

**INDIGENOUS PEOPLES DUE DILIGENCE REPORT- YAP and CHUUK**  
**September 2014**

**I. Introduction**

1. This due diligence report (DDR) on indigenous people describes:
  - Brief project background;
  - Component activities; and
  - Description of local people vis-à-vis ADB definition of indigenous peoples.

**II. Brief Project Background**

2. The North Pacific Regional Connectivity Investment Project will help the Republic of Palau (ROP) and Federated States of Micronesia (FSM) to establish faster and reliable internet connectivity through connection through submarine cable. The submarine cable will connect Palau directly to Guam with spur to Yap State in FSM. Currently Palau, Yap and Chuuk States in FSM depend fully on costly and limited capacity geo-stationary satellite based internet service. It has resulted to a very low internet penetration in both countries.

3. Palau and FSM have agreed to share the cost of the cable equally. The World Bank has agreed to provide support to FSM for the project whereas Palau has requested ADB to support their component. The proposed project will follow the World Bank technical assistance to FSM and Palau in strengthening the regulatory environment of the information and communication technology (ICT) sector.

4. The proposed project is expected to reduce the internet cost and increase the quality of the internet service to the general public. As a result, internet penetration is expected to increase significantly. This in turn will create an enabling environment for the delivery of improved electronic public services; including online government services, health and education and financial services, and support for regional integration objectives by enhancing service delivery, trade and communications with other Pacific island economies.

5. The project output:

Submarine cable connecting Palau to the international internet.

**III. Component Activities**

6. Following are activities under the project output<sup>1</sup>:

**6.1 Submarine Cable Connecting Palau to the International Internet**

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<sup>1</sup> Design and Monitoring Framework, ADB Concept Paper, August 2014 Version

Activities under this output will include: (i) the submarine cable provider implements the project following industry standard and implementation guidelines; and (ii) the submarine cable provider achieves 99% system availability.

#### **IV. Indigenous People and Ethnicity**

7. The local people in the area (Yap and Chuuk) **do not meet the ADB criteria** (distinctiveness and vulnerability) **of Indigenous Peoples**. The local people in the project area are part of mainstream Yapese and Chuukese people and are not considered to have a distinct cultural heritage including a different language and are not discriminated upon by other local groups due to their language, skin color and education level etc. thus not requiring protection and special attention from the project.

8. The FSM is comprised of more than 600 islands and atolls spanning across almost 3,000 km of the tropical Pacific Ocean. It has a total land area of 700 sq km (270 square miles) scattered across 2.6 million km or more than one million square miles of the western Pacific Ocean<sup>2</sup>. 78 islands comprise Yap State, with 12 located in Yap Proper and 66 in the Outer Islands with only 22 of these are inhabited.

9. Based on the 2010 census, the FSM population is declining for the first in recorded history from 107,000 in 2000 to 103,000 in April 2010, a decline of about 4,400 people since the last census in 2000. This indicates an average annual growth rate of -0.42% for the period 2000-2010, as compared to 0.25% for period 1994-2000. The decline seen came from the decrease of the population size in the states of Chuuk and Kosrae, the two states whose economies experienced financial difficulties in the recent past. Despite the decline in Chuuk, it continues to be the biggest state in terms of population size, with 48,651 persons or 47% of the FSM population. Pohnpei's population of 36,195 made up 35%, Yap's population of 11,377 made up 11%, and Kosrae's population of 6,616 made up 6% of the total FSM population.

10. In 2010, the average family size in FSM declined from 7 in 2000 to 4 in 2010, indicating a preference for smaller families by couples in FSM. This also reflects on the fertility decline as well as young people delaying first marriage<sup>3</sup>.

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<sup>2</sup> <http://www.everyculture.com/Ma-Ni/Federated-States-of-Micronesia.html#ixzz3BGq0RbWP>

<sup>3</sup> FSM 2012 Census Indicators

**Table 1. Demographic Information**

Feature	Project Location		
	FSM	Yap State	Chuuk State
Land area (sq km)	702 km <sup>2</sup>	102 km <sup>2</sup>	127.2 km <sup>2</sup>
Land area (sq m)	271	45.6	49.2
Population	102,843	11,377	48,654
Growth Rate	-.42%	.12%	-0.97%
Population Density <sup>11</sup> (sq km)	152 persons	94 persons	420 persons
Median age	21.5 years		
Ave. Family Size	4		
Ave. Household Size	6		
Total Households	17,767	2,311	7,024

11. Yap is comprised of two regions: Yap Proper and the Outer Islands. Similar to Palau, the distribution of population in Yap varied considerably between rural and urban areas. In Yap Proper, the population is about twice that of the Outer Islands at 7,731 (65%) and 4,006 (35%) respectively. This is consistent with the proportion of population since 1935<sup>4</sup>. The population density in Yap State was about 94 persons per sq km. In 2010, by age and sex, the population of Yap State is relatively young and comprised slightly of more females than males as indicated by overall median age of 22 years. Yap State has 2,311 households with 1,490 households (65%) in Yap Proper are connected to power while only 126 households (5%) are connected to power in the Outer Islands. In terms of communications, in 2010, a total of 1,184 households have telephones and 252 have wireless television connection. In addition, a total of 7,210 individuals have cellphones and only 294 have internet connection<sup>5</sup>.

12. Chuuk State has a population of 48,654 people comprising of 7,024 households in 2010. Five regions comprised Chuuk: (i) Northern Namoneas (ii) Southern Namoneas (iii) Faichuk (iv) Mortlocks and (v) Northwest Region.

**Table . Chuuk Population**

Region	Total	Male	Female	Households
1. Northern Namoneas Region	14,614	7,429	7,185	2,193
2. Southern Namoneas Region	10,233	5,268	4,965	1,564
3. Faichuk Region	11,305	5,827	5,478	1,687
4. Mortlocks Region	5,683	2,874	2,809	766
5. Northwest Region	6,819	3,437	3,382	814
<b>Total</b>	<b>48,654</b>	<b>24,835</b>	<b>23,819</b>	<b>7,024</b>

Source: 2010 Chuuk State Census

## V. Language

13. FSM people are generally Micronesian in character, with a small number of Polynesian, primarily on Nukuoro and Kapingamarangi atolls of Pohnpei State. There are also European and Japanese mixture as well.

<sup>4</sup> Yap Statistical Yearbook, 2011

<sup>5</sup> Ibid

**Table . Total FSM Population by Ethnicity (2000 Census)**

Chuukese/Mortlockese	52,197
Pohnpeian	25,904
Kosraean	6,682
Yapese	5,516
Yap Outer Islands	4,849
Polynesian	1,582
Asian	1,914
White	537
Others	6,326
<b>Total:</b>	<b>107,008</b>

14. English is the official and common language. Also spoken are Chuukese, Kosraean, Pohnpeian, Yapese, and Woleian. Other languages spoken in the country include Pingelapese, Ngatikese, Satawalese, Puluwatese, Mortlockese, and Mokilese. There are also about 3,000 speakers of Kapingamarangi and Ulithian, and under 1,000 speakers of Nukuoro<sup>6</sup>.

15. Religion in FSM is predominantly Christian, divided between Roman Catholic and Protestant -other churches include Latter-Day Saints, Seventh-Day Adventist, Assembly of God, Jehovah's Witnesses, and the Baha'i Faith.

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<sup>6</sup> FSM Wikipedia