



Federated States of Micronesia Climate Change and Disaster Risk Finance Assessment

Executive Summary
February 2019

Prepared by the Pacific Community and the Pacific Islands Forum Secretariat



PACIFIC ISLANDS
FORUM SECRETARIAT



Pacific
Community
Communauté
du Pacifique



USAID
FROM THE AMERICAN PEOPLE



Federated States of Micronesia Climate Change and Disaster Risk Finance Assessment

**Executive Summary
February 2019**

Prepared by the Pacific Community and the Pacific Islands Forum Secretariat

Published by the Pacific Community
Suva, Fiji, 2019

© Pacific Community (SPC) and Pacific Islands Forum Secretariat (PIFS) 2019

SPC and PIFS authorise the reproduction or translation of this material for scientific, educational or research purposes, provided that the source document is properly acknowledged. Permission to reproduce the document and/or translate in whole, in any form, whether for commercial/for profit or non-profit purposes, must be requested in writing.

Original text: English

Pacific Community Cataloguing-in-publication data

Federated States of Micronesia Climate Change and Disaster Risk Finance Assessment:
executive summary - February 2019 / prepared by the Pacific Community and the Pacific Islands
Forum Secretariat

1. Risk management — Micronesia (Federated States).
2. Disasters — Micronesia (Federated States).
3. Environment — Micronesia (Federated States).
4. Climatic changes — Micronesia (Federated States).
5. Climatic changes — Management — Micronesia (Federated States).
6. Climatic changes — Environmental aspects — Micronesia (Federated States).
7. Environment — Management — Micronesia (Federated States).

I. Title II. Pacific Community III. Pacific Islands Forum Secretariat

577.2209966

AACR2

ISBN: 978-982-00-1160-1

Acknowledgement

The development of this Climate Change and Disaster Risk Finance Report was coordinated by the Department of Environment, Climate Change and Emergency Management (DECEM) on behalf of the Government of the Federated States of Micronesia. It was jointly drafted by the Pacific Community (SPC), the Pacific Islands Forum Secretariat (PIFS) and the USAID Climate Ready Project.

The assessment and development of this report received funding from the United States Agency for International Development (USAID).

Photos: Lisa Buggy, Stephen Boland and Patterson Shed

Prepared for publication at SPC's Regional Office, Private Mail Bag, Suva, Fiji, 2019
Printed By Quality Print Limited, Suva, Fiji, 2019

www.spc.int




Executive Summary

Improved access to and management of climate change and disaster risk finance is a key priority for the Government of the Federated States of Micronesia (FSM). This is critical for achieving national and individual state strategic outcomes related to disaster risk management, climate change adaptation and greenhouse gas emissions reduction in the context of resilient and sustainable development for the people of FSM. It is widely recognized that addressing climate change and weather-related disaster events is not just an *environmental* issue, but a key *development* issue for FSM.

The FSM Government has demonstrated its leadership in progressing a number of initiatives and engaging with a range of development partners and regional organizations in order to advance its national priorities. FSM is also showing leadership by encouraging greater ambition and action towards the reduction of greenhouse gas emissions, and advocating for international support for developing countries to achieve their national adaptation priorities, especially through more accessible international financing.

The FSM Climate Change and Disaster Risk Finance Assessment was guided by the Pacific Climate Change Finance Assessment Framework (PCCFAF). This framework has now been applied in nine other Pacific Island countries, and reviews FSM's climate change and disaster risk program of FSM against seven key pillars: i) policies and plans, ii) funding sources, iii) public financial management and expenditure, iv) institutions, v) human capacity, vi) gender and social inclusion, and vii) development effectiveness. For the most part, the assessment has been focused at the national level, while



acknowledging that FSM presents unique circumstances within the region, given both its geographic and administrative makeup. Where possible, more specific analysis and recommendations at the state level have been included.

The assessment has identified a number of recommendations for the government, which are summarized below and discussed in detail within the report. A draft Action Plan is also included, providing timeframes and suggested responsibilities and partners for support, as assigned to each recommendation. This is intended to assist the FSM Government in the progression of these recommendations.

Policies and Planning Analysis

1. Update the National Strategic Development Plan to reflect a new context (post Compact funding in 2023) and to identify issues of national significance that are current, including cross-cutting issues such as CCDRM. Utilize the current Sustainable Development Goal (SDG) localization process to inform the basis of this plan.
2. Utilize the SDG process to identify climate change and disaster risk management (CCDRM) indicators that can enable streamlined reporting and monitoring and evaluation of national policy implementation to be undertaken.
3. Develop national mainstreaming guidelines or checklists to assist sectors / line ministries in identifying and operationalizing entry points for CCDRM.
4. Apply for Green Climate Fund (GCF) National Action Plan (NAP) readiness support to develop a more comprehensive adaptation planning process and to ensure that climate financing is being directed to this priority area.
5. Adopt a national standardized risk and vulnerability assessment framework that includes gender, social and cultural indicators, to improve consistency and comprehensiveness of identified priorities.
6. Undertake a review of the Disaster Relief Assistance Act of 1989 to ensure it provides the required and up-to-date legal obligations for disaster prevention, response, recovery and risk reduction.
7. Ensure that Joint State Action Plans (JSAPs) and the Nation Wide Integrated Policy actions are being reflected at the departmental level through their inclusion in corporate and strategic plans and with relevant budget allocations to support these actions. Furthermore, ensure JSAPs are undergoing timely review as stipulated within the individual documents so that they remain current.

Funding Source Analysis

1. Official development assistance (ODA) should host a central depository and/or database of all donor, national and state government climate change programmes and projects with the Department of Finance and Administration's Division of Investment and International Finance providing technical support.
2. Create a more formalized process for documenting and tracking climate change projects and financing across the various agencies. Utilize the Council on Climate Change and Sustainable

1. Development (CC&SD Council) or the new initiative bringing all financing focal points under the oversight of the Vice President.
2. The FSM national government should recommit to Petro Corp and the FSM Development Bank's pursuit of National Implementing Entity (NIE) accreditation and consider interim options (e.g. existing Regional Implementing Entities and Multilateral Implementing Entities) in the event of protracted delays with accreditation of the state-owned enterprises (SOEs).
3. In conjunction with undertaking the process of seeking accreditation, entities such as Vital (FSM Petrocorp) and FSM Development Bank should also consider developing a project pipeline ready for funding, in alignment with the FSM GCF Country Program.
4. FSM to reaffirm its position on "additionality" of climate finance (and not as a substitute for existing development assistance) and clearly identify its funding of priorities for climate change financial resources through:
 - a. enabling sectors such as education, fisheries, tourism and environment;
 - b. strengthening governance institutions and building capacity; and
 - c. and vulnerable sectors such as health, women, youth and children.
5. The FSM Government should work with donors to develop a medium-term fiscal strategy that is anchored on securing global climate funding and is fully consistent with the 2023 Action Plan and the Infrastructure Development Plan 2025.

Public Financial Management and Expenditure Analysis

1. Assess the adequacy and appropriateness of the FSM fund accounting structure and systems, as potential vehicles for channeling global climate change funds for CCDRM through national and state governments, and non-governmental entities.
2. The endorsed 2017 Public Financial Management (PFM) Roadmap should give added emphasis to the areas highlighted, and those particularly relevant to accessing and utilizing CCDRM funding, including:
 - a. budget presentation and documentation – more policy orientation to clarify the linkages of CCDRM policy to resource allocation;
 - b. increased accessibility of budget documentation through the Department of Finance and Administration (DoFA) website;
 - c. revise and update procurement regulations and its operational mechanisms to internationally accepted standards to generate more donor confidence in the procurement of goods, services and contracts using CCDRM funds;
 - d. strengthen internal controls to ensure efficient and accountable use of funds, including updating of financial regulations;
 - e. implement new financial management information system to improve data integrity and classification, and reporting standards (i.e. internally for management, in-year budget reporting for executive and Congress, and for better classification of data for policy and programming purposes).
3. Restart the PFM reform coordination mechanism to take stock of the status and progress of the PFM Roadmap deliverables. Develop and endorse a PFM reform communication strategy and a PFM reform capacity building strategy.

1. Develop a PFM Reform Implementation Strategy that is informed by the findings of the Public Expenditure and Financial Assessment (PEFA) and incorporating fiduciary requirement outlined by the Adaptation Fund (AF) and GCF for accreditation.
2. The FSM Government should seek support from the World Bank and the Pacific Financial Technical Assistance Centre (PFTAC) to undertake a Public Investment Management Assessment (PIMA) to complement the PEFA self-assessment so as to better assess FSM's ability to manage the development of public infrastructure including infrastructure challenges presented by CCDRM.
3. Undertake a Specific Disaster Financing Assessment based on lessons learned from the recent experience of Typhoon Maysak and droughts, and make recommendations on appropriate funding structures to deal with disasters in a timely and appropriate manner.
4. Conscious of the existence of the Disaster Relief Fund established under the Disaster Assistance Relief Act (1989) consider the establishment of a government-controlled emergency fund that:
 - a. maintains a minimum legislated level of resources sufficient to deal with disasters based on input from relevant technical offices;
 - b. is sufficiently replenished after major payouts in response to an emergency; and
 - c. receives annual appropriation for the maintenance of the real value and any increased vulnerability.
5. Develop and implement regulations to establish disaster-specific special funds at a declaration of emergency, specifically focused on:
 - a. receiving cash donations from donors, international agencies (including insurance payouts), private sector and public contributions;
 - b. being used specifically for disaster relief and accounted for separately; and
 - c. requiring an independent record of disaster-related expenditures and revenues.
6. Develop simplified and harmonized disbursement procedures for state, municipal and community funds for rapid emergency response.
7. Develop and Infrastructure Development Plan that is an integral part of budget formulation, and develop a medium-term public investment plan for budgeting purposes
8. Prioritize climate change adaptation to redress current skew towards climate change mitigation.
9. Engage, coordinate and share information with government-owned commercial entities in policy development and budget formulation. Specifically, establish sector planning and coordination mechanisms with state governments, national and state-owned commercial entities and non-governmental and civil society organizations.
10. Look at the options (and support available) for replicating a similar climate finance analysis at the state government level in order to provide more clarity for each individual state.



Institutional Analysis

1. The important role of the CC&SD Council as a national coordinating mechanism needs to be re-emphasised and the reasons for its recent challenges in attendance and representation identified and addressed. Elevating the chair to the vice president may be one way to do this.
2. Utilize the National Joint Platform to include a standard CCDRM financing component or session to raise awareness on this topic (including national processes for GCF, AF and GEF) and to discuss and share lessons learned regarding ongoing challenges around managing large-scale, multi-sectoral projects. The platform could also be used as a mechanism to undertake a biennial review of the GCF Country Program.
3. Develop information management and dissemination tools within DECEM to improve and streamline the dissemination of FSM's CCDRM activities and include processes to collect and showcase information from each state on the important work taking place at the local level
4. Resourcing state governments is critical, including agencies such as state Environmental Protection Agencies. This should be made a priority in post-2023 planning, as well as in discussions with development partners, with resourcing and institutional strengthening and capacity building required focuses.
5. Resourcing subnational coordination mechanisms to ensure these are active and that they connect with national-level mechanisms is a priority. Similarly, ensuring that existing structures are utilized by new projects and programs to help to sustain and strengthen these existing structures.

1. Look for opportunities to incorporate small grants-based schemes and capacity building mechanisms for subnational organizations, including local NGOs and CSOs in larger project proposals.
2. Determine where NGOs can be further engaged in CCDRM coordination mechanisms, including the Climate Change Country Team and on the CC&SD Council, if possible
3. Explore further opportunities for private sector engagement, utilizing the FSM Chamber of Commerce's representation on the CC&SD Council
4. The current GCF/NDA team in DoFA holds important institutional knowledge and should be retained. Consideration should be given to whether this team is best placed in DECEM or DoFA, and where government resources can best be utilised to support this.
5. DoFA is recommended as a possible GCF NIE. If this is supported by the FSM Government, a GCF self-capacity assessment could be undertaken to identify priority areas to be addressed. Otherwise, consideration of a Climate Finance Unit within DoFA would be recommended, building on Recommendation 9.

Human Capacity Analysis

1. The Climate Change Division of DECEM needs to be adequately resourced so that the division can play an active role in identifying and coordinating local specialists within the government for project development and implementation.
2. Future CCDRM projects accessed by FSM must have an embedded component related to capacity development and the transfer of knowledge. This will ensure that external consultants provide an added value to government.
3. DECEM's Climate Change Division needs to work closely with the state governments to share information regarding funding opportunities in a timely manner, and provide training on understanding climate finance and proposal development.
4. There is a need for a structured arrangement between the national government and donors that provides scholarship opportunities to ensure that opportunities are aligned with the skills shortage of both the national and state governments. This could build on the outcome of the review being undertaken by the Department of Education.
5. The government's engagement with NGOs (e.g. Micronesia Conservation Trust, The Nature Conservancy, and others) should be strengthened, and their presence and experience of working with communities should be capitalized on.
6. The national government should consider including officers from the Department of Finance, Department of Research and Development, civil society and the private sector in national delegations to regional and international climate finance meetings (e.g. United Nations Framework Convention on Climate Change Conference of the Parties negotiations). Funding support for this could be sought from development partners or regional organizations.

Gender and Social Inclusion Analysis

1. DECEM and the National Designated Authority should establish focal points for gender and social inclusion (GSI), and resource their activities, which would include coordinating on best practices, developing guidelines for FSM departments and states, and identifying training needs.
2. DECEM should build knowledge through the inclusion of GSI in the Third National Communication to the UNFCCC
3. The Department of Health and Social Affairs should increase resourcing and expand the role of Social Affairs to lead gender mainstreaming in accordance with FSM's national gender policy.
4. Congress should improve the gender balance in decision-making related to CCDRM, by requiring all government advisory bodies, project steering committees and SOEs to include women, and encourage a similar standard in the states.
5. Congress should introduce mandates for the divisions of infrastructure and internal affairs to better address the needs in the outer islands, including transport, and to support states in increasing the supply of resilient dwellings.
6. The FSM Government should invite Congress to introduce a consistent approach to future resourcing of local NGOs, such as recurrent budget allocations, so they can engage more consistently in CCDRM planning and activities.
7. State governments should introduce and/or strengthen the GSI focal point to include responsibility for mainstreaming
8. CCDRM offices in the states should establish GSI focal points.
9. State governments should consider funding mechanisms that will provide core funding to key local NGOs, support their access to training, pay them for their services, showcase them and scale up their best initiatives, and include them in CCDRM delegations.
10. DECEM, through GSI and CCDRM focal points, should support the development of NGO/CBO CCDRM projects, especially in the outer islands and remote locations.

Development Effectiveness Analysis

1. There will be a growing influx of new players and non-traditional partners wanting to support FSM on CCDRM initiatives. Convening a Climate Finance Forum with the FSM Government and its partners – annually or every two years – will strengthen coordination between the national government and its donors on CCDRM efforts.
2. All CCDRM support should be communicated to the Climate Change Division and DoFA to support budget planning.
3. Having a donor-to-donor coordination mechanism will be useful reducing the duplication of effort in small-sized projects to communities or state governments.

1. Due to FSM's capacity limitations, partners and regional organizations that wish to engage with the national government should consider joint missions and approaches. Missions should not be approved during critical periods of budget planning.
2. The FSM Government could consider updating the priorities identified in the Overseas Development Assistance policy so as to reflect new and emerging priorities of the government, and to develop a strategy for after 2023.
3. There is a need to support dedicated capacity for monitoring and evaluating the effectiveness and impacts of aid, including CCDRM financing.
4. Establishing a more formalized mechanism between the national government and development partners to meet on a regular basis could be beneficial so as to better coordinate support and reporting, especially in the lead up to and after 2023.

Conclusion

The Government of FSM is taking a lead in accessing climate change and disaster risk financing from a diverse range of sources. It is progressing with a number of key initiatives to improve its access to and management of climate finance. As such, FSM has currently positioned itself well, given the expected increase in the volume of climate change and disaster risk finance flowing into the Pacific Islands region. That increase will be accompanied by additional complexity in reporting requirements and the need to coordinate different partners and players wishing to engage with Pacific Island countries. FSM will need to continue to be strategic and should not lose focus of its own national priorities and the aspirations of its citizens when engaging with partners and international agencies regarding climate funds.

The Action Plan table in the following pages can help guide FSM's efforts to improve access to climate change and disaster risk financing from external sources. These recommendations build on existing initiatives and actions already underway or being planned by the FSM government, state governments, NGOs, the private sector and development partners.

FSM Climate Change and Disaster Risk Finance Assessment – Action Plan

Recommendations	Relevant PCCFAF pillar ^{1,2}	Priority	2019				2020				Indicative outputs	Lead agency	Potential partners	
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Update the National Strategic Development Plan to reflect a new context and identify issues of current national significance, including cross-cutting issues such as CCDRM	PP, GSI, DE	High										National Strategic Development Plan developed and adopted	CC&SD Council to lead in consultation with all national government departments and state governments	FSM Government to drive with support from ADB, UNDP, bilateral partners
Utilise the ongoing SDG process to identify CCDRM indicators, enabling M&E of national policy implementation and streamlined reporting	PP, DE	Medium										CCDRM indicators identified and adopted as part of national M&E framework	DECEM, with support from R&D	UNDP, SPC, bilateral partners
Develop national mainstreaming guidelines or checklists to assist sectors / line ministries in identifying and operationalizing entry points for CCDRM	PP, I, GSI	High										Guidelines / checklists developed and adopted	DECEM	SPREP, UNDP, SPC, bilateral partners
Apply for GCF NAP readiness support to develop a more comprehensive adaptation planning process and climate finance investment plan for adaptation	PP, FS	High										NAP Readiness support application submitted to GCF	DECEM	SPC, SPREP, UNEP
Adopt a national standardised risk and vulnerability assessment framework, which includes gender, social and cultural indicators, to improve consistency and comprehensiveness of identified priorities.	PP, I, GSI, DE	Medium										National standardized risk and vulnerability assessment framework developed and adopted	DECEM in partnership with DHSA and R&D	SPC, UNDP, USP, SPREP
Undertake a review of the Disaster Relief Assistance Act of 1989 to ensure it is providing required and up to date legal obligations for disaster prevention, response, recovery and risk reduction.	PP, I	Medium										Disaster Relief Assistance Act reviewed and updated as necessary	DECEM	SPC, USAID/IOM, bilateral partners

1 PP – Policy and Planning; I – Institutions; FS – Funding Sources; PFME – Public Financial Management and Expenditure; GSI – Gender and Social Inclusion; HC – Human Capacity; DE – Development Effectiveness

2 Definitions for abbreviations used in this table can be found in the List of Abbreviations at the beginning of this report.

Recommendations	Relevant PCCFAF pillar ^{1,2}	Priority	2019				2020				Indicative outputs	Lead agency	Potential partners
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Specific initiatives													
Reflect JSAPs and the Nation Wide Integrated Policy actions in departmental strategic plans with relevant budget allocations.	PP, FS, PFME	High										DECEM in partnership with all national government departments and state governments	FSM Government to drive, ADB, UNDP
Undertake timely review and update of JSAPs, as stipulated within the individual documents, so they remain current.	PP	Medium										State governments	SPC, SPREP, IOM, EU
Establish central depository/ database of all donor, national and state government CC programs and projects	FS, DE	High										Office of ODA, supported by Division of Investment and International Finance, DECEM, CC&SD Council and State Governments	SPC, bilateral partners, ADB, EU
Create a formalized process for documenting and tracking CC projects and financing across all national government agencies	FS, DE	High										CC&SD Council, supported by DoFA, ODA, Foreign Affairs and DECEM	FSM Government to drive with support from ADB, bilateral partners
Entities seeking GCF accreditation to consider the development of a project pipeline ready for funding, in alignment with the FSM GCF Country Program	FS, PP	High										FSMADB and Vital (FSM Petrocorp), supported by NDA/ GCF Office	Bilateral partners, GCF, USAID Climate Ready
Develop a medium-term fiscal strategy, consistent with the 2023 Action Plan and Infrastructure Development Plan of 2025	FS, PFME	Medium										DoFA	ADB, WB, EU Bilateral partners
Undertake assessment of FSM fund accounting structure and systems to ensure adequacy for channelling global climate change funds	PFME, FS	Medium										DoFA	ADB, PFTAC, WB, EU
Prioritize PFM Roadmap activities (see full details in Chapter 4. Recommendations) relevant to accessing and utilising CCDRM funding	PFME, FS	High										DoFA	FSM Government to drive

Recommendations	Relevant PCCFAF pillar ^{1,2}	Priority	2019				2020				Indicative outputs	Lead agency	Potential partners	
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Specific initiatives														
Restart the PFM Reform Coordination mechanism to stocktake progress of the PFM Roadmap deliverables	PFME	High										PFM Reform Coordination mechanism re-established	DoFA	ADB, WB, PFTAC, EU
Develop and endorse a PFM reform communication strategy and a PFM reform capacity building strategy	PFME	Medium										PFM reform communication strategy and capacity building strategy developed and adopted	DoFA	ADB, PFTAC, WB, EU
Develop a PFM Reform Implementation Strategy	PFME	High										PFM reform implementation strategy developed	DoFA	ADB, PFTAC, WB, EU
Upgrade DoFA website to ensure timely publication of budget information including budget strategy, policies and appropriations	PFME	High										Budget information published on website in timely and accurate manner	DoFA	ADB, PFTAC, WB, EU
Complete a PIMA to complement the PEFA self-assessment	PFME	Medium										PIMA completed with recommendations	DoFA	PFTAC, WB
Undertake a specific Disaster Financing Assessment and include recommendations on appropriate funding structures to support disaster relief	PFME, FS, I	High										Disaster Financing Assessment completed with recommendations	DoFA in partnership with DECEM	WB, EU, SPC USAID/IOM, ADB
Assess the need for establishment of a government-controlled Emergency Fund	PFME, FS, I	High										Emergency Fund needs assessment completed	DoFA and DECEM in consultation with state governments	FSM Government to drive
Develop and implement regulations to establish disaster-specific special funds at a declaration of emergency	PFME, FS	Medium										Regulations adopted	DoFA and DECEM in consultation with all state governments	ADB, WB, EU
Develop simplified and harmonized disbursement procedures to state, municipal and community level of funds for rapid emergency response	PFME, I, PP	Medium										Disbursement procedures developed and operationalized	DoFA and DECEM in consultation with all state governments	ADB, WB, EU

Recommendations	Relevant PCCFAF pillar ^{1,2}	Priority	2019			2020			Indicative outputs	Lead agency	Potential partners
			Q1	Q2	Q3	Q4	Q1	Q2			
<p>Develop a medium-term public investment plan for budgeting purposes</p> <p>Establish sector planning and coordination mechanisms with state governments, national and state-owned commercial entities and NGOs/CSOs</p> <p>Undertake climate finance analyses at the state government level, to provide clarity and decision-making support</p> <p>Identify and address challenges of attendance at CC&SD Council meetings and possibly elevate chair to VP</p> <p>Include a climate finance session as a standard component of the bi-annual National Joint Platform and utilise for GCF Country Program review</p> <p>Develop information sharing processes within DECEM to assist with collecting and showcasing information from the States on local level CCDRM work</p> <p>Prioritise resourcing of State Governments and agencies including state-based EPAs (especially within post-2023 planning) and support institutional strengthening and capacity building initiatives for these institutions</p>	PFME	High							DoFA	ADB, WB, EU, PFTAC	
	PFME, I	Medium							Sector planning coordination mechanisms established and operational	DoFA to lead, in partnership with all national government departments, state governments and non-state partners	FSM Government to drive
	PFME, FS	Medium							Climate finance analysis completed in four states	State governments	Bilateral partners, PIFS, EU, ADB, WB, SPC, PFTAC
	I	High							Improved attendance at CC&SD meetings. VP to appointed Chair	DECEM with VP	FSM Government to drive
	I, PP	Low							Climate finance session incorporated into Joint National Platform program for 2020	DECEM	FSM to drive, with support of development partners
	I	High							Information processes established	DECEM in partnership with State Governments	FSM Government to drive
	I, HC	High							State governments effectively resourced and undergone capacity building	State governments	Bilateral partners, SPC, MCT, SPREP, UNDP, EU

Recommendations	Relevant PCCFAF pillar ^{1,2}	Priority	2019				2020				Indicative outputs	Lead agency	Potential partners
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Utilise existing coordination mechanisms (CCCT and JRMN) and ensure these are appropriately resourced	I, DE	Medium										DECEM	Bilateral partners, SPC, SPREP, EU, UNDP
Build in small grants-based schemes and capacity building mechanisms for subnational organizations into larger project proposals as a standard component	I, HC	Medium										DECEM, R&D	FSM to drive, with support of development partners
Identify where NGOs can be engaged and represented on existing CCDRM coordination mechanisms	I, DE	Medium										DECEM	FSM Government to drive, with support from local NGOs
Assess opportunities for further private sector engagement in CCDRM, utilising the FSM Chamber of Commerce	I, DE	Low										DECEM in partnership with FSM CoC	FSM Government to drive, SPC, UNDP, PIFs
Identify where the GCF/NDA team is best placed longer term and dedicate government resources to sustaining this office/function (possibly as a Climate Finance Unit within DoFA)	I	High										DoFA in partnership with DECEM	FSM Government to drive, GCF
Consider DoFA as a possible GCF NIE and undertake a GCF self-capacity assessment to identify priority gaps	I, PFME	Medium										DoFA with support of GCF/NDA Office	FSM Government to drive, GCF
Ensure CC Division of DECEM is adequately resourced	HC, I	High										DECEM	FSM Government to drive
Embed a component related to capacity development and transfer of knowledge in all future CCDRM projects accessed by FSM	HC	High										DECEM	FSM Government to drive, in partnership with all development partners

Recommendations	Relevant PCCFAF pillar ^{1,2}	Priority	2019				2020				Indicative outputs	Lead agency	Potential partners	
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
<p>Specific initiatives</p> <p>CC Division within DECEM to work closely with state governments to share information on funding opportunities and provide training on climate finance and proposal development</p> <p>Establish more structured arrangement between government and donors to ensure scholarship opportunities align to skills shortages in national and state governments</p> <p>Strengthen engagement with NGOs and capitalize on presence within and experience of working with communities</p> <p>Include officers from DoFA, R&D, civil society and private sector in FSM national delegations to regional and international climate finance meetings</p> <p>Establish focal points for GSI and resourcing of activities</p> <p>Inclusion of GSI in the Third National Communication</p> <p>Resourcing committed for Social Affairs to lead gender mainstreaming in accordance with the FSM national gender policy</p>	HC, I	High									Information sharing process established and training opportunities identified	DECEM and state governments	PIFS, SPC, bilateral partners, EU, UNDR, MCT	
	HC, DE	Medium										Formalized process established for development of donor-funded scholarships	DECEM, Office of Personnel, Foreign Affairs and State Governments	Bilateral partners including Japan, Australia, US
	HC, I, GSI	High										NGO engagement strengthened	DECEM	Local NGOs, MCT, TNC, state-based NGOs and CBOs
	HC, I	Medium										FSM national delegation includes representatives from non-traditional agencies	DECEM	Bilateral partners
	GSI, HC, I	High										GSI focal points established and resourcing dedicated to support activities	DECEM with support of DHSA and GCF/NDA team	SPC, bilateral partners
	GSI, PP	High										Third National Communication developed with strong GSI component	DECEM with support from DHSA	FSM Government to drive
	GSI	High										Additional resourcing committed through budget process	DHSA	FSM Government to drive

Recommendations	Relevant PCCFAF pillar ^{1,2}	Priority	2019				2020				Indicative outputs	Lead agency	Potential partners
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Specific initiatives Congress to require all government advisory bodies, project steering committees and SOEs to include women and encourage a similar standard in states	GSI, I	High										Congress with the support of DHSA	FSM Government to drive
Congress to introduce mandates for the divisions of infrastructure and internal affairs to better address needs in outer islands, including transport and support the states to increase the supply of resilient dwellings	GSI, PP	Medium										Congress with divisions of infrastructure and internal affairs	FSM Government to drive
Congress to introduce a consistent approach to resourcing of local NGOs such as recurrent budget allocations enabling more consistent engagement in CCDRM planning and activities	GSI, PFME, I	Medium										Congress with the support of DHSA and DECEM	FSM Government to drive
States to introduce/strengthen GSI focal point within state government to include responsibility for mainstreaming	GSI	High										State Governments with support from DHSA and DECEM	State Governments to drive, SPC, bilateral partners
Existing CCDRM offices within state governments establish GSI focal points	GSI, I	High										State governments with support from DHSA and DECEM	State Governments to drive
State governments to consider funding mechanisms that will provide core funding to key local NGOs and support their access to training, provide fee for services, showcase and scale-up best initiatives and include them in delegations on CCDRM	GSI	Medium										State governments	MCT, TNC, SPC, bilateral partners
DECEM, through GSI and CCDRM focal points support the development of NGO/CBO projects, especially in the outer islands and remote locations	GSI, HC	Medium										DECEM in partnership with DHSA	Local NGOs and CBOs, MCT, TNC, SPC

Recommendations	Relevant PCCFAP pillar ^{1,2}	Priority	2019			2020			Indicative outputs	Lead agency	Potential partners
			Q1	Q2	Q3	Q4	Q1	Q2			
Specific initiatives											
Convene a climate finance forum between the Government and its partners annually or every 2 years – could also be held in conjunction with the Joint National Platform	DE, I	Low							Climate finance forum convened	DECEM	FSM Government to drive with support from development partners
Establish donor-to-donor coordination mechanisms	DE, I	Medium							Donor-to-donor coordination mechanism established and operational	Foreign Affairs	Development partners based in FSM
Establish guidelines for partners and regional organizations that encourage joint missions where possible and stipulate mission-free periods during critical periods of budget planning	DE	High							Guidelines established and disseminated to development partners	Office of ODA in partnership with Foreign Affairs	FSM Government to drive
Update priorities identified in ODA Policy to reflect new and emerging priorities of government and develop roadmap / strategy targeted towards post-2023	DE, PP	High							ODA policy priorities updated and roadmap developed and adopted	Office of ODA in partnership with all national government departments and State Governments	UNDP, PIFS, SPC, bilateral partners
Support dedicated capacity in relevant Departments, for M&E of effectiveness and impacts of aid, including CCDRM financing	DE, HC, FS	Medium							M&E positions identified and established	Office of ODA, DECEM, FSM Personnel Office	FSM Government to drive
Establish a formalised mechanism for government and development partners to meet on a regular basis	DE	High							Formalised coordination mechanism established and first meeting conducted	Office of ODA in partnership with Foreign Affairs	FSM Government to drive with support of bilateral partners

