

Sustainable Energy Development and Access Project (SEDAP), FSM

Stakeholder Engagement Plan (SEP)

Prepared by the Energy Division (ED)
National Department of Resources and Development (NDRD)
Palikir,
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FINAL

Quality Information

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| Document | Sustainable Energy Development and Access Project (SEDAP) Environmental and Social Management Framework for Component 3 - Weno Solar Power Plant |
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Revision History

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| A | 23 October | Updated with WB and other comments received; |
| B | 9 October | Update with WB comments received; update following consultations of draft ESMF in Chuuk. |
| C | 17 October | Updated to include reports of consultations following initial disclosure in all four FSM states |

List of Acronyms

| | |
|------|--|
| | |
| ESMF | Environmental and Social Management Framework |
| ESMP | Environmental and Social Management Plan |
| ED | Energy Division, |
| DoFA | Department of Finance and Administration |
| FSM | Federated States of Micronesia |
| NDRD | National Department of Resources and Development |
| PIU | Project Implementation Unit |
| RPF | Resettlement Policy Framework |
| SEP | Stakeholder Engagement Plan |

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A. Introduction

Stakeholder consultation and participation is a mandatory requirement for the preparation of WB funded projects triggering WB Safeguards Policies OP/BP 4.01 Environment Assessment, OP/BP 4.11 Indigenous Peoples and OP/BP 4.12 Involuntary Resettlement. It's a two-way process in which beneficiaries of projects provide advice and input on the design of proposed projects that affect their lives and environment and which promotes dialogue between governments, communities, NGOs and implementing agencies.

The disclosure of project information is similarly mandated for OP/BP 4.01, OP/BP 4.11 and OP/BP 4.12. Disclosure supports decision making by the Borrower and the Bank by allowing the public access to information on environmental and social aspects of projects.

12. In addressing World Bank safeguard policy requirements, this ESMF builds on environmental and other applicable law and regulation in the Federated States of Micronesia, including State Constitutions and Codes, and incorporates any requirements of World Bank policies that are not addressed in local law. The primary objective of the partners is to ensure that the project does not cause unacceptable harm to society or environment. Policies applicable to this project are summarized below.

B. World Bank Safeguards Policies Triggered

The following five safeguards policies of the WB are considered triggered in SEDAP.

B.1. Environmental Assessment (OP/BP4.01)

13. This policy provides the requirements and procedures for the environmental assessment of the Bank's lending operations. Inter alia, it requires (i) detailed qualitative and quantitative analysis to determine project impacts, (ii) determination of tangible measures to prevent, minimize, mitigate or compensate for these adverse impacts, (iii) public consultation and disclosure as part of the Environmental Assessment (EA)¹ process and (iv) requires an EMP to address set of mitigation, monitoring and institutional measures to be implemented during design, construction, operation of maintenance phases of the project.

B.2. Natural Habitats (OP/BP 4.04)

14. The conservation of natural habitats, like other measures that protect and enhance the environment, is essential for long term sustainable development. The Bank therefore supports the protection, maintenance, and rehabilitation of natural habitats and their functions in its economic and sector work, project financing, and policy dialogue. The Bank supports, and expects the Borrowers to apply, a precautionary approach to natural resource management to ensure opportunities for environmentally sustainable development.

B.3. Indigenous Peoples (OP4.10)

14-1. Indigenous Peoples policy provides guidance to ensure that the indigenous people benefit from development projects. It requires the Government to engage in a process of free, prior and informed consultations with indigenous peoples, as described by the policy in situations where indigenous peoples are present in, or have collective attachment to, the project area.

¹ Includes social assessment

15. Most of the population of the Federated State of Micronesia is indigenous, in the sense of having an ancestral attachment to their land, which is still important in the livelihoods of the 78% who are rural dwellers. This reliance on natural resources, and both customary and legal rights are recognized under Federal and State Constitutions, and is taken into account in the process of project design and identification of land requirements for physical investments which sites are already confirmed, and others to be assessed during project implementation. Social assessment for these activities will identify any indigenous peoples' issues that are not addressed under policy governing involuntary resettlement (see OP4.12 below).

3.4. *Physical Cultural Resources (OP/BP 4.11)*

This policy addresses physical cultural resources, which are defined as movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance. Physical cultural resources (PCR) may be located in urban or rural settings, and may be above or below ground, or under water. Their cultural interest may be at the local, provincial or national level, or within the international community.

Physical cultural resources are important as sources of valuable scientific and historical information, as assets for economic and social development, and as integral parts of a people's cultural identity and practices.

3.3. *Involuntary Resettlement (OP 4.12)*

16. The Involuntary Resettlement policy addresses direct economic and social impacts from project activities that may cause involuntary taking of land resulting in (i) relocation or loss of shelter, (ii) loss of assets or access to assets or (iii) loss of income sources or livelihoods. Projects may also lead to involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced persons.

17. The principles of involuntary resettlement will be taken on board in the scoping and screening of subprojects and the development of feasibility studies. If they have resettlement issues, then plans will be prepared during the project to address them. The processes that will be followed are described in the Resettlement Policy Framework (RPF).

3.4. *Crossing-Cutting Issues – Consultation*

18. Stakeholder consultation is mandated by Environmental Assessment, Involuntary Resettlement, Indigenous Peoples, PCR, NH and Forests Policies. Consultation is a two-way process in which beneficiaries provide advice and input on the design of proposed projects that affect their lives and environment. It promotes dialogue between governments, communities, NGOs and implementing agencies, as early as possible into the project preparation stage and right through to project implementation.

3.5. *Cross-cutting Issues - Disclosure*

19. Disclosure is mandated by Environmental Assessment, Involuntary Resettlement, Indigenous Peoples and Forests Policies. It supports decision making by the Borrower or Grant Recipient and the Bank by allowing the public access to information on environmental and social aspects of projects.

19-1. Documents disclosed include instruments listed in EA, Resettlement, and Indigenous Peoples Policies. ISDS is disclosed at InfoShop, PCN & Appraisal stages + subsequent

updates as needed. Project information and documents are disclosed at World Bank InfoShop and in country at appropriate locales and in local languages.

C. Purpose of the Stakeholder Engagement Plan (SEP)

20. The SEP supports the preparation, disclosure and implementation of SEDAP's Environmental and Social Management Framework (ESMF), Environmental and Social Management Plan (ESMP), and the land acquisition and resettlement planning process for SEDAP, the latter as set out in the Resettlement Policy Framework (RPF). It does so by identifying the needed consultations required throughout the project cycle, the objective for each, the targeted stakeholders, the method for engagement, and if necessary, how frequent the engagements, the agenda for consultation and who is responsible for initiating and organizing the engagement activity.

D. Stakeholders

The key stakeholder groups for SEDAP are described below.

C.1. Institutional Stakeholders

21. Stakeholders in the project are the institutional actors – the Energy Division of the NDRD as Implementing Agency for the GoFSM and the four State Utilities and housing the Project Implementation Unit (PIU). There are several agencies that have been developed to oversee and coordinate activities in the energy sector, and they will be key stakeholders in the process:

- National Energy Workgroup (NEW) has been established to oversee and coordinate activities in the energy sector, especially the implementation of NEP. NEW comprises members from key Departments in the National Government²,
- Regional Energy Committee (REC)³,
- Four State Energy Workgroups (SEW)⁴. SEWs are responsible for: (i) overseeing and coordinating all state efforts in the energy sector; (ii) implementing the State Energy Action Plans that are in line with the NEP; (iii) advising the state government on energy issues; and (iv) assisting in developing and designing specific and technically-sound Energy Efficiency and Renewable Energy projects for development partner consideration, funding, and implementation.

22. Other FSM Government and State agencies whose remit is energy-dependent or energy-enhanced and agencies involved with achievement of most Millennium Development Goals are also stakeholders: the Departments responsible for women's and youth development; Division of Environment and Sustainable Development, Office of

² Energy Division, Department of Resources & Development; OEEM; Office of Statistics, Budget & Economic Management & Compact Management; Department of Transportation, Communication and Infrastructure, a State Representative coming out of each State Energy Workgroup, a Representative from the Association of Micronesian Utilities (AMU), a Representative from the College of Micronesia and the Government Energy Advisor(s).

³ REC is the body under the Micronesian Chief Executives Council consisting of energy sector representatives from Micronesia.

⁴ SEWs comprise three or four people: one from the state government, one from the utility, the state energy officer (this position only exists in Pohnpei) or an energy expert, and one from private sector or NGO.

Environment and Emergency Management, Health and Social Affairs; and Education at national level, commercial operational arms of Departments such as the FSM Telecommunications Corporation, and the equivalent agencies at State level (including the four State EPA).

C.2. State Power Utilities

23. All four State Utilities (KUA, PUC, CPUC and YSPSC) are key stakeholders with responsibilities to engage and consult with landowners and the public in the preparation of this ESMP, and in its subsequent implementation. This is necessary to ensure effective and undisrupted project implementation.

C.3. State Environmental Protection Agencies

24. All four states environmental management agencies - Kosrate State Environment and Resource Management Authority, Pohnpei State EPA, Yap State EPA, and Chuuk EPA (CEPA) – are important stakeholders with statutory responsibilities for the protection of the environment, and in holding developers and permit holders accountable for the sound management of projects to approved environmental conditions and standards.

25. Whilst project environmental and social impacts are deemed minimal in Pohnpei, Kosrae and Yap where planned SEDAP investments will be installed within existing facilities, in other locations – Weno’s extended distribution network, the solar PV installations in sites to be confirmed and to a lesser degree, Satowan and Udot - closer scrutiny and monitoring by project activities is essential.

C.4. Land owners

26. The extension to the distribution network in Weno is intended to be within the existing road easement. But past experience shows that encroachment into private lands often occurs. Similarly the land-based solar PV installation will require the use of land that are privately owned, and for which successful engagement with land owners is vital for lease negotiations and or other arrangements for access.

27. Likewise, the support of landowners in Satowan and Udot will also significantly expedite project design and preparation, and subsequent implementation. At the planning stage, engagement will revolve around securing land for siting physical investments for the hybrid mini-grids, including land taking for an easement to accommodate the extended distribution network in Satowan, and the new one in Udot. There are also contractor(s) need for lay-down areas and working space during project implementation, and community support for other project-related activities.

C.5. Local authorities in Satowan and Udot

28. Under the State Governments, which have their individual executive, legislative and judicial branches, municipalities govern at the village level and are important stakeholders. States raise income through excise and other taxes and devolve some of their budget to Municipalities for maintenance of local infrastructure and services. Municipalities also have limited powers to raise taxes or levies on items specified in their individual Constitutions and Civil Codes. Projects will seek to complement local development plans funded by these means.

29. The formal authority of traditional village leadership has weakened with increased contact with the outside world, but it is still generally respected and relevant in local life and in discussion and decision making about local issues. Some local leaders also serve on Municipalities.

30. Local municipal authorities in Satowan and Udot, consulted in the preparation of this ESMP, expressed full support for the planned hybrid mini-grids, including the use of government/municipal controlled land for the project activities. Continued engagement and consultation is crucial to, formalize land taking, find the least disruptive alignment for any easement needed to accommodate the distribution network, and identify suitable laydown areas for contractor's use during project construction.

C.6. Regional Organizations - Secretariat for the Pacific Regional Environment Programme (SPREP)

31. SPREP is a regional intergovernmental organization comprising of 25 Pacific Island member countries and territories including FSM. Its mandate is to look after its environment, reflected in its Mission Statement that calls on the organization, "to promote co-operation in the South Pacific region and to provide assistance in order to protect and improve its environment and to ensure sustainable development for present and future generations." Its main focus areas are climate change resilience, environmental governance, Island and Ocean ecosystem services, and waste management and pollution control. FSM has in the past been a beneficiary of a number of SPREP-coordinated GEF or other donor funded projects. One current activity of specific relevant to SEDAP is the GEFPAS UPOS Project which addresses the removal and storage of used oil and exporting them to a developed country for recycling and or disposal. Consultations with PUC found that SPREP has been coordinating with FSM on an initiative to collect, export and recycle used oil from Pohnpei (FSM) (and Majuro and Ebeye in the Republic of the Marshall Islands). A tender inviting expressions of interest from private contractors was sent out in July 2018. SPREP's headquartered in Apia, Samoa with a sub-regional office in Pohnpei.

C.7. Non-Governmental Organizations

32. Local NGO participation is important to any WB SEP throughout the life cycle of the Project.

Micronesia Conservation Trust (MCT)

33. The Micronesia Conservation Trust (MCT) supports biodiversity conservation and related sustainable development for the people of Micronesia in the Federated States of Micronesia (FSM), the Republic of Palau (ROP), the Republic of the Marshall Islands (RMI), the US Territory of Guam and the Commonwealth of the Northern Mariana Islands (CNMI).

Micronesia Conservation Coalition (MCC)

34. MCC operates in Pohnpei and Yap. Its mission is to conserve island habitats and species throughout Micronesia by reinforcing the local communities to the true value of these ecosystems, while respecting and preserving their unique cultures and their natural resources. MCC has a strong outreach/education focus and capacity.

35. Other NGOs such as the Micronesia Women’s Organization is highly relevant for promoting women empowerment and participation in decision-making roles generally, and in the case of SEDAP, in activities promoting the use of clean cookstoves as a more health alternative to traditional cooking methods.

C.8. Electricity Consumers / Public

36. The on-going problem of unreliable power supply is a concern to the FSM public as consumers of electricity. In much of Chuuk where electrification is yet to reach, the prospect of gaining access to electricity is keenly anticipated.

37. During project construction, sectors of the public will be impacted directly by the extension of the distribution network in Weno. Roadside activities will affect traffickers and pedestrians and possibly private landowners. Targeted public engagement will be necessary to inform and engage the public in project design, and to foster public support in order to avoid disruptions and costly delays to contractors during project implementation.

38. Commercial and industrial energy users are important stakeholders as potential engines for employment and economic growth. They will be consulted through industry or sector organizations and as members of the general public.

E. Stakeholder Engagement Plan (SEP)

39. A Stakeholder Engagement and Consultation Plan (SECP) will support the ESMP and RPF preparation, and inform the engagement of stakeholders for the duration of project implementation. Consultation meetings already conducted for ESMP and RPF preparation produced a number of recommendations and measures that have been incorporated into this document.

40. The SEP presented in Table 1 below needs to be reviewed and updated throughout the lifecycle of the Project. During this process the focus and scope of the SEP will change to reflect the varying stages of project implementation and to encompass any changes to project design.

D.1. Engagement Mediums

41. Table 1 below lists the recommended engagement mediums that are appropriate for SEP activities proposed in Table 2. Because of the myriad of activities and different stakeholders needs at different times, a wide range of communications methods and mediums are proposed.

Table 1: Recommended engagement mediums

| Medium | Description |
|-----------------------------|--|
| Stakeholder Meetings | |
| Structured Agenda | This agenda is developed based on project component under consultation and the stage of its implementation. Putting a focused agenda together will ensure that key strategic and risk items can be discussed with important decision-makers and influencers in an effort to mitigate risk proactively. |

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| Focus Group Meetings | The aim of a focus group is to pull together stakeholders with the same interest into a single meeting to discuss issues. Meetings usually have a very specific objective which is aligned with the expectations and interest of the stakeholder's present. |
| Forum | A forum is established with specific set objectives and would comprise of a specific group of stakeholders who would need to ensure that actions are taken and monitored. |
| Community based consultations | These consultations are focused to identify and discuss stakeholder concerns or to provide feedback using detailed information. These consultations should, wherever feasible, be held within the community environment. |

| Written / visual communications | |
|---------------------------------|---|
| ESMP Executive Summary | This needs to be a short and concise document providing jargon-free information describing the project actions, the potential social and environmental impacts, the need for the project and the contact details for the project team. |
| Notice boards | Notice boards (community halls, local schools and work site entrances) are a good tool to use for communication of up-to-date project information such as timing and duration of works, upcoming consultations, project progress and other relevant project information. Relevant in rural areas including outer islands. |
| Maps | Maps are effective when placing into context well known locations, linear and single site developments, change of fixed locations for developments, location options for developments and anticipated distances between developments or well-known locations. Maps showing alignment of network extension in Weno, Satowan and Udot provide information that will assist the public in daily decision making on time-saving options in commuting and local movements. |
| Letters | Formal method of communication usually intended to convey very specific messages. Alternatively, it is used as a formal method for requesting information and advising of upcoming community consultation events. |
| Emails | Email is widely used for communication between Government agencies, State Power Utilities, NGOs and other institutional actors. Sharing of information, soliciting expert inputs on safeguards instruments and disclosing of safeguards documents directly to key stakeholders can be done effectively via email. Likewise, email communications provides direct access to key players when organizing meetings. |

| | |
|---------------------|---|
| Newspapers /adverts | Newspapers are usually best suited for formal announcements or to reach a wide spectrum of stakeholders quickly. It is however very important that the message content is carefully compiled since it is a one-way communication medium and can quickly cause misunderstanding or confusion if not clearly written. |
| Media | |
| Radio | Radio is a good medium to stimulate awareness and prepare stakeholders for larger events or refined communication to take place. Useful for alerting the public to any planned community meetings. |
| Other | |
| State Utilities | State utilities are directly associated with electricity and power supply issues. Most stakeholders see them as the ‘go-to’ entity and first point of contact when a power related issue arises including project related complaints. State utilities has intimate knowledge of local energy issues and potential sites for energy development that should assist and support the PIU during consultations for detailed project design. |
| Telephone | Use of the telephone / mobile phone is still regarded as the preferred method for communication because of accessibility and speed. Having a discussion over a phone in order to ensure mutual understanding between two parties is quicker and easier compared to sending an email, waiting for reply. |

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

D.2. Key Messages

43. Key messages will need to be developed as each component is prepared in more detail during implementation. The following are key messages relevant to the different SEDAP components, and for the purpose of informing project stakeholders about the planned activity through the entire project cycle.

General:

- What is SEDAP? Be informed about the Project.
- Be part of SEDAP planning – participate in the SEDAP consultations.
- Renewable energy (RE) – local alternatives to imported diesel.

Solar power installations in Weno, Satowan and Udot, Chuuk

- Solar power is renewable, clean and environmentally friendly.
- Solar energy is a local solution. It replaces imported diesel, promotes economic resilience and price stability.
- Roof-top solar installations save land. Where land is scarce, it’s a win-win situation.

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- The installation of panels should take a couple of months. There may be some construction noise and some more traffic during this time if you live or work near the site.
- Community support during project implementation is important.
- Any local job opportunities will be advertised by the Contractor or CPUC.
- Environmental impacts during construction and when operational are minimum.

Diesel generators and other ancillary equipment in Pohnpei, Kosrae and Yap:

- The project will replace existing equipment which will improve reliability of electricity supply.
- The supply of electricity to your business / home shouldn't change – you probably won't notice any difference.
- Increased generation and storage capacity will improve reliability of supply, and reduce planned power outages.
- Potential Environmental Impacts – noise, air pollution, accidental spills – are minimum, often no different from before Project.
- Waste oil from powerhouse operations are hazardous and require safe storage facilities before removing for reuse, recycle or disposal.

Efficient Clean Cookstoves in outer islands –

- A healthier and fuel-saving alternative for rural households.
- Cookstoves is good for the environment.

F. SEP Implementation Plan

44. The Implementation Plan (Table 2) for the SEDAP lifecycle constitutes the following components:

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

Objective: the target that each activity needs to reach

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

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

Some elements of the implementation plan have yet to be confirmed. As project details develop, this SEP and implementation plan shall be updated by the Safeguards Specialist to reflect the current project status and timeframes.

Table 2: Stakeholder Engagement Plan

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

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|---------------------------|--|---|---|--|--|--|
| 4 | Land Acquisition (Chuuk) Finalize land lease arrangements | Representative(s) of CPUC; private land owner(s); | Lease negotiation with confirmed owners of land identified for Project purposes. | Face-to-face meetings | Before project construction Frequency - As often as needed | CPUC • CEO Kembo Mida; • Land owner or his/her representative. |
| 5 | Land acquisition – Voluntary Land Donation (VLD) | CPUC, representatives of Satowan and Udot communities; | Confirmation of land ownership; Government interest in land for SEDAP; how much land is required. Resettlement assistance as necessary; compensation. | Face-to-face meetings | Before project construction. Frequency - As often as needed | CPUC, representatives of Satowan and Udot in separate meetings. Possibly other landowners for Weno sites. |
| 6 | Site Screening for Weno Solar PV Installation | Landowner, CEPA, CPUC | To screen site for EA categorization. | Face-to-face meeting | Before project construction Frequency – as often as needed. | PIU Safeguards Specialist, CPUC rep |
| 7 | EA preparation | Landowner, other APs, local NGOs | To prepare EIA instrument | Face-to-face meetings | Before project construction Frequency – as often as needed | PIU Safeguards Specialist, CPUC re, EIA Consultant |
| 8 | | Land owners, other AP's local NGOs, CPUC, CEPA, | To discuss EIA findings and recommendations | Group Meeting | Before project implementation Frequency – one off. | PIU Safeguards Specialist; EIA Consultant |
| 9 | RAP/ARAP preparation | CPUC rep; PIU rep; affected landowners; other affected people | Detailed measurement survey; inventory of affected people; | Face-to-face meetings | Once land is acquired; | CPUC; PIU |
| 10 | | CPUC rep; PIU rep; affected landowners, other displaced people. | Discuss losses and resettlement measures including any financial compensation; valuation of lost assets. | Face-to-face meeting with affected household head or individual. | Before project construction - All AP's to be consulted | CPUC, PIU |
| 11 | RAP/ARAP Disclosure | CPUC, all AP's in Chuuk, DoFA, WB | Email message to advise Stakeholders of disclosure and where to access the disclosed documents. | On websites of Government agencies and utilities, and WB. | One-off | ED/NDRD; PIU |
| 12 | Weno network extension | All affected landowners along extension alignment | Confirmation of network alignment; discussion with Affected Landowners, if any. | Face-to-face meetings with affected landowners | As often as needed | CPUC |
| 13 | Contractor's ESMP | Contractor; PIU, State Utility, State EPA, WB | Review and assess sufficiency of Contractors' ESMP. | Exchange by email | On-going until CESMP is deemed acceptable by PIU and WB. | PIU/EPA |
| CONSTRUCTION PHASE | | | | | | |
| 14 | Network extension work in Weno | General public | Inform public about network | Public notification | At least a day before start of | CPUC |

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

SEDAP – Stakeholder Engagement Plan (SEP)

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

5.2. Resources and Responsibilities

45. The implementation of the SEDAP will be the overall responsibility of the PIU. But the focal points for consultations within States are the State Utilities including organizing public and community meetings for disclosing safeguards instruments, and in engaging local leaders and land owners on resettlement planning information gathering surveys and the implementation of resettlement action plans.

46. The PIU will have access to the FSM CIU Safeguards Specialist who will take the lead role in the implementation of the SEDAP SECP. The Safeguards Specialist will be responsible for facilitating the meetings as appropriate led by State utilities. The PIU will also be the focal point for all stakeholder queries and contacts in relation to the implementation of the SECP or the GRM.

47. It is also the responsibility of the PIU to ensure that gender balance is achieved throughout the implementation of the SECP and the Safeguard Specialist will make culturally appropriate recommendations on strategies to achieve this such as separate meetings for males and females, or targeting female input through women's groups.

Annex 1: Sustainable Energy Development and Access Project – Project Components

The five SEDAP components are:

1. **Component 1: Improving Reliability of Electricity Supply in Pohnpei (IDA US\$12 million).** This component will address PUC's challenges with insufficient available generation capacity, which is way below the installed capacity, to stably cover peak demand, and unscheduled shutdowns of power supply and unsecure waste oil storage. The component will finance (i) medium speed diesel gensets of about 7.5 MW total, which will serve base load and provide appropriate redundancy; (ii) consultancy work for feasibility studies and supervision; (iii) associated grid facilities in Pohnpei to improve the operational performance and generation capacity of PUC; (iv) waste oil storage tank and spill containment (v) removal of obsolete generation equipment and (v) electromechanical and electronic equipment, such as a power system SCADA, measuring, monitoring, and protection devices, and converters to help PUC improve its operational performance.
2. **Component 2: Expanding Access to Electricity in Chuuk (IDA US\$3 million).** This component will support CPUC to expand access to electricity in Chuuk, where the access rate is only 27% due to the remoteness of several islands. Specifically, this component will finance: (i) the construction of a mini-grid system on the islands of Udot and network expansion on the island of Satawan; (ii) the installation of several solar home systems on the islands of Weno, and (iii) consultancy work for feasibility studies and supervision. Udot, Satawan and Weno are prioritized based on population, needs, cost-effectiveness and other donors' programs.
3. **Component 3: Scaling-up Renewable Energy Generation in Chuuk, Yap and Kosrae (IDA US\$10 million).** This component will support CPUC to install the state first utility-scale solar power plant to reduce fuel cost of diesel-based power generation and support CPUC in access expansion on the outer islands. The component will also support YSPSC and KUA to significantly mitigate the curtailment of the existing RE output and enable the integration of more variable RE through storage capacity and high speed gensets.
4. The component will finance (i) a 2 MW Solar PV power plant in Weno to and CPUC has already identified the land for 2MW scale solar PV, (ii) the installation of about 2 MWh⁵ of battery capacity for KUA, and (iii) the installation of an 830kW⁶ high speed genset in the existing diesel power plant in Yap. For each of these investments, the component will also finance consultancy work for feasibility studies and for supervision during the project implementation.
5. **Component 4: Institutional Strengthening and Capacity Building in the Energy Sector (IDA US\$2 million).** This component is designed to improve sector governance and financial performance, achieve self-sustainability, and PUC's proper asset maintenance strategy and will include the following three sub-components:

⁵ KUA has already experienced the curtailment of solar power, but has an intention to overcome this issue and scale up renewable energy. The battery size will be designed to accommodate the existing solar and the foreseeable future solar. The size will further be refined after detailed study is completed.

⁶ YSPSC has recently installed wind turbines and has a plan to install further renewable. However, this could cause some difficulties in frequency control. The Master Plan suggests adding 830kW scale high speed genset for the stable power supply.

- a) **Sub-component 4.1: Sector Governance:** This sub-component will support: **a)** PUC's management structure and capacity to enhance O&M and corporate functions; it may also include the signature, implementation and monitoring of a Performance Management Contract (PMC)⁷; and **b)** FSM to advance appropriate solutions through analytical work and TA in various areas. A preliminary identification of potential areas include: **(i)** instruments to create an institutional, legal, and regulatory framework conducive to a self-sustained sector; **(ii)** assessment of the private sector's readiness for private-public partnerships instead of the current public-sector supply approach in order to enable solution to maximize finance for development for future projects; **(iii)** assessments for competitive and gender neutral selection of key management positions and the participation of independent administrators in Board, **(iv)** a collaboration program with local schools, colleges and media, aimed at increasing the numbers of female candidates who apply for technical vocational roles, and **(v)** utility financial recovery plans, if needed.
- b) **Sub-component 4.2: Efficient Clean Cookstoves.** This sub-component will finance: **(i)** a detailed household survey assessment of the challenges and opportunities for intervention in selected islands of FSM to address health (gender disaggregated), environmental, livelihood, gender and climate change issues, **(ii)** awareness campaign through social mobilization to ensure that potential users are aware of the fuel-saving and health benefits associated with clean cooking, and potentially **(iii)** cooking demonstration workshops using different type of cookstoves and fuels to test consumer preferences and willingness to acquire the stove, and **(iv)** definition of broad lines and components of a large scale intervention on household energy for cooking in the FSM, which consider women's health benefits and employment opportunities.
6. **Component 5: Technical Assistance and Project Management (IDA US\$3 million).** This component will finance **(i)** contract staffing for the project, including a project manager, consultancies and non-consultancies, office and other equipment, travel and operational costs, and training and workshops, **(ii)** recruitment of a full-time Energy Adviser (EA) to assist and support the Secretary of Resources and Development (SoR&D) on energy sector policy matters and development strategy, and **(iii)** support utilities on respective activities implementation, including provision of support on coordination, Monitoring and Evaluation (M&E) and reporting.

⁷ a Performance Management Contract (PMC), agreed by relevant parties (PUC, Pohnpei state and others) to be implemented and monitored based on the recommendations provided by the Graduates School USA's report on PUC.

Annex 2: Report of Consultation with Chuuk State Energy Working Group – 8 October, 2018

| Report of Consultation for the Sustainable Energy Development and Access Project (SEDAP) with the Chuuk Energy Working Group and others. | | | |
|---|---|------------------|----------------------------------|
| Venue | Conference Room Chuuk Power Utility Company (CPUC) | Date/Time | 8 October 2018 10:00am-1:00pm |
| Attendees from CPUC | Kembo Mida, General Manager Lei Shirai, Chief Financial Officer | | |
| Attendees from WB | None | | |
| Attendees from Environment Division ESDP/SEDAP | Sam Sesega (Social Resettlement Consultant) (SS) | | |
| Name/Time/Matter/ | Comments/Presentation | | |
| 10:30 | Wildfred Chairman of the Energy Working Group welcomed everyone from the various agencies and sectors to the Meeting, asked the Mayor of Udot to give the opening prayer, and after the Opening Prayer, declared the meeting open. He referred to the prepared Agenda and proposed that the meeting started with the presentation by the Safeguards Consultant. | | |
| Project Overview | <p>The Safeguards Specialist started with a slide on the purpose of this consultation highlighting that it is a WB requirement, and best practice for the planning of development projects; that the safeguards instruments had been disclosed in draft form; how this consultation contributes to the project preparatory phase, and to discuss key issues pertaining to the Projects safeguards instruments namely the ESMP, ESMP for Weno, Resettlement Policy Framework (RPF) and Stakeholder Engagement Plan (SEP). The SS noted that where appropriate and relevant, comments received will be integrated into the final project design.</p> <p>The SS powerpoint presentation discussed the project components, and then focused on those physical investments earmarked for Chuuk – namely the Weno solar power plant, the mini-grids in Udot and the upgrade to the Satowan mini-grid. He explained the frameworks (ESMF and RPF) highlighting the process for screening new sites, the role of CPUC in this process, and in the subsequent preparation of safeguards instruments required; the proposed CPUC Engineering Unit for assisting the PIU Safeguards Specialist in the preparation of the safeguards instruments, and in the subsequent implementation.</p> <p>The Grievance Redress Mechanism was discussed last, the importance of recording all complaints received, the need for CPUC to identify who the Contact Person is within CPUC; and how unresolved complaints filter up to the CPUC General Manager, to the PIU Project Manager and the Project Steering Committee (PSC), before litigation if a dissatisfied complainant wishes to.</p> | | |
| | Following the SS's presentations, the floor was open to questions and responses from the floor. The following summarizes the issues raised by the various participants. | | |
| Name/Village/gender | Comment/View expressed | | |
| i. | If there is delay in securing land for the Weno solar installation, can the Satowan and Udot | | |

| | |
|--------|--|
| | mini-grid proceed still? |
| ii. | Are these proposals going to be implemented and soon? The Udot feasibility study by Balance was completed in 2016 and the communities are still waiting. |
| iii. | Is the project going to fund activities such as surveying land boundaries in order to legally define easements, cost of hiring a boat to go to Udot and those kinds of costs? |
| iv. | The critical issue for CPUC, is long term sustainability. Right now, CPUC prefers to have the Weno solar plant implemented and be operational first, before Satowan and Udot, because savings projected to be generated from the Weno solar is what CPUC will rely on to support the maintenance of the mini-grids in Udot and Satowan. Failing this, it is financially infeasible for CPUC to sustain these outer island investments. |
| v. | It is critical that the Weno solar power plant is implemented and before the outer island investments in mini-grids. |
| vi. | A few weeks ago, an WB consultant (Anetter) visited Udot and when asked by local people as to when the project will be implemented, she was not able to say so. As a result, Udot are skeptical and uncertain, after their expectations were pumped up by other consultants who were more forthcoming. |
| vii. | Need to properly manage the expectation of local communities. |
| viii. | Is this project going ahead? |
| ix. | For Udot and Satowan, how much per kWatt if they are to run it on their own? |
| x. | Satowan and Udot are likely to have higher tariffs and may likely need subsidies to keep it viable. |
| xi. | Affordability of tariffs in Satowan and Udot is highly uncertain. CPUC and the Government may set up these solar power sources only to find no one is willing to pay for them. Then what? |
| xii. | CPUC recognizes the risks involved and for that reason, are keen to engage the Energy Working Group in the decision-making process and not CPUC on their own. |
| xiii. | Why is it that Chuuk is offered only 2 MW of solar while Kosrae will get 2MWh of battery capacity? |
| xiv. | If CPUC can find enough land for a 3MW solar facility, will the WB be amenable to funding it under SEDAP? |
| xv. | How many landowners have so far indicated interest in offering their land for the Project's solar installation? |
| xvi. | The Chuuk State is fully supportive of the SEDAP and she (State) would prefer that the solar power facility in Weno be implemented and completed first before Satowan and Udot. |
| xvii. | If land is an issue, can we have a mix of roof-tops and land –based panels to get the 2 MW proposed? |
| xviii. | If Xavier school is eliminated from the ESDP, should be put in back in under SEDAP? |
| xix. | Udot land earmarked for the Project is confirmed to be owned by the Municipality, thus available to the Project without any issues. |
| xx. | Satowan land earmarked for the new genset and solar panels etc is Government owned and is available for the project. |
| xxi. | Its best to await the ENTURA Feasibility study report before making any changes to the Project; mini-grids are often more complex than people they are. |
| xxii. | There should be consultations in Satowan and Udot with the local people to confirm the alignment of the easements for the distribution networks, before contractors work starts. |
| xxiii. | What exactly is proposed for Satowan? An expansion or an upgrade? |
| xxiv. | Satowan people living in Weno should be also consulted. Most of them are in Weno for work but their homes and families live on Satowan. |
| xxv. | Will SEDAP fund the cost of land surveying, travel to Udot and Satowan to do consultation and other project related activities? |
| xxvi. | There should be another consultation to further engage other stakeholders and the public who are not involved in today's consultations, this week, while the Safeguards Specialist is in Weno. |

Closing :

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

Minutes compiled by Sam Sesega
SEDAP/ESDP – Safeguards Specialist

Annex 3: Reports of Consultations in Chuuk, 11th October, 2018

| Report of Consultation for the Sustainable Energy Development and Access Project (SEDAP) with the Chuuk Energy Working Group and others. | | | |
|---|---|------------------|-----------------------------------|
| Venue | Conference Room Chuuk Power Utility Company (CPUC) | Date/Time | 11 October 2018 9:00am-12:00pm |
| Attendees from CPUC | Kembo Mida, General Manager Lei Shirai, Chief Financial Officer | | |
| Attendees from WB | None | | |
| Attendees from Environment Division ESDP/SEDAP | Sam Sesega (Social Resettlement Consultant) (SS) | | |
| Name/Time/Matter/ | Comments/Presentation | | |
| 10:30 | <p>Wildfred Robert Chairman of the Energy Working Group welcomed everyone from the various agencies and sectors to the Meeting, asked the Senior Land Commissioner to give the opening prayer, and after the Opening Prayer, declared the meeting open. Participants then introduced themselves – giving names, positions and agencies or organizations represented. Wilfred then invited the Safeguards Consultant to give his presentation.</p> | | |
| Project Overview | <p>The Safeguards Specialist started with a slide on the purpose of this consultation highlighting that it is a WB requirement, and best practice for the planning of development projects; that the safeguards instruments had been disclosed in draft form; how this consultation contributes to the project preparatory phase, and to discuss key issues pertaining to the Projects safeguards instruments namely the ESMP, ESMP for Weno, Resettlement Policy Framework (RPF) and Stakeholder Engagement Plan (SEP). The SS noted that where appropriate and relevant, comments received will be integrated into the final project design.</p> <p>The SS powerpoint presentation discussed the project components, and then focused on those physical investments earmarked for Chuuk – namely the Weno solar power plant, the mini-grids in Udot and the upgrade to the Satowan mini-grid. He explained the frameworks (ESMF and RPF) highlighting the process for screening new sites, the role of CPUC in this process, and in the subsequent preparation of safeguards instruments required; the proposed CPUC Engineering Unit for assisting the PIU Safeguards Specialist in the preparation of the safeguards instruments, and in the subsequent implementation.</p> <p>The Grievance Redress Mechanism was discussed last, the importance of recording all complaints received, the need for CPUC to identify who the Contact Person is within CPUC; and how unresolved complaints filter up to the CPUC General Manager, to the PIU Project Manager and the Project Steering Committee (PSC), before litigation if a dissatisfied complainant wishes to.</p> | | |
| | <p>Following the SS's presentations, the CEO CPUC added more background information, explaining the low electricity coverage (27%) in FSM, the Master planning exercise, the emphasis in Chuuk on extending access, why Satowan and Udot, what a mini-grid is vs a</p> | | |

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

Closing :

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

Minutes compiled by Sam Sesega
 SEDAP/ESDP – Safeguards Specialist

SEDAP – Stakeholder Engagement Plan (SEP)

Oct 11, 2018

9am @ CPUC

| | Name: | Organization / Title: | (Email) Contact Info: |
|-----|-------------------|-----------------------------------|--------------------------|
| 1. | Chris Eustaquio | CSCC / E.D. | 330-2443 |
| 2. | Iowas Simms | LAW Commission / Board Commission | 330-2731 |
| 3. | Andreas Vietus | CHUK Health / Fidelity Manager | 330-2216 |
| 4. | William S. Robert | Chairman, ELEC | 933-7001 |
| 5. | Larry Goulard | CPUC / Stakeholder | 330-2-476 |
| 6. | Alberto Franco | CPUC | albert.franco@cpuc |
| 7. | Leialoha Shirai | CPUC / CFO | lei.shirai@cpuc.fm |
| 8. | JEFF IRONS | HOUSE OF REP | ironsjeff@rocketmail.com |
| 9. | Kenbo Mida Jr. | CPUC | Kenbo.mida@cpuc.fm |
| 10. | Roger Arnold | CEOC | rogserarn@gmail.com |
| 11. | Mitchy Assito | Mayor, Satewan | |
| 12. | Grace Willander | Director of MIDA | midauthority@gmail.com |
| 13. | LEON FRET | MAYOR UDOT - | 930-9169 |
| 14. | Dino Aliven | Supervisor LMO | 930-2682 |
| 15. | | | |

Annex 4: Report of Consultations in Kosrae 12 October 2018

October 12, 2018

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

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

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

STAKEHOLDERS PARTICIPATION COMMENT

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

FUNDING CONCERNS

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

RENEWABLE ENERGY (RE) CONCERNS

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

SCADA CONCERNS

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

ENVIRONMENTAL IMPACT CONCERNS/COMMENTS

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

SEDAP – Stakeholder Engagement Plan (SEP)
waste management system. KIRMA is recognized for their waste management efforts and accomplishments.

WORLD BANK PROJECTS EMPLOYMENT OPPORTUNITY CONCERN

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

OTHER UNRELATED CONCERNS

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

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

| STAKEHOLDERS MEETING ON SUSTAINABLE ENERGY DEVELOPMENT & ACCESS PROJECT - WORLD BANK | | | |
|--|--------------------------|-----------|---------------------------|
| DATE : October 12, 2018 | | | |
| HELD AT KOSRAE STATE'S GOVERNOR'S CONFERENCE ROOM | | | |
| PARTICIPANT | OFFICE/AGENCY | TELEPHONE | EMAIL |
| 1. Harold Livi | KUA | 990-7759 | h.livi@kua.gov.fj |
| 2. Arnold Calab | Walung Community | 370-8068 | - |
| 3. Floyd Aloka | Tulla Town Cn | 370-3228 | 10-12-18 |
| 4. Luper L. George | KUA/ODM | 370-3163 | - |
| 5. Casey J. Fuvoni | KUA | 370-3344 | Casey.fuvoni@kua.gov.fj |
| 6. Jacob Z. George | TAFUNSAK WANGI | 370-3211 | tung outlook yahoo.com |
| 7. FRED STEAC | KCSO | 370-3673 | kcsosmail.fj |
| 8. Kiobu hua | KIRIMA | 370-3646 | kiobuhua@kua.gov.fj |
| 9. Carson Sigrah | Governor's Office | 370-3002 | carsonsigrah_kos_email.fj |
| 10. Tulensa W. Palik | Kosrae State Legislature | 370-3019 | tulensapalik@gmail.com |
| 11. Swtson Robert | FUNAU | 370-3004 | swtsonrobert@funau.com |
| 12. Bob Skilling | KUA | 370-3011 | bobskilling@kua.gov.fj |
| 13. STANFORD ANDREA | HFO/KIRIMA | 370-3078 | andrea.stanford@gmail.com |
| 14. ALERSON ALIC | TMG Council Chair | 370-2149 | aleric@funhealth.fj |
| 15. Steven Palik | KIRIMA | 370-3646 | s.stevpalik@gmail.com |
| Sasaki L. George | KSL | - | slinusgeorge@gmail.com |
| 17. Likiesha E. Etesha | NMGT | 370-4501 | lelesha@des.edu.fj |
| 18. Carter Sigi | WACA | 370-3207 | - |
| 19. LIVINGSTON TAVUNU | DHS (Hospital) | 370-3199 | ltavunua@funhealth.fj |

| STAKEHOLDERS MEETING ON SUSTAINABLE ENERGY DEVELOPMENT & ACCESS PROJECT - WORLD BANK | | | |
|--|------------------------|---------------|----------------------------|
| DATE : October 12, 2018 | | | |
| HELD AT KOSRAE STATE'S GOVERNOR'S CONFERENCE ROOM | | | |
| PARTICIPANT | OFFICE/AGENCY | TELEPHONE | EMAIL |
| Jeffrey S. Tibfas | Office of the Atty Gen | 370-3215/3008 | Jeff.tibfas@gmail.com |
| Ruben K. Chady | Madan Puzi | 370-44501 | Rubenchady@kua.gov.fj |
| Lynne Cornelius | DREA | 370-3017 | Lynne.cornelius@kua.gov.fj |
| | | | |
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Annex 5: Report of Consultations Pohnpei 12 October 2018

FSM Energy Sustainable Energy Development and Access Project

Stakeholder Meeting Minutes

Venue: Governor's Conference Room

Date: October 12, 2018

Time: 10:00 A.M.

Participants:

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

Record of Meeting:

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

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

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

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

Mr. Anson further presented the scope of work for the project. The new gensets will be installed at the existing power plant site in NPP2 and NPP3 now decommissioned. The project includes the engineering and design, procurement and delivery of genset, demolition, rehabilitation and preparation of site, Installation of new genset, Waste oil removal, construction of waste oil storage tanks for recycling or disposal, project management, testing and commission and project management control. The component will also finance an in house electrical engineer to oversee the quality control of the project.

SEDAP – Stakeholder Engagement Plan (SEP)

He informed the committee that the engineering and design will be contracted to Castalia through a Change Order for Additional work for their Master Plan and Energy Assessment Contract.

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

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

Mr. Anson opened the floor the Question and comments.

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

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

Miscellaneous items:

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

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

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

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

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

SEDAP – Stakeholder Engagement Plan (SEP)

Meeting was adjourned at 11:30 A.M.

Prepared by: PUC

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

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Annex 6: Report of Consultations in Yap, 12 October 2018

Sustainable Energy Development and Access Project (SEDAP) Yap Consultation 12 October 2018

World Bank Grant Project (Under IDA18)

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

Summary of Discussion

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

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

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

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

YSPSC Attendance Sheet

SEDAP Safeguard Consultation Meeting
 Diesel Genset 800kWp

Date: 10/15/2018

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