 as the “present day” scenario and the design accommodate rainfall intensities to the 2050 projections. Bridges and culverts are designed to accommodate a 25 year return period flow. This is higher than the 10 year return period specified in the design guidance, | One off: All stipulated safeguard design requirements are included in detailed design | Prior to approval of detailed design | Project Unit | DECEM |

| Activity | Mitigation Measures | Monitoring / Frequency | When | Who will monitor | Supervision |
|----------|---|------------------------|------|------------------|-------------|
| | <p>however a 25 year return period would make allowances for the uncertainties in climate predictions and surprises in rainfall response to climate change.</p> <ul style="list-style-type: none"> • The road design standards include specifications for bridge and culvert wing walls to avoid bank erosion immediately upstream/downstream of each structure. • Where necessary rock mattresses or equivalent should be installed to prevent any erosion of either the upstream or downstream water course. If exit velocities from any of the culverts or bridges are likely to be significantly increased above normal, energy dissipation measures should also be included to minimise downstream erosion. • Align the road to minimise the long sloping sections, where necessary having shorter steep sections interspersed with flatter sections that follow the topographical contours. • Having in- or out-sloping road surfaces to encourage greater lateral flow. • Intercepting longitudinal water movements with dips or cross drains. • Slowing drainage flows in the swales or drains at the side of the road to prevent erosion of the drainage channel, through for example construction of regular check dams along sloping sections of the road. These are typically made out of graded rock, with other material such as sandbags able to be used as a temporary measure until the rock check dams are installed. | | | | |

| Activity | Mitigation Measures | Monitoring / Frequency | When | Who will monitor | Supervision |
|----------|--|--|--|------------------|-------------|
| | <ul style="list-style-type: none"> Ensuring no outflow from drainage expels onto private lands. | One off: No outflows designed to enter private lands | Prior to approval of final detailed design | Project Unit | DECEN |

7.5 Erosion and Sedimentation Control Plan

Annex 2 contains the Erosion and Sedimentation Control Plan (ESCP) which is required for the coastal defence activities on Kosrae. The requirements of the plan are integrated into the relevant management plan tables above. The ESCP is developed based on the Kosrae Development Regulations and KIRMA development consent which require that at a minimum:

- Disturbance shall be limited during excavation, preserving as much of the vegetated area as possible.
- Where possible, divert upslope storm water around all lands that do not have a protective vegetative cover.
- Install sediment fences down slope of all disturbed lands to filter coarse sediment before it gets into the gutters, drains and watercourses.
- Place all stockpiles totally on the site, well away from drainage paths and, where they comprise erodible materials such as sand and soil, behind a sediment barrier.
- Soil and cement bags are covered at the end of the day.
- All earthmoving activities shall be planned in such a manner as to minimise the area of disturbed land, mangrove, reef or lagoon.
- All permanent facilities for the conveyance of water around, through or from the project site shall be designed to reduce the velocity of flow in the facility to speed that will not cause significant erosion.
- Within a section or area of the project, all slopes, channels, ditches or any disturbed area shall be stabilised as soon as possible after the final grade or final earth moving has been completed.
- Where it is not possible to permanently stabilise a disturbed area immediately after the final earthmoving has been completed or where the activity stops for more than 14 days, interim stabilisation measures shall be promptly implemented.
- Before filling or development activities occur within a body of water or tidal zone, adequate seawalls and/or breakwater facility shall be constructed to safely contain the fill without failure and to prevent accelerated sedimentation.
- Run off from a project area shall not be discharged into the waters of Kosrae state without effective means to prevent sedimentation.
- Solid separation facilities shall be installed which at a minimum:
 - i. A basin for settling solids out of the water shall be structurally sound and have sufficient capacity to hold the water that drains into the basin until the solids have settled out.
 - ii. The basin shall be cleaned when the settling of solid has reduced the capacity of the basin by 25 percent.
 - iii. Outlet structure shall be designed to allow only adequate settled water to be discharged, and at a rate that will not cause accelerated erosion

7.6 Site Selection for Water Security Interventions

Some guiding principles for the site selection for these activities are:

- Apply an age-gender-diversity perspective and use community-based approaches in ground truthing and site selection activities.

- SCTs should be sited so that all toilets can be used safely by all members of the local community, including children, older people and pregnant women.
- Sites should be selected to ensure fair and equitable access for all members of the community especially women.
- Ensure that all SCTs have hand washing facilities.
- Women must be consulted on the design and location of water security interventions.
- Ensure that the location of the SCT facilitate eliminates threats to the security of users, especially women and girls, day and night.

Another important thing to consider is contamination risk. Table 7 below provides some similar ‘rules of thumb’ for minimising the risk of water contamination.

Table 7: Minimum distances from sources of pollution⁹

| Feature | Minimum distance from water source |
|--|------------------------------------|
| Community-level solid waste dump | 100m |
| Storage (or dumps) of petroleum, fertilisers or pesticides | 100m |
| Places where animals are slaughtered | 50m |
| Cemetery | 50m |
| Toilets / latrines (open pit) | 30m |
| Household waste dump | 30m |
| Animal pens | 30m |
| Laundry place | 20m |
| Large trees with extensive root system | 20m |
| Dwellings | 10m |

7.7 Technical Assistance and Policy Development

7.7.1 Policy, Regulations and Plan Development

Any development of policies or programs will follow the citizen engagement, gender and safeguard policies ensuring that all affected parties are engaged in the process of development and that broader impacts on gender, environment, etc. are considered.

7.7.1.1 Gender Mainstreaming

The design of the project requires equal and active participation, however, there is a risk that gender may not be mainstreamed into the Framework for National Water and Sanitation Policy in FSM, the National Water and Sanitation Policy, National Water Outlook Program and the Water Sectoral Investment Plan.

In order to ensure these activities fully incorporates the AF Gender Policy, a gender specialist should be hired to undertake a gender-sensitive review of the policy frameworks and plans. The specialist

⁹ Environmental assessment and risk screening for rural water supply. Consortium for Sustainable Water, Sanitation & Hygiene in Fragile Contexts, 2015.

should refer to experiences and tools from previous CCA projects, e.g. PACC, GCCA, IWRM, Pacific Gender & Climate Change Toolkit as well as the Adaptation Fund's Gender Policy and Action Plan and the associated guidelines for this plan. The findings from the review will be used to inform and strengthen the final outputs of these activities.

7.7.2 Consultants

Consultants may be required for the ground truthing assessments and the development of the teacher's guide. TORs for any consultants will require the consultant to comply with the ESMP and the AF safeguards and gender policies.

For all technical assistance consultants this ESMP will be included in the TOR and final contract.

7.7.3 Capacity Building and Materials Development

Awareness materials will be developed and awareness raising activities will be undertaken under the project aimed at the general public for raising awareness on climate change. Gender balance shall be considered during the activities to ensure that women are equally represented.

7.7.4 Municipality Development Plans

The plans developed under output 4.1 will serve as the overall strategic plans of the communities. These will be climate and disaster resilient plans that link all sector plans that exist currently for the islands integrating approaches with the view to reduce the vulnerability and promote risk reduction measures to island water and municipality coastal resources.

A safeguards assessment will be required for each of the development plans to ensure that any potential environmental or social impacts of the are properly understood and measures are incorporated to avoid, minimise or mitigate for these impacts.

8 ESMP Implementation

8.1 Integration of ESMP into Project Management

This ESMP will be included in all bid document packages.

The safeguards requirements of this ESMP will be referenced in appropriate parts of the technical specification, Contractors contract and any TORs for supervision or issued under the project. The IE will be required to review all bid documents prior to approval.

Prior to commencement of works, the Kosrae road Contractor will be required to attend a half day pre-construction safeguards workshop with the IE Safeguards Specialist to ensure that all parties understand their obligations under the terms of the Contract.

8.2 Roles and Responsibilities

The agencies with important responsibilities for ESMP implementation, monitoring and reporting are MoF, MCT (Task Force and PIU), The PPP Private Entity and the Contractor. Details of the roles assigned to various agencies / organizations are summarised below –

8.2.1 Project Board

The Project Board is formed of representatives from the IE (SPREP) and the EE (DECEN, KIRMA, R&D Yap, EPA Chuuk, EPA Pohnpei) as well as high level community representatives in the project areas. The board is chaired by the Director General of SPREP. The Board is directly involved in the GRM, to resolve grievances that will be referred to it by the National Project Manager

8.2.2 Implementing Entity

SPREP is the accredited IE for this project and provides a Country Programme Officer and high level project management support to the Executing Entity. As the accredited IE, SPREP is fully responsible (legally and financially) for the implementation of this project including the safeguards standards required by the Adaptation Fund. The IE:

- Acts as a focal point for communications with AF on project related matters;
- Ensures compliance with AF funding requirements, including safeguard compliance;
- Provide inputs into project scope and design;
- Provide additional technical capacity to PMU where required
- Updating the ESMP as necessary to reflect changes in the designs;

8.2.3 Project Management Unit under DECEN

A Project Management Unit (PMU) has been established within DECEN and it includes a National Project Coordinator, Knowledge and Communications Officer, Project Accountant and a Project Officer on Kosrae. The PMU will maintain responsibility for the implementation of the ESMP and supervision of safeguards aspects of technical advisory and physical works for the duration of the project. Where additional technical capacity is required by the PMU, the IE will procure this resource.

The PMU will have the responsibility to oversee the implementation of the ESMP and their responsibilities include, but are not limited to:

- Acts on behalf of the Project Board and works closely with all contracted parties to ensure that project objectives are delivered in a compliant manner consistent with State and AF safeguard requirements;

- Monitor and evaluate project activities and outputs and report the findings to the Project Board by periodic progress reports. These reports will include all aspects of safeguards compliance of the project including the results of scheduled monitoring, and instances of non-compliance, any environmental incidents and any GRM submissions/responses.
- On Kosrae, conducting quarterly safeguard audits with the Supervision Engineer and other staff;
- Weekly monitoring of the physical investments on Kosrae as per the requirements of the ESMP Supervision Plan for compliance with the ESMP;
- Monitors and manages all complaints/incidents reported to the Project GRM;
- Manages the review process of Contractors management plan up to formal approval;
- Updating the ESMP as necessary to reflect project change;
- Applying for all approvals and permits;
- Facilitate meaningful consultations with stakeholders and communities to enable them to provide meaningful input and direction into the Project;
- Publicly discloses any project information and reports including this ESMP;
- Provide support and recommendations to the Supervision Engineer for any instances of Contractor non-compliance;
- Receive and review monthly reports from Supervision Engineer and share reports with Project Director.
- PMU with the support of Project Board is responsible for managing recurring instances of non-compliance by the Contractor as they are referred by the Supervision Engineer.
- Responsible for managing all instances of non-compliance by the Supervision Engineer

The PMU National Project Coordinator will be responsible for overall project coordination and technical guidance and will support the procurement of various packages and studies. Technical staff will be recruited as necessary to support the implementation of technical advisory components.

A locally based community liaison officer or safeguards administration officer may be recruited if necessary to support the PMU during busy periods such as consultations or construction monitoring.

8.2.4 Design Engineer

It is the Design Engineers responsibility to:

- Comply with this ESMP in the development of the detailed design, procurement bid documents and other advice to the PMU;
- Avoid or minimise environmental and social impacts by design;
- Undertake meaningful consultation with stakeholders to inform the design process.

8.2.5 Contractors

This section is applicable to any party undertaking physical building works under any project activity.

It is the Contractors responsibility to:

- Ensure the Contractors project team includes experienced HSE experts with sufficient in-country time allocation and financial resources specified in the Contract;
- Prepare and have cleared by the Supervision Engineer the any environmental management plans required in this ESMP prior to commencement of works;
- Carry out the project activities in accordance with the ESMP;
- Not to undertake any works or changes to works unless first approved in an updated CESMP;

- Conduct daily and weekly safeguard inspections of the works to ensure compliance and reporting the results of these inspections to the Supervision Engineer;
- Undertake community consultations as required in this ESMP in coordination with the PMU;
- Advise the Supervision Engineer of any changes to works or methods that are outside the scope of the ESMP for updating;
- Post all notifications specified in this ESMP at the site entrance;
- Report all environmental and OHS incidents to the Supervision Engineer for any action;
- Provide monthly reports of all safeguard monitoring, incidents, complaints and actions to the Supervision Engineer;
- Maintain a database of all complaints, incidents or grievances received. Any issues which cannot be dealt with immediately should be reported to the Supervision Engineer.

8.2.6 Supervision Entity

The Supervision Entities are responsible for the day to day oversight of the construction or other works for the project, including safeguard compliance. On Kosrae, the Supervision Engineer will be DTI and will work closely with the Contractor on a daily basis to ensure that the project is implemented in a compliant manner consistent with the detailed designs provided and the ESMP. They are responsible for:

- Daily monitoring the Contractors work for compliance with the ESMP as per the measures detailed in Sections 7.2, 7.3 and 7.4 providing safeguard monitoring results in their monthly reporting to PMU. As part of their ESMP monitoring responsibilities, the Supervision Engineer will ensure that a suitably experienced engineer or /HSE officer is resourced to provide regular site inspections and is available for support at other times to respond to incidents, non-compliances and other tasks.
- Working with Contractor and PMU to provide meaningful input and direction into community consultations;
- Managing instances of non-compliance by the Contractor and reporting all instances to PMU. They are also responsible for escalating recurring instances of non-compliance by the Contractor to PMU for action;
- Managing and responding to all direct complaints/incidents received by their representatives as per the GRM process in Section 5.6 and reporting all instances to PMU for inclusion into Project database.

8.2.7 Technical Advisors / Consultants

All technical advisors are required to comply with the ESMP and Safeguards Policy more broadly in terms of the work methodologies and outputs. They will be required to work with the PMU to ensure adequate citizen and stakeholder engagement in their work programme.

8.3 ESMP Budget

For the Kosrae road construction, the costs of implementing the ESMP for the Contractor will be included in the tender documents and shown as a line item in the BOQ. It is the contracting parties responsibility to ensure that they have provided adequate financial resources to undertake all responsibilities as prescribed in this ESMP.

The following is an approximate budget for implementing the ESMP by the PMU, based on the tables in Section 7 and the responsibilities detailed in Section 8.

| Budget Item | Detail | Timeframe | Cost Estimate (USD) |
|---|--|---|---------------------|
| Nanumaga Harbour and Funafuti Port | | | |
| Stakeholder consultations | All four States: Catering, venue hire, media, materials, travel and accommodation, translation and interpretation services, etc. | Prior to commencement of works and then ongoing as needed | 25,000 |
| ESMP Training for Project Teams | Travel and accommodation to Pohnpei, catering, venue hire | On finalization of ESMP prior to commencement of works | 15,000 |
| Disclosure of safeguards instruments | Translation, report production, distribution | Prior to start of works | 4,000 |
| GRM related costs | Personnel, communication, transportation, office support costs | All of project implementation | 5,000 |
| Monitoring and Reporting | Non-staff costs: logistics and report production | All of project implementation | 5,000 |
| | Estimated Total Budget | | 50,000 |

9 Capacity Development & Training

9.1 Capacity Development

The EE has no inhouse safeguards specialists, therefore the IE will provide technical safeguards advice when required.

9.2 Training

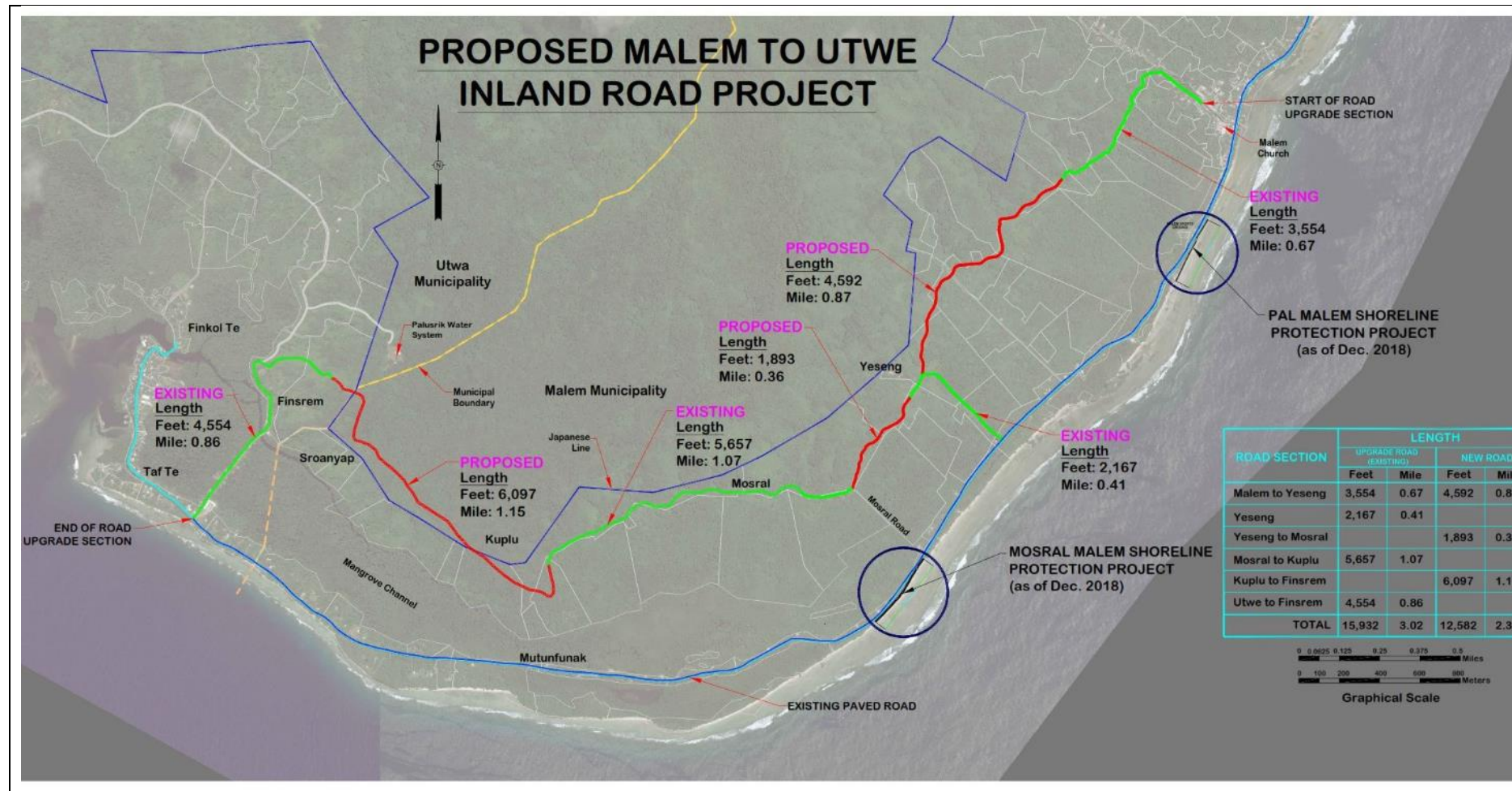
The PMU and project teams will require training to ensure effective implementation and oversight of the ESMP.

Areas recommended for PMU training include the following –

- Adaptation Fund safeguard policies, in particular those triggered and relevant to the project;
- Roles and responsibilities of different key agencies in safeguards implementation;
- How to effectively integrate the ESMP into project management, implementation, monitoring and reporting;
- Management of the GRM;
- How to facilitate meaningful community consultations;
- Integration of the ESMP and safeguard specific clauses into the contract and bid documentation.

On-going support will be provided by the IE for the duration of the project.

Annex 1: Kosrae Inland Road Detailed Alignment



Annex 2: Sediment and Erosion Control Plan

| Aspect | Measures | Timeline | Indicators | Responsibility |
|---------------------------------|---|--------------------|---|-----------------|
| Governance and Monitoring | Setting up of reporting plan to oversee, inspect and monitor erosion and sediment control measures, including rehabilitation of exposed areas and revegetation of buffer areas | Monthly | Records of weekly monitoring Records of non-compliance and actions taken Monthly report submitted | Project Unit |
| | Establishment of a GRM to address public and/or community issues and concerns | Ongoing | Number of grievances received and actions taken | DTI |
| Implementation and Construction | Minimise land disturbance by clearing the smallest practical width to accommodate the new inland road ahead of construction, as well as ensuring the land is disturbed for the shortest possible time | Construction phase | Sediment run off minimised from project site | Contractor, DTI |
| | Stage clearing activities, where possible, so that only the areas which are being actively developed are exposed | Construction phase | Sediment run off minimised from project site | Contractor, DTI |
| | No burning of ground cover during vegetation clearing | Construction phase | Sediment run off minimised from project site | Contractor, DTI |

| Aspect | Measures | Timeline | Indicators | Responsibility |
|--------|---|--------------------|--|-----------------|
| | Stockpiles of aggregates/materials will not be located where they can be washed into a drain, stream or wetland area, including on a road pavement, on a drainage or on overland flow path or within 15m of a stream bank, wetland or mangrove | Construction phase | Proper storage of construction materials | Contractor, DTI |
| | Stockpiles or any erodible materials (e.g. gravel, sand, soil) will be placed behind a sediment barrier. Gravel/sand/soil and cement bags will be covered appropriately at the end of each construction day | Construction phase | Proper storage of construction materials | Contractor, DTI |
| | Geotextile sediment fencing will be erected around all areas where vegetation has been cleared and soil exposed. The fence should be installed prior to clearing, as close to the contour of the site as possible, with the bottom edge of the fence buried to at least 150 mm, and the fence posts installed on the downside of the fabric. The fences will be | Construction phase | Fence erected and soil protected | Contractor, DTI |

| Aspect | Measures | Timeline | Indicators | Responsibility |
|--------|---|-------------------------|---|-----------------|
| | checked regularly and where sediment has built up, this will be removed. | | | |
| | Install temporary drains or bunds around cleared areas to divert stormwater upslope where necessary, and to prevent discharge of stormwater. Any structures for water conveyance will be designed to reduce the velocity of flow so as not to cause significant erosion | Construction phase | Proper channelling of stormwater, sediment control and prevention of sedimentation of waterways | Contractor, DTI |
| | Install sediment traps to slow run-off containing sediment and a basin to allow settlement of coarse sediment. | Construction phase | Sediment control and prevention of sedimentation of waters | Contractor, DTI |
| | Install erosion control matting or mulch on any exposed batter slopes prior to revegetation, if required | Construction phase | Soil erosion control and prevention of sedimentation of waters | Contractor, DTI |
| | Upon completion of works, removal of stormwater and sediment control structures/equipment | Post construction phase | Area clean, to contribute to successful rehabilitation | Contractor, DTI |
| | Rehabilitation, grading and stabilisation of exposed and disturbed soil areas on the shoulder and adjacent areas. Excavated topsoil will be | Post construction phase | Area successfully rehabilitated | Contractor, DTI |

| Aspect | Measures | Timeline | Indicators | Responsibility |
|--------|---|-------------------------|-------------------------|---|
| | stockpiled and re-used and revegetation completed of bare areas. | | | |
| | Revegetating buffer areas around streams and other catchment drainage pathways (planting of native species around streams and potential food trees along the edge of road shoulder) | Post construction phase | Buffer area revegetated | KCSO, Malem and Utwe communities, KIRMA |

Annex 3: SPC Composting Toilets Guide

[Link To: SPC Self Composting Toilets in the Pacific Islands Guide](#)

Annex D. Complementary programmes and projects

| Project | Objectives | Complementarity | Geographical Agency coverage / |
|--|--|--|---|
| Micronesia Challenge (MC) | Sub-regional conservation initiative which enhances community resiliency by using traditional knowledge and ecosystem strategies to conserve vulnerable coastal land resources by 2020; goals are to effectively conserve at least 30% of near-shore resources and 20% of terrestrial resources. | Construction of inland road with a community-based ecosystem management focus to reduce climate change impacts on road and community infrastructure and contribute to conserving terrestrial resources (mangrove forests and swamps) from future flooding events as a result of climate-proofing designs of the inland roads. Reducing impact of wastewater runoff into mangrove and lagoon effectively conserving vulnerable outer island environments | FSM, Palau, CNMI, Marshall Islands KIRMA, KCSO (Kosrae State) |
| Micronesia Conservation Trust (MCT) | A charitable and irrevocable corporation organized to manage and provide funds for the accomplishment of the following mission: “to support biodiversity conservation and related sustainable development for the people of Micronesia by providing long term sustained funding.” | Promoting community-based ecosystem management practices complementing coastal infrastructure development Promoting conservation of biodiversity in outer islands by changing common practices that pollute the surrounding environment and ground water resources | All States KIRMA – Kosrae State EPA – Chuuk, Pohnpei States EPA, R&D – Yap State |
| Pacific Adaptation to Climate Change Project (PACC) | To enhance the capacity of the FSM to adapt to climate change and climate variability in coastal management Kosrae was chosen as pilot State focusing on coastal infrastructure | Replication of the PACC activity in Tafunsak – climate proofing coastal road by relocating and constructing inland road. Building capacity of communities and coastline to climate variability. | Kosrae State / KIRMA |
| International Climate Change Adaptation Initiative-Pacific Adaptation Strategy | To enhance the capacity of partner country to assess key vulnerabilities and risks, formulate adaptation strategies and plans and mainstream adaptation into | Water harvesting and storage systems informed by best practices, methods, and surveys. | All States EPA in Yap, Chuuk, and Pohnpei States |

| | | | |
|--|--|--|---|
| Assistance Program (ICCAI PASAP) | decision making. For FSM: adaptive strategies informed by best practice methods and improved knowledge: community participatory surveys conducted in Yap which included Ulithi and Fais Atolls; evidence-based field research conducted on drought and salt tolerant varieties of sweet potatoes and sweet taro in Dinay and Wugeem, Yap | Ground truthing assessments based on rapid assessments of water resources in response to drought | |
| Geospatial Analysis for Food Security Adaptation | Trying to find suitable places to relocate the agricultural areas (particularly taro) with the help of geospatial analysis (GPS, remote sensing) and geographic information systems. | Repairing rainwater harvesting systems and installing community tanks for outer island communities. Watershed protection strategy to identify areas out of bounds for agriculture, residential and other developments | All States EPA – Yap, Chuuk, Pohnpei KIRMA, KCSO – Kosrae |
| Pacific - Australia Climate Change Science and Adaptation Planning Program | Supporting the government of FSM develop improved climate change projections and adaptation planning activities. FSM and 14 other Pacific countries are part of this AUD\$32 million project which builds on the foundation of the Pacific Climate Change Science Programme and the Pacific Adaptation Strategy Assistance Programme. | Establishing National Water Outlook Program | All States / DECEM |
| Implementing Sustainable Water Resources and Wastewater Management in Pacific Island Countries | The FSM's GEF Pacific IWRM Demonstration Project entitled "Ridge to Reef: Protecting Water Quality from Source to Sea" has strengthened national coordination in the water and sanitation sector and has enhanced community collaboration to improve water resource management. It has three main foci—(i) protected areas | Develop and endorse National Water and Sanitation Policy Develop and implement national water outlook program Develop and implement national water sector investment plan | Outer islands of Yap, Chuuk, Pohnpei States / R&D and EPA of each of the 3 states |

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| | (improving existing ones and creating new ones), (ii) managing ecosystems outside protected areas, and (iii) improving agroecosystems. | <p>Repair and construct water harvesting and storage systems at the outer island level</p> <p>Train and build capacity of national water task force and relevant stakeholders at the state level</p> | |
| Water and Environmental Research Institute of the Western Pacific (WERI) | Mission is to seek solutions through research, teaching and outreach programs, to issues and problems associated with the location, production, distribution, and management of freshwater resources in Micronesia. Current projects and programs include watershed management program, rooftop rain catchment sizing, groundwater and aquifer research, atoll hydrologic modelling, water quality production and distribution, water resources management and GIS | Ground truthing assessments on water harvesting and storage systems | Outer islands of Yap, Chuuk, Pohnpei States / R&D and EPA of each of the 3 states |
| Global Climate Change Alliance: Pacific Small Island States | To support the governments of nine Pacific smaller island states, including FSM, in their efforts to tackle the adverse effects of climate change. | <p>Develop and implement national water outlook program</p> <p>Develop and implement national water sector investment plan</p> <p>Repair and construct water harvesting and storage systems at the outer island level</p> <p>Train and build capacity of national water task force and relevant stakeholders at the state level</p> | Outer islands of Yap, Chuuk, Pohnpei States / R&D and EPA of each of the 3 states |
| University of the South Pacific European Union | To develop and strengthen the Pacific ACP countries' capacity to | Ground truthing assessments on water harvesting and storage systems | Outer islands of Yap, Chuuk, Pohnpei States / R&D and EPA of each of the 3 states |

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| Global Climate Change Alliance Project | adapt to the impacts of climate change. | | |
| Coping with Climate Change in the Pacific Island Region (CCCPIR) | Undertaking mainstreaming climate change, and integrated land and marine resource management at the national and local level. Addressed six components ranging from regional and national mainstreaming of climate change, implementation of adaptation activities on the ground, and climate change related to tourism, energy, and education | Develop and endorse National Water and Sanitation Policy Train and build capacity of national water task force and relevant stakeholders at the state level Developing a Teacher's Guide on Climate Change at the state level | All States/ DECEM |
| Technical Assistance (TA) to FSM for Strengthening Infrastructure Planning and Implementation | support state utilities within the FSM) in executing infrastructure projects more effectively by having an agreed upon approach to systems and procedures for project planning, design, and management across the country; and build capacity in the Department of Transportation, Communications and Infrastructure (DTCI) to plan, design, and oversee project execution. | Design and construct the Malem-Utwe inland road Build capacity of DTI in implementing CCA projects | Kosrae State / DECEM, KIRMA, DTI |
| Second National Communications to the UNFCCC | National obligation under the UNFCCC to produce status report on national climate change measures and priorities. FSM is using a consultative approach involving a range of stakeholders to produce this report. | Implement water, sanitation, and health adaptation activities in outer islands Develop climate resilient infrastructure | All States / DECEM |
| MAPCO2 Project | A MAPCO2 was deployed within the Chuuk Lagoon in November 2011. The goal of this joint effort is to establish a long-term monitoring station in Micronesia as part of | Developing legislative framework to oversee enforcement of coastal and marine resource management, including protection of environment from development projects | All States / DECEM |

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| | global ocean monitoring network system for coral reef areas. | National Water Outlook Program | |
| Unite for Climate Pacific Regional Integrated Sciences and Assessments (Pacific RISA) | To enhance Pacific Island communities' abilities to understand, plan for, and respond to a changing climate. Emphasizing the engagement of communities, governments, businesses, and scientists by translating scientific research into information and materials that are valuable for stakeholders in key sectors such as water resources. Climate focused water sector education and outreach is part of Pacific RISA's core mission | Ground truthing assessments carried out for water resources in the outer islands will contribute to water sector education and will be excellent for outreach activities in FSM Technical reports and other knowledge products developed from results of the project will contribute to information and materials valuable for future adaptation planning under water, health, sanitation, and coastal zone management. | All states / DECEM |
| Climate Adaptation, Disaster Risk Reduction and Education (CADRE) | Aims to build resilience of vulnerable communities to natural hazards particularly those that are climate induced. | Ground truthing assessments carried out for water resources in the outer islands will contribute to water sector education and will be excellent for outreach activities in FSM Technical reports and other knowledge products developed from results of the project will contribute to information and materials valuable for future adaptation planning under water, health, sanitation, and coastal zone management. | All States / DECEM, Department of Education |
| U.S. Peace Corps Small Project Assistance (SPA) for Adaptation | Reaching out to remote communities by supporting the following efforts of Peace Corps volunteers: (1) development of youth camps that promote environmental awareness, knowledge and skills among the youth to become responsible natural resource stewards; (2) trainings that support community adaptation to climate change and build capacity for disaster risk reduction (DRR); and (3) small- | Implementing water harvesting and storage systems program in the outer islands Installing / constructing self-composting toilets in outer / remote island environments, applying climate change and DRR principles | All States / EPA, R&D, KIRMA |

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| | scale community projects that can demonstrate application of climate change and DRR principles | | |
| Coastal Community Adaptation Project (C-CAP), 2013-2017 | To build the resiliency of vulnerable coastal communities in the Pacific region to withstand more intense and frequent weather events and ecosystem degradation in the short-term, and sea level rise in the long-term. | Inland Road Relocation Initiative program Building capacity of landless to access land upland, and access to finance to assist with relocation Constructing inland road away from low and exposed coastal roads degraded from impacts of sea level rise | Kosrae State / KIRMA |
| Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI) | To provide the Pacific Island Countries (PICs) with disaster risk modelling and assessment tools to help them better understand, model, and assess their exposure to natural disasters, and to engage in a dialogue on integrated financial solutions for the reduction of PICs financial vulnerability to natural disasters and to climate change. | Developing the Water Outlook Program. Application of adaptation planning models and tools that include EIA, CBA, MEF, V&A assessment tool, mainstreaming, gender, and climate change tools GIS spatial mapping exercise Implementing Participatory 3 Dimension mapping exercise as a consultation tool | All States / DECEM |

Annex E. Implementation Phase: key outcomes from stakeholder consultations

The Inception workshops in the four states discussed and covered all the 4 Components of the project. The workshops were able to collect inputs, feedback, and recommendations from the State Leaders, Community Representatives, relevant governmental departments and all the NGO stakeholders. Consequently, workshops have concluded:

- The AF Project to develop climate change policies and assist in updating the states Joint State Action Plan for Disaster Risk Management and Climate Change (JSAP)
- The AF Project carry out water quality tests on the target islands and assessment/ surveys on conditions of existing water resources and take necessary action to support the target communities in increasing the target islands' water storage capacity attached maintenance, sustainability and monitoring plan and trainings
- Develop community-based awareness program to enhance the community population knowledge on climate change and its impacts and the most appropriate and cost effective adaptation and mitigation
- The AF PMU to carry out the inception workshop on the target islands to identify specific target sites for installation of water tanks and water infrastructures to be repaired and improved

As recommended from the States Inception workshops, the AF PMU, with support team from the respective States relevant stakeholders, carried out the inception workshops on the project target islands of Eauripik, Woleai, Nukuoro, Kapingamarangi, Lekinloch and Satawan. The target islands workshops were attended by municipal officials, traditional leaders, church leaders and community members from both gender groups.

This inception workshop is framed around a consultation approach and setting and ensure members engagement through group work and presentation by each group on their ideas and recommendations. The workshop interactions with participants focused on the five outputs of Component 2 to discuss, develop and recommend planned steps needed for each of the outputs implementation. Results from the community inception workshops highlighted preferred specific water resources and infrastructures for project sites and key areas the projects need to consider and provide during implementation of project. Majority of the key concerns provided from the participants were based on experiences from past project to the communities:

- Increase community engagement and participation during planning and implementation of project
- Better coordination of timing of transportation of project materials to the islands
- Good maintenance and sustainability program of what the project will provide to the community in regards to water tanks, wells and rain water harvesting system and toilets
- Better awareness and information sharing program on climate change and related phenomenon
- Preferred expert or experience consultant to carry out and provide training on construction and maintenance of the water and sanitation infrastructures with great understanding of the cultural setting of each island.

In addition to the introduction of the project activities to the community members, the traveling supporting teams from the government departments and project delivery partners share with the workshop participants their respective works in relations to climate change preparedness and mitigations. Due to time constraints of the transportation boat's mooring time at each of the target islands, the project partners had only enough time to share information but limited time to carry out any comprehensive trainings for the communities. The awareness information shared with community members include:

- Gender Equality Concepts
- Disaster, Mitigation and Relief activities
- Response to major emergencies, diseases and poverty
- Other similar project on water security
- Climate change and disaster risk reduction

Annex F. Planning Phase: key meetings and findings

| Meeting | Date | Stakeholder consulted | Key Findings |
|--------------------------|--|---|---|
| Consultative Meeting 1.1 | 22 June 2015 | Pohnpei stakeholders | <ul style="list-style-type: none"> • Re-affirming community support of project priorities • Ranking of priorities of the project • Role of community, island governing council and representatives on island proper (main island) • Coordination mechanism of the department with other government departments and NGOS/IGOs |
| Consultative Meeting 1.2 | 24 June 2015 | Chuuk stakeholders | <ul style="list-style-type: none"> • Community confirmation of project priorities • Ranking of priorities of the project by the community • Role of community, island governing council and representatives on island proper (main island) • Coordination mechanism of the department with other government departments and NGOS/IGOs |
| Consultative Meeting 1.3 | 25 June 2015 | Yap stakeholders | <ul style="list-style-type: none"> • Community confirmation of project priorities • Ranking of priorities of the project by the community • Role of community, island governing council and representatives on island proper (main island) • Coordination mechanism of the department with other government departments and NGOS/IGOs |
| Consultative Meeting 1.4 | 6 July 2015 | Kosrae stakeholders | <ul style="list-style-type: none"> • Community confirmation of project priorities • Ranking of priorities of the project by the community • Role of community, island governing council and representatives on island proper (main island) • Coordination mechanism of the department with other government departments and NGOS/IGOs |
| Consultative Meeting 2 | 16-19 November 2015 Palikir, Pohnpei, | Vice President, Secretary Department of Foreign Affairs, Secretary | <ul style="list-style-type: none"> • Update Infrastructure Development Plan for Kosrae State and FSM • Plan for FSM Development Partner's Forum meeting in March 2016 to |

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| | Colonia, Pohnpei | Overseas Development Assistance, Secretary Ministry of Finance Governor Pohnpei Lieutenant Governor Pohnpei Director, EPA Pohnpei | secure donor support to co-finance and construct the Malem-Utwe road\ <ul style="list-style-type: none"> • Coordination and collaboration mechanisms between national and state levels |
| Follow up Meeting 1.1 | 23 November 2015 Kosrae State | Governor, Lt. Governor Kosrae Infrastructure Planning and Implementation Committee, Speaker of the Legislature Mayor of Malem Municipal Government Director DTI, Engineers DTI Director KIRMA and KIRMA Permitting Unit | <ul style="list-style-type: none"> • Updated Infrastructure Development Plan for Kosrae State • Reviewed Malem-Utwe inland road within the priority listing of the IPIC list as one of two high infrastructure priorities of the state requiring immediate implementation • Review of CBA results, costings, and benefits of the Malem - Utwe inland • Identified potential risks of the Malem- Utwe inland road and agreed to carry out an Environmental Impact Assessment (EIA) |
| Consultative Meeting 3 | 24-26 November 2015 Kosrae State | Kosrae State Government, NGO, IGO stakeholders | <ul style="list-style-type: none"> • Improved the accuracy and usefulness of the cost benefit analysis • Developed the IRRI program • Formulated 'logic model' and developed monitoring and evaluation framework of the IRRI program |
| Follow-up Meeting 1.2 | 27 November 2015 Kosrae State | Mayor of Malem Municipal Government Director DTI, Engineers DTI Director KIRMA and KIRMA Permitting Unit | <ul style="list-style-type: none"> • Legislature approval of Malem-Utwe inland road as one of two high infrastructure priorities of the state • Review of CBA results, costings following consultation meeting with Kosrae stakeholders (consultative meeting 3) • Developed Terms of Reference for EIA |
| Follow Up Meeting 1.3 | 30 November – 3 December 2015 Pohnpei State | Vice President, Ministry of Finance, Department of Foreign Affairs, ODA, OEEM, | <ul style="list-style-type: none"> • Considered the Government of China as a potential donor to co-finance and construct the Malem-Utwe road |

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| | | <p>Secretary Resources & Development,</p> <p>United States Embassy</p> <p>Secretariat of the Pacific Community (SPC) Deputy Director General</p> | <ul style="list-style-type: none"> • Coordination and collaboration mechanisms between national and state levels • Coordination between national, state and US Compact activities related to infrastructure priorities of states • Briefed potential collaboration with SPC sector related projects on food security, water resource management in outer islands, marine resource management (Marine Protected Areas, Fish Aggregating Devices) |
| Follow Up Meeting 1.3 | 30 November – 3 December 2015 Pohnpei State | <p>Vice President, Ministry of Finance, Department of Foreign Affairs, ODA, OEEM, Secretary Resources & Development,</p> <p>United States Embassy</p> <p>Secretariat of the Pacific Community (SPC) Deputy Director General</p> | <ul style="list-style-type: none"> • Considered the Government of China as a potential donor to co-finance and construct the Malem-Utwe road • Coordination and collaboration mechanisms between national and state levels • Coordination between national, state and US Compact activities related to infrastructure priorities of states • Briefed potential collaboration with SPC sector related projects on food security, water resource management in outer islands, marine resource management (Marine Protected Areas, Fish Aggregating Devices) |
| Follow Up Meeting 1.4 | 3 December 201 Pohnpei State | <p>College of Micronesia (COM)</p> <p>College Extension Services (CES-COM)</p> <p>College Research Extension (CRE-COM)</p> | <ul style="list-style-type: none"> • Training of Agriculture Extension Officers for outer islands • Potential outer island activities on Food Security activities • Raised taro patches technology for outer islands • Coordination and collaboration with Food Security related projects |
| Consultative Meeting 4.1 | 20-22 January 2016 | Yap stakeholders | <ul style="list-style-type: none"> • Trained government and community stakeholders on logic model and development of the Monitoring & Evaluation Framework • Re-confirmed community priorities for the outer islands • Formulated 'logic model' and developed the MEF for water security, marine resource management and food security priorities |

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| | | | <ul style="list-style-type: none"> Identified no potential social, economic, and environmental risks to any of the activities of the project |
| Consultative Meeting 4.2 | 26-28 January 2016 | Chuuk stakeholders | <ul style="list-style-type: none"> Trained government and community stakeholders on logic model and development of the Monitoring & Evaluation Framework Re-confirmed community priorities for the outer islands Formulated 'logic model' and developed the MEF for water security, marine resource management and food security priorities Identified no potential social, economic, and environmental risks to any of the activities of the project |
| Consultative Meeting 4.3 | 1-3 February 2016 | Pohnpei stakeholders | <ul style="list-style-type: none"> Trained government and community stakeholders on logic model and development of the Monitoring & Evaluation Framework Re-confirmed community priorities for the outer islands Formulated 'logic model' and developed the MEF for water security, marine resource management and food security priorities Identified no potential social, economic, and environmental risks to any of the activities of the project |
| Follow Up Meeting 2.1 | 3 February 2016 | Vice President FSM, ODA, R&D, MOF, OEEM, DFA | <ul style="list-style-type: none"> Brief update of the proposal Further discussions with Government of China' support for co-finance and construction of the road to the tune of \$5m USD in technical assistance Confirmed support for an environmental impact assessment required for the project. |
| Consultative Meeting 5 | 23-27 May 2016 | Malem and Utwe communities of Kosrae – via the EIA process | <ul style="list-style-type: none"> Concerns were raised by the Utwe community over alternative road alignments through the Kuplu Wan plateau resulting in potential contamination of their water supply which is sourced from the Palusrik catchment due to: <ul style="list-style-type: none"> 1. The location of the road and construction resulting in increased sediments or other contaminants entering the Palusrik River and the Utwe water supply. |

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| | | | <ul style="list-style-type: none"> 2. The improved access to the Kuplu Wan area created by the road subsequently leading to increased development in the Kuplu Wan area, including land clearing, septic tanks, pig pens etc., resulting in increased potential for contamination of the Utwe water supply. The alignment of the road through the southern part of the Kuplu Wan plateau (Palusrik catchment) has been re-aligned to ease community concerns on potential impacts on Utwe village's water supply. This results in a minimum buffer of 150 m at the watershed between the two catchments and over 350 m for the majority of the section of inland road within the Palusrik catchment. Given the distance to the Palusrik River, the only perennial stream in the catchment and the characteristics of the likely catchment drainage pathways, there is unlikely to be any impact from the construction or operation of the road itself on Utwe's water supply. |
| Follow Up Meeting 3.1 | 20 June 2016 | Vice President FSM, DFA, ODA, OEEM; US Embassy | <ul style="list-style-type: none"> Brief update of the proposal – appraisal stage Letter confirming co-financing support pursued by national government at the November 2016 FSM Development Partner's Forum Meeting |
| Follow Up Meeting 3.2 – SPREP Appraisal phase | 21 June 2016 | Lieutenant Governor Cabinet members IPIC Mayors of Malem and Utwe and Municipal Government representatives Malem Community, landowners | <ul style="list-style-type: none"> Brief update of the proposal Support to development of the proposal to SPREP provided by the USAID ADAPT Asia-Pacific Project National government acknowledgement of endorsement by Kosrae State of the Malem-Utwe road under the AF proposal as one of the top two priorities of infrastructure requiring immediate support for implementation Re-affirmation of the priorities of the project by the Utwe Municipal government, women, men, elders, and youth of the community of Malem |
| Follow Up Meeting 3.3 | 22 June 2016 | Director and staff, KIRMA Director and staff, DTI IPIC and ODA | <ul style="list-style-type: none"> Brief update of the proposal Support to development of the proposal to SPREP provided by the USAID USADAPT Asia-Pacific Project IPIC, ODA acknowledgement of endorsement by Kosrae State of the |

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| | | Utwe Community and landowners | <p>Malem-Utwe road under the AF proposal as one of the top two priorities of infrastructure requiring immediate support for implementation</p> <ul style="list-style-type: none"> • Re-affirmation of the priorities of the project by the Utwe Municipal government, women, men, elders, youth, landowners of the community of Utwe |
| Site Visit | 23 June 2016 | Malem-Yeseng-Utwe inland road, access routes, ADB Utwe Water Reservoir, Kuplu Wan plateau where road will access, coastal points Paal and Mosral, settlement areas, upland areas | <ul style="list-style-type: none"> • Visited Palusrik catchment in Utwe municipality • Visited inland roads that are accessible of the Malem-Utwe inland road stretch, including Kuplu Wan plateau • Visited all access routes coastal-inland • Visited PACC Tafunsak climate-proof road |

Annex III. SPREP Services Agreement



Services Agreement

Reference: [insert Agreement No.]

between

**the Secretariat of the Pacific Regional Environment Programme
(SPREP)**

and

[insert organisation / company name]

for the provision of

[insert title of the Services]

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Details

Parties

1. **SPREP:**

| | |
|---|---|
| Full legal name | Secretariat of the Pacific Regional Environment Programme (SPREP) |
| Legal entity type (e.g. individual, incorporated association, company, partnership etc) | Regional Intergovernmental Organisation |
| Trading or business name | As above. |
| Company Number or other entity identifiers | N/A |

2. **Supplier:**

| | |
|---|-------------------------------------|
| Full legal name | [insert] |
| Legal entity type (e.g. individual, incorporated association, company, partnership etc) | [insert] |
| Trading or business name | [insert Trading name or 'as above'] |
| Company Number or other entity identifiers | [insert or 'Nil'] |

Recitals

- A. SPREP requires the provision of certain services.
- B. The Supplier has fully informed itself on all aspects of the work required to be performed and has represented that it has the requisite skills and experience to perform that work.
- C. SPREP has agreed to engage the Supplier to provide the Services on the terms and conditions contained in this Agreement.

Agreed Terms

1. Definitions and interpretation

1.1 Definitions

In this Agreement, except where the contrary intention is expressed, the following definitions are used:

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| Agreed Terms | clauses 1 to 26 of this Agreement which set out terms and conditions agreed by the parties. |
| Agreement | this agreement between SPREP and the Supplier, as amended from time to time in accordance with clause 26.2, and includes its Schedules and any attachments. |
| Agreement Details | the details set out in Schedule 1. |
| Agreement Material | any Material that is created by the Supplier for the purpose of or as a result of performing its obligations under this Agreement and includes any modifications that may be required under clause 10.6(b). |
| Agreement Period | the Initial Agreement Period plus any Option Period exercised in accordance with clause 3.2. |
| Business Day | in relation to the doing of any action in a place, any day other than a Saturday, Sunday or public holiday in that place. A Business Day starts at 8.30am and ends at 5pm. |
| Commencement Date | the date on which this Agreement commences, as specified in Item 5 of the Agreement Details. |
| Confidential Information | information that is by its nature confidential; and (a) is designated by a party as confidential; or (b) a party knows or ought to know is confidential, but does not include: (c) information which is or becomes public knowledge other than by breach of this Agreement or any other confidentiality obligation. |
| Conflict of Interest | any circumstance in which the Supplier or any of the Supplier's Personnel has an interest (whether financial or non-financial) or an affiliation that is affecting, will affect, or could be perceived to affect, the Supplier's ability to perform the Services, or its obligations under this Agreement, fairly and independently. |
| Deliverable | any Agreement Material or other item to be supplied by the Supplier under this Agreement. |
| Donor | the donor country or multilateral institution with primary funding responsibility for the project, programme or activity under which the Services are to be delivered. |

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| End Date | the date specified in Item 6 of the Agreement Details or the conclusion of the last Option Period, as exercised (if any). |
| Expert | <ul style="list-style-type: none"> (a) the financial or legal experts of a party; and (b) the respective officers and employees of those financial or legal experts. |
| Fees | the fees payable to the Supplier in accordance with Schedule 3. |
| Initial Agreement Period | the period of time for which this Agreement is intended to continue, as specified in clause 3.1. |
| Intellectual Property Rights | <p>all intellectual property rights, including the following rights:</p> <ul style="list-style-type: none"> (a) copyright, patents, rights in circuit layouts, trademarks, designs, trade secrets, know how, domain names and any right to have confidential information kept confidential; (a) any application or right to apply for registration of any of the rights referred to in paragraph (a); and (b) all rights of a similar nature to any of the rights in paragraphs (a) and (b) which may subsist in Samoa or elsewhere, <p>whether or not such rights are registered or capable of being registered.</p> |
| Item | an item in a Schedule to this Agreement. |
| Law | any applicable statute, regulation, by-law, ordinance or subordinate legislation in force from time to time in Samoa and / or in any State or territory in which the Services are to be undertaken. |
| Losses | liabilities, expenses, losses, damages and costs (including but not limited to legal costs on a full indemnity basis, whether incurred by or awarded against a party). |
| Material | any software, firmware, documented methodology or process, documentation or other material in whatever form, including without limitation any reports, specifications, business rules or requirements, user manuals, user guides, operations manuals, training materials and instructions, data, metadata and the subject matter of any category of Intellectual Property Rights. |
| Milestone | any agreed date to be met by the Supplier in performing any of its obligations under this Agreement, as specified in the Statement of Work. |
| Milestone Payment | a payment of an amount set out in Item 3 of Schedule 3 in respect of a Milestone. |

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| Modify | means to add to, enhance, reduce, change, replace, vary or improve. Derivatives such as Modification and Modified have corresponding meanings. |
| Moral Rights | the right of integrity of authorship (that is, not to have a work subjected to derogatory treatment), the right of attribution of authorship of a work, and the right not to have authorship of a work falsely attributed. |
| Option Period | a period of time by which this Agreement may be extended as specified in clause 3.2 and Item 7 of the Agreement Details. |
| Performance Criteria | the requirements (if any) set out in the Statement of Work for each Service and Deliverable. |
| Personal Information | <p>Personal information is any piece of information that relates to a living, identifiable human being or an opinion about an identified individual, or an individual who is reasonably identifiable:</p> <p>(a) Whether the information or opinion is true or not; and</p> <p>(b) whether the information or opinion is recorded in a material form or not.</p> |
| Personnel | in relation to a party, any natural person who is an employee, officer, agent or professional expert of that party or, in the case of the Supplier, of a subcontractor. |
| Pre-existing Material | <p>any Material, other than Agreement Material or Third Party Material, which is created before the Commencement Date and made available by a party for the purpose of this Agreement, on or following the Commencement Date, and includes:</p> <p>(a) error corrections or translations to that Material; and</p> <p>(b) modifications or derivatives of that Material where such modification or derivative work cannot be used without infringing the Intellectual Property Rights in the underlying Material.</p> |
| Schedule | a schedule to this Agreement. |
| Security Incident | <p>any incident or breach of security that may impact:</p> <p>(a) the Supplier's ability to deliver the Services; or</p> <p>(b) SPREP Material which is held by, or in transit to and / or from, the Supplier.</p> |
| Services | the services to be provided by the Supplier, as specified in the Statement of Work and include the supply of the Deliverables. |

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| Specified Acts | <ul style="list-style-type: none"> (a) failing to attribute or falsely attributing the authorship of any Agreement Material, or any content in the Agreement Material; (b) materially altering the style, format, colours, content or layout of the Agreement Material and dealing in any way with the altered Agreement Material; (c) reproducing, communicating, adapting, publishing or exhibiting any Agreement Material; and (d) adding any additional content or information to the Agreement Material. |
| Specified Personnel | the Supplier's Personnel specified in Item 11 of the Agreement Details. |
| SPREP Data | all data and information relating to SPREP, and its operations, facilities, customers, Personnel, assets and programs (including Personal Information) in whatever form that information may exist and whether entered into, stored in, generated by or processed through software or equipment by or on behalf of SPREP |
| SPREP Material | any Material provided to the Supplier by SPREP. |
| SPREP Representative | <p>the person identified in Item 2 of the Agreement Details.</p> <p>The SPREP Representative is responsible for managing the Agreement, including:</p> <ul style="list-style-type: none"> (a) Managing the relationship between the Parties (b) Overseeing the effective implementation of this Agreement (c) Act as a first point of contact for any issues that arise, (d) Promptly notify the Supplier Representative if the SPREP Representative changes, and (e) To address and resolve any issues in a prompt manner. |
| Statement of Work | the details of the Services to be performed under this Agreement, as set out in Schedule 2. |
| Supplier | the party specified in Item 3 of the Agreement Details and includes its Personnel. |

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|--------------------------------|---|
| Supplier Representative | <p>the person identified in Item 4 of the Agreement Details.</p> <p>The Supplier Representative is responsible for managing the Agreement, including:</p> <ul style="list-style-type: none"> (a) Managing the relationship between the Parties (b) Overseeing the effective implementation of this Agreement (c) Act as a first point of contact for any issues that arise, (d) Promptly notify the SPREP Representative if the Supplier Representative changes, and (e) To address and resolve any issues in a prompt manner. |
| Tax | <ul style="list-style-type: none"> (a) any tax, withholding tax, charge, rate, duty (including stamp duty and customs duty), impost, excise, tax by whatever name called and whether Samoan, foreign, state, municipal, provincial, county or local; and (b) any interest, charge, penalty, fee, fine or other amount of any kind assessed, charged or imposed on or in respect of the above. |
| Third Party Material | <p>Material created by a third party that is:</p> <ul style="list-style-type: none"> (a) included, embodied in or attached to the Agreement Material; or (b) used for the purpose of, or as a result of, the Supplier's performance of its obligations under this Agreement. |
| Warranted Materials | <p>the Pre-existing Material and Third Party Material provided by the Supplier, the Deliverables and Agreement Material.</p> |

1.2 Interpretation

In this Agreement, except where the contrary intention is expressed:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, Schedule or annexure is to a clause or paragraph of, or Schedule or annexure to, this Agreement, and a reference to this Agreement includes any Schedule or annexure;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time and any schedules, appendices or annexures to that document or instrument;
- (e) a reference to USD, US\$, \$US, dollar or \$ is to United States currency;

- (f) a reference to time is to the time in the place where the obligation is to be performed;
- (g) a reference to a party is to a party to this Agreement, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assignees and substitutes;
- (h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (i) if the Supplier is a trustee, the Supplier enters this Agreement personally and in its capacity as trustee and warrants that it has the power to perform its obligations under this Agreement;
- (j) a reference to a statute, ordinance, code or other Law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (k) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (l) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (m) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally; and
- (n) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this Agreement or any part of it.

2. **Priority of Agreement documents**

If there is inconsistency between any of the documents forming part of this Agreement, those documents will be interpreted in the following order of priority to the extent of any inconsistency:

- (a) Agreed Terms;
- (b) the Schedules in their order of appearance;
- (c) any attachments to the Schedules; and
- (d) documents incorporated by reference in this Agreement.

3. **Duration of Agreement**

3.1 **Initial Agreement Period**

Subject to clause 3.2, this Agreement begins on the Commencement Date and continues until the End Date unless terminated earlier in accordance with this Agreement (**Initial Agreement Period**).

3.2 **Option to extend Initial Agreement Period**

- (a) The Initial Agreement Period may be extended by SPREP for further period(s), specified in Item 7 of the Agreement Details (each an **Option Period**), on the terms and conditions then in effect, by giving written notice to the Supplier. Such

notice must be given at least 30 days before the end of the then current Agreement Period.

- (b) Any extension exercised in accordance with this clause takes effect from the end of the then current Agreement Period.

4. General obligations of the parties

The parties will, at all times:

- (a) act reasonably in performing their obligations and exercising their rights under this Agreement;
- (b) diligently perform their respective obligations under this Agreement; and
- (c) work together in a collaborative manner.

5. Provision of Services

5.1 Service obligations

The Supplier must supply the Services:

- (a) so that they are fit for purpose, complete and accurate;
- (b) so that any materials that the Supplier incorporates are free from defects in design, performance and workmanship;
- (c) with due skill and care and in accordance with relevant best practice including complying with all applicable industry standards and guidelines or where none apply, relevant International Standards, best practice and guidelines, including any specified in Item 8 of the Agreement Details;
- (d) Any Information that is produced or reproduced in an electronic format, the Supplier must deliver it to SPREP in a format approved by SPREP.
- (e) where appropriate, in accordance with SPREP's policies and specific requirements (if any) specified in Item 9 of the Agreement Details;
- (f) in accordance with any reasonable directions given by SPREP from time to time, including through the submission of written reports or information on any aspects of the Agreement requested by SPREP's Representative;
- (g) so that where materials are produced or reproduced in an electronic format, they are delivered to SPREP in a format approved by SPREP;
- (h) to the extent applicable, in compliance with SPREP's Values and Code of Conduct https://www.sprep.org/attachments/Publications/Corporate_Documents/sprep-organisational-values-code-of-conduct.pdf
- (i) so as to meet the Milestones and other project plan requirements, and where no Milestones or project plan requirements are specified, promptly and without delay;
- (j) in accordance with the Performance Criteria (if any);
- (k) using the Specified Personnel (if any);
- (l) in accordance with all applicable Laws; and
- (m) otherwise in accordance with the provisions of this Agreement.

5.2 Evidence of certification

The Supplier must, on request by SPREP, provide SPREP with evidence of certifications and other records confirming compliance with all applicable standards, including any specified in Item 8 of the Order.

5.3 Supplier warranties

The Supplier represents and warrants that:

- (a) it has the right to enter into this Agreement;
- (b) it has all rights, title, licences, interests and property necessary to lawfully perform the Services;
- (c) it and its Personnel, including its Specified Personnel, have the necessary experience, skill, knowledge and competence to perform the Services and (where appropriate) will hold such licences, permits or registrations as are required under any applicable Laws to provide the Services;
- (d) the Services will be provided in accordance with the commitments made in clause 5.1;
- (e) no litigation, arbitration, mediation, conciliation or administrative proceedings are taking place, pending, or to the knowledge of any of its officers after due inquiry, are threatened which, if adversely decided, could have an adverse effect on the Supplier's ability to perform its obligations under this Agreement; and
- (f) all insurance policies required to be held by the Supplier under this Agreement:
 - (i) will remain in effect as provided for in this Agreement; and
 - (ii) will not be varied by the Supplier without SPREP's written consent.

5.4 Access to SPREP's premises

SPREP must cooperate with the Supplier by providing access to its premises and facilities as reasonably necessary to enable the Supplier to provide the Services.

5.5 Conduct at SPREP's premises

Without limiting clause 17, the Supplier must, if using or accessing SPREP's premises or facilities, comply with all reasonable directions and procedures relating to work health and safety and security in operation at those premises or facilities whether specifically drawn to the attention of the Supplier or as might reasonably be inferred from the circumstances.

5.6 Subcontracting

- (a) The Supplier must:
 - (i) not subcontract any aspect of the provision of the Services other than to those entities set out in Item 10 of the Agreement Details without the prior written approval of SPREP, which will not be unreasonably withheld;
 - (ii) ensure that any subcontractor approved under this Agreement complies with all applicable Laws and:
 - (A) clause 5.7 (Work health and safety);
 - (B) clause 10 (Intellectual Property Rights);
 - (C) clause 13 (Insurance);
 - (D) clause 14 (Confidentiality and privacy);

- (E) clause 15 (Protection of Personal Information);
 - (F) clause 16 (Conflict of Interest);
 - (G) clause 17 (Security);
 - (H) clause 18 (Books and records);
 - (I) clause 19 (Audit and access); and
- (b) The Supplier is fully responsible for the performance of the Services even if the Supplier subcontracts any aspect of the provision of the Services.
 - (c) The Supplier:
 - (i) must on request by SPREP provide SPREP with the names of any of the Supplier's subcontractors;
 - (ii) agrees that SPREP may disclose publicly the names of any of the Supplier's subcontractors; and
 - (iii) must ensure that any subcontractor agrees that SPREP may disclose the subcontractor's name publicly.
 - (d) If requested by SPREP, the Supplier must promptly provide to SPREP a copy of any contract relating to the Services and/or any Material relating to the engagement of the subcontractor.

5.7 Work health and safety;

- (a) Work Health and Safety refers to the legal responsibility the Supplier has to manage health and safety of employees and sub-contractors whilst engaged by SPREP.
- (b) The Supplier must in carrying out its obligations under this Agreement, comply, and use reasonable endeavours to ensure that its subcontractors comply, with the provisions of all relevant statutes, regulations, by-laws and requirements of any relevant authority including those arising under a WHS law in respect of occupational health and safety.
- (c) The Supplier must, in carrying out its obligations under this Agreement, comply, and use reasonable endeavours to ensure that its subcontractors comply, with any of SPREP's work, health and safety policies as notified, referred to, or made available, from time to time by SPREP to the Supplier in writing.
- (d) If the Supplier is required by a WHS law to report to a regulator an incident arising out of the provision of the Services:
 - (i) at the same time, or as soon as is possible in the circumstances, the Supplier must give notice of such incident, and a copy of any written notice provided to a regulator, to SPREP; and
 - (ii) the Supplier must provide to SPREP, within such time as is specified by SPREP, a report detailing the circumstances of the incident, the results of investigations into its cause, and any recommendations or strategies for prevention in the future.
- (e) The Supplier must inform SPREP of the full details of:
 - (i) any suspected contravention of a WHS law relating to the provision of the Services, within 24 hours of becoming aware of any such suspected contravention;

- (ii) any cessation or direction to cease work relating to the provision of the Services, due to unsafe work, immediately upon the Supplier being informed of any such cessation or direction;
- (iii) any workplace entry by a WHS entry permit holder, or an inspector, to any place where the Services are being performed or undertaken, within 24 hours of becoming aware of any such workplace entry; and
- (iv) any proceedings against the Supplier or its officers, or any decision or request by the Regulator given to the Supplier or its Personnel, under a WHS law, within 24 hours of becoming aware of any such proceedings, decision or request.

5.8 Co-operation with Personnel and contractors

The Supplier must in the performance of the Services under this Agreement:

- (a) fully co-operate with SPREP's Personnel and other contractors; and
- (b) use its best efforts to coordinate its activities so as to support and facilitate, in SPREP's best interests, the timely and efficient completion of all work and other activities to be performed for SPREP by any person.

6. Monitoring progress

6.1 Progress meetings

The parties will meet at the times set out in the Statement of Work (or otherwise as agreed in writing between the parties) to discuss any issues in relation to the provision of the Services. The Supplier must ensure that the Supplier Representative and SPREP must ensure SPREP's Representative is reasonably available to attend such meetings and answer any queries relating to the provision of the Services raised by either party.

6.2 Reporting

The Supplier must provide SPREP with reports in accordance with the Statement of Work.

7. Performance assessment

7.1 Assessment of Services

Without limiting any other obligation of the Supplier, each element of the Services is subject to assessment by SPREP against the relevant Performance Criteria (if any).

Where no Performance Criteria are specified in the Statement of Work, SPREP will, acting reasonably, assess the effectiveness of the Supplier's delivery of the Services against clause 5.1.

7.2 Notice of non-compliant Services

If SPREP considers that all or part of the Services do not meet the Performance Criteria, SPREP may provide the Supplier notice of that fact and include reasons for the Services not meeting the Performance Criteria.

7.3 Rectification of non-compliant Services

If SPREP notifies the Supplier that all or part of the Services do not meet the Performance Criteria, the Supplier must:

- (a) within five Business Days after the date of receipt of the notice or such other time as agreed between the parties in writing;

- (i) take all necessary steps to ensure that the Services are promptly corrected;
 - (ii) give notice to SPREP when the Services have been corrected; and
- (b) following compliance with clause 7.3(a), allow SPREP to repeat the assessment of all or part of the Services against the Performance Criteria until it is satisfied that the Performance Criteria are met.

7.4 Other rights

Clauses 7.2 and 7.3 do not limit in any way any other right, remedy or recourse of SPREP.

8. Personnel

8.1 Use of Specified Personnel

The Supplier must:

- (a) provide the Services or any part of the Services to which their particular expertise relates, with the active involvement of, and using the expertise of the Specified Personnel; and
- (b) ensure that each of the Specified Personnel is aware of and complies with the Supplier's obligations in providing the Services.

8.2 If the Specified Personnel are not available

- (a) Where one or more of the Specified Personnel is or will become unable or unwilling to be involved in providing the Services, the Supplier must notify SPREP immediately.
- (b) The Supplier must:
 - (i) if requested by SPREP, provide a replacement person of suitable ability and qualifications at no additional charge and at the earliest opportunity; and
 - (ii) obtain SPREP's written consent prior to appointing any such replacement person. SPREP's consent will not be unreasonably withheld.

8.3 SPREP may request replacement of Personnel

- (a) SPREP may at any time request the Supplier to remove from work in respect of this Agreement any of the Specified Personnel or the Supplier's Personnel.
- (b) On receipt of a request under clause 8.3(a), the Supplier must promptly arrange for the removal of such Personnel and their replacement in accordance with the process outlined in clause 8.2.

9. SPREP Material

SPREP will provide to the Supplier SPREP Material and the Supplier must ensure that SPREP Material is used strictly in accordance with any conditions or restrictions specified in Item 12 of the Agreement Details and any direction by SPREP.

10. Intellectual Property Rights

10.1 Pre-existing Material of the Supplier

- (a) This clause 10 does not affect the ownership of the Intellectual Property Rights in any Pre-existing Material of the Supplier.

- (b) The Supplier grants to SPREP, a perpetual, irrevocable, world-wide, royalty free, non-exclusive licence (including the right to novate or assign the licence, and to sublicense) to use, reproduce, adapt, Modify and communicate the Pre-existing Material of the Supplier in order for SPREP to obtain the full benefit of the Services.

10.2 Third Party Material

- (a) The Supplier must provide Third Party Material necessary or appropriate to supply the Services.
- (b) Before using any Third Party Material the Supplier must procure for SPREP perpetual licences enabling SPREP to use the Third Party Material:
 - (i) to the extent necessary to obtain the full benefit of the Services; and
 - (ii) from the expiry or termination of this Agreement, to maintain the Deliverables or engage a third party to maintain the Deliverables.
- (c) If the Supplier cannot obtain the licences as described in clause 10.2(b), the Supplier must:
 - (i) notify SPREP of the best alternative licence terms for that Third Party Material and not use that Third Party Material unless SPREP consents to those terms; and
 - (ii) if SPREP does not consent under clause 10.2(c)(i) notify SPREP of any comparable Third Party Material and comply with its obligations under this clause 10.2 in respect of comparable Third Party Material.

10.3 SPREP ownership of Intellectual Property Rights in Agreement Material

- (a) All Intellectual Property Rights in the Agreement Material vest in SPREP on creation.
- (b) SPREP may, at its discretion, make all Agreement Material available for use by the public under the Creative Commons Licence.

10.4 Licence of SPREP Material and Agreement Material to Supplier

- (a) To the extent that the Supplier needs to use any of SPREP Material or Agreement Material for the purpose of performing its obligations under this Agreement, SPREP grants to the Supplier, subject to any direction given by SPREP, a royalty-free, non-exclusive, non-transferable licence to use, reproduce, adapt, Modify and communicate such Material solely for the purpose of providing the Services.
- (b) Where the Supplier wishes to use any Agreement Material otherwise than for the purpose of providing the Services, it may only do so:
 - (i) with the express written permission from SPREP; and
 - (ii) at the Supplier's own cost.

10.5 Warranty

The Supplier warrants that:

- (a) the Warranted Materials and SPREP's use of the Warranted Materials will not infringe the Intellectual Property Rights of any person;
- (b) it has the necessary rights to vest the Intellectual Property Rights and grant the licences as provided for in this clause 10; and

- (c) the rights conferred under clauses 10.1(b) and 10.2(b) above, are sufficient to allow SPREP to licence Agreement Material under the Creative Commons Licence, should it elect, at its absolute discretion, to do so.

10.6 Remedy for breach of warranty

If someone claims, or SPREP reasonably believes that someone is likely to claim, that all or part of the Warranted Materials infringe their Intellectual Property Rights, the Supplier must, in addition to the indemnity under clause 12 and to any other rights that SPREP may have against it, promptly, at the Supplier's expense:

- (a) use its best efforts to secure the rights for SPREP to continue to use the affected Warranted Materials free of any claim or liability for infringement; or
- (b) replace or modify the affected Warranted Materials so that the Warranted Materials or the use of them does not infringe the Intellectual Property Rights of any other person without any degradation of the performance or quality of the affected Warranted Materials.

10.7 Delivery of Agreement Material

On the expiry or termination of this Agreement or on such earlier date as may be specified by SPREP, the Supplier must deliver to the SPREP Representative all Agreement Material.

11. Payment

11.1 Obligation to pay Fees

Subject to this clause and the Services meeting the Performance Criteria, SPREP must pay to the Supplier the Fees as set out in

Schedule 3.

11.2 Supplier to provide invoice

The Supplier must provide a correctly rendered invoice to SPREP for the Fees in accordance with the requirements specified in Schedule 3.

11.3 Due date for payment

SPREP must make payment of a correctly rendered invoice within 28 days after receiving the invoice. If this period ends on a day that is not a Business Day, payment is due on the next Business Day.

11.4 Incorrect invoices and under / over payment

If an invoice is found to have been rendered incorrectly after payment, any underpayment or overpayment will be recoverable by or from the Supplier, as the case may be, and, without limiting recourse to other available means, may be offset against any amount subsequently due by SPREP to the Supplier under this Agreement.

11.5 Expenses

- (a) Unless specified otherwise in Schedule 3, the Supplier must not charge SPREP for any disbursements, charges or expenses (including travel and accommodation, document reproduction, transportation and courier charges, and telecommunications charges) in addition to the Fees.
- (b) Subject to clause (a), SPREP is under no obligation to pay any amount in excess of the Fees.

11.6 Cost changes at Supplier's risk

The Supplier must not claim any payment for any additional amounts based on changes in labour, materials or other resourcing costs, exchange rate changes or any other changes to the costs incurred by the Supplier in acquiring the inputs it requires to provide the Services.

11.7 Tax

Unless expressly specified otherwise in this Agreement:

- (a) all amounts payable, consideration provided or monetary limits in this Agreement are inclusive of any Tax; and
- (b) the Supplier must not charge SPREP any additional amount in connection with any Tax.

12. Indemnity and release

12.1 Indemnity by the Supplier

Subject to clause 12.3, the Supplier indemnifies SPREP and continues to indemnify SPREP against, all:

- (a) Losses suffered or incurred by SPREP, including as the result of any claim made in relation to:
 - (i) loss of or damage to third party property; or
 - (ii) the injury, illness or death of a third party;
- (b) loss of or damage to SPREP's property; or
- (c) Losses suffered or incurred by SPREP in dealing with any claim against SPREP, including legal costs and expenses on a solicitor / own client basis and the cost of time spent, resources used, or disbursements paid by SPREP,

arising from:

- (d) any negligent, unlawful or wilful misconduct, default or omission by the Supplier (including any of its Personnel) in connection with this Agreement;
- (e) any breach by the Supplier (including any of its Personnel) of its obligations or warranties under this Agreement;
- (f) any use or disclosure by the Supplier (including its Personnel) of Personal Information or Confidential Information (or both, as the case may be) held or controlled in connection with this Agreement; or
- (g) an allegation that any Warranted Materials (including the use of any Warranted Materials by SPREP or its subcontractors or Personnel) infringe the Intellectual Property Rights or Moral Rights of the third party.

12.2 Release

Subject to clause 12.3, the Supplier releases SPREP from all claims, actions, demands and proceedings which it may have, or claim to have, or but for this release might have had, against SPREP in any way connected with the Supplier's performance of this Agreement or delivery of the Services.

12.3 Proportional reduction of liability

The liability of a party (**Party A**) for any Losses incurred by another party (**Party B**) will be reduced proportionately to the extent that any negligent act or omission of Party B (or of its subcontractors or Personnel) contributed to those Losses, regardless of whether legal proceedings are brought by Party A for negligence or breach of contract.

13. Insurance

13.1 Obligation to take out and maintain insurance

The Supplier must have and maintain for the period specified in clause 13.2(a) or clause 13.2(b) (as the case may be):

- (a) workers' compensation insurance as required by Law; and
- (b) public liability insurance; and
- (c) professional indemnity or errors and omissions insurance;

as specified in Item 13 of the Agreement Details.

13.2 Insurance period

- (a) If the Supplier takes out a 'claims made' policy, which requires all claims and any fact situation or circumstance that might result in a claim to be notified within the period of insurance, the Supplier must maintain the policy (or a policy in like terms) during the Agreement Period and for a period of 1 year on and from the expiry or the early termination of this Agreement – unless otherwise specified under item 13 of Schedule 1.
- (b) If the Supplier takes out an 'occurrence' policy, which requires the circumstances to which a claim relates to occur during the period of insurance whilst the notification of event can occur at any time subsequently, the Supplier must maintain the policy during the Agreement Period.

13.3 Subcontractors

The Supplier must ensure that any subcontract entered into by the Supplier in relation to this Agreement places on the subcontractor, in respect of the subcontractor's

activities, the same or similar obligations about insurances, as this clause 13 places on the Supplier.

13.4 Copies of insurance

The Supplier must, on request, promptly provide to SPREP any relevant insurance policies and certificates of currency for inspection.

14. Confidentiality and privacy

14.1 Confidential Information not to be disclosed

- (a) Subject to clause 14.2, a party must not, without the prior written consent of the other party, disclose any Confidential Information of the other party to a third party.
- (b) In giving written consent to the disclosure of Confidential Information, a party may impose such conditions as it thinks fit, and the other party agrees to comply with these conditions.
- (c) For the avoidance of doubt, it is not a breach of the obligations under this clause 14 to the extent that Confidential Information is shared by SPREP:
 - (i) within SPREP's organisation;
 - or
 - (ii) with Experts of SPREP,where this serves SPREP's legitimate interests.

14.2 Exceptions to obligations

The obligations on the parties under this clause 14 will not be taken to have been breached to the extent that Confidential Information is:

- (a) disclosed by a party to its Experts in order to comply with obligations, or to exercise rights, under this Agreement;
- (b) required by Law to be disclosed; or
- (c) in the public domain otherwise than due to a breach of this clause 14.

14.3 Obligations on disclosure

Where a party discloses Confidential Information to another person:

- (a) pursuant to clauses 14.1(c) or 14.2(a), the disclosing party must:
 - (i) notify the receiving person that the information is Confidential Information; and
 - (ii) not provide the information unless the receiving person agrees to keep the information confidential.

14.4 Period of confidentiality

The obligations under this clause 17 continue, notwithstanding the expiry or termination of this Agreement:

- (a) in relation to an item of information described in Item 14 of the Agreement Details, for the period set out in Item 14 in respect of that item; and
- (b) in relation to any Additional Confidential Information for the purposes of this Agreement, for the period agreed by the parties in writing in respect of that information.

14.5 Confidential provisions

Notwithstanding any other provision of this Agreement, SPREP may disclose the provisions of this Agreement.

15. Protection of Personal Information

15.1 Application of the clause

This clause applies only where the Supplier deals with Personal Information when, and for the purpose of, providing the Services under this Agreement.

15.2 Obligations

The Supplier must:

- (a) Use or disclose Personal Information only for the purposes of this Agreement;
- (b) For all data collected there should be a stated purpose;
- (c) Information collected from an individual cannot be disclosed to other organisations or individuals unless specifically authorised by law or by consent of the individual;
- (d) Records kept on an individual should be accurate and up to date;
- (e) There should be mechanisms for individuals to review data about them, to ensure accuracy. This may include periodic reporting;
- (f) Data should be deleted when it is no longer needed for the stated purpose;
- (g) Transmission of personal information to locations where "equivalent" personal data protection cannot be assured is prohibited;
- (h) Acknowledge that some data is too sensitive to be collected, unless there are extreme circumstances (e.g., sexual orientation, religion) which must be approved in writing by SPREP before such data is collected;

and, where there is access to Personal Information the Supplier must:

- (i) comply with the obligations under this clause 15.2;
- (j) allow SPREP to undertake, and cooperate with any audit or investigation which SPREP deems necessary to verify that the Supplier is complying with these obligations.
- (k) promptly notify SPREP if it fails to comply the obligations under this clause 15 or if it becomes aware of any actual or threatened disclosure of or unauthorised access to Personal Information.

15.3 Subcontracts

The Supplier must ensure that any subcontract entered into for the purpose of fulfilling its obligations under this Agreement contains provisions to ensure that the subcontractor has the same awareness and obligations as the Supplier has under this clause 15, including the requirement in relation to subcontracts.

15.4 Indemnity

The Supplier indemnifies SPREP in respect of any Loss suffered or incurred by SPREP which arises directly or indirectly from a breach of any of the obligations of the Supplier under this clause 15, or a subcontractor under the subcontract provisions referred to in clause 15.3.

16. Conflict of Interest

16.1 Warranty that there is no Conflict of Interest

The Supplier warrants that, to the best of its knowledge after making diligent inquiry, at the date of signing this Agreement no Conflict of Interest exists or is likely to arise in the performance of its obligations under this Agreement.

16.2 Notification of a Conflict of Interest

If, during the performance of the Services a Conflict of Interest arises, or appears likely to arise, the Supplier must:

- (a) notify SPREP immediately in writing;
- (b) make full disclosure of all relevant information relating to the Conflict of Interest and setting out the steps the Supplier proposes to take to resolve or otherwise deal with the Conflict of Interest; and
- (c) take such steps as SPREP reasonably requires to resolve or otherwise deal with the Conflict of Interest.

17. Security

17.1 Security Incidents

- (a) The Supplier must report to SPREP any actual or suspected Security Incident within five Business Days of the actual or suspected Security Incident.

18. Books and records

18.1 Supplier to keep books and records

The Supplier must:

- (a) keep and require its subcontractors to keep comprehensive, accurate and adequate books and records, where appropriate in accordance with International Accounting Standards, in sufficient detail to enable the amounts payable by SPREP under this Agreement to be determined; and
- (b) retain and require its subcontractors to retain all books and records relating to the Services for a period of seven years after termination or expiration of this Agreement.

19. Audit and access

19.1 Right to conduct audits

SPREP or a representative may conduct audits relevant to the performance of the Supplier's obligations under this Agreement. Audits may be conducted of:

- (a) the Supplier's operational practices and procedures as they relate to this Agreement;
- (b) the Supplier's compliance with all applicable standards, including gathering evidence of relevant certifications;
- (c) the accuracy of the Supplier's invoices and reports in relation to the provision of the Services under this Agreement;

- (d) Material (including books and records) in the possession of the Supplier relevant to the Services or this Agreement; and
- (e) any other matters determined by SPREP to be relevant to the Services or this Agreement.

19.2 Access by SPREP

- (a) SPREP may, at reasonable times and on giving reasonable notice to the Supplier:
 - (i) require the provision by the Supplier or its Personnel of records and information in a data format and storage medium accessible by SPREP; and
 - (ii) require assistance in respect of any inquiry into or concerning the Services or this Agreement. For these purposes an inquiry includes any administrative or statutory review, audit or inquiry (whether within or external to SPREP).

19.3 No reduction in responsibility

The requirement for, and participation in, audits does not in any way reduce the Supplier's responsibility to perform its obligations in accordance with this Agreement.

19.4 Subcontractor requirements

The Supplier must ensure that any subcontract entered into for the purpose of this Agreement contains an equivalent clause granting the rights specified in this clause.

20. Fraud

20.1 Compliance with Fraud Control Guidelines

- (a) The Supplier must notify SPREP immediately if it knows or has reason to suspect that any fraud has occurred or is occurring or is likely to occur in relation to this Agreement (including by the Supplier or its Personnel).

21. Unforeseen events

21.1 Occurrence of unforeseen event

Subject to clause 21.2, a party (**Affected Party**) is excused from performing its obligations under this Agreement to the extent it is prevented by circumstances beyond its reasonable control (other than lack of funds for any reason or any strike, lockout and labour disputes in respect of the Supplier only), including but not limited to acts of God, pandemic, natural disasters, acts of war, riots and strikes outside that party's organisation.

21.2 Notice of unforeseen event

When the circumstances described in clause 21.1 arise or are reasonably perceived by the Affected Party as an imminent possibility, the Affected Party must give notice of those circumstances to the other party as soon as possible, identifying the effect they will have on its performance. An Affected Party must make all reasonable efforts to minimise the effects of such circumstances on the performance of this Agreement.

21.3 Termination

If non-performance or diminished performance by the Affected Party due to the circumstances under clause 21.1 continues for a period of more than 3 consecutive

months, the other party may terminate this Agreement immediately by giving the Affected Party written notice.

21.4 Consequences of termination

If this Agreement is terminated under clause 21.3:

- (a) each party will bear its own costs and neither party will incur further liability to the other; and
- (b) where the Supplier is the Affected Party, it will be entitled to payment for Services accepted or work performed prior to the date of intervention of the circumstances described in clause 21.1.

22. Dispute resolution

22.1 No arbitration or court proceedings

If a dispute arises in relation to the conduct of this Agreement (**Dispute**), a party must comply with this clause 22 before starting arbitration or court proceedings.

22.2 Notification

A party claiming a Dispute has arisen must give the other parties to the Dispute notice setting out details of the Dispute.

22.3 Parties to resolve Dispute

- (a) During the period of 14 days after notification of a Dispute is given under clause 22.2 (or longer period if the parties agree in writing) the parties shall attempt to resolve the Dispute by negotiation at the officer level.
- (b) If the parties cannot resolve the Dispute at the officer level within that period, each party to the Dispute must use its reasonable efforts through a meeting of CEOs, agency heads, or equivalent level, to resolve the Dispute.
- (c) If the parties cannot resolve the Dispute within 14 days at the CEO, agency head or equivalent level, they must refer the Dispute to a mediator if one of them requests.

22.4 Appointment of mediator

If the parties to the Dispute cannot agree on a mediator within seven days after a request under clause 22.3 the matter will be referred to the President of the Samoa Law Society to appoint one.

22.5 Role of mediator and obligations of parties

The role of a mediator is to assist in negotiating a resolution of the Dispute. A mediator may not make a binding decision on a party to the Dispute except if the party agrees in writing. Unless agreed by the mediator and parties, the mediation must be held within 21 days of the request for mediation in clause 22.3. The parties must attend the mediation and act in good faith to genuinely attempt to resolve the Dispute.

22.6 Costs

Each party to a Dispute must pay its own costs of complying with this clause 22. The parties to the Dispute must equally pay the costs of any mediator.

22.7 Termination of process

A party to a Dispute may terminate the dispute resolution process by giving notice to each other party after it has complied with clauses 22.1 to 22.5. Breach of this clause

If a party to a Dispute breaches any of clauses 22.1 to 22.7, the other party does not have to comply with those clauses in relation to the Dispute.

22.8 Obligations continue

- (a) Despite the existence of a Dispute, the parties must continue to perform their obligations under this Agreement, unless a direction is issued in accordance with clause 22.8(b).
- (b) If directed and notified in writing by SPREP to do so, the Supplier must cease performing the obligations of the Supplier under this Agreement which are specified in SPREP's notice until SPREP issues a further written notice to the Supplier directing it to resume performance of those obligations.

23. Termination

23.1 Termination and reduction for convenience

- (a) SPREP may, at any time, by notice, terminate this Agreement or reduce the scope of the Services.
- (b) On receipt of a notice of termination or reduction the Supplier must:
 - (i) stop work as specified in the notice;
 - (ii) take all available steps to minimise loss resulting from that termination and to protect SPREP Material and Agreement Material; and
 - (iii) continue work on any part of the Services not affected by the notice.
- (c) If this Agreement is terminated under this clause 23.1, SPREP is liable only for:
 - (i) payments under clause 11 for Services rendered before the effective date of termination; and
 - (ii) reasonable costs incurred by the Supplier and directly attributable to the termination.
- (d) If the scope of the Services is reduced, SPREP's liability to pay the Fees or to provide SPREP Material abates in accordance with the reduction in the Services.
- (e) SPREP is not liable to pay compensation under clause 23.1(c)(ii) in an amount which would, in addition to any amounts paid or due, or becoming due, to the Supplier under this Agreement, exceed the total Fees payable under this Agreement.
- (f) The Supplier is not entitled to compensation for loss of prospective profits.

23.2 Termination by SPREP for default

- (a) Without limiting any other rights or remedies SPREP may have against the Supplier arising out of or in connection with this Agreement, SPREP may terminate this Agreement effective immediately by giving notice to the Supplier if:
 - (i) the Supplier breaches a material provision of this Agreement where that breach is not capable of remedy;
 - (ii) the Supplier breaches any provision of this Agreement and fails to remedy the breach within 14 days (or such other period as specified in the notice) after receiving notice requiring it to do so;

- (iii) in the opinion of SPREP, a Conflict of Interest exists which would prevent the Supplier from performing its obligations under this Agreement;
 - (iv) all or any part of the Services do not meet the Performance Criteria on two or more occasions in accordance with clause 7; or
 - (v) an event specified in clause 23.2(b) happens to the Supplier.
- (b) The Supplier must notify SPREP immediately if:
- (i) the Supplier ceases to be able to pay its debts as they become due;
 - (ii) the Supplier being a company enters into liquidation or has a liquidator or administrator appointed; or
 - (iii) the Supplier being a natural person is declared bankrupt or assigns his or her estate for the benefit of creditors.

23.3 Potential Default

- (a) For the purposes of this clause **Potential Default** means any event, thing or circumstance which does not fall within the scope of clause 20 and which likely would:
- (i) result in delay in meeting any requirement of the performance of the Services;
 - (ii) result in the Supplier not being able to achieve a Milestone; or
 - (iii) give rise to a right of termination pursuant to clause 23.2 with the giving of notice or the passage of time.
- (b) The Supplier must notify SPREP immediately upon becoming aware of a Potential Default and must include the following information, substantially in the form of the template provided by SPREP (if any), in its notice:
- (i) the nature of and reason for the Potential Default;
 - (ii) how the Supplier proposes to rectify the Potential Default;
 - (iii) the date on which the Supplier proposes that the Potential Default will be rectified; and
 - (iv) any expected impact that the Potential Default may have on the delivery of the Services.
- (c) If SPREP is not satisfied with the Supplier's proposed actions to rectify the Potential Default, SPREP acting reasonably, may by written notice to the Supplier, require the Supplier to immediately suspend the Services (in whole or in part) and / or terminate this Agreement in its entirety
- (d) No action taken by SPREP pursuant to this clause 23.3 will:
- (i) relieve the Supplier from, or alter or affect, the Supplier's liabilities or responsibilities whether under this Agreement or otherwise according to Law; or
 - (ii) prejudice SPREP's rights against the Supplier whether under this Agreement or otherwise according to Law.

23.4 After termination

On termination of this Agreement the Supplier must:

- (a) stop work on the Services;
- (b) deal with Agreement Material in accordance with clause 10.7; and
- (c) deal with SPREP Material, SPREP Data, and SPREP's Confidential Information as reasonably directed by SPREP.

24. Survival

The following clauses survive the termination and expiry of this Agreement:

- (a) clause 5.6 (Subcontracting);
- (b) clause 5.7 (Work health and safety);
- (c) clause 10 (Intellectual Property Rights);
- (d) clause 12 (Indemnity and release);
- (e) clause 13 (Insurance);
- (f) clause 14 (Confidentiality and privacy);
- (g) clause 15 (Protection of Personal Information);
- (h) clause 17 (Security);
- (i) clause 18 (Books and records);
- (j) clause 19 (Audit and access);
- (k) clause 23.4 (After termination); and

25. Notices and other communications

25.1 Service of notices

- (a) A party giving notice under this Agreement must do so in English and in writing or by Electronic Communication:
 - (i) directed to the other party's contact person at the other party's address, as varied by any notice; and
 - (ii) hand delivered or sent by prepaid post, facsimile or Electronic Communication to that address.
- (b) The parties' addresses are specified in Item 15 of the Agreement Details.

26. Miscellaneous

26.1 Ownership of Agreement

All copyright and other Intellectual Property Rights contained in this Agreement remain the property of SPREP.

26.2 Varying this Agreement

This Agreement may be varied only in writing signed by each party.

26.3 Assignment and novation

A party may only assign its rights or novate its rights and obligations under this Agreement with the prior written consent of the other party.

26.4 Costs

Each party must pay its own costs of negotiating, preparing and executing this Agreement.

26.5 Entire agreement

This Agreement constitutes the entire agreement between the parties in connection with its subject matter and supersedes all previous agreements or understandings between the parties in connection with its subject matter.

26.6 Severability

A term or part of a term of this Agreement that is illegal or unenforceable may be severed from this Agreement and the remaining terms or parts of the terms of this Agreement continue in force.

26.7 Waiver

Waiver of any provision of or right under this Agreement:

- (a) must be in writing signed by the party entitled to the benefit of that provision or right; and
- (b) is effective only to the extent set out in any written waiver.

26.8 Relationship

- (a) The parties must not represent themselves, and must ensure that their Personnel do not represent themselves, as being an officer, employee, partner or agent of the other party, or as otherwise able to bind or represent the other party.
- (b) This Agreement does not create a relationship of employment, agency or partnership between the parties.

26.9 Announcements

- (a) The Supplier must, before making a public announcement in connection with this Agreement or any transaction contemplated by it, obtain SPREP's agreement to the announcement, except if required by Law or a regulatory body.
- (b) For the avoidance of doubt, SPREP does not require the consent of the Supplier to the making of the announcement.

26.10 Specific Requirements of the Funding Donor

A Donor may from time to time specify that SPREP apply certain restrictive measures to the arrangements for the provision of the Services, including such measures which may restrict SPREP's ability to enter into a binding agreement with certain potential Suppliers. Where specified under Item 9 of Schedule 1, the following restrictive measures shall apply to this Agreement:

- (a) Circumstances where the European Union (EU) is Donor
 - (i) Entities designated on by the EU as subject to restrictive measures in the lists provided at www.sanctionsmap.eu ("EU Restrictive Measures") are ineligible to be engaged by SPREP on European Union funded projects.
 - (ii) In the event that SPREP becomes aware that the Supplier falls under the scope of EU restrictive measures, SPREP shall immediately terminate the Agreement in accordance with clause 23.1(a).
 - (iii) Where termination of the Agreement is required under (ii) above, only the provisions of clause 23.1(b)(i) and (ii) shall remain in effect. All other

provisions under clause 23.1(b)(iii) and clauses 23.1(c) through (e) will no longer apply.

- (iv) If the Supplier was aware of the designation by EU restrictive measures, SPREP reserves the right to recover any monies paid to the Supplier in undertaking the scope of works.

(b) Circumstances where funding has been provided by the Green Climate Fund

- (i) The Supplier will ensure compliance with:
 - A. the Anti-Money Laundering and Counter the Finance of Terrorism, “know your customer” and other similar checks to ensure the Supplier meets international best fiduciary standards and practices in relation to the delivery of the Services; and
 - B. the anti-bribery laws of Samoa and any other relevant laws, and they shall not, directly or indirectly, pay, offer, give, promise to pay or authorize the payment of, or solicit, receive or agree to receive, any monies or other things of value to or from anyone in order to obtain, influence, or reward any improper advantage.

26.11 Governing law and jurisdiction

This Agreement is governed by the law of the Independent State of Samoa.

26.12 Privileges and Immunities

Nothing in or relating to this Agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of SPREP.

Schedule 1 – Agreement Details

| Item No. | Description | Clause reference | Details |
|----------|--------------------------|------------------|---|
| 1. | SPREP details | 1.1 | Secretariat of the Pacific Regional Environment Programme (SPREP) |
| 2. | SPREP Representative | 1.1 | Name: <i>[insert details]</i> Position: <i>[insert details]</i> Phone: <i>[insert details]</i> Email: <i>[insert details]</i> |
| 3. | Supplier details | 1.1 | <i>[Insert name of Supplier]</i> |
| 4. | Supplier Representative | 1.1 | Name: <i>[insert details]</i> Position: <i>[insert details]</i> Phone: <i>[insert details]</i> Email: <i>[insert details]</i> |
| 5. | Commencement Date | 1.1 and 3 | The date this Agreement is signed by the last party. [OR - <i>change the above text to a specific date e.g., dd/mm/yy, if required</i>] |
| 6. | End Date | 1.1 and 3 | <i>[Insert the End Date]</i> |
| 7. | Option Period | 1.1 and 3.2 | <i>[if no Option period is offered, delete all text in this field and replace with 'Nil']</i> <i>[Option 1]</i> One period being <i>[Insert number]</i> month(s) in duration. <i>[Option 2]</i> One further period being <i>[Insert number]</i> month(s) in duration. |
| 8. | Standards and guidelines | 5.1(c) | <i>[Insert details of any applicable standards and guidelines, otherwise insert 'Not applicable']</i> |
| 9. | SPREP requirements | 5.1(e) | (a) Child Protection Policy i. The Supplier must comply with its obligations, if any, under the SPREP Child Protection Policy. SPREP will ensure that the Supplier has access to this policy prior to execution of |

| Item No. | Description | Clause reference | Details |
|----------|---------------------|------------------|--|
| | | | <p>the Agreement, and the Supplier may make enquiries of SPREP around the application of, or updates to, the policy at any time during the Agreement Period.</p> <p>ii. If the Supplier becomes non-compliant with this policy during the Agreement Period, the Supplier must notify SPREP.</p> <p><i>[Insert particular requirements and/or additional SPREP policies with which the Supplier must comply as new sub-items after ‘(a) Child Protection Policy’ above. For example, SPREP’s Environmental and Social Safeguards policy, or any restrictive measures which may be required by the Donor – see clause 26.10.]</i></p> |
| 10. | Subcontractors | 5.6 | <i>[Insert names of any subcontractors. Otherwise insert 'Not applicable']</i> |
| 11. | Specified Personnel | 8 | <i>[Insert names and positions of Specified Personnel. Otherwise insert 'Not applicable']</i> |
| 12. | SPREP Material | 1.1 and 9 | <i>[Insert specific Material to be provided to the Supplier by SPREP (if any) and any restrictions on the use of the Material. Otherwise insert 'Not applicable'.]</i> |
| 13. | Insurance | 13.1 | <p>From the Commencement Date and for the periods specified in clause 13:</p> <p>(a) to the extent required by Law, workers’ compensation insurance in respect of the Supplier’s liability for any loss or claim by a person employed or otherwise engaged, or deemed to be employed or otherwise engaged, by the Supplier in connection with the Services;</p> <p>(b) public liability insurance covering legal liability (including liability assumed under contract) for loss or damage to property or injury or death to persons arising out of or in connection with carrying out the Services for an insured amount of \$10 million.</p> <p>(c) either professional indemnity or errors and omissions insurance for an insured amount of \$10 million.</p> |

| Item No. | Description | Clause reference | Details |
|----------|--------------------------|------------------|---|
| 14. | Confidential Information | 1.1 and 14 | <p>SPREP Confidential Information: [insert relevant items]</p> <p>Supplier's Confidential Information: [insert relevant items]</p> |
| 15. | Address for notices | 25.1 | <p>SPREP: Name: [insert details] Position: [insert details] Secretariat of the Pacific Regional Environment Programme Physical address: Avele Road, Apia, Samoa Email: [Insert email address]</p> <p>Supplier: Name: [insert details] Position: [insert details] [Insert organisation name] Postal address: [Insert postal address] Physical address: [Insert physical address] Email: [Insert email address]</p> |

Schedule 2 – Statement of Work

1. Introduction

1.1 SPREP

- (a) The Secretariat of the Pacific Region Environment Programme (SPREP) is the regional organisation established by the Governments and Administrations of the Pacific charged with protecting and managing the environment and natural resources of the Pacific.
- (b) The head office is based in Apia, Samoa with over 100 staff. There are SPREP offices in Fiji, Republic of the Marshall Islands and Vanuatu as well as SPREP Officers stationed in Solomon Islands.
- (c) The establishment of SPREP in 1993 sent a clear signal to the global community of the deep commitment of Pacific island Governments and Administrations for better management of the environment within the context of sustainable development.
- (d) The strategic direction for SPREP is clearly set out in the 2017-2026 SPREP Strategic Plan. The Plan outlines the mandate, vision and programmes for the organisation, and places strong emphasis on effective delivery of services to SPREP Member countries and territories.

1.2 SPREP's Mandate and Regional Goals

- (a) SPREP's mandate is to promote cooperation in the Pacific region and provide assistance to Pacific island countries and territories in order to protect and improve its environment and to ensure sustainable development for present and future generations.
- (b) SPREP's Regional Goals are as follows:
 - **Regional Goal 1:** Pacific people benefit from strengthened resilience to climate change;
 - **Regional Goal 2:** Pacific people benefit from healthy and resilient island and ocean ecosystems;
 - **Regional Goal 3:** Pacific people benefit from improved waste management and pollution control;
 - **Regional Goal 4:** Pacific people and their environment benefit from commitment to and best practice of environmental governance.
- (c) SPREP approaches the environmental challenges faced by the Pacific guided by four simple Values. These values guide all aspects of our work:
 - We value the Environment
 - We value our People
 - We value high quality and targeted Service Delivery
 - We value Integrity

2. Project Scope

2.1 [insert the title of the head Project / Programme] Background and Objectives

- (a) [Provide an outline of the Project supporting the action / activity for which these Services are required]
- (b) [What are the Project's overarching goals, objectives and / or outcomes?]
- (c) [What is the Project's schedule for the Services?]

3. Services (clauses 1.1 and 5)

3.1 Services to be delivered under this Agreement

- (a) **Note: this section can be structured to reflect the Project's requirements for service delivery – but must reflect the original Service requirements as outlined in the Approach to Market. DO NOT insert service delivery details proposed by the preferred Supplier in their response to the Approach to Market here];**
- (b) [insert description of Services];
- (c) [insert description of Services]
- (d) In providing the Services, the Supplier must:
 - (i) [insert specific Project requirements or Service delivery expectations – e.g. minimum requirements for Supplier personnel, key tasks, Project expectations or priorities, any known obstacles / limitations and Project timeframes].
 - (ii) [insert specific Project requirements or Service delivery expectations].

4. Deliverables (clause 1.1)

| No. | Description of Deliverable / Milestone | Contact for Delivery | Delivery Location / Email | Due Date |
|-----|--|----------------------|---------------------------|----------|
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
| 4. | | | | |
| 5. | [insert or delete rows as required] | | | |

5. Performance Criteria (clauses 1.1 and 7)

| No. | Service/Deliverable | Performance Criteria | Assessment date |
|-----|---------------------|----------------------|-----------------|
| 1. | | | |

| No. | Service/Deliverable | Performance Criteria | Assessment date |
|-----|--|----------------------|-----------------|
| 2. | | | |
| 3. | | | |
| 4. | | | |
| 5. | <i>[insert or delete rows as required]</i> | | |

6. Progress meetings (clause 6.1)

6.1 The Supplier is required to attend meetings as follows:

| Meeting Type | Representatives Required | Frequency | Teleconference / Site |
|--|--------------------------|-----------|-----------------------|
| | | | |
| | | | |
| | | | |
| | | | |
| <i>[insert or delete rows as required]</i> | | | |

7. Reporting (clause 6.2)

7.1 During the term of this Agreement the Supplier must provide SPREP with reports as set out in the table below:

| Report type and content | Description | Due Date |
|--|--|----------|
| | <i>[Ensure you highlight here whether one of the reports in this section is also listed as a Milestone in the table above – i.e. you could state ‘The submission and acceptance by SPREP of this report represents Milestone No. 2 for the Agreement’]</i> | |
| | | |
| | | |
| | | |
| <i>[insert or delete rows as required]</i> | | |

8. Facilities and Assistance Offered by SPREP

8.1 *[if SPREP will not be providing any direct support or assistance to the Supplier, then delete this text and insert 'Nil']* SPREP will provide the following facilities and assistance to support the Supplier in their delivery of the services:

- (a) **Logistics – [e.g. assistance in gaining entry clearance, confirming accommodation, work sites and related facilities];**
- (b) **Documentation - [e.g. SPREP will provide relevant Project materials for context, supporting data or previous reports];**
- (c) **Facilities - [e.g. if the Supplier is likely to be working from SPREP's central or regional offices, whether a room and IT support will be provided];**
- (d) **[insert any other assistance which SPREP will provide to the Supplier]**

9. Unspecified

9.1 *[insert new headings / sections consistent with the original Terms of Reference / requirements issued with the Approach to Market – or – delete this section].*

Schedule 3 – Payment

1. Maximum Agreement Value

- 1.1 The maximum value of the Agreement inclusive of all taxes and charges will not exceed **USD \$***[insert maximum value including all fees and expenses – if any]* as set out below.

2. Fixed Fees (including all expenses clause 11)

- 2.1 The Supplier will invoice SPREP for the following Fixed Fees for the Services: *[retain if the payment arrangements for the Services are to be based upon a Fixed Fee arrangement. If the payment arrangements are to be based on Daily or Hourly rates, delete this Fixed Fees section]*

| Type | Charges | Units | Total |
|------------------------|---------|-------|-------|
| Fees (fixed) | | | |
| Other charges (if any) | | | |
| | TOTAL | | |

3. Milestone Payments

- 3.1 Progress payments of the Fixed Fees (inclusive of all taxes and charges) will be made as follows: *[retain if the payment arrangements for the Services are to be based upon a Fixed Fee arrangement. If the payment arrangements are to be based on Daily or Hourly rates, delete this Milestone Payments section]*

| Milestone date | Milestone/Deliverable | Milestone Payment |
|----------------|-----------------------|-------------------|
| | | |
| | | |
| TOTAL | | |

4. Hourly rates (clause 11)

- 4.1 The Supplier will invoice SPREP for the Services monthly in arrears based on the following Hourly rates: *[retain if the payment arrangements for the Services are to be based upon agreed Hourly rates. If the payment arrangements are to be based on Daily rates or Fixed Fees, delete this Hourly rates section]*

4.2

| Personnel | Hourly rate (USD) | Units | Maximum hours or days to be worked daily | Charges |
|-----------|-------------------|-------|--|---------|
| | | | | |

| | | | | |
|-----------|--|--|--|--|
| | | | | |
| | | | | |
| Sub total | | | | |
| TOTAL | | | | |

5. Daily rates (clause 11)

- 5.1 The Supplier will invoice SPREP for the Services monthly in arrears based on the following Daily rates: ***[retain if the payment arrangements for the Services are to be based upon agreed Daily rates. If the payment arrangements are to be based on Hourly rates or Fixed Fees, delete this Daily rates section]***

| Personnel | Daily rate (USD) | Units | Charges |
|-----------|------------------|-------|---------|
| | | | |
| | | | |
| Sub total | | | |
| TOTAL | | | |

6. Expenses (clause 11.5)

[Option 1 – retain or delete as required]

- (a) No allowances or expenses are payable to the Supplier.

[Option 2 – retain or delete as required]

- (a) Subject to Item 6(b) below, SPREP will not pay any travel, accommodation or other expenses unless they have been pre-approved in writing by SPREP.
- (b) The Supplier will be reimbursed for the actual cost of travel and related accommodation where they are pre-approved in writing by SPREP. The Supplier must submit an invoice for those expenses and SPREP will reimburse the Supplier in accordance with the invoicing procedures set out in this Schedule.

7. Invoicing requirements (clause 11.2)

- (a) Invoices must contain the following information:
- (i) the details of the amount of time spent by each of the person including Specified Personnel on the Services for the period to which the invoice relates and a record detailing how the relevant Milestone dates have been met;
 - (ii) contract number;
 - (iii) period covered by invoice;
 - (iv) title and description of the Services;

- (v) the amount of any allowances or expenses which are to be reimbursed in accordance with Item 6 of this Schedule 3 together with any substantiating material required; and
 - (vi) any other information reasonably requested by SPREP from time to time.
- (b) Invoices must to be sent to:

[Insert position and name of SPREP's representative]

[Insert details of Programme / Section / Project]

Secretariat of the Pacific Regional Environment Programme

P.O. Box 240, Apia, SAMOA

Execution page

EXECUTED as an agreement

SIGNED for and on behalf of the
Secretariat of the Pacific Regional
Environment Programme

Kosi Latu

Director General of SPREP

Date

**SIGNED for and on behalf of [*Supplier
name*]**

[Authorised representative's name] (print)

[position]

Date