

**GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA (FSM)
CONTINGENT EMERGENCY RESPONSE PROJECT**

WORLD BANK-FUNDED

**ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN
(ESMP)**

JULY 2026

Table of Contents

List of Tables.....	ii
List of Figures.....	ii
Acronyms and Abbreviations	iii
SECTION 1: BACKGROUND	4
SECTION 2: BASELINE ENVIRONMENTAL AND SOCIAL CONDITIONS IN FSM.....	7
SECTION 3: PROJECT ACTIVITIES.....	18
SECTION 4: NATIONAL & WORLD BANK E&S REQUIREMENTS.....	20
SECTION 5: SUPPLEMENTAL E&S MEASURES	28
Risk Management for Cross Cutting Issues.....	39
SECTION 6: PROCEDURES TO ADDRESS ENVIRONMENTAL AND SOCIAL ISSUES	43
SECTION 7: CONSULTATION AND DISCLOSURE	44
SECTION 8: INSTITUTIONAL ARRANGEMENTS AND RESOURCES	44
SECTION 9: MONITORING AND REPORTING	45
Annex-1: Guiding notes to address E&S risk associated with Liquid Fuel Unloading, Storage, Transport, and Distribution under Contingent Emergency Response Project (CERP) Beyond the Routine Country Systems in Federated States of Micronesia	47

List of Tables

<i>Table 1: Hazards Confronted by Each FSM State.....</i>	<i>4</i>
<i>Table 2: Positive list of eligible expenditures</i>	<i>18</i>

List of Figures

<i>Figure 1:FSM CERP Institutional Structure for Project Implementation</i>	<i>45</i>
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Acronyms and Abbreviations

CERP	Contingent Emergency Response Project
DECEM	Department of Environment, Climate Change and Emergency Management
DoFA	Department of Finance and Administration
DR&D	Department of Resources and Development
DTC&I	Department of Transport, Communications and Infrastructure
E&S	Environment and Social
EEZ	Exclusive Economic Zones
EHS	Environment, Health and Safety Guidelines
EIA	Environmental Impacts Assessment
ENSO	El Niño Southern Oscillation
EOC	Emergency Operation Centre
EHSs	Environment, Health & Safety Guidelines
EPA	Environmental Protection Agency
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESMP	<i>Environmental and Social Management Plan</i>
ESS	Environmental & Social Standard
FSM	Federated States of Micronesia
GBV	Gender Based Violence
GoFSM	Government of the Federated States of Micronesia
KIRMA	Kosrae Island Resource Management Authority
MoU	Memorandum of Understanding
NDC	National Disaster Committee
NDCT	National Disaster Coordination Team
NEOC	National Emergency Operation Centre
OHS	Occupational Health & Safety
NGOs	Non-Government Organizations
OHS	Occupational Health & Safety
PIU	Project Implementation Unit
PSC	Project Steering Committee
SEA/SH	Sexual Exploitation and Abuse and Sexual Harassment
SOP	Standard Operating Procedure
SEP	Stakeholders Engagement Plan
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
WB	World Bank

SECTION 1: BACKGROUND

The Federated States of Micronesia (FSM) is highly vulnerable to a range of environmental, socio-economic, and health-related threats. The FSM is an island country in the Pacific Ocean’s “Ring of Fire.” However, earthquakes, tsunamis, and volcanic eruptions pose a less frequent threat to the country than do typhoons, droughts, and landslides¹.

The FSM is prone to natural and man-made hazards including coastal erosion, rising sea level, storm surge and tsunami; dam failure; drought; earthquake; epidemic; flood; rain-induced landslide; tropical cyclone; wildfire; and man-made hazards². The state wise hazards confronted by the FSM are presented in Table 1.

Table 1: Hazards Confronted by Each FSM State

Chuuk	Drought, typhoon and tropical storm, storm waves, flooding, landslide, sea surge
Kosrae	Tropical storms and typhoon, drought, landslide, high tides, sea swells, storm surges, sea level rise
Pohnpei	Drought, variable rainfall, landslide, El Niño typhoons
Yap	Typhoon, flooding, drought, sea surges, earthquake

Project Beneficiaries: The direct beneficiaries of the project are the citizens of FSM. The project is national in scope, and therefore, the benefits will accrue to all citizens, encompassing a broad range

¹ FSM Disaster Management Reference Handbook November 2022 prepared by Center For Excellence In Disaster Management & Humanitarian Assistance <https://reliefweb.int/report/micronesia-federated-states/federated-states-micronesia-disaster-management-reference-handbook-november-2022#:~:text=EXECUTIVE%20SUMMARY,intense%20pressure%20under%20normal%20circumstances.>

² <https://bsrp.gsd.spc.int/index.php/federated-states-of-micronesia/#:~:text=FSM%20is%20prone%20to%20natural,states%20have%20disaster%20management%20plans.>

of demographic and socioeconomic groups. Vulnerable groups, including women, children, the elderly, and people with disabilities, will receive targeted support to ensure their safety and resilience during and after disasters.

World Bank Support: The World Bank is providing support the Government of the Federated States of Micronesia (FSM) for preparedness planning to provide an optimal response to a broad range of natural or man-made disasters, drawing on undisbursed financing from across the country portfolio. Such events, which are growing more frequent, place a significant burden on Governments and Implementing Agencies, particularly where it is imperative to provide an immediate response to address the devastating impacts of such events. As such, the Bank is offering to provide the Republic of FSM with just-in-time support for preparedness planning through a Contingent Emergency Response Project (CERP).

The CERP is a portfolio wide operation. Preparation follows a simplified process and benefits from the flexibilities of Paragraph 12 of the WB's Investment Project Financing policy (Situations of Urgent Needs and Capacity Constraints)³. The World Bank is repurposing up to 10% of undisbursed and uncommitted balances in FSM's "Investment Project" portfolio per year for emergency response. Each response to an eligible emergency under the CERP will have a short implementation period, expected to not exceed 12 months.

Alignment with World Bank Environmental and Social Framework and FSM country systems. All activities financed through the FSM CERP are subject to the World Bank's Environmental and Social Framework (ESF)⁴. This adherence is in line with Paragraph 12 of the Investment Project Financing (IPF) Policy⁵, which remains applicable upon the activation of the CERP. Considering the Positive List, the E&S assessments will ensure that as much as possible is known regarding risks and management measures in anticipation of an emergency response. The E&S requirements and instruments are described in the CERP Environmental and Social Commitment Plan (ESCP). The CERP was classified as a Moderate risk project. The FSM CERP Project Implementation Unit (PIU)

³ <https://thedocs.worldbank.org/en/doc/6da2e812c0b8e84a1a614bb3c0507e5a-0290012023/original/Bank-Policy-Investment-project-financing.pdf>

⁴ <https://thedocs.worldbank.org/en/doc/837721522762050108-0290022018/original/ESFFramework.pdf>

⁵ <https://ppfdocuments.azureedge.net/8fec6409-d5bf-4eb9-b347-353877ad356f.pdf>

will ensure compliance with all the E&S requirements and reporting, as established in the CERP ESCP. Any updates to the CERP's ESCP, due to the CERP Activation or implementation, will be subject to World Bank review and be agreed between Government and the World Bank via exchange of letters as defined in the provisions of the respective ESCP, prior to disclosure.

The FSM Department of Finance and Administration (DOFA) Central Implementation Unit for World Bank funded projects (CIU) has prepared an Environmental and Social Management Plan (ESMP) that describes the potential emergencies and types of activities likely to be financed and evaluates the potential risks and mitigation measures. The CERP ESMP provides the screening procedures, including guidance for impact identification and mitigation to ensure that activities supported under the CERP are consistent with the World Bank's Environmental and Social Framework (ESF)⁶ and WB Group Environment, Health and Safety Guidelines (WB EHSG)⁷ requirements and compliant with FSM's regulations in a manner that is proportionate to the likely environmental and social risks and impacts.

On activation of the FSM CERP and receipt of funds, the Implementing Agencies will proceed immediately to implement the specified Activities. The Implementing Agency will follow the national law requirements for each Activity set out in Section 4, supplemented or adjusted as appropriate by the measures set out in Section 5. Together, through application of appropriate mitigation measures, the Activities will be implemented in accordance with the ESF.

The Implementing Agency(s) in certain circumstances, may choose to implement alternative or additional measures if, during implementation, these are more effective in addressing the E&S risks and impacts of the activity. The Implementing Agency will follow the national law requirements for each Activity as set out in Section 4, supplemented or adjusted as appropriate by the measures set out in Section 5.

⁷ <https://documents1.worldbank.org/curated/en/157871484635724258/pdf/112110-WP-Final-General-EHS-Guidelines.pdf>

⁷ <https://documents1.worldbank.org/curated/en/157871484635724258/pdf/112110-WP-Final-General-EHS-Guidelines.pdf>

SECTION 2: BASELINE ENVIRONMENTAL AND SOCIAL CONDITIONS IN FSM

This section provides general information on relevant baseline conditions in the country, as they are relevant to the Activities identified in Section 3. The following section describes key environmental and social features of the country as the project activities shall be carried out in four states of the country.

Governance: The 1979 FSM constitution contains a declaration of rights which stipulates basic standards of human rights and a provision protecting traditional rights. The Government is separated into executive, legislative, and judicial branches at the national level; however, much of the governmental functions are carried out by state governments, except defence and security issues. There are four states in FSM (Yap, Chuuk, Pohnpei, and Kosrae), each with its own constitution, elected legislature, and governor. Individual states have responsibility for their own regional development, as well as health and education services, and each state government has its own power regarding budgetary policy. However, there are a number of federal responsibilities, such as immigration, taxes, and the regulation of currency⁸.

Geography: FSM is located in the West Pacific, north of the equator between Palau and Marshall Islands. Most of the islands that make up the FSM are low coral atolls, although high islands formed by volcanic activity or geological uplifting are located on the western edge of the region⁹. Some islands are tips of mountain peaks thrust above the surface and now surrounded by fringing reefs. Others are atolls or islands that have sunk beneath the surface, leaving a ring of coral barrier reef and tiny island islets. Some island states are mixtures of atolls and high rugged islands within a lagoon¹⁰. Each state has one main high island where the majority of the population is resident. The state-wise topographic and geographic descriptions are as follows;

⁸ Jane's by IHS Markit. Jane's Sentinel Security Assessment Oceania. Micronesia. April 17, 2019.

⁹ Encyclopedia Britannica. Micronesian Culture. R. Kiste, J. Fischer, M. Kahn. Website last updated 2019. <https://www.britannica.com/place/Micronesia-cultural-regionPacific-Ocean/Art>

¹⁰ Federated States of Micronesia Visitors Board. About the Federated States of Micronesia. 2012. <http://www.visitmicronesia.fm/about/index.html>

- **Pohnpei State** has 345.5 km² (133.4 square miles) of land area, of which 337 km² (130 square miles) is accounted for by Pohnpei island. Pohnpei is surrounded by a barrier reef with many small islets. Situated near Pohnpei are the low-lying coral atolls of Oroluk, Pakin, and Ant to the west; Ngatik, Nukuoro, and Kapingamarangi to the southwest; and Mokil and Pingelap to the east. The island has heavy rainfall, fertile soil, and tropical foliage.
- **Kosrae** is one high island of 110 km² (42.3 square miles). It is characterized as being volcanic in origin and is hilly, rising to 629 m (2,064 feet).
- **Chuuk State** has a total land area of 127 km² (49.2 square miles) and includes seven major island groups. Chief islands are Weno (formerly Moen), Tonoas, Fefan, Uman, Uatschaluk (Udot), and Tol. The high islands of the Chuuk group have mangrove swamps along their coasts and rainforests in the central mountainous areas. The Chuuk Islands are encircled by a barrier reef composed of some 85 sand and coral islets. The reef encloses a lagoon that is 2,129 km² (822 square miles) in area and has a diameter of some 65 km (40 miles).

Yap State is made up of four large islands, seven small islands, and 134 atolls, with a total land area of 118 km² (45.6 square miles). The archipelago comprises the islands of Gagil-Tamil, Maap, Rumung, and Yap within a coral reef. Yap has a central range of hills rising to Mount Taabiywol at 173 meters (m; 568 feet) and is thickly wooded.

Climate: FSM has a tropical climate with consistent warm temperatures with averages of 80° F year around, with highs in the upper 80s and lows in the upper 70s. The rainfall on the main island of each State varies and the dry and wet seasons vary. Rainfall is heaviest during the summer months. The rainfall on each island varies during the dry and wet seasons but is heaviest during the summer months. Trade winds come mainly from the northeast from December through June. Pohnpei is one of the wettest places on Earth, receiving up to 838 centimeters (cm; 330 inches) of rain per year. Chuuk features a tropical rainforest climate characterized by consistently warm, humid weather year-round with abundant rainfall and minimal seasonal fluctuation. Temperatures remain steady, averaging highs of 88°F (31°C) and lows of 76°F (24°C), while annual rainfall often exceeds 130 inches. Kosrae also has a wet, tropical marine climate characterized by consistently warm temperatures year-round, high humidity, and abundant rainfall. Located just 5° north of the equator,

the island avoids major seasonal shifts, offering a highly uniform weather profile. In Yap average annual rainfall is about 120 inches (3,000 mm)¹¹.

Disaster Risk: The most common hazards that FSM experiences are typhoons, landslides, and drought, and it confronts earthquakes and sea level rise, but it is also vulnerable to disease outbreaks, fire, food insecurity, and tsunami. The El Niño Southern Oscillation (ENSO) influences the formation of typhoons, the distribution of rainfall, and the height of sea level in the western Pacific. In general, typhoon activity is higher in the western FSM states compared to the east. The historical natural disasters reported in the FSM are briefly summarized in the following sections;

- **Drought:** The ENSO has a strong effect on precipitation in Micronesia, with strong El Niño events corresponding closely with an increased risk for drought in the following year. Despite typically plentiful rainfall (Pohnpei is one of the wettest places on Earth), the islands of FSM have limited water storage capacity and small groundwater supplies. The states have experienced several severe droughts in recent times - 1982-83, 1992-93, 1997-98, 2007-08, and 2015-16.¹² FSM's Second National Communication to the UNFCCC highlights that almost all extremely dry years occur during the year following an El Niño event, and in some years, drought conditions have continued through the wet season. According to the Emergency Events Database (EM-DAT), the worst two disasters to affect FSM have been droughts. In 1998, drought associated with El Niño affected some 28,800 persons. The 2015-16 El Niño induced a moderate to severe drought, estimated to have affected 100,000 persons, i.e., about 96% of the total population. Drought events have also led to food shortages, wildfires, threats to local biodiversity, and water rationing.¹³ According to global climate model projections, drought frequency is projected to decrease Yap is drier than the other states and is highly susceptible to drought. While the main island of Yap possesses adequate groundwater sources, during prolonged droughts such as the 1997-98 event, these water sources have been known to dry up. The lack of adequate water storage capacity

¹¹ Tourism FSM. About Federated States of Micronesia.

¹² PIRCA – Pacific Islands Regional Climate Assessment. Federated States of Micronesia. Accessed 22 August 2022. <https://pirca.org/federated-states-of-micronesia/>

¹³ World Bank Group and Asian Development Bank. Climate Risk Country Profile: Micronesia. 2021. <https://reliefweb.int/report/micronesia-federated-states/climate-risk-country-profile-micronesia>

on outlying islands increases vulnerability to the impacts of drought.¹⁴ Pohnpei is vulnerable to periods of low rainfall (sometimes associated with El Niño events), and climate change and potential alterations to rainfall patterns pose a moderate risk to water resources through enhanced or prolonged drought. Like Yap, Pohnpei's outlying islands often have limited groundwater, and any reduction in rainfall leaves them prone to water shortages.¹⁵ Kosrae has experienced three severe droughts in recent times, in 1982-83, 1992-93 and 1997-98. All three were linked to El Niño.¹⁶ Chuuk has experienced significant drought, as in 2007-08. Rainfall in the winter and spring of the year following an El Niño tend to see only about three-quarters of average rainfall.¹⁷ However, under current climate change projections, Chuuk is expected to see less frequent drought with up to a 10% increase in annual rainfall by 2090.

- **Earthquake and Tsunami:** FSM is in the Pacific “Ring of Fire,” where volcanic and seismic activities are frequent. The highly active seismic zones of the region have the potential to generate large earthquakes and sometimes significant tsunamis that can travel far distances. FSM has a history of earthquakes, and large tsunamis were recorded in 1837, 1849, and 1899. Yap is considered the area at highest risk of earthquake and is projected to experience light to moderate levels of ground shaking in the next 50 years.¹⁸ Yap, located near the Yap and Mariana Trenches, has experienced four significant earthquakes in recent times. Yap also has a high probabilistic tsunami hazard; however, no recorded instances of significant tsunami damage are recorded.

¹⁴ UNDRR and ADPC. Disaster Risk Reduction in the Federated States of Micronesia: Status Report. 2022. <https://www.undrr.org/media/81878/download>. Also Government of FSM. Yap Joint State Action Plan for Disaster Risk Management and Climate Change. 2016. http://www.yapstategov.org/uploads/2/9/6/5/29657975/fsm_yap_jsap.pdf

¹⁵ Government of FSM. Pohnpei Joint State Action Plan for Disaster Risk Management and Climate Change. 2017. https://bsrp.gsd.spc.int/wp-content/uploads/2017/08/JSAP-report_web-1.pdf

¹⁶ Pacific RISA. Federated States of Micronesia. NOAA. Accessed 19 August 2022. <https://www.pacificrisa.org/places/federated-states-of-micronesia/>

¹⁷ National Weather Service. Chuuk Rainfall Variations during ENSO. Accessed 23 August 2022. <https://www.weather.gov/peac/rainchuuk>

¹⁸ UNDRR and ADPC. Disaster Risk Reduction in the Federated States of Micronesia: Status Report. 2022. <https://www.undrr.org/media/81878/download>

- **Epidemic / Pandemic Disease:** The population is susceptible to risks of infectious diseases, including chikungunya, dengue, Hansen's disease (leprosy), HIV/ AIDS, leptospirosis, tuberculosis, and Zika. The possibility of hospital disruptions could result in worse health outcomes during disasters.¹⁹ Outbreaks of vector-borne diseases in recent years include dengue in 2004, 2007, and 2011, and a Zika outbreak in 2007.²⁰ Other infectious disease outbreaks – measles and Coronavirus Disease-2019 (COVID-19) – demonstrate the potential for under-vaccinated communities, multi-generational households, and a lack of available health care to combine and cause significant mortality.
- **Flooding Pohnpei** is vulnerable to projected periods of increased rain and has inadequate drainage infrastructure to manage current water flows, let alone increased rainfall.²¹ Most occurrences of extreme sea level events at both Pohnpei and Chuuk are primarily due to a combination of extreme tides and La Niña conditions. Chuuk, with a higher June tidal maximum, has a higher likelihood of extreme water levels during that month.²² Combined with natural variability, sea level rise will enhance impacts of storm surges and flooding in Kosrae where approximately 97% of all current high tides are less than 2 m (6.6 feet) high. Sea level rise will alter these statistics with projections seeing the 2 m (6.6 feet) high tide level exceeded by 12% of all high tides (2030), 27% of all high tides (2050), 69% of all high tides (2070), and 95% of all high tides (2090).²³ In Yap, rainfall is projected to increase by approximately 10% by 2090, and more intense rainfall events are expected and could overwhelm drainage and cause flash flooding events. Meanwhile, in Yap, sea level is projected to increase by 406-889 mm (16-35 inches) by 2100. Although tide gauge data

¹⁹ UNDRR and ADPC. Disaster Risk Reduction in the Federated States of Micronesia: Status Report. 2022. <https://www.undrr.org/media/81878/download>

²⁰ Government of FSM. Yap Joint State Action Plan for Disaster Risk Management and Climate Change. 2016. http://www.yapstategov.org/uploads/2/9/6/5/29657975/fsm_yap_jsap.pdf

²¹ Government of FSM. Pohnpei Joint State Action Plan for Disaster Risk Management and Climate Change. 2017. https://bsrp.gsd.spc.int/wp-content/uploads/2017/08/JSAP-report_web-1.pdf

²² Government of FSM. Chuuk State Joint State Action Plan for Disaster Risk Management and Climate Change (JSAP). August 2017. <https://spccfpstore1.blob.core.windows.net/digitallibrary-docs/files/f7/f76ba2b8b610481cb b71a1ae3cee24da.pdf>

²³ Government of FSM. Kosrae State Joint State Action Plan for Disaster Risk Management and Climate Change (JSAP). 2016. https://bsrp.gsd.spc.int/wp-content/uploads/Publications/Kosrae_JSAP.pdf

indicates a less significant sea level rise than global average since 1969, this difference is largely accounted for by tectonic uplift in Yap, and the future trends on this score are not well understood.

- Food Insecurity:** Food security is a growing concern in FSM where increasing land pressures strain agricultural efforts and food supply even as coastal erosion and increased incidence of pests and disease undermine the productivity of major crops.²⁴ Moreover, there is a high correlation between fish catch and sea surface temperatures and ENSO events. Pelagic fish leave the region with rising temperatures, and, since fisheries are a key economic sector, FSM could experience severe economic and food security setbacks due to more frequent and extreme warming events.²⁵ A decline in agriculture, fishing, and local food production over the last 50 years has already worsened food security. People incorporate more processed and imported foods because of cost, convenience, and lack of access to fresh food. This degradation in nutrition will carry health, financial, social, and environmental costs. Agriculture accounts for 28.9% of FSM's GDP, and in 2005, subsistence activities amounted to 18% of total household income. Because of the country's small size and limited biodiversity, crop substitution abilities are limited, as are abilities to store crops and food. A lack of transportation to and from outlying islands can make internal distribution difficult. Rising sea levels have flooded taro crops and destroyed coconut trees, but saltwater resistant crops are not generally available in the FSM. Chuuk is particularly vulnerable because it contains 50% of FSM's population but only 12% of its arable soil.²⁶ In December 2021, the Chuuk State Governor declared the State of Emergency due to damage caused by king tides. The worst affected islands faced water and food security challenges that

²⁴ Permanent Mission of the Federated States of Micronesia to the UN. Views on the Possible Security Implications of Climate Change to be included in the report of the Secretary-General to the 64th Session of the United Nations General Assembly; Submitted pursuant to UN General Assembly Resolution A/RES/63/281 (2009).

https://www.un.org/esa/dsd/resources/res_pdfs/ga-64/cc-inputs/Micronesia_CCIS.pdf

²⁵ Pacific RISA. Federated States of Micronesia. NOAA. Accessed 19 August 2022. <https://www.pacificrisa.org/places/federated-states-of-micronesia/>

²⁶ Permanent Mission of the Federated States of Micronesia to the UN. Views on the Possible Security Implications of Climate Change to be included in the report of the Secretary-General to the 64th Session of the United Nations General Assembly; Submitted pursuant to UN General Assembly Resolution A/RES/63/281 (2009). https://www.un.org/esa/dsd/resources/res_pdfs/ga-64/cc-inputs/Micronesia_CCIS.pdf

impacted approximately 10,000 people. In 2020, there were high concerns as the COVID-19 pandemic disrupted global food supply chains. Although most people reported that there was enough food on Kosrae and Yap, COVID-19 related flight and shipping restrictions raised the possibility of shortages. Some people reported increases in tinned fish and rice prices, particularly in Yap.

- Landslide:** Landslides are often considered secondary disasters triggered by earthquakes, floods, or typhoons. As deforestation is expected to worsen, the probability of landslides rises.²⁷ While all islands are at risk of land or mud slides, Chuuk is at high risk as its steep volcanic topography and exposure to heavy rains and storms mean that deforested and built-up slopes are at risk of collapse.²⁸ The most devastating event occurred in July 2002, after Tropical Storm Chataan struck Chuuk. More than 250 landslides were triggered across the eastern islands of Chuuk State after nearly 500 mm (20 inches) of rainfall in less than 24 hours. There were 43 deaths, and 231 structures, including homes, schools, community centers, and medical dispensaries were damaged. Landslides also buried roads, crops, and water supplies. Most of the failures began as slumps and transformed into debris flows, some of which traveled several hundred meters across coastal flatlands into populated areas. Similar storms are likely to occur in the future.
- Typhoons and Storms:** FSM experiences a typhoon season every year, and it occasionally suffers damage with the western islands of Yap seeing the most frequent damage. However, Kosrae, Pohnpei, and Chuuk are also prone to heavy rains and strong winds.²⁹ Yap is regularly hit by typhoons (especially during June–December), with between three and five typhoons

²⁷ UNDRR and ADPC. Disaster Risk Reduction in the Federated States of Micronesia: Status Report. 2022. <https://www.undrr.org/media/81878/download>

²⁸ Government of FSM. Chuuk State Joint State Action Plan for Disaster Risk Management and Climate Change (JSAP). August 2017. <https://spccfpstore1.blob.core.windows.net/digitallibraryhttps://spccfpstore1.blob.core.windows.net/digitallibrary-docs/files/f7/f76ba2b8b610481cbb71a1ae3cee24da.pdf>

²⁹ Government of FSM. Yap Joint State Action Plan for Disaster Risk Management and Climate Change. 2016. http://www.yapstategov.org/uploads/2/9/6/5/29657975/fsm_yap_jsap.pdf

hitting the state each year, and western areas of Chuuk are at somewhat high risk.³⁰ Research suggests that during El Niño periods, Pohnpei has a heightened risk of typhoons as they tend to form just east of Pohnpei. There is a decreased risk in the year following an El Niño and in La Niña years as storms tend to form further to the west.

- Historical data indicates that there were at least 248 tropical cyclones developing within or crossing FSM between 1977 and 2011, for an average of 71 cyclones per decade although there is a high interannual variability. Since 1981, there have been 212 tropical cyclones, of which 37 (17%) were Category 3 or higher. Current projections indicate a decrease in cyclone frequency for the region by 2100. The EM-DAT database highlights that there have been at least seven tropical cyclones that have led to officially designated disasters within FSM since 1900. Tropical storms top the list of costly disaster events, with events in 1987 and 2015 having estimated economic damage tallies of US\$6 and US\$11 million, respectively. Storm damage is related not only to rainfall but also to sequelae such as landslides and sea salt deposition, with the latter leading to agricultural damage and power outages due to electrical shorts and corrosion.

FSM Biodiversity Profile: The islands house some of the most biologically diverse coral reefs and forests on the planet. The reefs are home to nearly 1,000 species of fish, more than 350 species of hard coral and 1,200 species of mollusks. The islands contain over 1,239 species of ferns and flowering plants, of which approximately 782 are native and over 200 are endemic³¹. Of the terrestrial fauna, Micronesia harbors over 27 species of reptile and amphibians, of which at least 4 are endemic; 5 endemic species and subspecies of fruit bats of the genus *Pteropus* and a sheath-tailed bat of the genus *Emballonura*. From avian perspective, there are 39 species of land birds, 64

³⁰ Government of FSM. Chuuk State Joint State Action Plan for Disaster Risk Management and Climate Change (JSAP). August 2017. <https://spccfpstore1.blob.core.windows.net/digitalibrary-docs/files/f7/f76ba2b8b610481cb71a1ae3cee24da.pdf>

³¹ <https://www.cbd.int/countries/profile?country=fm>

species of water birds, 34 species of the seabirds and 84 species of migratory birds³². The FSM has unique mammalian and invertebrate species such as owls, flying foxes, dragonflies and snails. The diversity of terrestrial plants and animals varies from east to west due to differences in climate, geology, topography and geographical isolation. Each of the four States is represented by its unique biodiversity. Kosrae State has magnificent swamp forests dominated by two endemic trees. Pohnpei has the most endemic species of the country and Yap has the most diverse mangroves and agro-forests. Chuuk is high in endemics and also possesses the most endangered native forests in Micronesia. Ecosystem services are extremely important in FSM, with 14,517 km² of reefs providing coastal protection and a source of livelihood to the majority of citizens. FSM has long-term prospects for economic self-sufficiency which rely heavily on fishing, agriculture and tourism, all of which are dependent on national biodiversity.

Waste management: The FSM had outlined a National Waste Management Strategy for the ten-year commitment by the National Government that aims to meet the following objectives for the betterment of the environment and the people of the FSM to (i) eliminate waste and pollution through prioritizing waste avoidance and reduction. (ii) reuse and recycle materials and retain them in the system at their highest value (iii) regenerate nature for the betterment of the natural environment. (iv) achieve positive social, economic and cultural benefits for the people of the FSM and (v) place accountability and responsibility where it belongs³³. Existing waste management in the FSM is managed at the state level via State EPAs, and operates under the overarching 2024–2034 National Waste Management Strategy. Practices rely on State-run landfills (such as the Dekehtik site in Pohnpei), state-sponsored collection services, container deposit laws for aluminum, and the export of bulky or hazardous waste (e-waste, used lead-acid batteries, and used oil)³⁴. Despite recent infrastructure and strategy efforts, localized practices face significant challenges. Solid waste management across FSM is highly decentralized, and the four States (Chuuk, Kosrae, Pohnpei, and Yap) have diverse legal frameworks, funding mechanisms, and infrastructural capacities³⁵. Because FSM has limited domestic processing capabilities, bulky or dangerous

³² <https://datazone.birdlife.org/country/factsheet/micronesia#Introduction>

³³ <https://fsm-data.sprep.org/resource/2-2024-2030national-waste-management-policy>

³⁴ <https://fsm-data.sprep.org/resource/2-2024-2030national-waste-management-policy>

³⁵ <https://www.fsmgov.org/press/pr07121b.htm>

materials like end-of-life vehicles, asbestos, e-waste, and used batteries are compacted and periodically shipped overseas for recycling or disposal³⁶. Certain harmful single-use plastics and Styrofoam items are banned, with communities encouraged to use biodegradable or reusable alternatives³⁷. Healthcare waste at the four state hospitals is subject to specialized segregation and treatment, although baseline surveys have pointed to a need for better monitoring and containment³⁸.

Socioeconomic setting: FSM cash economy primarily depends on the flow of funds from the United States of America. FSM receives Compact of Free Association funds and supplementary grants from the United States which provides for US economic assistance, defense of the FSM and other benefits in exchange for US defense and certain other operating rights in the FSM. Economic activities consist primarily of subsistence farming and fishing. The economy is firmly tied to overseas aid which is significant relative to domestic revenue at the State level and is dominated by funding from the Compact agreement.

FSM is extremely vulnerable to natural disasters and economic shocks due to its geographic isolation, heavy reliance on foreign grants, and concentration of population along precarious coastlines.³⁹ FSM is highly susceptible to climate-induced events, including typhoons, storm surges, coastal erosion, and prolonged droughts⁴⁰. Social vulnerability to natural disasters in the Federated States of Micronesia (FSM) is heavily driven by its geographical isolation, reliance on subsistence farming, and limited infrastructure. Low-lying atoll communities, marginalized groups, the elderly, and those without localized access to clean water or medical facilities face the highest risks. The social protection system in the FSM is primarily anchored around its formal national

³⁶ <https://fsm-data.sprep.org/resource/2-2024-2030national-waste-management-policy>

³⁷ [National Solid Waste & Hazardous Waste Management Policy of the FSM.](#)

³⁸ Pacific Hazardous Waste Management retrieved from <https://fsm-data.sprep.org/resource/pac-waste-fsm-country-profile> on 7th July 2026.

³⁹ <https://thedocs.worldbank.org/en/doc/33b444e303cd6cb061209e41200e724b-0070012025/related/Session-6-on-Managing-Natural-Hazards-and-Economic-Shocks.pdf>

⁴⁰ <https://www.adb.org/sites/default/files/linked-documents/56138-002-1d-07.pdf>

retirement, disability, and survivor insurance system, supplemented by informal traditional safety nets, and recent temporary ADB-funded social protection programs for vulnerable populations⁴¹.

Population: The population of FSM is approximately 105,000 people. Population density is relatively low at approximately 158 people per km² (410 people per square mile). A large proportion of FSM's population lives in Chuuk State (47 per cent) and Pohnpei (35 per cent). Palikir, on Pohnpei Island, is the national capital and has a population of 7,000. Approximately 10% live in each of Yap and Kosrae State. Approximately 77% of the population lives in rural areas⁴².

Disaster-Affected Groups: Most of the outer islands are low-lying atolls and are consequently vulnerable to rising sea levels. Increases in ocean temperatures and acidification cause coral reef damage and bleaching. This contributes to coastal erosion, leaving the islands more vulnerable to storm surges and floods⁴³. Social vulnerability to disasters in the FSM is driven by extreme geographic isolation, high reliance on subsistence agriculture, and the compounded impacts of climate change. These factors disproportionately affect remote outer island communities, the elderly, and individuals with disabilities⁴⁴.

Lead Government Agencies in Disaster Response: The National Disaster Committee (NDC) is responsible for policy development and disaster management arrangements for preparedness and response activities at the national level. The National Disaster Coordination Team (NDCT) and the National Emergency Operations Centre (NEOC) operate under NDC and are activated for operational management during emergencies. Access to international and regional support is the purview of NDC, whereas control of relief assets rests with the NDCT. In responding to the disaster, the president is responsible for receiving the advice from the NDC, approving policies and regulatory

⁴¹ <https://fsmembassy.fm/the-government-of-the-federated-states-of-micronesia-awards-second-round-of-social-protection-community-grants/>

⁴² UNICEF. Situation Analysis of Children in the Federated States of Micronesia. 2017. Retrieved on 3rd June, 2026 <https://www.unicef.org/pacificislands/media/1101/file/Situation-Analysis-of-Children-Micronesia.pdf>

⁴³ <https://reliefweb.int/report/micronesia-federated-states/federated-states-micronesia-disaster-management-reference-0>

⁴⁴ <https://www.adaptation-fund.org/project/practical-solutions-reducing-community-vulnerability-climate-change-federated-states-micronesia-2/>

framework on the advice of the NDC. In addition, various partners, including the national Red Cross society, NGOs, and civil society groups, undertake disaster risk reduction and disaster management activities including provision of relief and recovery.

SECTION 3: PROJECT ACTIVITIES

Error! Reference source not found. presents the Positive List of eligible expenditures from which the Government will select the activities and items to be financed under the CERP, as indicated in the Crisis Response Plan. Only activities included in this list will be eligible when a crisis occurs and the CERP is activated.

Table 2: Positive list of eligible expenditures

Component 1: Emergency support to affected household livelihoods • Emergency direct financial assistance to households through conditional or unconditional cash transfers or subsidies.
Component 2: Provision of essential emergency supplies and services • Cleaning and waste removal services for affected infrastructure, and debris collection and transport as needed (including oil spill kits and dredging of debris from existing stormwater management systems). • Procurement of basic foodstuffs subject to compliance with the applicable WB requirements on eligibility of food expenditures.

- Procurement of water supply and sanitation equipment, such as: bottled water, mobile water treatment stations, water bladders, portable water filters, water purification tablets, slab latrines, community mobile toilets, and plastic sheeting.
- Purchase of pharmaceuticals, medicines, medical supplies, including oral rehydration salt sachets, and essential medical equipment such as ventilators, personal protective equipment, and various diagnostic tools, excluding any equipment containing radioactive materials.
- Purchase and distribution of agricultural inputs and materials (seeds, tool kits, livestock feed, except for the purchase of fertilizers and pesticides).
- Procurement of essential equipment to address the logistical needs of affected people such as tents, shelters, sleeping bags, tarpaulins, buckets, mats, personal hygiene kits, household kits, etc. and, for emergency communications including radios, repeaters, antennae, spare parts, batteries and other similar equipment.
- Rental of light equipment to restore access and implement the CERP, including water pumps; hand tools such as spades, shovels, hoes, wheelbarrows; rental of heavy machinery such as bulldozers or dump trucks; and generators for emergency use, including fuel supply for their operation, to restore access and implement the CERP activities.
- Purchase of improved cookstoves for community kitchens.
- Procurement of fuel to support an emergency response to ensure continuity of essential services and protection of vulnerable households. This may include: (i) LPG for household cooking where this constitutes the primary cooking fuel for low-income households and supply disruption creates an immediate welfare and safety emergency; (ii) fuel for hospital and health facility backup power generation, including cold chain maintenance for vaccines and essential medicines; (iii) fuel for water pumping and treatment where electrically or fuel-powered systems serve primary municipal or peri-urban water supply; and (iv) diesel and heavy fuel oil for public sector power generation where liquid fuel constitutes the primary or sole generation source and where a supply gap would directly cause or extend load shedding affecting health, water, and public safety services.
- Incremental cost of energy or subsidies to support an emergency response and ensure continuity of essential services.

Component 3: Emergency response coordination and management

- Financing incremental operating costs (e.g. travel and logistics costs, increase in utility bills, rental and use of light and critical equipment) for rapid assessments, coordination and management of emergency interventions, including inter alia communication and outreach, evacuation processes, shelter administration, excluding operations by the military and law enforcement personnel.
- Financing short training courses for local teams to increase rapid response capacity.
- Financing technical assistance, including international and local specialized expertise (consulting services) to support preparation of technical documents for procurement and emergency response and early recovery activities.
- Financing E&S measures identified in the ESMP and the ESCP, as well as costs related to monitoring and evaluation of the CERP and audit reports.

Implementation Period: The CERP will be a six-year engagement and may include multiple activations for different crises. Each individual crisis response under a CERP activation will have a short implementation period, expected to be no more than 12 months. The positive list will be updated as needed during the duration of the project, except when the CERP is activated, and is subject to WB's no-objection.

SECTION 4: NATIONAL & WORLD BANK E&S REQUIREMENTS

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

Table 4: FSM Acts and Regulations

Title of the Act or Regulation	Description
The FSM Constitution was ratified in 1978	The Constitution acknowledges and protects the role and functions of traditional leaders as recognized by custom and tradition, as well as the traditions of the Micronesian people (Art V). The Constitution establishes National, State and Municipal levels governance (Art VII). Each State is required to have its own democratic Constitution. The constitution defines governance system in the FSM and sates.
FSM Environment Protection Act (2014):	This act provides the protection of the environment, culture, historic and natural aspects of Micronesian heritage. Section 302 of the Environmental Impact Assessment Act states that - 1) any person, prior to taking any action that may significantly affect the quality of the environment within the EEZ of the FSM, or within the boundaries of the National Capital Complex at Palikir, must submit an environmental impact statement to the Director, in accordance with regulations established by the Director. (2) The environmental impact statements required by subsection (1) of this section are public documents.
FSM EPA Environmental Impact Assessment Regulations (1989)	Section 13 of the FSM Environmental Protection Act by establishing standard procedures for preparation of an environmental impact assessment statement prior to taking or funding any major action that may significantly affect the quality of the human environment. The regulations require the national government and its agencies to submit the Environmental Impact Statement to the secretary of HR prior to taking any “major” action significantly effecting the quality of the human environment. Part I (I) defines Project Proponents as the FSM National Government or its agencies or the recipient of funding from the FSM National Government or its agencies, that propose to undertake any major action significantly affecting the quality of the human environment. Part III sets out the EIA process. Part IV elaborates on this process, which is a two-step assessment process with the first step being the submission of an Initial Assessment using a checklist template. If following evaluation there are potentially severe environmental impacts, then a Comprehensive EIA is required. The contents of the Comprehensive EIA are set out in Part V.
The Labor Code and Public Employment Code	The Labor Code (Title 51) outlines hiring of non-resident workers, labor development, and other requirements. Legislation related to occupational health and safety is limited. The Public Employment Code 2014 requires that workers exposed to hazardous working conditions are additionally compensated. The National and State laws do not establish a minimum age for employment of children. Legislation is missing or incomplete in relation to corporal punishment, child labor, and domestic violence. Only Kosrae has passed a Family Protection Act, 2014. In addition, there are several legislative gaps in relation to children in contact with the law.
Marine and Freshwater Quality Standards Regulations (1986)	Identify the uses for which waters of FSM shall be maintained and protected in order to specify water quality standards required to maintain the designated use and to prescribe requirements to maintain specified water quality. These Regulations provide the basis for the state water quality Regulations, with EPA / Kosrae Island Resource Management Authority (KIRMA) managing these requirements at the state level.
Trust Territory Solid Waste Regulations (1979)	Establish minimum standards for the design, construction, installation, operation and maintenance of solid waste storage, collection and disposal systems. “Solid Waste” is defined as “garbage, refuse, and other discarded solid waste materials” not including substances in water sources, but including liquid waste such as waste oil, pesticides, paints, solvents and hazardous waste.

Title of the Act or Regulation	Description
NATIONAL SOLID AND HAZARDOUS WASTE MANAGEMENT STRATEGY OF THE FEDERATED STATES OF MICRONESIA 2024–2034 (FSM Waste Strategy)	FSM National Solid & Hazardous Waste Strategy 2024-2034 ⁴⁵ and US EPA municipal waste management guidelines are the relevant guidelines in FSM ⁴⁶ . Objective 9 focusses on developing best practice guidance for disaster waste management, recognizing disaster waste as a key waste stream nationally.
FSM EPA Earthmoving Regulations (1988)	These Regulations provide that “no person shall release funds, equipment or materials or building permit to those engaged in earthmoving activities until a permit is issued by the Secretary of Human resources”. Earthmoving is defined to include activities of a continuous nature such as dredging or quarrying which disturb or alter the surface of the land, including reefs and lagoons. In disaster management, the act ensures that post-disaster recovery, debris clearance, and infrastructure reconstruction do not trigger secondary environmental crises, such as accelerated reef sedimentation, flooding, or coastal habitat degradation. The regulations prevent reckless bulldozing that could destabilize hillsides or dump sediment directly into fragile marine ecosystems and mangroves. The act ensure that new infrastructure uses best-practice velocity control and sedimentation containment to withstand future storms.
FSM Constitution, Title 26 Historical Sites, and Antiquities	Historical Sites and Antiquities states that it is FSM policy to protect and preserve the diverse cultural heritage of the peoples of Micronesia and to identify and maintain areas, sites and objects of historical significance. “Cultural attribute” is defined as all aspects of local culture, tradition, arts, crafts, all social institutions, forms of expression and modes of social interaction. Under Title 26 Chapter 3, any government-funded or government-permitted activity (such as post-disaster reconstruction, debris clearance, or infrastructure relocation) requires a review to assess its impact on historic or cultural properties.
Toilet Facilities and Sewerage Disposal Regulations (1977)	These Regulations establish minimum standards for toilet facilities and sewerage disposal to reduce environmental pollution, health hazards, and public nuisance from such facilities. Standards are established for i) flush toilets connected to a sewerage system available to the public, ii) flush toilets connected to septic tanks and iii) a pit privy or outside banjo. The Regulations make it unlawful to dispose of treated or semi-treated sewerage into any body of water in FSM, unless it can be clearly demonstrated that such activity is necessary for the economic and social benefit or research and that the activity poses no public health hazard.
FSM Land Use Act	Section 205 of the General Provisions of the Land Use Act for FSM provides that “[t]he law concerning ownership, use, inheritance, and transfer of land in effect in any part of the Trust Territory on December 1, 1941, shall remain in full force and effect to the extent that it has been or may hereafter be changed by express written enactment made under authority of the Trust Territory.”
Kosrae State Government Legislation, Regulation and Policy Requirements	The following laws and policies that exist in Kosrae for managing and conserving the environment that may apply to the CERP; Kosrae Constitution (1984): Kosrae State Development Regulation 2014 • Constitution of the State of Kosrae 1984 (Primary rule of law in the State of Kosrae). • Kosrae State Code, Title 17, Chapter 4 (Establishes the Kosrae EPA). • Kosrae State Code Title 9 (Establishes the Kosrae Protected Areas System). • Kosrae Island Resource Management Act. • Kosrae State Development Regulation 2014.

⁴⁵ <https://fsm-data.sprep.org/system/files/FSM%20Waste%20Strategy%20Print%203mm%20bleed.pdf>

⁴⁶ <https://www.epa.gov/landfills/requirements-municipal-solid-waste-landfills-mswlf>

Title of the Act or Regulation	Description
	• Kosrae State Code, Section 11.103 (State Acquisition of Land). • Kosrae Code, Section 11.1401 and 11.1402 (Protection of antiquities and traditional culture). • Kosrae Code, Section 11.1601 (Endangered species). • Kosrae Code Section 11.201 (Land use and subsidiary regulations). • Kosrae Code, Section 13.1201 (Toilets and the disposal of domestic (human) waste). • Kosrae Code, Section 13.506 (Littering). • Kosrae Code, Section 13.514 (Water quality). • Kosrae Code, Section 13.524 (Endangering a species).
Pohnpei State Government Legislation, Regulation and Policy Requirements	The following laws and policies that exist in Pohnpei for managing and conserving the environment that may apply to the CERP projects: Pohnpei Constitution (1984): Pohnpei Environmental Protection Act (1992): • Constitution of the State of Pohnpei 1984 (Primary rule of law in the State of Pohnpei). • Public Trust Lands Distribution Act 1980. • Public Lands Act 1987. • Deed of Trust Act 1987. • Trust Territory Environmental Protection Act, preserved from the Trust Territory environmental law (The Act) and subordinate regulations relate to: ○ Air pollution; ○ Pesticides; Public water supply systems; Marine and freshwater quality; Solid waste; Toilet facilities and sewerage disposal; and Earthmoving. • Transportation Zone Act 1987. • Conservation and Resource Enforcement Act 1982. • Forest Management Act 1979. • Pohnpei Watershed Forest Reserve and Mangrove Protection Act 1987. • Designation of State Bird Act. • Marine Resources Conservation Act 1981. • Pohnpei Environmental Protection Act 1992. • Pohnpei Cultural Preservation Act. • Trust Territory Environmental Quality Protection Act.
Chuuk State Government Legislation, Regulation and Policy Requirements	The following laws and policies that exist in Chuuk for managing and conserving the environment that may apply to the CERP Project: Chuuk Constitution (1989): Chuuk State Environmental Protection Act (1994) • Constitution of the State of Chuuk 1989 (Primary rule of law in the State of Chuuk).

Title of the Act or Regulation	Description
	• Memorandum of Understanding (MoU) – Solid Waste Management (MoU between the State and National Governments delegating State power to administer, at State level, the Solid Waste Management Permit Program and the Solid Waste Management Permit Variance Program). • MoU – Earthmoving (MoU between the State and National Governments delegating State power to administer, at State level, the National Earthmoving Regulations). • Chuuk State Historic Preservations Act 1991 (Relating to wrecks in Chuuk lagoon). • Chuuk State Environmental Protection Act 1994.
Yap State Government Legislation, Regulation and Policy Requirements	The following laws and policies that exist in Chuuk for managing and conserving the environment that may apply to the CERP Project: Yap Constitution (1982) Yap – Regulations for Environmental Impact Assessment, Title II, Chapter I. (1995): • Constitution of the State of Yap 1982 (Primary rule of law in the State of Yap). • Environmental Quality Protection Act 1987. • Draft Water Supply Systems Regulations (Based on the U.S. Trust Territory Public Water Supply Systems Regulations). • Trust Territory Solid Waste Regulations 1979. • Draft Toilet Facilities and Sewerage Disposal Regulations. • Draft Earthmoving and Sedimentation Regulations. • Yap State Code, Chapter 10, Section 1008 (Wildlife conservation). • Yap State Code, Title 11, Section 805 (Oil spills). • Yap State Code, Title 11, Section 815 (Reef and environmental damage). • Yap State Code, Title 18, Chapter 4, Section 401 (Disposal of petroleum products). • Yap State Code, Title 18, Sections 404, 402 and 403 (Relating to oil spills). • Yap State Code, Title 18, Chapter 10, Section 1011 (Temporary protection of marine life).
National Disaster Management Plan (2025) ⁴⁷	The Federated States of Micronesia (FSM) National Disaster Management Plan (2025) establishes the institutional and operational framework for disaster preparedness, response, and recovery across the nation. Approved under the Disaster Relief Assistance Act 1989, the policy emphasizes community self-sufficiency, climate change resilience, and the integration of vulnerable groups into disaster planning. The NDCT operates under the Department of Environment, Climate Change and Emergency Management (DECEM) and is responsible for national coordination of disaster management and implementation of the National Disaster Management Plan. Under the NDCT is the National Operations Emergency Center and National Coordination Working Groups. Depending on the nature of the disaster (natural hazard, health, maritime, environmental incident etc.) there are different lead agencies.

⁴⁷ https://fsm-data.sprep.org/system/files/FSM%20National%20Disaster%20Management%20Plan_JAN%202025_Final.pdf

Title of the Act or Regulation	Description
	Each State has it's own State Disaster Coordination Team (SDCT) and Standard Operating Procedures (SOPs) as follows; 1. Pohnpei: Pohnpei State SOP for Emergency and Disaster Response⁴⁸. 2. Yap: Yap State SOP for Emergency and Disaster Response⁴⁹. 3. Kosrae: Kosrae State SOP for Emergency and Response.⁵⁰ Chuuk: Chuuk State SOP for Emergency and Disaster Response⁵¹.
Disaster Relief Assistance Act 1989	The Disaster Relief Assistance Act of 1989 (Public Law No. 6-38) is the primary legislation governing disaster management and emergency relief in the Federated States of Micronesia (FSM). It establishes the framework for how national and state governments prevent, prepare for, and recover from natural and man-made disasters. The Act authorizes the President to coordinate disaster preparedness plans, formulate mitigation strategies, and request aid from United States federal agencies and foreign governments.
FSM National SOP for Emergency and Disaster Response (2023)	FSM National Standard Operating Procedure for Emergency and Disaster Response (Revised and Endorsed, January 2023). The Department of Health and Social Affairs (DHSA) health focal point is responsible for monitoring EpiNet Team (Epidemiology Network) weekly syndromic surveillance reports and notifying the NDCT of any spike in disaster-related illnesses and infections during Watch and Support and Full Activation phases. As per the FSM National Standard Operating Procedure for Emergency and Disaster Response (2023), the Department of Education focal point is responsible for supporting and monitoring the state-level designation of school buildings as evacuation centers and ensuring they meet Sphere basic standards. Post-disaster, the Education focal point also assesses the welfare and needs including health, food, and the shelter of students in boarding facilities.

⁴⁸ <https://fsm-data.sprep.org/system/files/Pohnpei%20State%20SOP%20for%20Emergency%20and%20Disaster%20Response%20%282017%29.pdf>

⁴⁹ <https://fsm-data.sprep.org/system/files/Yap%20State%20SOP%20for%20Emergency%20and%20Disaster%20Response%20%282017%29%20FINAL%20.pdf>

⁵⁰ <https://fsm-data.sprep.org/system/files/Kosrae%20State%20SOP%20for%20Emergency%20and%20Disaster%20Response%20%282017%29.pdf>

⁵¹ chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://fsm-data.sprep.org/system/files/Chuuk%20SOP_Scanned_18July2025%5B25%5D.pdf

World Bank Environmental and Social Framework (ESF): Matters to be addressed include environmental, Occupational Health and Safety (OHS), gender, labor, social, land and cultural heritage laws and policies as a minimum. The WB Environmental and Social Standards (ESS), as set out in the ESF, are considered to relevant for the CERP project;

- ESS1 – Assessment and Management of Environmental and Social Risks and Impacts.
- ESS2 – Labor and Working Conditions.
- ESS3 – Resource Efficiency and Pollution Prevention and Management
- ESS4 – Community Health and Safety.
- ESS5 – Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
- ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources.
- ESS7 – Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities.
- ESS8 – Cultural Heritage.
- ESS10 – Stakeholder Engagement.

In addition, the World Bank Group EHSG, covering the Environmental - Air Emissions and Ambient Air Quality, Environmental - Hazardous Materials Management, Environmental - Waste Management, Worker Health and Safety, Community Health and Safety, Construction Materials Extraction and World Bank Good Practice Notes may also be applicable to the CERP project⁵².

⁵² <https://documents1.worldbank.org/curated/en/157871484635724258/pdf/112110-WP-Final-General-EHS-Guidelines.pdf>

SECTION 5: SUPPLEMENTAL E&S MEASURES

This Section describes the supplemental E&S measures that will need to be implemented in addition to the national requirements described in Section 4.

Mitigation measures will be based on national requirements, supplemented where necessary by the measures described below. In many cases, supplemental measures may not be required because national requirements are adequate to satisfy the Environmental and Social Framework (ESF). In implementing the Activities, it is acknowledged and agreed that the emergency nature of the Activities means priority will be given to urgent interventions and to the protection of people and assets most affected by the emergency. For all Activities, the risks of exclusion for different groups and individuals will be considered, so that the Activity is implemented in as fair, equitable, and inclusive a manner as possible.

The overall risk rating of the project has been assessed as Moderate. The identified mitigation measures are based on applicable national legislation, the relevant ESS requirements, and the World Bank Group EHS, ensuring a comprehensive approach to managing environmental and social risks throughout project implementation. The Stakeholder Engagement Plan (SEP) includes all stakeholder engagement requirements and the Grievance Redress Mechanism that applies to all activities.

The Moderate risk rating remains appropriate only if the CERP is limited to eligible emergency activities and if activity-level screening, exclusion of high-risk activities, stakeholder engagement, GRM, labor/OHS controls, land/access verification, incident reporting and monitoring are implemented before and during each activation.

All the FSM CERP Activities will be screened for risk. Any new activity developed during the implementation of the CERP will be evaluated according to the screening process described below to determine the potential risk of associated environmental and social impacts, and associated mitigation options.

- **Step 1:** at the time of identifying a new activity, the activity shall be screened and categorized by the CERP PIU E&S team. If Step 1 reveals that there is no requirement for new mitigation measures or E&S instruments, then the activities proceed under the existing ESMP. Go on to Step 5 below. If Step 1 reveals there are new risks or issues not already identified under the existing CERP, then screening Step 2 below applies.
- **Step 2:** Preparation of required E&S instruments or update the of the CERP ESMP mitigation measures including stakeholder consultations as necessary (CERP PIU E&S team);
- **Step 3:** Review of prepare the E&S instruments or updated mitigation measures as per FSM and State laws and World Bank ESF; additional stakeholder consultations as deemed necessary;
- **Step 4:** Submit prepared E&S instruments or updated mitigation measures to WB for no objection. Disclosure of approved instruments locally and on WB's website and;

- **Step 5:** Implementation, monitoring, reporting and remedial measures as per the CERP ESMP or the approved instruments.

The FSM CERP funds will be used to top-up or add to existing emergency response programs. CERP-PIU will do the procurement, but the goods will be distributed by other government agencies under the Standard Operating Procedures for Emergency Response⁵³, or in the case of bulk fuel, under the standard operating procedures (SOPs) of Vital Energy. For each of the Activities discussed in Section 3, the following potential risks and impacts have been identified and supplemental mitigation measures include the following to be implemented by the respective implementing agency:

⁵³ <https://fsm-data.sprep.org/system/files/Chuuk%20State%20Disaster%20Management%20Plan.pdf>
<https://fsm-data.sprep.org/resource/fsm-national-sop-emergency-and-disaster-response-revised-and-endorsed-13-jan-2023>

Table 5: E&S risks and impacts and supplemental mitigation measures

Activity/General Issues	E&S Risks and Impacts	Supplemental Mitigation Measures & Activity & Implementing Agency Specific SOPs
Component-1 (i) Cash transfers to households	- WB ESS1 and ESS10 are relevant. Risks: - Exclusion of vulnerable groups - Inequitable benefit distribution - Community-level social tensions, conflict and grievances from insufficient information, lack of transparency or perceptions of unfairness - SEA/SH risks - Data privacy risks associated with household-level information and cash transfer	- The FSM Department of Finance will implement stakeholder engagement as per CERP SEP. - Operate an effective Grievance Redress Mechanism (GRM). - (FSM disaster-related cash transfers follow Standard Operating Procedures (SOPs) defined by the National Disaster Management Plan and state-level emergency guidelines (e.g.,). Because FSM lacks a single, permanent unconditional cash transfer program, international frameworks and local agencies (like DECEM) utilize a multi-step emergency protocol. - Cash transfers programs will need to be designed and implemented with appropriate consideration to eligibility, targeting, access, inclusiveness, and non discrimination, including access to a grievance mechanism, in line with principles outlined in the ESFP. Payment through digital modalities should be promoted where feasible. Where payment is through cash, design and implement measures to manage SEA/SH and security risks.
Component-2 (i) Cleaning and waste management services for affected infrastructure, and debris collection and transport as needed (including oil spill kits and dredging of debris from existing stormwater management systems).	- WB ESS1, WB ESS5 and WB ESS3 is relevant to this activity. WB ESS5 is relevant in case of temporary storage of debris. - In addition, the FSM Environment Protection Act (2014), FSM EPA and State EPA acts and regulations for Environmental Impact Assessment - Regulations (1989), FSM Labor Law, Marine and Freshwater Quality Standards Regulations (1986), FSM EPA Earthmoving Regulations (1988) and Trust Territory Solid Waste Regulations (1979) may also be applicable to this activity.	- In Pohnpei State, the Pohnpei Utilities Corporation (PUC) – drainage and utility-related systems, Department of Transportation & Infrastructure (DT&I) – roads, public infrastructure, stormwater systems, Environmental Protection Agency (EPA) – waste management, pollution control, oil spill oversight and Public Works Division are responsible for the debris removal and clean-up after disasters. - In Chuuk state, the Department of Public Works, Chuuk EPA and Transportation Division / Port Authority (for marine debris and oil spills) are responsible for wastes and debris clearance.

Activity/General Issues	E&S Risks and Impacts	Supplemental Mitigation Measures & Activity & Implementing Agency Specific SOPs
	- Uncontrolled runoff or leaking transport vehicles can transfer hazardous waste and toxic sediments to adjacent water bodies. - Ineffective dredging or untreated discharges can alter waterway chemistry, smother aquatic habitats, and deplete oxygen levels for a short time. - Accumulating massive volumes of debris in temporary locations and / or without hazardous waste protocols risks leeching toxins into groundwater. - The OHS risks if Inadequate Personal Protective Equipment (PPE) exposes cleanup crews to toxic chemicals, pathogens, and physical injuries. - Delayed waste removal can create breeding grounds for disease-carrying pests. - Given the FSM fragile ecosystem and reliance on groundwater, improper handling causes soil, and coastal water contamination, discharged untreated water or waste into local watersheds or aquifers, it compromises vital freshwater resources. - Open-air burning of collected waste—a common fallback during major cleanup efforts—releases toxic dioxins and black carbon, degrading air quality. - Overburdening existing landfills with large volumes of post-disaster or construction waste accelerates soil pollution and leachate runoff into surrounding environments and impacts on future capacity. - Clearing, collecting, and transporting debris with heavy machinery can cause soil erosion, damage local vegetation, and disrupt the nesting grounds of native and migratory wildlife.	- In Yap state, the Department of Public Works & Transportation, Yap EPA and Yap State Disaster Coordination Office (post-disaster debris cleanup) are responsible for the post-disaster cleanup. - In Kosrae State, the Department of Transportation & Infrastructure, Kosrae Island Resource Management Authority (KIRMA) – environmental protection, waste, and pollution management and Public Works. - Government land will be prioritized for temporary storage of removed debris if required, and use of any non-government land will be subject to a temporary land use agreement. - Agreements for temporary land use (often via negotiated lease or easement) must be made in line with the WB ESS5 and with the informed participation of affected persons to avoid coercion. Refer to Table below for land access processes. - The responsible agency needs to establish a Waste Management Plan or implement the FSM National Waste Management Strategy and Policy (2024–2034). Develop a contingency plan that identifies secure disposal routes and designated temporary storage sites before operations begin for each state. - Segregation & Traceability of hazardous waste: Separate hazardous oily waste from general vegetative and structural debris at the collection phase consistent with the FSM National Waste Management Strategy and Policy (2024–2034). - Local Coordination: Align response tactics with local environmental policies and pre-select reputable handling contractors to maintain accountability and funding compliance.

Activity/General Issues	E&S Risks and Impacts	Supplemental Mitigation Measures & Activity & Implementing Agency Specific SOPs
	- Occupational health and safety (OHS) related risk to workers, volunteers, community and emergency responders during debris handling and transport operations. Exposure to asbestos in building debris. - Community health and nuisance impacts may arise from dust, noise, traffic disruption, temporary access restrictions, odor, improper temporary waste storage. -	- Adherence to Guidelines of the World Bank General Environment, Health and Safety Guidelines⁵⁴ and Pacific Islands Regional Disaster Waste Management Guidelines⁵⁵. Categorize debris immediately upon collection (e.g., green waste, scrap metal, E-waste, hazardous materials) in line with the FSM National Solid and Hazardous Waste Management Strategy⁵⁶ 2024–2034 as well as WB ESS3 to prevent cross-contamination and to maximize recycling. - Use sealed vehicles and containment booms when transporting hazardous debris to prevent spills into water bodies. - Avoid open-air burning. Prioritize composting for organic waste and municipal landfills or dumps to dispose solid waste. Treat hazardous waste as required prior to disposal. - Implement silt fencing and immediate revegetation when clearing heavy debris from infrastructure to prevent soil erosion into surrounding lagoons. - Waste management in remote areas, or where landfills or dumps are not available, should follow the Pacific Islands Regional Disaster Waste Management Guidelines⁵⁷. - Limit the debris removal operation to the specific area requiring clearance and avoid unnecessary removal of local vegetation. - Worker health and safety procedures to be followed as per the requirements set in WBG EHSG, including:

⁵⁴ <https://documents1.worldbank.org/curated/en/157871484635724258/pdf/112110-WP-Final-General-EHS-Guidelines.pdf>

⁵⁵ https://library.sprep.org/sites/default/files/2022-02/disaster-waste-management-guideline_0.pdf

⁵⁶ <https://fsm-data.sprep.org/system/files/FSM%20Waste%20Strategy%20Print%203mm%20bleed.pdf>

⁵⁷ https://library.sprep.org/sites/default/files/2022-02/disaster-waste-management-guideline_0.pdf

Activity/General Issues	E&S Risks and Impacts	Supplemental Mitigation Measures & Activity & Implementing Agency Specific SOPs
		including: identification of hazards; using a hierarchy of controls, training, PPE and regular monitoring of risk. -
Component-2 (ii) Procurement of basic foodstuffs, subject to compliance with the applicable WB requirements on eligibility of food expenditures.	- The acquisition of food staples focuses on the procurement of food items by either selected government agencies or other implementers. It will not include storage or distribution. Risks - Vulnerable people do not have the means to access food. - Indirect impacts on food safety from pest infestations or food spoilage.	In the FSM, disaster food procurement relies on a hybrid system of local purchasing and international aid. National and state governments collaborate with the NDCT / DECEM and international partners.⁵⁸ Needs will be assessed by the NDCT and relevant CWG, prioritizing vulnerable and affected populations. - Follow NDCT and SDCT standard operating procedures on inventory management, facility management, food safety and security, supplemented by good international industry practice such as Sphere Standards where necessary. - Prioritize short term storage / quick turnaround of inventory and regular inventory audits.
Component-2 (iii) Procurement of water supply and sanitation equipment, such as: bottled water, mobile water treatment stations, water bladders, portable water filters, water purification tablets, slab latrines, community mobile toilets, and plastic sheeting.	The activity will likely be implemented through a governmental agency, or other implementers. The activities will only include procurement, but no distribution of goods, and no installation of Bailey bridges. Risks: - Water quality standards of the bottled water not meeting the national standards and resulting in community health and safety risk - Vulnerable people do not have the means to access equipment and facilities.	Needs will be assessed by the NDCT and relevant CWG, prioritizing vulnerable and affected populations. - Follow environmental and public health regulations and respective state EPA requirements for sanitary waste management in the location and use of temporary sanitary systems and the disposal of waste. Gap-fill with the Pacific Island Countries Regional Disaster Waste Management Guideline⁵⁹. - Procurement of the potable water in accordance with the government regulations and ensuring that the water quality is in accordance with the drinking water guidelines. Procurement to prioritize bulk supply of

⁵⁸ <https://www.spc.int/updates/news/joint-release/2026/02/fsm-advances-disaster-readiness-with-its-first-sovereign>

⁵⁹ https://library.sprep.org/sites/default/files/2022-02/disaster-waste-management-guideline_0.pdf

Activity/General Issues	E&S Risks and Impacts	Supplemental Mitigation Measures & Activity & Implementing Agency Specific SOPs
	- Indirect impacts from latrine design, siting and use (privacy, safety for women; water quality from temporary sewerage discharges; - Indirectly contribute to waste from packaging, poor quality goods, and end-of-life equipment. - Gender based violence or harassment at mobile or temporary sanitation facilities.	potable water over bottled water where possible to avoid waste. - Provide separate and secure sanitation facilities for male and female users.
Component-2 (iv) Purchase of pharmaceuticals, medicines, medical supplies, including oral rehydration salt sachets, and essential medical equipment such as ventilators, personal protective equipment, and various diagnostic tools, excluding any equipment containing radioactive materials.	The types of medicine or medical equipment are unknown. Medicine control in FSM is governed by the national FSM Safe Pharmaceutical Act of 2022, regulated by the DHSA. It is implemented in coordination with the four state hospital systems in Chuuk, Kosrae, Pohnpei, and Yap Procurement will be implemented through or in coordination with the DHSA. It may be implemented by governmental agencies, UN agencies or other implementers. Indirect Risks: - Vulnerable people do not have the means to access medicine and equipment. - Waste and health impacts from transport issues such as cold chain failures or expired products.	Needs will be assessed by the Social Support CWG led by Department of Health and Social Services. - Follow the NDCT, SDCT and DHSA standard operating procedures for procurement and for the prioritization of access to vulnerable people. - Prioritize short term storage / quick turnaround of inventory and regular inventory audits.
Component-2 (v) Purchase and distribution of agricultural inputs and materials (seeds, tool kits, livestock feed, excluding the purchase of fertilizers and pesticides).	The activity will likely be implemented through or in coordination with the Department of Resources and Development (DR&D), under the DECEM or other implementers. The activities will only include procurement, but no storage or distribution of goods. Risks - Vulnerable people do not receive access to goods. - New or novel species / varieties become invasive. - Seed quality or animal feed is inferior.	Needs will be led by DR&D and Livelihoods CWG, supported by NDCT and SDCT, prioritizing affected and vulnerable communities. - Follow the NCDT and SCDT standard operating procedures and supplement with good international industry practice such as the Sphere Standards where necessary. - Certified seed procurement from approved sources.

Activity/General Issues	E&S Risks and Impacts	Supplemental Mitigation Measures & Activity & Implementing Agency Specific SOPs
	- Combustion of organic matter incorrectly stored, causing fire. - Seeds or feed are spoilt through incorrect storage and pest infestation. - Occupational health and safety risks during storage.	- Follow FSM and State health and safety requirements. - Prioritize short term storage / quick turnaround of inventory and regular inventory audits.
Component-2 (vi) Procurement of essential equipment to address the logistical needs of affected people such as tents, shelters, sleeping bags, tarpaulins, buckets, mats, personal hygiene kits, household kits, etc.	Risks: - Vulnerable people do not have the means to access equipment. - Indirectly contribute to waste from packaging, poor quality goods, and end-of-life equipment.	Needs will be prioritized by CWG and NDCT, supported by SDCT, prioritizing affected and vulnerable communities. - Where possible, procure durable or quality items that can be utilized by households or communities post-crisis; avoid single use items where possible, to reduce waste. - Follow in-country systems for waste recycling and disposal and the Pacific Island Countries Regional Disaster Waste Management Guideline¹². Error! Bookmark not defined. - Follow the FSM National Standard Operating Procedure⁶⁰ for Emergency and Disaster Response and the National Disaster Management Plan⁶¹ and supplement with good international industry practice such as the Sphere Standards where necessary.
Component-2 (vii) Rental of light equipment to restore access and implement the CERP, including water pumps; hand tools such as spades, shovels, hoes, wheelbarrows; heavy machinery such as bulldozers or dump trucks; and generators for emergency	The WB ESS3 is relevant as the rental model inherently maximizes resource efficiency, but intensive deployment of fossil-fuel-powered machinery presents notable risks that demand strict, localized environmental and social mitigations. Risks:	Department of Transportation, Communications & Infrastructure (DTC&I) is responsible for the regulation and maintenance of FSM's sea and air transport, as well as communications infrastructure. In disaster management, it acts as the backbone for logistics, supply distribution, and emergency communications⁶². The DTC&I will ensure rental companies provide modern, well-maintained engines to cut particulate emissions.

⁶⁰ https://fsm-data.sprep.org/system/files/FSM%20National%20SOP%20for%20Emergency%20and%20Disaster%20Response_Revised%20and%20Endorsed_13-Jan-2023.pdf

⁶¹ https://fsm-data.sprep.org/system/files/FSM%20National%20Disaster%20Management%20Plan_JAN%202025_Final.pdf

⁶² <https://www.fsmgov.org/press/pr021102.htm>

Activity/General Issues	E&S Risks and Impacts	Supplemental Mitigation Measures & Activity & Implementing Agency Specific SOPs
use, including fuel supply for their operation.	- Transporting and storing large volumes of diesel or gasoline creates risks of spills and soil or groundwater contamination. - The risks of occupational health & safety (OHS) are relevant to the WB ESS4. Emergency environments pose risks of injury to operators, and localized dust/fumes endanger nearby communities. Fuel handling is hazardous to health. - Noise Pollution: Continuous operation of generators and heavy equipment can disrupt public health and local wildlife. - Indirect impacts from the use of heavy machinery such as: land clearance, waste removal, demolition risks, localized air emissions, noise, dust generation, fuel spills, and contamination of soil or water resources. - Indirect OHS risks may arise from the use of heavy equipment and manual handling of tools particularly to workers and operators. - Indirect community health and safety risks may occur due to unsafe operation of machinery near settlements, as well as improper fuel handling or generator use in populated areas.	- Needs will be identified by the NDCT and CWG. - Ensure that all rented equipment is operated by trained and licensed personnel. - Prevent oil leaks and spills, use spill kits effectively, and follow safe refueling procedures to avoid soil and marine contamination. Mandate the use of secondary containment (spill trays) for all fuel storage and generators. - Restrict operations to approved locations and designated working hours to reduce disturbance to nearby communities. - Waste to be managed as explained above. - Worker health and safety procedures to be followed as per the requirements set in WBG EHSG, including: identification of hazards; using a hierarchy of controls, training, PPE and regular monitoring of risk. Enforce the use of Personal Protective Equipment (PPE) for all personnel, including those using hand tools and wheelbarrows - Labor & Community: Ensure equal opportunity employment, safe sanitary facilities for workers, and establish clear grievance mechanisms for the surrounding communities. - Fuel to be procured and distributed through the existing suppliers and networks. Where this is not possible or practical, Annex 1 will be followed.
Component-2 (viii) Purchase of improved cookstoves for community kitchens.	The risks associated with this activity, the WB ESS3 is relevant. If rely wood or biomass, unsustainable sourcing can accelerate deforestation. Risks: - Poorly maintained stoves or improper combustion can still produce localized indoor air pollution (particulate matter, carbon monoxide). Ventilation	The FSM R&D will identify needs based on affected and vulnerable communities. - Follow the WB EHSGs and other applicable guidelines and regulations in the procurement process, considering safety features, emissions levels and end of life options for components.

Activity/General Issues	E&S Risks and Impacts	Supplemental Mitigation Measures & Activity & Implementing Agency Specific SOPs
	(e.g., hoods, chimneys) is required to avoid health issues for kitchen staff. In addition, the FSM Constitution Title 23 Resource Conservation may be applicable to this activity. - If the community kitchens use electric, gasifier, or forced-draft stoves, they frequently require batteries or small solar panels. These components become hazardous waste after their lifespan. - Occupational Health & Safety (OHS): Community kitchens often involve high-volume, multi-hour cooking. Risks of burns, fire hazards, explosions, and heat stress are higher than in domestic settings.	
Component-2 (ix) Purchase of fuel to support an emergency response to ensure the continuity of essential services and protection of vulnerable households. This may include: (i) LPG for household cooking where this constitutes the primary cooking fuel for low-income households and supply disruption creates an immediate welfare and safety emergency; (ii) diesel for hospital and health facility backup power generation, including cold chain maintenance for vaccines and essential medicines; (iii) fuel for water pumping and treatment where electrically or diesel-powered systems serve primary municipal or peri-urban water supply; and (iv) diesel and heavy fuel oil for public sector power generation where liquid fuel constitutes the primary or sole	The WB ESS3 and WB ESS4 are relevant. Risks: - The burning of diesel and heavy fuel oil emits greenhouse gases, particulate matter (PM), and sulfur oxides can pollute the ambient air consequently exacerbating local respiratory issues. - Spillages & Contamination: Transporting, storing, and transferring liquid fuels creates significant risks of spills, contaminating soil, groundwater, and municipal waterways. - In addition, the FSM Constitution Title 23 Resource Conservation may be applicable to this activity. - Inefficient Energy Use: Emergency responses can lock communities into inefficient fossil-fuel reliance. - Community Health & Safety: LPG usage in households has indoor air quality benefits, but improper cylinder storage or use causes fire hazards, burns, and explosion risks. - Equitable Access to Cooking Fuel: The most vulnerable do not have access, or elite capture.	In FSM, the supply, storage, and distribution of fuel are the responsibility of the Vital FSM Petroleum Corporation (commonly known as Vital Energy or FSMPC) working under the DR&D. The DR&D is responsible for Supply Chain Monitoring of the oil and the department monitors international market trends, fuel inventory stability, and strategic oil reserves to manage short-term disruptions. Needs will be identified by DR&D prioritizing public services in affected and vulnerable communities and for home fuel supplies, targeting the most vulnerable households. NDCT and SDCT will support the needs assessment and prioritization. - Purchase and distribute fuel through existing fuel suppliers and logistics channels, following national and state laws and regulations and the SOPs of FSMPC. - For import and distribution of bulk fuel outside of the existing fuel suppliers and logistics channels, an E&S risk assessment will be required and ESMP prepared. - For the distribution of smaller volumes of fuel between States or to islands or remote areas that cannot be distributed through existing suppliers or channels

Activity/General Issues	E&S Risks and Impacts	Supplemental Mitigation Measures & Activity & Implementing Agency Specific SOPs
generation source and where a supply gap would directly cause or extend load shedding affecting health, water, and public safety services.	- Occupational Health: Workers handling, transporting, and transferring heavy fuels face hazards like vapor inhalation and physical injury.	because of emergency conditions, follow the guidance in Annex 1.
Component-2 (x) Purchase of energy to secure the electricity and natural gas related to an eligible crisis or disaster situation to support an emergency response and ensure continuity of essential services, including fuel storage and transport (excluding permanent infrastructure and large-scale storage containers).	The WB ESS3 is relevant to this activity. Risks: - Spills and Contamination: The transport and on-site storage of fuel pose risks of localized soil and water contamination from spills or tank leaks. - The WB ESS4 is applicable in case of equity as without robust emergency response policies, marginalized and low-income neighborhoods often face disproportionate energy rationing or power disruptions. - The WB ESS2 and WB ESS4 are relevant as in case of anticipated occupational as well as community health and safety risks due to improper storage and handling of flammable fuels (like LPG or gasoline) create immediate physical and fire hazards for disaster survivors.	The need will be assessed by DR&D and NDCT supported by SDCT. - Purchase and distribute fuel through existing fuel suppliers and logistics channels, following national and state laws and regulations and the SOPs of FSMPC. - For import and distribution of bulk fuel outside of the existing fuel suppliers and logistics channels, an E&S risk assessment will be required and ESMP prepared. - For the distribution of smaller volumes of fuel between States or to islands or remote areas that cannot be distributed through existing suppliers or channels because of emergency conditions, follow the guidance in Annex 1.
Component-3 (i) Financing the scale-up of technical assistance and implementation support for response, repair, and evacuation activities under the CERP, excluding military personnel and law enforcement representatives.	CERP funds may be used to engage international and local specialist expertise (consulting services) from overseas or FSM. Risks: Refer to labor issues in Table 6 below.	- In line with the WB ESS10, stakeholder Inclusivity is required to ensure safe, accessible evacuation shelters and the non-discriminatory distribution of food, water, and emergency cash transfers. - Labor management procedures are provided in Table 6 below.
Component-3 (iv) Financing technical assistance, including international and local specialized expertise (consulting services) to support emergency response operations,	CERP funds may be used to engage international and local specialist expertise (consulting services) from overseas or FSM. Risks: -	the labor issues given in Table 6 are referred.

Activity/General Issues	E&S Risks and Impacts	Supplemental Mitigation Measures & Activity & Implementing Agency Specific SOPs
provide just-in-time technical assistance, and prepare technical documents for procurement.		
Component-3 (vi) Increase in electricity bills for the public sector and rental of light and critical equipment (i.e., generators for emergency and shelter operations, debris removal equipment, etc.) related to emergency coordination and management.	Pollution & Spills: Handling and storing large quantities of fuel heightens the risk of ground and water contamination. - Noise Pollution: Standard emergency generators produce high ambient noise levels, often exceeding standard limits, which disrupts local communities and wildlife.	- Prioritize Renewables: Utilize solar-battery hybrid systems and energy-efficient LED light towers to reduce fuel consumption. - Containment Measures: Mandate the use of secondary containment bunds for fuel tanks to prevent accidental spills and environmental damage. - The relevant mitigation measures given for equipment rental and debris removal from Component-2 shall be followed.

Risk Management for Cross Cutting Issues

Table 6: Supplemental Mitigation Measures for Cross Cutting Issues

GENERAL and CROSS CUTTING ISSUES		
Issue	E&S Risks	Supplementary Mitigation Measures
Labour (international and local)	CERP-funded contracted workers⁶³, direct workers (e.g. individual consultants) and casual labour will be managed under contracts aligned with ESS2 labour and working conditions standards. All government civil servants and other workers carrying out responsibilities under CERP (including those seconded to the PIU) will be subject to the occupational health and safety requirements of ESS2.	Labour Management Procedures as per ESS2 are as follows: - Non-discrimination and equal opportunity in recruitment and treatment. - Freedom from child labour (no workers under the age of 18 for hazardous activities; no workers under 14 for any activity). - Freedom from forced or compulsory labour. - Zero tolerance of SEA/SH.

⁶³ Contracted workers have employment contracts with a firm that is contracted to the Project.

GENERAL and CROSS CUTTING ISSUES		
Issue	E&S Risks	Supplementary Mitigation Measures
	Risks • Use of imported labour (international, or from other islands) may create SEA/SH risks for vulnerable people. • Imported labour may be at risk from unsanitary or unsafe working and / or accommodation during emergency conditions. • Injuries, accidents, illness or lost time from work while performing activities funded by the CERP.	- CERP-funded consultants working in country will be required to sign codes of conduct on SEA/SH. Contracts will have consequences for breaches of the code of conduct. - All relevant PPE will be provided to all workers (government civil servants, consultants, community members) performing functions funded by CERP. - International CERP-funded consultants who travel to FSM, or local CERP-funded consultants and casual workers who travel away from their home base, will be provided with adequate accommodation with potable water and sanitary facilities. - Job Safety Analyses will be completed by CERP-funded workers prior to completing tasks outside of the office. The identified OHS procedures in the Job Safety Analysis will be followed. - Safety briefings and relevant training will be provided before hazardous work is performed. - OHS procedures will be enforced, and appropriate PPE will be used in accordance with task-specific risk levels. - Where government civil servants are working in connection with the project, whether full time or part time, they will remain subject to the terms and conditions of their existing public sector employment agreement or arrangement, unless there has been an effective legal transfer of their employment or engagement to the project. - All contracted workers and direct workers and other casual workers have the right to raise work-related grievances (wages, working conditions, safety, discrimination, SEA/SH) without fear of retaliation. Worker grievances must be acknowledged within 5 working days and resolved within 15 working days. Worker grievances may be submitted through the CERP-PIU Project Manager, E&S Specialist or the Focal Point for any Implementing Agency. - All government workers are eligible to raise complaints as per their employment agreements and the legislation of FSM.
Land and assets	Risks: - Involuntary displacement or resettlement - Restrictions on access to assets	Implementation of CERP activities will not involve acquisition of any land (whether temporary or permanent) and restrictions on land use. Any activities which involve displacement of individuals will not be supported under the CERP.

GENERAL and CROSS CUTTING ISSUES		
Issue	E&S Risks	Supplementary Mitigation Measures
		Where temporary use of customary land is required for debris storage, a screening must be completed. - Government land will be prioritized for temporary storage of removed debris if required, and use of any non-government land will be subject to a temporary land use agreement - Temporary loss of land, standing crops, trees, or structures must be compensated at full replacement value with no depreciation deductions. - If temporary use disrupts income (e.g., restricted access to farmland or grazing areas), the respective agency must provide income support or alternative means to restore affected livelihoods. - A functional Grievance Redress Mechanism must be in place to handle complaints regarding temporary land taking or compensation disputes. - The respective agency is obligated to return temporarily used land to its pre-project condition (or an equivalent standard) so it is suitable for its original use.
Sexual exploitation and abuse and sexual harassment (SEA/SH)	SEA/SH risk at the point of distribution or anywhere community members are exposed to workers.	There is no single, overarching national "SEA/SH Act" in the FSM. Instead, Sexual Exploitation, Abuse, and Sexual Harassment are addressed through a combination of state criminal codes, institutional policies (such as the College of Micronesia's Sexual Misconduct Policy), and project-specific risk mitigation plans⁶⁴. - Civil servants will be required to act in accordance with the behavioural, ethical and disciplinary requirements established under the National Public Service System Act (Title 52), the Public Service System Regulations, and applicable government codes of ethics and administrative instructions. These frameworks establish standards relating to professional conduct, conflicts of interest, misuse of authority, fairness, integrity, and disciplinary processes for public servants. - CERP-funded contracted workers and direct workers and other casual worker arrangements, will be required to sign Codes of Conduct (e.g. in Annex 2), with contractual provisions outlining consequences for non-compliance.

⁶⁴ https://www.comfsm.fm/Policy/Board-Policy/Chapter-4/COM-FSM_BP4914-Sexual-Misconduct-Policy.pdf

GENERAL and CROSS CUTTING ISSUES		
Issue	E&S Risks	Supplementary Mitigation Measures
		- The SEP outlines the process for receiving, managing, and referring grievances, including those related to SEA/SH, in line with survivor-centred principles.

SECTION 6: PROCEDURES TO ADDRESS ENVIRONMENTAL AND SOCIAL ISSUES

This ESMP sets out the mitigation measures that will be implemented for the activities. It is recognized that this ESMP cannot specify all details of the activities that will be required by the Government in the event of an emergency response. These could be in response to a natural or man-made disaster, such as a hurricane, earthquake, flood, conflict, pandemic or severe economic or financial shocks. The Implementing Agency will depend on the context of the emergency and the type of emergency response the Government wishes to implement, which are described in Section 4.

Once the CERP has been activated, the Implementing Agency will commence implementation of the activity. The Implementing Agency will screen the activity to confirm that key environmental and social risks and impacts will be mitigated in accordance with the frameworks included in this ESMP.

Anytime the positive list is updated the CIU will screen and assess potential E&S risk and impacts and update the mitigation measures as required.

SECTION 7: CONSULTATION AND DISCLOSURE

The Government of FSM has disclosed this ESMP and the SEP. It is acknowledged that in an emergency situation, it may not be possible to conduct stakeholder engagement on a specific Activity as the priority is to provide a rapid response. The Implementing Agency will communicate the nature of the Activities to relevant government agencies (for example, the local government, office of health, labor office), affected people and key stakeholders and, where possible, enlist their assistance and support to implement the Activities. The Implementing Agency will also engage with relevant affected people and stakeholders so that they are aware of the grievance mechanism and how it operates. Details are included in the SEP.

SECTION 8: INSTITUTIONAL ARRANGEMENTS AND RESOURCES

As the Implementing Agency, DoFA will have overall responsibility for the CERP, while coordinating with relevant government departments involved in preparation, activation, and implementation of each activation. The Central Implementation Unit (CIU),²³ managed by DoFA, has been designated as the CERP Project Implementation Unit (CERP-PIU) given its subordination to DoFA and experience with WB-financed investment projects, including operations with CERCs. This CERP-PIU has extensive and demonstrated fiduciary capacity with WB-financed projects, currently managing ten operations, with environmental and social (E&S) performance consistently rated Satisfactory or Moderately Satisfactory across the portfolio. The CERP-PIU is staffed with full-time E&S, financial management, and procurement specialists experienced in WB policies and procedures. The CERP-PIU will be responsible for day-to-day management of the CERP, facilitating the implementation of CERP activities, including coordination with relevant government departments, procurement, financial management, ensuring environmental and social compliance, as well as monitoring, reporting and evaluation. While DoFA would retain overall responsibility as the Implementing Agency for the CERP, other government entities may be engaged in specific CERP activation if they are best positioned to implement the proposed activities and approved as such in CRP. As such entities are brought into the CERP implementation chain and depending on the scope of activities and expenditures, their implementation capacity for performing the fiduciary and E&S functions and reporting/accountability arrangements should be assessed and documented in the CERP Manual ahead of the respective activation.

Crisis response will be led by the Technical Working Group, through the NDCT under DECEM. During CERP activation, the Technical Working Group will be chaired by the Disaster Coordinator (Assistant Secretary) who may be rotated to an alternative Departmental or State-level representation depending on the nature and location of the eligible crisis or emergency. The NDCT will comprise the core members who are also part of the Crisis Preparedness Financing Working Group established for CERP preparation such as DECEM, DTC&I, DR&D and Department of Justice as well as the representatives of the state governments as and when needed.

The CIU/CERP PIU E&S Specialists will provide rapid review, technical support, consolidated E&S reporting and quality assurance, while each implementing agency remains responsible for day-to-

day implementation, records, consultations, GRM operation, incident notification and corrective actions for its assigned activities.

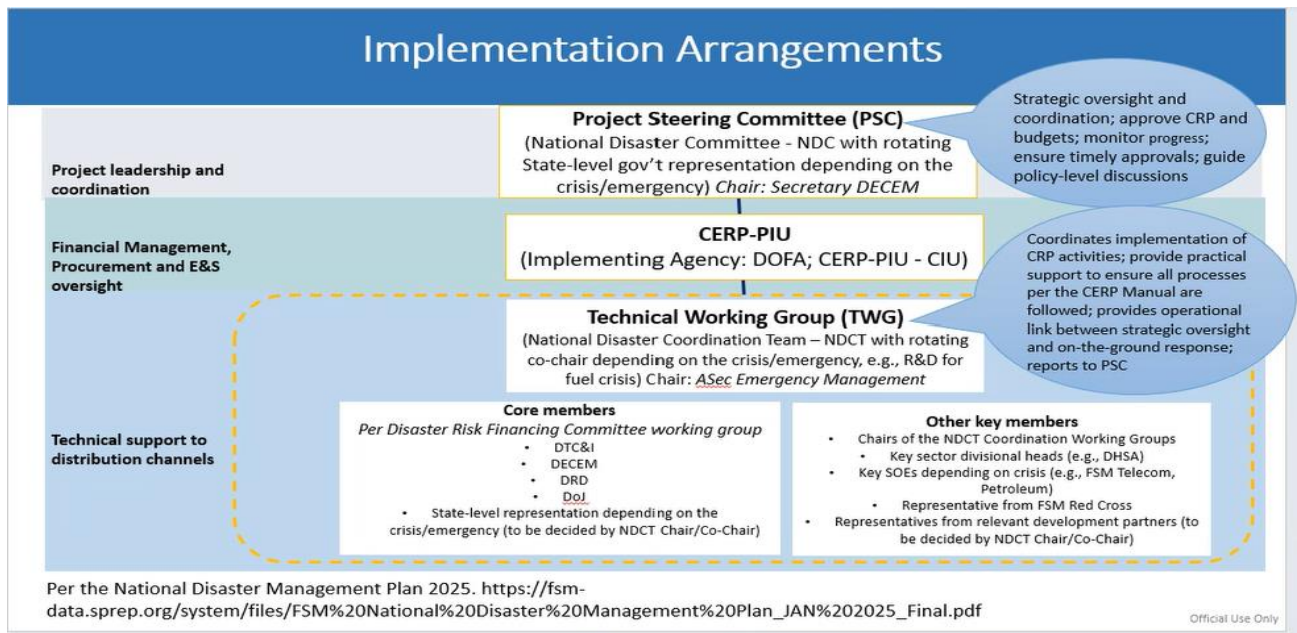


Figure 1:FSM CERP Institutional Structure for Project Implementation

SECTION 9: MONITORING AND REPORTING

The CERP PIU will be responsible for monitoring and reporting on results, with support from relevant stakeholders. The Results Framework will guide progress monitoring, and the CERP PIU will update indicator values regularly based on stakeholder inputs and submit reports to the World Bank. To ensure accurate reflection of the project's progress, the CERP PIU will collect and analyze data from stakeholders, periodically updating the Results Framework to capture on-the-ground realities. In the event of a CERP activation, additional response-specific indicators will be incorporated.

The recipient will submit six monthly CERP reports that assess progress against the ESCP, integrating M&E results and proposing adjustments to ensure effective implementation. These reports will be provided annually when no crisis is present, and at least semi-annually during an active crisis. Six months after the CERP activation ends, a completion report will be prepared, evaluating the performance of all parties and outlining a plan to sustain the CERP's achievements.

The reports shall include:

- Status of implementation of E&S documents required under the ESCP.
- Summary of stakeholder engagement activities carried out.
- Complaints submitted to the grievance mechanism(s), the grievance log, and progress made in resolving them.
- E&S performance of the project.

- Number and status of resolution of incidents and accidents reported under action C below.
- Any other aspects requested by the WB.

Annex-1: Guiding notes to address E&S risk associated with Liquid Fuel Unloading, Storage, Transport, and Distribution under Contingent Emergency Response Project (CERP) Beyond the Routine Country Systems in Federated States of Micronesia

1. Scope and Applicability

Diesel, gasoline and LPG purchase and distribution will be prioritized through the existing fuel supplier and logistics systems in the Federated States of Micronesia (FSM).

This guiding note applies to smaller scale fuel-related activities financed under the CERP *outside of* the routine fuel distribution network, including inter-island transport, unloading at jetties or landing beaches, temporary storage (including drums) and distribution to end users. Fuel use shall be strictly limited to activities included in the approved CERP Positive List.

For bulk import and distribution of fuel outside of the routine fuel import and distribution network, a separate E&S risk assessment will be completed and an ESMP prepared and cleared by the World Bank prior to the approval of the CRP.

The PIU will ensure the fulfilment of the conditions for procuring and distributing fuel before submitting contingency emergency plan during activation request.

2. FSM Context – Risk Considerations

Fuel terminal operations at the major port in each State is well regulated and dominated by the State-Owned energy company FSM Petroleum Corporation, under the brand Vital Energy.

Distribution of fuel to remote or smaller islands is more difficult due to small and exposed wharves or jetties, limited hazardous material handling infrastructure, reliance on drum-based fuels, proximity of unloading areas to communities and coastal ecosystems (reefs, lagoons, mangroves), and limited emergency response capacity. These contextual factors require increased prevention, preparedness, and simplicity of controls when handling fuel during emergency response conditions.

LPG is imported on an ad hoc basis by small suppliers in each State. While they are still subject to FSM and state regulations regarding hazardous substances, there is less visibility on their ESHS procedures and practices.

3. Fuel Unloading at Ports, Jetties, or Beaches

Fuel shall be unloaded only at designated wharves, jetties, or approved landing points identified by the State Government. Unloading from vessels to shore (including flexible hoses, barges, gas cylinder or drum offloading) shall be conducted under controlled conditions.

Site-specific Fuel Unloading Safety Protocol will be prepared tailoring the existing safety protocols of Vital Energy, and all FSM and State regulations, prior to unloading in each location.

Unloading shall be undertaken only by trained operators and vessel crew.

Drip trays, tarpaulins, or portable secondary containment shall be used under hose connections and drums.

Spill kits, absorbent pads, and floating booms (where unloading occurs over water) shall be available on-site before unloading begins through rapid procurement of the required items.

Fuel unloading shall not proceed during rough seas, high winds, or heavy rainfall.

Any spill shall be immediately contained, cleaned, and reported to the CERP PIU and relevant State Environmental Protection Agency or Kosrae Island Resource Management Authority.

Under no circumstances shall fuel be intentionally discharged into marine or coastal waters.

4. Fuel Storage

Fuel shall be stored only at temporary or permanent storage areas approved by local authorities. Storage may include tanks or fuel drums.

Storage areas shall be secured, fenced where feasible, and signed.

Drums shall be stored upright on impermeable surfaces with bunding or secondary containment.

Storage sites shall be located away from coastlines, wells, and flood-prone areas where feasible.

Fire extinguishers and no-smoking signage shall be provided.

Community access to storage areas shall be strictly prohibited.

Follow the regulatory compliance, including any inspections reports provided by the State Environmental Protection Agency or Kosrae Island Resource Management Authority.

5. Fuel Transport and Distribution

Fuel transport shall use licensed vehicles, boats, or landing craft suited to hazardous materials.

Drum handling shall use safe manual handling practices.

Boats and vehicles transporting fuel shall carry spill response materials.

Informal redistribution or siphoning of fuel is prohibited.

At distribution points, crowd control and safety supervision shall be implemented as needed.

Follow the regulatory compliance, including any inspections reports provided by the State Environmental Protection Agency or Kosrae Island Resource Management Authority.

6. Worker Health and Safety

All personnel involved in fuel unloading, storage, transport, or distribution shall receive basic training in fuel handling, fire safety, and spill response.

Appropriate PPE (gloves, boots, protective clothing) shall be provided.

Workers shall not enter confined spaces or handle fuel without supervision.

Any fuel-related accident or injury shall be reported and investigated.

7. Waste Management

Fuel-contaminated materials, including soil, rags, absorbents, and damaged cylinders or drums, shall be collected and disposed of at a municipal landfill or, for remote areas, in accordance with FSM / State regulations and the Pacific Island Countries Regional Disaster Waste Management Guideline^{Error! Bookmark not defined.}. Reuse of fuel drums for domestic purposes is prohibited.