

**OFFICE OF THE NATIONAL PUBLIC AUDITOR**  
**FEDERATED STATES OF MICRONESIA**

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**PERFORMANCE AUDIT OF SOLID WASTE MANAGEMENT  
FISCAL YEAR 2007-2009**

**AUDIT REPORT NO. 2010-08**



**Haser H. Hainrick**  
**National Public Auditor**



# FEDERATED STATES OF MICRONESIA

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July 2, 2010

His Excellency Manny Mori, President  
Honorable Members of the FSM Congress  
Federated States of Micronesia

Honorable John Ehsa, Pohnpei State Governor  
Honorable Nelson N. Philip, Speaker,  
Honorable Member of the Pohnpei Legislature  
Pohnpei State

RE: Performance Audit of the Solid Waste Management

We have completed a *Performance Audit of the Solid Waste Management for Fiscal Year 2007, 2008, and 2009*. The audit on Solid Waste Management was undertaken jointly by the Office of the Public Auditor of the Federated States of Micronesia (FSM) and the Office of the Public Auditor, Pohnpei State as part of an initiative developed by the Pacific Association of Supreme Audit Institutions (PASAI) with the support of the Asian Development Bank (ADB) and the INTOSAI Development Initiative (IDI). The purpose of the audit was to assess solid waste policies and practices. Specific audit objectives included 1) determining whether there is a legal and policy framework that governs solid waste management practices; 2) evaluate the process by which the legal and policy framework has been implemented; and 3) determining the extent to which all parties are in compliance with the legal and policy framework, including the monitoring arrangements of activities related to solid waste disposal. We conducted this audit in accordance with Generally Accepted Government Auditing Standards.

At the broadest level, the FSM Infrastructure Development Plan (IDP) serves as a comprehensive strategic plan to guide infrastructure development in the FSM. The IDP addresses the issue of solid waste and includes plans to replace the existing dump at Dekehtik with an environmentally healthy landfill by the year 2011. The IDP identified a Minimization Study and a Landfill Plan as two major planning activities that must occur to guide future actions aimed at replacing the existing dump with a landfill.

The audit revealed that the goal of opening a landfill by 2011 will not be achieved. Strong political leadership and prioritization of the landfill plan is needed in order to achieve the goal. No singular agency has taken the lead in ensuring that progress continues in a timely manner. Other priorities compete for staff and agency attention, involvement of agencies at both the national and state levels creates confusion over jurisdictional authority and project responsibility, and the fact that waste management involves both environmental and land use policy have hindered progress. As a result, though the Landfill Plan was initially established in 2004 with the goal of opening a landfill in 2011, progress is years behind schedule.

As discussed in Finding 1, given the political structure as a federation there are questions regarding jurisdictional authority related to matters of hazardous waste. Similarly, other questions exist regarding the roles and responsibilities of involved government organizations. It is unclear to whether the national Project Management Unit (PMU) for amended compact projects or Pohnpei State is responsible for ensuring that landfill architectural and engineering design studies are completed.

As discussed in Finding 2, the FSM Strategic Development Plan (SDP) identified that legislation and/or regulations are needed to control polluting and hazardous substances. However, because of issues relating to jurisdiction, a lack of expertise on the matter, and competing priorities, neither the FSM Department of Justice (DOJ) nor the Office of Environment and Emergency Management (EEM) have produced draft legislation for Presidential review and Congressional consideration. Additionally, though strategies for reducing waste have been identified, no specific projects have been implemented. Moreover, a comprehensive collection system is needed to ensure garbage is properly disposed of.

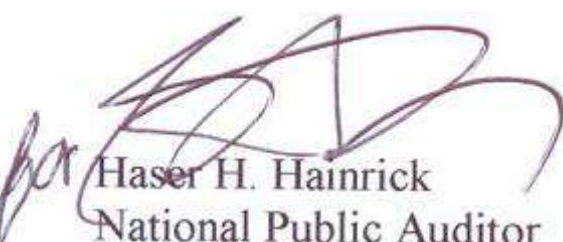
As discussed in Finding 3, no effective enforcement efforts are made to ensure storage of garbage at residential and commercial sites, that proper methods of transportation are used, or even that the treatment of hazardous medical waste is done in compliance with Pohnpei State Environment Protection Agency (EPA) regulations.

We recommend the following:

1. That relevant national and state agency with the legal and environmental authority collectively determines roles and responsibilities for all parties and develops appropriate communication protocols.
2. That appropriate individuals at DOJ and EEM need to take action on the jurisdiction issues by producing draft legislation for the Presidents review and submission to congress.
3. That PMU initiate the procurement to hire of contractor who can conduct the Minimization Study.
4. That EPA develops strategies to either enforce or increase voluntary compliance with EPA regulations dealing with storage and transportation.
5. That EPA develops an inspection program to ensure all hazardous waste is incinerated prior to removal from all medical facilities on the island.

The ONPA and Pohnpei State Public Auditors office discussed the contents of the report with officials from EEM, PMU, FSM Department of Transportation, Communication & Infrastructure (TC&I), EPA, Pohnpei State Office of Transportation & Infrastructure (T&I) and the Lt. Governor of Pohnpei State and provided them with draft copies of the report. The organizations were asked to provide written comments which are included in the appendix to the attached report. Their response provides the details of how they plan to address the issues discussed in the audit report.

Respectfully yours,

  
Haser H. Hainrick  
National Public Auditor

  
Annes H. Leben  
Pohnpei State Public Auditor

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## 2. INTRODUCTION

The audit on Solid Waste Management was undertaken jointly by the Office of the Public Auditor of the Federated States of Micronesia (FSM) and Office of the Public Auditor, Pohnpei State as part of an initiative developed by the Pacific Association of Supreme Audit Institutions (PASAI) with the support of the Asian Development Bank (ADB) and the INTOSAI Development Initiative (IDI). Ten PASAI member countries in the Pacific, including FSM, concurrently performed audits of solid waste management policies and practices in their respective government jurisdictions. Other participating audit offices include: Cook Islands, Fiji, Guam, Palau, Papua New Guinea, Republic of Marshall Island, Samoa, Tonga and Tuvalu.

The joint cooperative performance audit involves both the FSM national and Pohnpei state governments as each has responsibilities related to solid waste management in the state of Pohnpei. The cooperative performance audit was conducted pursuant to the authority of the Office of the Public Auditor (OPA) as provided in Article 11, Section 8 paragraph 2 of the Pohnpei State Constitution and Pohnpei State Law No. 1L-10-79 and subsequent amendments thereto, and Title 55 of the FSM Code, Chapter 5, which states in part:

*The Public Auditor shall inspect and audit transactions, accounts, books, and other financial records of every branch, department, office, agency, board, commission, bureau, and statutory authority of the National Government and of other public legal entities, including, but not limited to, States, subdivisions thereof, and nonprofit organizations receiving public funds from the National Government”.*

### Background

The manner in which solid waste is managed affects the environment, human health, and land use. Contamination of the soil and water, pollution and litter all result from improper disposal processes and the presence of excesses non-decomposable materials. Health issues can result from contact with hazardous waste materials such as hospital waste or because garbage attracts disease carrying rodents. Decisions about where and how much land must be used for dumps and/or landfills impacts land use policy.

Exhibit 1: Pohnpei Solid Waste Site



### Strategic Development

The Strategic Development Plan 2004-2023 (SDP) was produced to serve as a comprehensive master plan for the FSM. Subtitled "The Next 20 Years: Achieving Growth & Self-Reliance," the SDP addresses macroeconomics, private sector development, public sector management, etc. Volume III addresses infrastructure development and is referred to as the Infrastructure Development Plan (IDP). While the IDP is part of the SDP, because it is printed as a separate volume it is often discussed as though it is a separate plan.

### National Government

At the National level, the Office of Environment & Emergency Management (EEM) is the lead agency responsible for environmental issues. The office of EEM was created on September 12, 2007 under the current administration. Within EEM, the Division of Environment & Sustainable Development has the specific responsibilities of integrating environmental considerations into the strategic policy formulation and for administering the Environment Protection Act (Title 25 of the FSM Code). The Act establishes the following responsibilities: formulating and implementing environmental policies and legislation; conducting research and developing strategies; protecting and managing the environment within the National jurisdiction; and coordinating work with the state EPA, etc when applicable. (See Appendix 2).

The EEM is also responsible for ensuring that the FSM is in compliance with international treaties and conventions. The FSM is party to three international conventions relating to solid waste. They are:

Table 1: Conventions

Name of Convention	Date of Ratification
Basel Convention on Transboundary movements of hazardous wastes and their disposal (International)	9/6/1995
Waigani Convention to ban the importation into forum island countries of hazardous and radioactive wastes and to control the Transboundary movement and management of hazardous wastes (Regional)	1/26/1996
Stockholm Convention on Persistent Organic Pollutants	1/27/2005

Within the Department of Transportation, Communication, and Infrastructure (TC&I) there is the Division of Project Management Unit (PMU). This division was created March 28, 2009 to oversee infrastructure development.

State Government

The State Office of Transportation and Infrastructure (T&I) has general responsibility for all infrastructure planning and development. Based on State Law (SL) 5L-14-00, T&I is also responsible for maintaining the dump site at Dekehtik. The state Environmental Protection Agency was established to protect the environment and is responsible for generating and implementing regulations deemed necessary to do.

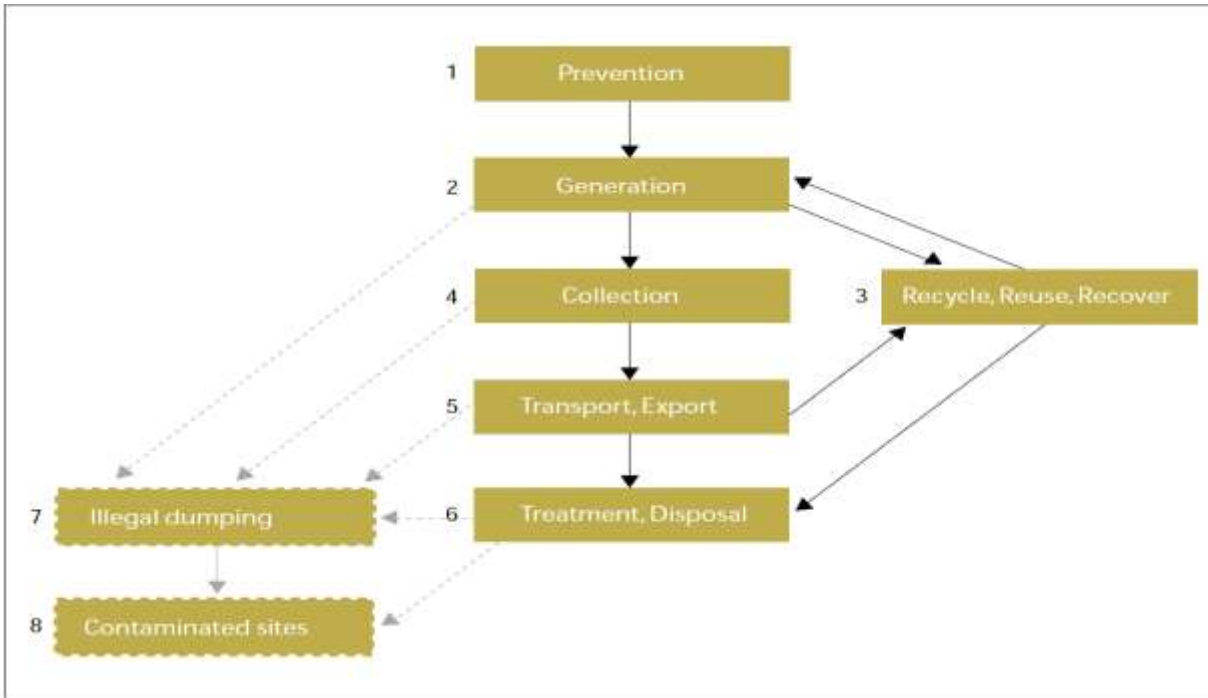
Exhibit 2: Pohnpei Solid Waste Site



Waste Stream

The Waste Stream is represented below at Exhibit 3.

**Exhibit 3: The Waste Stream**



Source: INTOSAI WORKING GROUP ON ENVIRONMENTAL AUDITING (WGEA), *TOWARDS AUDITING WASTE*.

Generation

There has not been any current study done on waste streaming. The most recent one was done in 1991 by World Health Organization (WHO) with the following forecast statistics for waste type and generation for Pohnpei State.

Table 2: Generation of Waste

Year	Per Capita Generation rate kg/capita/day	Population	Household waste generation rate kg/capita/day	Commercial waste generation rate kg/capita/day
2007	.524	21,469	11.6	.32
2008	.534	22,777	12.2	.32
2009	.545	23,460	12.8	.33



### Collection

The dump operator provides trash collection service to private business and government offices, as well as residential collection. Fees are based on the size of the bins, distance to dump, and collection frequency. Additionally Kolonia, one of the five municipalities on Pohnpei, provides fee-based collection services for solid waste to residents within its jurisdictions on a weekly basis and to private companies twice a week. In the other 4 municipals, residents are responsible for collecting and bringing their garbage to the dump. Solid waste is usually collected in plastic bags, 55 gallon drums/barrels, and waste collection bins. A drive around the island reveals that garbage is often used for land fill in the mangrove areas.

### Disposal

There is one solid waste disposal site on Pohnpei. It is a garbage dump situated on the causeway that leads to the airport. There are no fees charged to the general public for the disposal of garbage at the dump site. The facility has an operation shed, a battery recovery shed, and separated areas for aluminum can storage and fuel drum sludge product extraction and storage. The larger portion of the area is used for trash intended for disposal without recovery efforts. This is mostly domestic solid waste such as food waste, garden waste, containers and packaging, clothing, plastics, disposable diapers/nappies, paper, cardboard, electronic goods, white goods, batteries, aluminum cans and foil, tins/cans. There are commercial solid wastes too, such as used machinery, furniture and office equipment, computers, waste paper and cardboard packing. Transportation/Shipping Waste such as used motor vehicles and parts, tires, derelict, used outboard motors, shipping containers, vehicle batteries; used motor and transmission oil are also among the items disposed at the dump site.

*Exhibit 4: Bulk Waste and White Waste*



In 1994 a plan to close down the old dump and establish a new landfill site was developed. The present site is deemed unsuitable for long term use because of multiple problems. Litter and bad odors exist and the location provides an unsightly introduction to Pohnpei for visitors. Additionally the dump is a traffic hazard for both airplanes and ships due to birds and burn-off operation. Moreover the dump is environmentally unsafe as it allows leachates into the lagoon and it encroaches on neighboring mangroves. The dump also attracts disease carrying rodents which are a public health nuisance.

### **3. AUDIT OBJECTIVE & SCOPE**

The purpose of this audit was to assess solid waste management practices on Pohnpei. Solid waste management includes all policies and practices related to solid waste and not just the operations of a dump or landfill. As such, issues and activities related to prevention, generation, collection, transport/export, and the treatment/disposal of solid waste were included in the scope.

The specific objectives developed to assess the effectiveness of solid waste management included determining the:

- 1) Existence of a legal and policy framework;
- 2) Process by which the legal and policy framework is implemented; and
- 3) Compliance with the legal and policy framework including monitoring arrangements.

We conducted this performance audit in accordance with the Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Accordingly, we included such tests of records and other auditing procedures that were considered necessary to achieve the audit objectives. We believe that the evidence obtained provided a reasonable basis for our findings and conclusions based on our audit objectives.

### **4. AUDIT METHODOLOGY**

The fieldwork was conducted at T&I, Pohnpei Waste Management Service (PWMS), Pohnpei State Finance, Pohnpei State Budget at the state level and Statistic, Budget Office, and Compact Management (SBOC), PMU, and EEM at the National Level.

1. To determine the existence of a legal and policy framework for Solid Waste Management, we collected and reviewed the Fiscal Procedures Agreement between the United States and the Federated States of Micronesia for the Amended Compact, Strategic and Infrastructure Plan for Solid Waste Management for National and State that were required to be prepared before the implementation of the Amended Compact, State and National Public laws that involves the

administration of solid waste management, Pohnpei State Solid Waste Management Regulation, and T&I Contract for Solid Waste Management with PWMS.

2. To determine the process by which the legal and policy framework is implemented, including whether risks to implementation have been considered, we interviewed key officials and staff who have direct involvement in the administration of solid waste management at T&I, PWMS, SBOC, PMU, and EEM. We reviewed all the expenditures disbursed for the solid waste management by T&I, and we physically inspected the activity reports at EPA and condition at the solid waste dump site.
3. To determine the compliance with the legal and policy framework, including monitoring arrangements, we reviewed the monitoring reports from T&I and EPA attached with the expenditures for solid waste management and activity reports filed at EPA. We also reviewed the quarterly performance report to SBOC from EPA and T&I that summarized the activities, percentage of budget used, and percentage of target completed.

#### **Prior Audit Coverage and Referral**

No prior audits of solid waste management practices have been conducted. EPA and T&I are part of the Pohnpei State Government, and are included in the annual fiscal audit of the Pohnpei State Government. Similarly, the national government is subject to an annual fiscal audit and EEM and PMU are included in the scope of that audit.

#### **Subsequent Events**

Notification of Grant Award from USDOJ funding for architecture, engineering, design, and engineering preliminaries for infrastructure in the amount of USD \$9,250,000 was effective November 11, 2009.

## **5. CONCLUSION**

Strong political leadership and prioritization of the landfill plan is needed in order to achieve replacement of the existing dump site at Dekehtik with a new environmentally-friendly landfill site. No singular agency has taken the lead in ensuring that progress continues in a timely manner. Other priorities compete for staff and agency attention, involvement of agencies at both the national and state levels creates confusion over jurisdictional authority and project responsibility, and the fact that waste management involves both environmental and land use policy have hindered progress. As a result, though the Landfill Plan was initially established in 2004 with the goal of opening a landfill in 2011, progress is years behind schedule.

As discussed in Finding 1, given the political structure as a federation there are questions regarding jurisdictional authority related to matters of hazardous waste. Similarly, other questions exist regarding the roles and responsibilities and it is unclear to whether the national PMU or Pohnpei State are responsible for ensuring that architectural and engineering design studies are completed.

As discussed in Finding 2, the SDP identified that legislation and/or regulation are needed to control polluting and hazardous substances. However, because of issues relating to jurisdiction, a lack of expertise on the matter, and competing priorities neither the DOJ nor the EEM have produced draft legislation for Presidential review and Congressional consideration. Additionally, though strategies for reducing waste have been identified, no specific projects have been implemented. Moreover, a comprehensive collection system is needed to ensure garbage is properly disposed of.

As discussed in Finding 3, no effective enforcement efforts are made to ensure storage of garbage at residential and commercial sites, methods of transportation, or even the treatment of hazardous medical waste is done in compliance with EPA regulations.

The findings are discussed in detail in the following pages.

## 6. AUDIT FINDINGS AND RECOMMENDATIONS

### **Finding 1: The Existing Environmental Legal and Policy Framework Addresses Solid Waste Management however Issues of Jurisdiction and Responsibility Need to be Resolved.**

Effective management of solid waste addresses the entire waste management stream which includes: prevention, generation, collection, transportation/exportation, treatment, and disposal. Additionally, it should address the topics of recycling, reusing, and recovering as well as illegal dumping and dealing with contaminated sites.

The FSM Constitution and Code of Law, Pohnpei State Law, and the FSM Strategic Development Plan 2004-2023 (SDP) all contribute to the legal and policy framework governing solid waste management.

The FSM Constitution addresses solid waste management within the greater scope of environmental protection. The National Government has responsibilities dealing with radioactive, toxic chemicals and other harmful substances. The FSM Constitution states:

*“Radioactive, toxic chemical or other harmful substances may not be tested, stored, used or disposed of within the jurisdiction of the Federated States of Micronesia without the expressed approval of the national government of the Federated States of Micronesia.”<sup>1</sup>*

Moreover, the FSM Code states,

*“The accumulation of rubbish, garbage, cans, coconut shells, and other refuse attractive to animal and insect life is prohibited. Any person who shall permit, create, or maintain any such accumulation on land owned or occupied by him, and who fails to remove and dispose of such accumulation within a reasonable time after due notice thereof in writing by a representative of the Department of Health Services shall be deemed to have violated this section.”<sup>2</sup>*

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<sup>1</sup> FSM Constitution Article 13 section 2

<sup>2</sup> FSM Code Title 41 Chapter 6 Sanitation §602

Exhibit 5: Accumulation of Garbage



Pohnpei State laws give the Pohnpei Environmental Protection Agency (EPA) the authority to promulgate solid waste regulations for the expressed purpose of establishing minimum standards governing the design, construction, installation, operation, and maintenance of solid waste storage, collection and disposal systems. The intent of the regulations are to prevent pollution of drinking water, prevent air and land pollution, prevent the spread of disease and the creation of nuisances, protect the public health and safety, as well as the conservation of natural resources and the preservation and enhancement of the beauty and quality of the environment. The EPA has established regulations governing storage (including the design of storage containers), collection, permitting, standard for disposal and hazardous waste, responsibilities for solid waste management, and the management of solid waste on public properties.

The SDP includes the following two goals: The prevention of solid waste from having adverse effects on terrestrial and marine environments and the accomplishment of that goal in a manner that minimizes the land area required to avoid adverse effects. Within the SDP there are six key strategies for addressing pollution and solid waste issues. The strategies involve:

1. Limiting the importation and transportation of hazardous waste;
2. Establishing and enforcing minimum standards for pollution and hazardous waste;
3. Assessing the level of soil and water contamination;
4. Minimizing waste generation;
5. Designating, establishing, upgrading, and managing a landfill site to replace the existing dump; and,
6. Developing strategies to reduce the amount of waste entering the waste stream and to increase recycling.

The existing legal and policy framework has resulted in overlapping responsibilities and jurisdiction. As a result, it is not always clear as to whether the national or state government is responsible for certain actions. For example, PMU expressed uncertainty as to whether they are responsible for the completion of architectural and engineering design studies or whether the Pohnpei State is.

Additionally, the existing structure results in questions over jurisdictional power. For example, in 2009 the Secretariat of the Pacific Regional Environment Program (SPREP) conducted a review of FSM laws,

regulations, and treaties and found that given the FSM's political structure as a federation, the extent of national powers was not clear. Specifically, SPREP found that:

1. It is not clear whether the national or state government has jurisdiction over the management of hazardous wastes and chemicals on state land.
2. It is not clear whether the national government has the authority to implement international treaties that address areas that fall within the state's jurisdiction.

Questions surrounding jurisdiction and confusion regarding roles and responsibilities have slowed the implementation of solid waste management policies and practices. As a result, an environmentally sound landfill will not replace the existing dump by the desired date of 2011. Similarly, Pohnpei and the FSM will not achieve other outcomes and outputs designed to limit and minimize pollution and hazardous waste that are included in the IDP. These issues are discussed in finding 2 as they have impacted implementation of the policy framework.

Issues related to overlapping jurisdictions and responsibilities have resulted from changes in organizational structures and because of the power sharing arrangements of a federated form of government. The need to resolve these issues has been identified and parties have discussed the need for an environmental summit to address them.

#### Recommendation 1.1

Relevant national and state agencies with legal and environmental authority need to determine roles and responsibilities for all parties and develop appropriate communication protocols.

#### **Finding 2.1 No Progress has been Made Towards Limiting the Amount and Type of Polluting and Hazardous Substances that Enter the Waste Stream**

The SDP recognizes that to improve and enhance the human environment, waste management strategies must consider the impact of pollution and hazardous waste. The strategic plan includes the following action items:

1. Limit and control importation and transport of polluting and hazardous substances into and within the FSM
2. Establish and enforce national minimum standards for pollution and hazardous wastes, including persistent organic pollutants (POPs).

Legislation and/or regulations have not been promulgated to address the importation of specific materials. To date:

- *The importation of Persistent Organic Pollutants (POPs) is not regulated at the national level*  
Some pesticides, solvents, and other items produce unhealthy chemicals that stay in the land and are suspected of causing cancers, tumors, etc. The Stockholm POP Convention was ratified by the FSM Congress, requires signatory nations to take measures to eliminate or reduce the release of POPs into the environment. However, no specific legislation has been proposed or passed at

the national. EEM reports that it is in the process of drafting legislation that it will submit to the President for his approval and eventually consideration by Congress.

- *There are no limitations on the import of non-decomposable products.*  
The IDP identified that reliance on imported products generates a large percentage of the island's garbage. Moreover, the Styrofoam and plastic used to package many of these items does not decompose. Regulations prohibiting and/or discouraging the importation of these items was recommended. No action has occurred.

Exhibit 6: Litter in the Lagoon



Because no legislation has been introduced, POPs and packaging material continue to enter the country. As a result, the FSM may not be in compliance with the treaty and continued import/use of items producing POPs is allowed which increases the likelihood that health problems will result. Additionally, Styrofoam and plastics add to the amount of garbage that will not decompose and continue to fill the state's dump site and end up as litter in the lagoon and on the island. Styrofoam is known to take over 1,000 years to decompose and plastic takes more than 100 years.

Lack of legislation addressing POPs and the recommendation that Styrofoam and plastic imports be limited appears to result from combined issues relating to jurisdiction, expertise, and competing priorities. The Department of Justice (DOJ) is responsible for addressing international and multilateral agreements. DOJ has been working on legislation to address ozone depletion, but this process has spanned the last four administrations and is still not complete.

EEM is responsible for national laws. EEM is a newly formed agency with environmental responsibilities previously assigned to the Department of Health and Social Affairs, Department of Resources and Development, and the Office of Historic Preservation all competing for the time and attention of staff.

It is reported that plans are under way to host a 3<sup>rd</sup> environment conference to identify issues relating to environmental laws at both the state and national level.



### Recommendation 2.1

It is recommended that appropriate individuals within the DOJ and EEM take action on these issues by producing draft legislation for the President's review and submission for consideration by Congress.

### **Finding 2.2 Waste Reduction Initiatives have Not been Developed and Implemented**

Effective waste management includes policies and activities that minimize the amount of waste that enters the waste stream and ends up in a dump or landfill. Strategic Goal #2 of the SDP recognizes the importance of waste reduction initiatives. It identifies that the following action plans must occur:

Promote the development and effective use of waste reduction initiatives, solid waste collection systems, and recycling programs....

Neither Pohnpei nor other stakeholders have developed or implemented programs that prevent and/or reduce waste generation. The audit team found:

- *There is only minimal effort put into reducing garbage on the family level.*  
The 5<sup>th</sup> grade Green Road Show was developed as a means of promoting public awareness. As its name implies, the audience is limited to 5<sup>th</sup> graders. Additionally, some presentations have been made to local schools. No other campaigns or activities have been implemented.
- *There is no large scale program for recycling or reusing plastics or glass.*  
Plastic and glass generally enter the waste stream and end up in the dump or as litter. Local vendors do re-use glass and plastic bottles to sell the coconut oil and sakau but no organized effort has been established that would direct bottles from individuals to these vendors. As a result, it is assumed that most individuals throw their bottles and plastic containers in with their other garbage that ends up in the dump.
- *Recycling of aluminum cans is reported to occur at one location*  
One municipal district has attempted to develop an aluminum can recycling program. However, the program is not advertised outside of the school and there is little to no awareness of it. No other schools, municipalities, or other organizations have attempted to develop a recycling program. It should be noted that given Pohnpei's isolated location and relatively small size, it may not be economically feasible to ship aluminum off-island for recycling. The district reports that a container of cans was shipped off-island in 2006. No containers have been shipped off-island since then. However, EEM reports that it is currently in the process of trying to identify potential overseas partners to engage in a large recycling program.
- *There is no program to remove and recycle abandoned and broken down automobiles.*  
Automobiles rusting on the side of the road are a common sight in Pohnpei. Although, the dump accepts automobiles, not all individuals make the effort to get their vehicles there. In fact, one small NGO even produced a calendar featuring abandoned vehicles as a means to promote public awareness of the issue. No government action has been taken to either make it illegal to leave vehicles on the roadside nor has the government made an effort to clear roadsides of these vehicles.

Exhibit 7: Broken Down and Abandoned Automobiles



- *Small scale reusing of used motor oil occurs.*  
A portion of the dump is set aside for the deposit of used motor oil. However, there is no public awareness campaign to alert individuals that they should separate their used oil from other trash or that they can obtain used oil at the dump. As such, it is likely that not all motor oil is diverted to this set-aside location.
- *Decomposable items are not diverted from the waste stream*  
Although a past study revealed that 30% of household garbage is decomposable, there are no strategies to divert this material from going to the dump.

The lack of reduction and recycling programs results in a higher-than-necessary amount of material entering the existing garbage dump. Continued practices that do not reduce the amount of material needing disposal will result in the need for a larger-than-necessary landfill site. Reducing the amount of material entering the waste stream would mean that less land would be needed for a landfill and that land could be used for other purposes.

The IDP recommended that a Minimization Study be conducted. One output of that Study was to be detailed plans for implementing reduction programs. However, as discussed in Finding 2.4, the Study was not initiated.

#### Recommendation 2.2

PMU is currently responsible for infrastructure project management. Completion of a Minimization Study falls within this responsibility and therefore PMU should initiate the procurement RFP process and hire a contractor who can conduct the study.

#### **Finding 2.3 Solid Waste Collection Practices Do Not Ensure the Proper Disposal of Waste**

Collection policies and practices are needed to ensure that waste is transferred to an appropriate disposal site.

Garbage collection on Pohnpei is minimal. Collection of residential garbage only occurs in the urban area of Kolonia. There is no collection in the rural areas and many families lack either a vehicle to transport garbage to the dump or available funds to purchase gasoline to travel to the dump on a frequent basis.

Exhibit 8: Residential Garbage Piles



As a result, garbage piles up and is eventually burned or buried. Many people either burn garbage, which can release unhealthy pollutants into the air, or bury it in their yards. Backyard burial holes are often left uncovered and can attract disease carrying animals and insects. Additionally, property owners along the mangrove swamp shoreline have been observed using garbage as fill to extend the land mass. They first put garbage down and then cover it with dirt and gravel.

Exhibit 9: Garbage Piles in Mangroves



Recommendation 2.3

The state EPA is responsible for ensuring compliance with EPA regulations and therefore in the short term it should enforce activities to ensure garbage is transported to the dump. In the long term, transportation should be addressed as a component of the Landfill Plan.

**Finding 2.4 Neither the Minimization Study nor the Landfill Plan have been Initiated.**

At the broadest level, the FSM Infrastructure Development Plan (IDP) serves as a comprehensive strategic plan to guide infrastructure development in the FSM. The IDP identified a Minimization Study and a Landfill Plan as two major activities that must occur and guide future actions aimed at replacing the existing dump with an environmentally sound landfill. The Minimization Study was intended to guide efforts to minimize solid waste generation. The IDP further identified that after completion of a Minimization Study, the results of that study would need to be used to help plan the size and design for an environmentally sound landfill to replace the existing dump.

The audit team found that,

- The Minimization Study has not been initiated
- The Landfill Plan has not been initiated

Because the needed studies have not been completed, the goal of having an environmentally sound landfill in use by 2011 will not be achieved. Moreover, it is anticipated that at least six years will be needed from the time the studies are completed to the time the new landfill is open. After the studies are completed, the landfill will need to be designed and constructed.

As a result, the existing garbage dump will continue to be used. Continued use of the existing dump is problematic because chemicals are leached into water and soil causing damage to terrestrial and marine environments, the dump attracts disease carrying vectors, and it is an eyesore to tourists and others arriving on the island.

Several factors have contributed to the fact that the Minimization Study and Landfill Plan are not completed. Transfers of authority for project management, confusion over roles and responsibilities, and failure to designate a piece of land for the landfill are the primary reasons. Each is discussed below:

- *Transfer of project management authority.*  
A third party project management team was hired in 2005 to oversee the infrastructure projects to be funded with Compact sector funds. A year expired while steps were taken to develop a list of ‘pre-qualified general contractors’ who would then be able to bid on specific projects related to the landfill and other infrastructure development projects. In 2007, oversight responsibility was taken away from the third-party project manager and the national government created the Project Management Unit (PMU) as a division within the Department of TC&I. Oversight responsibility was then given to PMU. Additional delays resulted as the PMU had to organize and structure itself. In 2010 funding was set aside to begin contracting for the A&E studies.
- *Confusion regarding roles and responsibilities*  
Confusion regarding the responsibilities of the state and national governments and the roles of specific entities within each government continue to plague and delay the project. For example, according to the minutes of an infrastructure oversight committee meeting, “There were some arguments on whether the PMU is responsible for putting the plan together in accordance with its contract or just to assist the states to put it together.” Similarly, though the state T&I is taking the lead in locating a site for the landfill, it does not attend technical meetings related to solid waste environmental issues because invitations to these meetings are usually extended only to environmental agencies and groups. As a result, state EPA attends those meetings but T&I does not. Moreover, although responsibilities were transferred to the national EEM, related authorities still reside with the National Department of Health Services.
- *Land*  
Land has not been designated for the landfill. A piece of state owned land has been identified as a potential site. However, laws require that for a piece of public land to be used there must be passage of a specific public law stating what the land will be used for. A bill has been drafted but the legislature has not voted on it. The legislature will not vote until environmental studies have been done. However, PMU (a national division) will not perform the studies on the land until after passage of the law designates that the land will be used for the landfill. Moreover, landowners near the proposed landfill site are reported to be unhappy with the idea of having a landfill in their area and are voicing their opposition to the proposal.

#### Recommendations 2.4

It is recommended that PMU and other relevant parties at the state and national level meet and develop a mutually agreed upon list of roles and responsibilities and work out related issues of cooperation and information sharing.

It is also recommended that PMU meet with the Pohnpei Governor and Legislature to resolve issues causing delays to the process of designating a piece of land for landfill use.

### **Finding 3.1 Monitoring Activities are Limited and do Not Ensure Compliance with the State EPA Regulation**

The Pohnpei EPA is empowered with monitoring and reporting requirements to ensure public compliance with solid waste regulations.<sup>3</sup> As such, it should be taking action to ensure compliance with sections of the EPA regulation that address:

1. Storage of garbage at residential and commercial facilities prior to transfer of garbage to the dump site
2. Collection and transferring of garbage to the dump site
3. Solid waste management permitting system
4. The solid waste disposal facility (the dump operations)
5. Hazardous waste which includes hospital waste incineration

Pohnpei T&I is responsible for management of the dump site. It contracts out dump operations to Pohnpei Waste Management Services (PWMS). T&I is responsible for ensuring that PWMS operates the dump in accordance with terms and conditions set forth in the contract.

The audit team found that while both EPA and T&I perform monthly inspections of the dump and EPA performs residential inspections, there is no effective enforcement program to ensure compliance with solid waste practices outside of the dump. Specifically:

- *EPA issues residential warnings but does not issue fines*  
EPA does do residential monitoring and issues citations for non-compliance. The penalty for non-compliance is a \$100 fine. However, there is no enforcement mechanism to ensure fines are tracked and paid. As such, the citations act more as a warning than as a citation. As discussed in finding 2, garbage piled outside at private residences is a common site on Pohnpei.
- *There is no enforcement to ensure garbage is transferred in an enclosed container*  
No efforts are made to ensure vehicles comply with this regulation when transporting garbage to the dump. Additionally, there is no monitoring of the frequency of dumpster collections to ensure that garbage does not remain in dumpster beyond the allowable timeframes.

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<sup>3</sup> Pohnpei State Law 3L-26-92§4

- *EPA allows the dump site to operate without renewing an annual permit.*

Though the dump operates openly and in contract with the state, it has not been required to comply with permitting requirements which involve the submittal of annual records. Specifically the dump operator has not been required to submit annual reports that provide information regarding the quantity and type of solid waste processed at the site. Moreover, it has not been required to submit test results related to pollution and contamination levels that are necessary to detect problems of this nature.

Though monthly dump inspections occur, the monitoring activities have not resolved ongoing problems. Specifically:

- *Precautions over hazardous hospital waste are not in place*

Hospital waste is transported from the state hospital to the dump (where there is no operating incinerator) and disposed of in a dumpster dug into the ground. Per the EPA regulation, infectious and pathological wastes generated at a medical facility must be incinerated, sterilized, or otherwise rendered safe prior to removal from the medical facility for final disposal.

- *The dump operator is not complying with all requirements.*

Monthly monitoring reports reveal that on an ongoing basis backfilling (covering garbage with dirt and then compacting it) is not occurring, access roads within the dump are not cleared to encourage people to drive to the far end of the dump, and there is no dirt berm around the waste oil storage area.

Several factors have contributed to the minimal monitoring efforts and lack of compliance with the EPA regulation. Monitoring of residential and transport practices must compete with other EPA priorities and, as such, formal programs have not been established. It should also be noted that the transport of garbage is difficult to monitor and the dump operator is not required to enforce the requirement at the dump gate.

The dump was established during the Trust Territory days and, as such, pre-dates the EPA regulation requiring issuance of a permit. In 1997 PWMS took over operations of the dump. It submitted a request to initiate procedures to secure a permit. However, it was determined that the site and its operations would not meet the requirements for either a permit or a variance. It was determined that the most pragmatic course of action was to allow the dump to continue operating without a permit and to hasten progress towards development of the landfill.

Weather and land conditions may contribute to lack of compliance with dump operation specifications. The contractor reported that earth berms are constructed but that heavy rains wash them away. Additionally, because the dumpsite is situated on the causeway which was constructed of coral, dirt is not readily available to be used to cover the garbage. Machinery used to clear roadways within the dumpsite broke and remained broken for a long time, resulting in non-compliance with the requirement to encourage people to drive to the far end of the dump. The machinery has since been fixed, which has resolved this issue. The transport and dumping of hazardous hospital waste is a result of the inability or

unwillingness to operate an incinerator. The Japanese Embassy recently donated an incinerator to the Pohnpei state hospital. However during an instructional demonstration intended to teach hospital staff how to use the incinerator, the instructor was burned. Now, hospital staffs are afraid to use the incinerator.

### Recommendations 3.1

We recommend that EPA should,

- Inspect hospital waste at the medical facilities to ensure that hazardous waste is incinerated prior to removal from the medical facilities.
- Increase the effectiveness of its residential monitoring program by conducting follow-up visits to ensure corrective action it taken.



**APPENDIX 1:**

**List of Officers Interviewed**

Title	Offices/Agencies/NGOs
Acting Administrator	Office of Transportation & Infrastructure
Chief of Staff	Office of the Governor
State Planner	Office of Budget & Planning
Planner	Pohnpei Utilities Corporation (PUC)
Owner	Pohnpei Waste Management Services
Chief Executive Officer	The Nature Conservancy (TNC)
Project Coordinator	Office of Environmental Emergency Management
Strategic Planning Coordinator	Office of Environmental Emergency Management
Consultant	Pohnpei Environmental Protection Agency
Executive Officer	Pohnpei Environmental Protection Agency
Director of Terrorist	Department of Health & Social Affairs

APPENDIX 2:

**FSM National Government & Pohnpei State Environmental Laws & Regulations**

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***Constitution***

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Article IX	Section 2 (m): power to regulate natural resources beyond the 12-mile limit Section 3 (3): power to promote health, concurrently with the states.
Article XII	Section XIII: Congress has the power to regulate radioactive, toxic chemical or other harmful substances.
Article VII	Section 1: Resources & Environment
Article XIII	Section 2: Harmful Substances

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***FSM & Pohnpei State code of laws***

**FSM Code**

Title 25	(as amended by PL 3-83 and PL 5-21): Environmental Protection Act
Title 41	Section 602: Regulates Rubbish

**Pohnpei State Code**

Title 27	Chapter 1: Environmental Protection Agency (SL 3L-26-92)
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***FSM & Pohnpei State Regulation***

**FSM Regulations:**

Solid Waste (April 12, 1979)

**The Pohnpei EPA regulations pursuant to State Law No 3L-26-92:**

Solid Waste Regulations (March 30, 1995)

APPENDIX 3:

**FSM Infrastructure Development Plan, FY2003-FY2017  
(In constant 2001 prices)**

Development Programs	Estimated Required Funding in Constant Value Terms (US\$ Thousands)															
	First Quinquennium (FY2003-FY2007)					Second Quinquennium (FY2008-FY2012)					Third Quinquennium (FY2013-FY2017)					Total
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
<b>PROGRAM PREPARATION AND MANAGEMENT</b>																
<i>PROGRAM MANAGEMENT</i>																
Infrastructure Plan Implementation Committee	500	800	1000	600	300	300	150	150	150	150	150	150	150	150	150	5,300
Program Management contract	1400	1800	1400	200	0	0	0	0	0	0	0	0	0	0	0	4,800
<b>Total</b>	<b>1900</b>	<b>2800</b>	<b>2400</b>	<b>800</b>	<b>300</b>	<b>300</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>10,100</b>
<b>DATABASE &amp; INSTITUTIONAL DEVELOPMENT</b>																
Hydrographic Survey & Mapping	500	500	0	0	0	0	0	0	0	0	0	0	0	0	0	1,000
Aerial Photography & Mapping	528	0	0	0	0	0	0	0	0	0	0	0	0	0	0	528
Cadastral Database Development & Management	100	100	100	0	0	0	0	0	0	0	0	0	0	0	0	300
Public Utility Restructuring & Strengthening	400	400	400	0	0	0	0	0	0	0	0	0	0	0	0	1,200
Solid Waste Management Restructuring	400	500	500	0	0	0	0	0	0	0	0	0	0	0	0	1,400
Road Sector Institutional Development	300	300	500	500	500	0	0	0	0	0	0	0	0	0	0	2,100
Port Authority & Airport Authority Restructuring & Strengthening	100	100	200	400	400	400	200	0	0	0	0	0	0	0	0	1,800
Maritime Safety Authority			400	400	1000	1000	0	0	0	0	0	0	0	0	0	2,800
Air Transport Safety Authority	0	0	300	300	0	0	0	0	0	0	0	0	0	0	0	600
Education Sector Institutions Strengthening	100	100	300	300	0	0	0	0	0	0	0	0	0	0	0	800
Health Sector Institutional Strengthening	200	200	0	0	0	0	0	0	0	0	0	0	0	0	0	400
Private Sector Institutional Development	0	200	200	200	400	400	400	0	0	0	0	0	0	0	0	1,800
<b>Total</b>	<b>2,828</b>	<b>2,400</b>	<b>2,900</b>	<b>2,100</b>	<b>2,300</b>	<b>1,800</b>	<b>600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,728</b>
<b>STUDIES AND PLANS</b>																
<b>Project Description</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>Total</b>
FSM Integrated Tourism Development Plan	0	650	650	0	0	0	0	0	0	0	0	0	0	0	0	1,300
FSM Fisheries Sector Master Plan	600	600	0	0	0	0	0	0	0	0	0	0	0	0	0	1,200
FSM Contracting Industry Development Plan	300	300	0	0	0	0	0	0	0	0	0	0	0	0	0	600
Water/Wastewater System Master Plan and Cost Recovery Study	600	800	600	0	0	0	0	0	0	0	0	0	0	0	0	2,000
FSM Solid Waste Disposal Needs Minimization Study	800	400	0	0	0	0	0	0	0	0	0	0	0	0	0	1,200
FSM Solid Waste Management Landfill Plan	0	0	600	0	0	0	0	0	0	0	0	0	0	0	0	600
FSM Primary Roads Master Plan	800	800	0	0	0	0	0	0	0	0	0	0	0	0	0	1,600
<b>Total</b>	<b>3,100</b>	<b>3,550</b>	<b>1,850</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,500</b>

**FSM Infrastructure Development Plan, FY2003-FY2017**

(In constant 2001 prices)

Development Programs	Estimated Required Funding in Constant Value Terms (US\$ Thousands)															
Project Description	First Quinquennium (FY2003-FY2007)					Second Quinquennium (FY2003-FY2007)					Third Quinquennium (FY2013-FY2017)					Total
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
<b>SOLID WASTE MANAGEMENT</b>																
Solid Waste Policy and Recycling Fund	0	0	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	0	0	0	10,000
Chuuk State Solid Waste Management System DP	0	0	0	10,756	10,756	13,175	13,174	13,173	7,535	0	0	0	0	0	0	68,569
Kosrae State Solid Waste Management System DP	0	0	0	3,140	3,140	3,140	3,918	0	0	0	0	0	0	0	0	13,338
Pohnpei State Solid Waste Management System DP	0	1,018	0	6,859	6,859	6,859	6,859	6,859	8,069	0	0	0	0	0	0	43,382
Yap State Solid Waste Management System DP	0	0	0	3,140	3,140	3,140	3,140	2,111	0	0	0	0	0	0	0	14,671
<b>Total FSM SWM System DP</b>	<b>0</b>	<b>1,018</b>	<b>1000</b>	<b>24,895</b>	<b>24,895</b>	<b>27,314</b>	<b>28,091</b>	<b>23,143</b>	<b>16,604</b>	<b>1000</b>	<b>1000</b>	<b>1000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>149,960</b>
<b>RECURRENT COST</b>																
Project Description	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Solid Waste Management	0	0	0	50	50	75	75	100	100	100	150	150	150	150	150	1,300
Health Sector	680	540	641	641	641	652	663	673	685	696	708	720	732	744	757	10,172
<b>Total</b>	<b>680</b>	<b>540</b>	<b>641</b>	<b>691</b>	<b>691</b>	<b>727</b>	<b>738</b>	<b>773</b>	<b>785</b>	<b>796</b>	<b>858</b>	<b>870</b>	<b>882</b>	<b>894</b>	<b>907</b>	<b>11,472</b>

### Detail of Pohnpei State Solid Waste Management System

Development Programs	Estimated Required Funding in Constant Value Terms (US\$ Thousands)															
Project Description	First Quinquennium (FY2003-FY2007)					Second Quinquennium (FY2003-FY2007)					Third Quinquennium (FY2013-FY2017)					Total
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
<b>POHNPEI STATE SOLID WASTE MANAGEMENT SYSTEM DP</b>																
Project Description	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Closure of Existing Landfill in Dekehtik	0	1,018	0	0	0	0	0	0	0	0	0	0	0	0	0	1,018
Development of new Landfill	0	0	0	6,859	6,859	6,859	6,859	6,859	6,859	0	0	0	0	0	0	41,154
Construction of support facilities for the new landfill	0	0	0	0	0	0	0	0	1,210	0	0	0	0	0	0	1,210
<b>Total</b>	<b>0</b>	<b>1,018</b>	<b>0</b>	<b>6,859</b>	<b>6,859</b>	<b>6,859</b>	<b>6,859</b>	<b>6,859</b>	<b>8,069</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>43,382</b>

APPENDIX 4:

**FSM Infrastructure Development Plan, FY2003 – FY2017  
(Costs Escalated for Inflation at 3% per annum)**

Development Programs	Estimated Required Funding in Constant Value Terms (US\$ Thousands)															
	First Quinquennium (FY2003-FY2007)					Second Quinquennium (FY2003-FY2007)					Third Quinquennium (FY2013-FY2017)					Total
Project Description	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
<b>PROGRAM PREPARATION AND MANAGEMENT</b>																
Program Management	2,016	2,841	2,701	927	358	369	380	391	403	208	214	220	227	234	241	11,730
Database & Institutional Development	2,788	2,623	3,264	2,434	2,746	2,214	760	0	0	0	0	0	0	0	0	16,829
Studies and Plans	7,002	10,326	2,983	464	0	0	0	0	0	0	0	0	0	0	0	20,775
<b>Total</b>	<b>11,806</b>	<b>15,790</b>	<b>8,948</b>	<b>3,826</b>	<b>3,105</b>	<b>2,583</b>	<b>1,140</b>	<b>391</b>	<b>403</b>	<b>208</b>	<b>214</b>	<b>220</b>	<b>227</b>	<b>234</b>	<b>241</b>	<b>49,334</b>
<b>SOLID WASTE MANAGEMENT</b>																
Solid Waste Policy and Recycling Fund	0	0	1,126	1,159	1,194	1,230	1,267	1,305	1,344	1,384	1,426	1,469	0	0	0	12,903
Chuuk State Solid Waste Management System DP	0	0	0	12,469	12,843	16,204	16,688	17,188	10,126	0	0	0	0	0	0	85,519
Kosrae State Solid Waste Management System DP	0	0	0	3,640	3,749	3,862	4,963	0	0	0	0	0	0	0	0	16,214
Pohnpei State Solid Waste Management System DP	0	1,112	0	7,951	8,190	8,436	8,689	8,949	10,844	0	0	0	0	0	0	54,172
Yap State Solid Waste Management System DP	0	0	0	3,640	3,749	3,862	3,978	2,754	0	0	0	0	0	0	0	17,983
<b>Total</b>	<b>0</b>	<b>1,112</b>	<b>1,126</b>	<b>28,860</b>	<b>29,726</b>	<b>33,593</b>	<b>35,585</b>	<b>30,196</b>	<b>22,314</b>	<b>1,384</b>	<b>1,426</b>	<b>1,469</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>186,791</b>
<b>RECURRENT COST</b>																
Solid Waste Management	0	0	0	58	60	92	95	130	134	138	214	220	227	234	241	1,844
Health Sector	721	590	721	743	768	802	839	879	920	963	1,009	1,057	1,107	1,159	1,214	13,491
<b>Total</b>	<b>721</b>	<b>590</b>	<b>721</b>	<b>801</b>	<b>828</b>	<b>894</b>	<b>934</b>	<b>1,009</b>	<b>1,054</b>	<b>1,101</b>	<b>1,223</b>	<b>1,277</b>	<b>1,334</b>	<b>1,393</b>	<b>1,455</b>	<b>15,335</b>

Office of the National Public Auditor  
Performance Audit of Solid Waste Management  
Report No. 2010-08

**Management Responds:**



**BOARD OF DIRECTORS**

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Frank Panuelo

**Executive Officer**  
Albert Roby

**Pohnpei Environmental Protection Agency**

**POHNPEI, FM 96941**

**FEDERATED STATES OF MICRONESIA**

**Tel: (691) 320-2927 Fax: (691) 320-5265**

**E-mail: pnepa1@mail.fm**

June 11, 2010

Mr. Haser H. Hainrick  
National Public Auditor  
FSM National Government  
Palikir, Pohnpei 96941

*Haser*  
6.14.2010



Dear Mr. Hainrick:

Thank you for providing us with your Performance Audit of Solid Waste Management, and the opportunity to comment on the findings. We are offering comments related to issues involving Pohnpei EPA and hope these can be of assistance in providing a complete and accurate picture of this issue.

**Finding 2.1**

Pohnpei EPA has a Pesticide Regulation that controls the pesticides that are allowed into the state. The regulation prohibits the importation of the pesticides listed in the POPs convention.

Under the Pohnpei law regarding littering, Pohnpei EPA is developing regulations that would impose a higher import fee for non-decomposable products, in order to promote the use of environmental friendly products.

**Finding 2.2**

Pohnpei EPA not only promotes proper solid waste reduction and disposal through the Green Road Show, but also in other school and community education programs. These programs also address the need to eliminate POPs on our islands. The EPA also organizes three island-wide clean-up events annually to promote the proper storage and disposal of solid waste.

Recycling of aluminum cans is done by the Kolonia Town Government. They are currently working with the schools to collect aluminum cans for recycling. Pohnpei EPA has worked with the state

**POHNPEI MET  
KAMWAKELEHDA POHNPEI 2010**

Office of the National Public Auditor  
Performance Audit of Solid Waste Management  
Report No. 2010-08

**Management Responds (Continue):**

Mr. Haser H. Hainrick  
June 11, 2010  
Page 2

Legislature for several years to pass a recycling bill that would impose an disposal fee on all imported aluminum cans, but such legislature has yet to be adopted. Several shipments of baled aluminum cans have been sent off-island by the Town Government with the proceeds from the sale of the aluminum used to assist in the operation of the recycling center.

Pohnpei EPA works closely with the scrap metal dealers on island to remove all large abandoned equipment scattered around the island, including cars, cranes, home appliances, etc., as well as car batteries and waste oil.

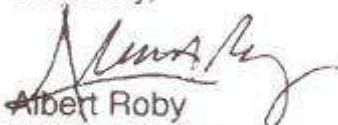
Finding 2.3 and 3.1

Pohnpei EPA conducts household inspections in all communities of the state. Part of the inspection includes compliance with EPA Solid Waste Regulations, regarding proper storage on the premises. EPA has recently completed initial inspections of all households in Pohnpei, and is now inspecting those households that did not comply with EPA regulations during the initial inspection, in order to work with the owners to bring their residence into compliance. Those failing to do so are brought before the EPA Board of Directors for a hearing and possible fine

Pohnpei State Hospital has two incinerators, one fueled by oil and not in operation, and one using wood as fuel and being used to disinfect biohazardous wastes from the hospital, dispensaries, and some private medical clinics on island.

Thank you.

Sincerely,

  
Albert Roby  
Executive Officer

Office of the National Public Auditor  
Performance Audit of Solid Waste Management  
Report No. 2010-08

**Management Responds (Continue):**

JAN-05-2007 01:07 AM

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**FEDERATED STATES OF MICRONESIA**  
**Program Management Unit**

P. O. Box PS 4, Palikir, Pohnpei FM 96941  
Tel: (691) 320-2080 Fax: (691) 320-4532

July 2, 2010

To : Secretary TC&I

From : Acting Program Management Unit

**Subject: Request for Management Response-Performance Audit of Solid Waste Management**

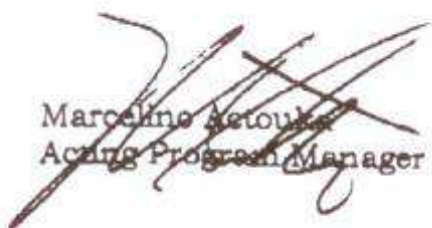
We are responding to relevant recommendations to PMU-Recommendation 2.2 and Recommendation 2.4.

It should be noted that over 90% of the proposed plans and studies recommended in the IDP have not been implemented as stated – but main of the areas have been addressed separately by each states and their relevant agencies.

On July 1, 2010, the PMU met with Pohnpei State Governor and his committee of Solid Waste. The following were the main agenda items:

1. It was agreed that with funding under Compact Infrastructure Sector Grants; an A/E firm is to begin the pre-design for the closure and relevant issues – Environmental Assessment, recycle and waste to energy be considered.
2. The Pohnpei State Legislature is to address designation of new land field area in Palikir, Sokehs and in Madolenihmw.
3. Fee proposal is being requested from the IDIQ and discussions will begin on scope and fees on the week of July 5, 2010 at the PMU Office in Palikir with A/E, Pohnpei State T&I and the peer and constructability review team of Bureau Veritas.

Sincerely,

  
Marcelino Aetouka  
Acting Program Manager



Office of the National Public Auditor  
Performance Audit of Solid Waste Management  
Report No. 2010-08

**NATIONAL PUBLIC AUDITOR'S COMMENTS:**

We wish to thank the staff at Office of Environment and Emergency (EEM), Department of Transportation Communication & Infrastructure (TC&I), the Division of Project Management Unit (PMU) under TC&I, at the National Government, and the Office of Transportation and Infrastructure (T&I), Environmental Protection Agency (EPA), Pohnpei Waste Management System (PWMS) for their assistance and cooperation during the course of the audit.

The ONPA will perform a follow-up review within the next 12 months to ensure that EEM, PMU, T&I and EPA have taken corrective measures to address all the findings and recommendations provided in this report.

In conformity with general practice, we presented our draft findings and recommendations to the Director of EEM, Director of PMU, Acting Administrator of T&I, Director of EPA and Director of PWMS for comments. Their written comments to the draft report are attached to this report.

We have provided copies of this report to the President and Members of the Congress for their use and information. We will make copies available to other interested parties upon request.

If there are any questions or concerns regarding this report, please do not hesitate in contacting our Office. Contact information for the Office can be found on the last page of this report, along with the ONPA and staff who made major contributions to this report.

  
Haaser H. Hainrick  
National Public Auditor

July 2, 2010

## **ONPA CONTACT AND STAFF ACKNOWLEDGEMENTS**

### **ONPA CONTACT**

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### **ACKNOWLEDGEMENTS**

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In addition to the contact named above, the following staff made key contributions to this report:

Eric Spivak, CIA, CGAP, Audit Supervisor  
Claire Kelly, PASAI Instructor  
Yolanda Leben, Auditor-In-Charge  
Perez Pedrus, Staff Auditor

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