

**Federated States of Micronesia**

**FSM and RMI: Implementation Capacity for  
Transformative Results (IMPACT)**

**P506422**

**ENVIRONMENTAL AND SOCIAL  
COMMITMENT PLAN (ESCP)**

**For Negotiations**

**9 April 2025**

## **ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN**

1. The Federated States of Micronesia (the Recipient) will implement the FSM and RMI: Implementation Capacity for Transformative Results (IMPACT) Project (the Project), with the involvement of the Department of Finance and Administration (DOFA), as set out in the Financing Agreement (the Agreement). The International Development Association (the Association) has agreed to provide financing for the Project, as set out in Agreement.
2. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards (ESSs) and this Environmental and Social Commitment Plan (ESCP), in a manner acceptable to the Association. The ESCP is a part of the Agreement. Unless otherwise defined in this ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the Agreement.
3. Without limitation to the foregoing, this ESCP sets out material measures and actions that the Recipient shall carry out or cause to be carried out, including, as applicable, their respective timeframes; institutional, staffing, training, monitoring and reporting arrangements; and grievance management. The ESCP also sets out the environmental and social (E&S) documents that shall be prepared or updated, consulted, disclosed and implemented under the Project, consistent with the ESSs, in form and substance acceptable to the Association. Said E&S documents may be revised from time to time with prior written agreement by the Association. As provided for under the referred Agreement, the Recipient shall ensure that there are sufficient funds available to cover the costs of implementing the ESCP.
4. As agreed by the Association and the Recipient, this ESCP will be revised from time to time, if necessary, to reflect adaptive management of Project changes or unforeseen circumstances or in response to Project performance. In such circumstances, the Association and the Recipient agree to update the ESCP to reflect these changes through an exchange of letters signed between the Association and the Recipient's Representative specified in the Agreement or the Secretary of DOFA. The Recipient shall promptly disclose the updated ESCP.
5. The subsection on "Indicators for Implementation Readiness" below identifies the actions and measures to be monitored to assess Project readiness to begin implementation in accordance with this ESCP. Nevertheless, all actions and measures in this ESCP shall be implemented as set out in the "Timeframe" column below irrespective of whether they are listed in the referred subsection.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
IMPLEMENTATION ARRANGEMENTS AND CAPACITY SUPPORT			
A	<b>ORGANIZATIONAL STRUCTURE</b> Establish and maintain a Project Implementation Unit (PIU) in the Department of Finance and Administration (DOFA) with qualified staff and resources to support management of environmental, social, health and safety (E&S) risks and impacts of the Project, with support for E&S risk management provided by the Central Implementation Unit (CIU).	Establish and maintain the PIU throughout project implementation, with support for E&S risk management provided by the CIU.	Department of Finance and Administration (DOFA)
B	<b>CAPACITY BUILDING PLAN/MEASURES</b> Prepare and implement training to the PIU and other project stakeholders as relevant including staff responsible for the Project Operation Manual (POM) and project implementation on the Project's environmental, social, health and safety requirements including on labor management, stakeholder engagement and grievance redress.	Throughout project implementation	DOFA to arrange training and to keep records
MONITORING AND REPORTING			
A	<b>REGULAR REPORTING</b> Prepare and submit to the Association regular monitoring reports on the environmental, social, health and safety (ESHS) performance of the Project, as part of the overall project reporting, including but not limited to the implementation of the ESCP, stakeholder engagement activities, and functioning of the grievance mechanism.	Submit annual reports to the Association throughout Project implementation, commencing after the Effective Date as part of the project level reporting.	DOFA
B	<b>INCIDENTS AND ACCIDENTS</b> Notify the Association of any incident or accident relating to the project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers including allegations of sexual exploitation or abuse (SEA), or sexual harassment (SH). Provide available details of the incident or accident to the Association upon request.  Arrange for an appropriate review of the incident or accident to establish its immediate, underlying and root causes. Prepare, agree with the Association, and implement a Corrective Action Plan that sets out the measures and actions to be taken to address the incident or accident and prevent its recurrence.	Notify the Association no later than 48 hours after learning of the incident or accident. Provide available details upon request.  Provide review report and Corrective Action Plan to the Association no later than 10 days following the submission of the initial notice, unless a different timeframe is agreed to in writing by the Association.	DOFA

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
<b>ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS</b>			
1.1	<b>TECHNICAL ASSISTANCE</b> Carry out the consultancies, studies, capacity building, training, and any other technical assistance activities under the Project in accordance with terms of reference acceptable to the Association, that are consistent with the ESSs. Thereafter ensure that outputs of such activities comply with the terms of reference.	Throughout Project implementation.	DOFA
<b>ESS 2: LABOR AND WORKING CONDITIONS</b>			
2.1	<b>LABOR MANAGEMENT PROCEDURES</b> Ensure that Project workers are engaged in the implementation of the Project in accordance with FSM labor requirements and ESS2 including workers engaged as interns. This includes, inter alia, provisions on working conditions, management of workers relationships, occupational health and safety (including personal protective equipment, and emergency preparedness and response), training of interns, code of conduct (including relating to SEA and SH), forced labor, child labor, grievance arrangements for interns. The POM will include these measures to ensure compliance with ESS2.	Incorporate measures into the POM and implement throughout project implementation.	DOFA
<b>ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</b>			
	Not relevant		
<b>ESS 4: COMMUNITY HEALTH AND SAFETY</b>			
	Not relevant		
<b>ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT</b>			
	Not relevant		
<b>ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES</b>			
	Not relevant		
<b>ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES</b>			
	Not relevant		
<b>ESS 8: CULTURAL HERITAGE</b>			
	Not relevant		
<b>ESS 9: FINANCIAL INTERMEDIARIES</b>			
	Not relevant		
<b>ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE</b>			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
10.1	<p><b>STAKEHOLDER ENGAGEMENT PLAN</b></p> <p>Incorporate stakeholder engagement and information disclosure measures in the POM and in the design and implementation of the Project activities, including awareness campaigns, in a manner consistent with ESS10 including inter alia, providing stakeholders with timely, relevant, understandable and accessible information, consulting in a culturally appropriate manner which is free of manipulation, interference, coercion, discrimination and intimidation; and documenting stakeholder engagement activities.</p>	Stakeholder engagement and information dissemination measures to be included in the POM before the commencement of Project activities, and thereafter implement stakeholder engagement activities throughout Project implementation.	DOFA
10.2	<p><b>PROJECT GRIEVANCE MECHANISM</b></p> <p>Establish, publicize, maintain, and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances in relation to the Project, promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all Project-affected parties, at no cost and without retribution, including concerns and grievances filed anonymously, in a manner consistent with ESS10.</p> <p>The grievance mechanism shall be equipped to receive, register, and facilitate the resolution of SEA/SH complaints, including through the referral of survivors to relevant gender-based violence service providers, all in a safe, confidential, and survivor-centered manner.</p>	Grievance process to be included in the POM and disclosed on the DOFA website and operated throughout Project implementation.	DOFA
INDICATORS FOR IMPLEMENTATION READINESS			
None.			