Readiness Proposal

with the Secretariat of the Pacific Regional Environment Programme (SPREP) for the Federated States of Micronesia

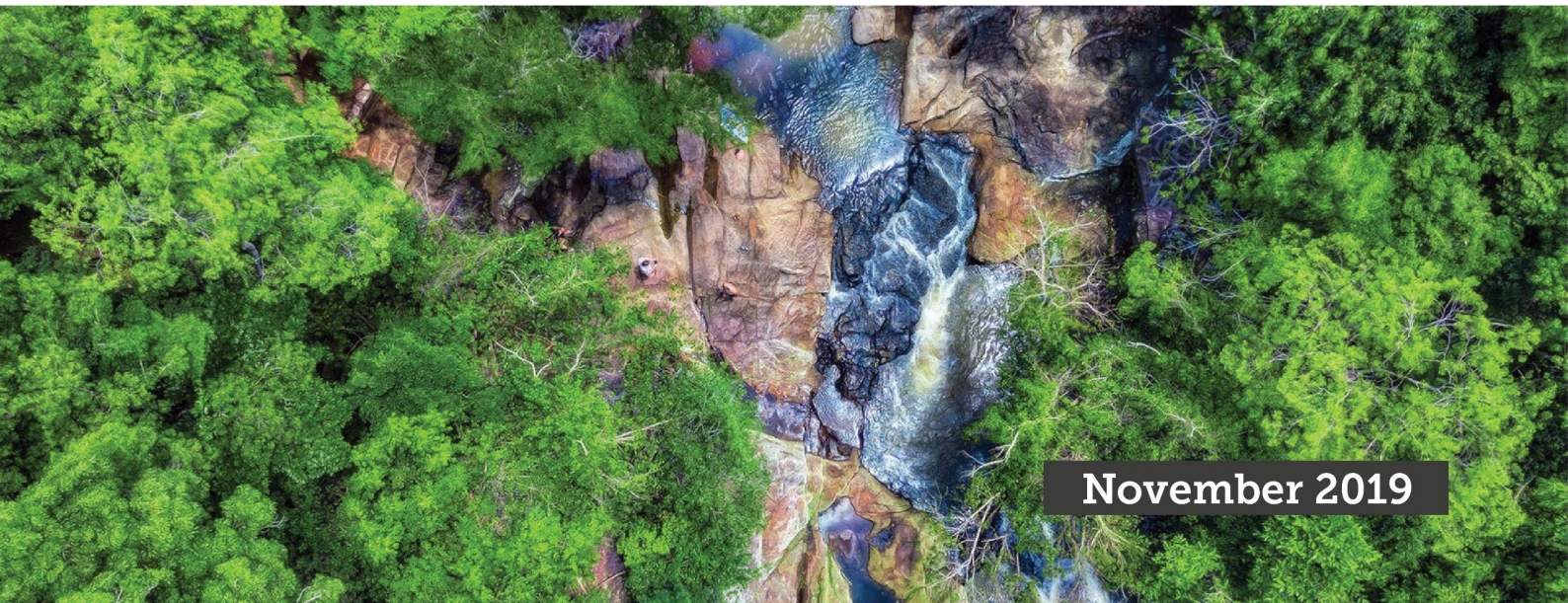
3 May 2023 | National Adaptation Planning

READINESS & PREPARATORY SUPPORT

PROPOSAL TEMPLATE

GREEN CLIMATE FUND

Proposal title:	National Adaptation Planning in the Federated States of Micronesia
Country:	Federated States of Micronesia (FSM)
National designated authority:	Department of Finance and Administration
Implementing Institution:	Secretariat of the Pacific Regional Environment Programme (SPREP)
Date of first submission:	22 February 2022
Date of current submission / version number	19 April 2023 V.03



November 2019

Before completing this proposal template, please read the guidebook and learn how to access funding under the GCF Readiness & Preparatory Support Programme.

Download the guidebook:
https://g.cf/xxxxx

How to complete this document?

This document should be completed by National Designated Authorities (NDA) or focal points with support from their Delivery Partners where relevant. Once completed, this document should be submitted to the GCF by the NDA or focal point via the **online submission system**, accessible through the Country Portal of the GCF website.

Please be concise. If you need to include any additional information, please attach it to the proposal.

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We will get back to you within five (5) working days to acknowledge receipt of your submission and discuss the way forward.

Note: Environmental and Social Safeguards and Gender

Throughout this document, when answering questions and providing details, please make sure to pay special attention to environmental, social and gender issues, particularly to the situation of vulnerable populations, including women and men. Please be specific about proposed actions to address these issues. Consult Annex IV of the Readiness Guidebook for more information.

Please visit the Country Portal on the GCF website to submit this proposal via the online system.

When submitting the proposal, please name the file:
GCF Readiness -[Country]-[yymmdd]

1. SUMMARY

1.1 Country submitting the proposal

Country name:	Federated States of Micronesia
Name of institution representing NDA or Focal Point:	Department of Finance and Administration
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Contact person's position:	Secretary
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1.2 Date of initial submission

1 March 2022

1.3 Last date of resubmission

23 March 2023

Version number V.03

1.4 Which institution will implement the Readiness and Preparatory Support project?

☐ National designated authority
☒ Accredited entity
☐ Delivery partner

Please provide contact information if the implementing partner is not the NDA/focal point

Name of institution:	Secretariat of the Pacific Regional Environment Programme (SPREP)
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1.5 Title of the Readiness support proposal	National Adaptation Planning in the Federated States of Micronesia
1.6 Type of Readiness support sought	Please select the relevant GCF Readiness objective(s) below (click on the box – please refer to Annex I and II in the Guidebook): ☐ I. Capacity building ☐ II. Strategic frameworks ☒ III. Adaptation planning ☐ IV. Pipeline development ☐ V. Knowledge sharing and learning
1.7 Brief summary of the request	The Federated States of Micronesia (FSM) is an independent sovereign nation in free association with the United States of America made up of four semi-autonomous states; Pohnpei, Kosrae, Yap and Chuuk. The FSM is a unique country, with a diversity of cultures and languages spread over the extensive and varied islands. FSM faces serious and increasing impacts from climate change, with risks of coastal inundation and changing rainfall patterns already affecting communities. FSM has made significant progress towards strengthening legal and policy framework for climate change adaptation, with a national climate change policy and Joint State Action Plan (JSAP) for each of FSM's four States addressing climate change adaptation and disaster risk management. A primary barrier to adaptation planning in FSM is the limited policy coordination between the national, State and local levels, and a need to streamline adaptation planning across all States. The current JSAPs have a strong focus on disaster risk management; these will be reviewed to increase the focus on State level climate adaptation responses and particularly in the prioritised adaptation areas referenced in the revised draft FSM Country Programme for 2024-2027. Additionally, there is a need for a national monitoring and evaluation system to bring together the lessons and outcomes of the four JSAPs and track FSM's progress on climate change adaptation. The lack of capacity at National and State levels to undertake effective adaptation planning is a gap that will be built upon through the activities and outcomes of the project. This proposal will develop an overarching National Adaptation Plan (NAP) for the FSM through a comprehensive consultative adaptation planning process, evidence base and climate finance investment plan for adaptation including developing potential draft project /programme concept notes to, when approved for funding, have on-ground action from the FSM NAP. The development of the NAP for FSM (the project) will support state and national level climate change staff, private sector participation, as well as urban and rural communities through strengthened governance mechanisms, an enhanced evidence base for climate change adaptation planning, and increased support to access climate finance. The project outcomes provide FSM with an institutional and policy foundation and a NAP to guide its adaptation planning going forward at state and national level, with guidelines for planning, monitoring,

	evaluation and learning, capacity development housed in FSM training institutes, private sector engagement and financing mechanisms, all of which create the necessary conditions for sustainable adaptation action and to ultimately ensure increased climate resilience in FSM. In parallel to the project there is the FSM multi-year Readiness that is led by the NDA office. The project and the NDA Readiness are aligned so as to advance strategies and policies, strengthen institutions, plan and align adaptation and mitigation priorities to climate finance funding opportunities, etc. over the next three to five years.

1.8 Total requested amount and currency	USD2,996,147	**1.9 Implementation period**	36 months

1.10 Is this request a multiple-year strategic Readiness implementation request?	☐ Yes ☒ No For more information on how a country may be eligible to access Readiness support through this modality, please refer to **Annex IV of the Readiness Guidebook**.
1.11 Complementarity and coherence of existing readiness support	☒ Yes ☐ No FSM has completed the implementation of its first NDA Readiness Support Programme (US$ 300,000), which led to the development of FSM's Country Programme. FSM is implementing its second NDA Readiness Support Programme (US$ 992,452). The main objective for the Readiness 2 programme is to implement the Country Programme. This will be achieved by establishing and supporting the Climate Change and Sustainability Development Council, which is the mechanism responsible for the implementation of the Country Programme. Additionally, the Readiness 2 project will finalise the no objection processes, operationalize the M&E system and support accreditation for three national direct entities.

2. SITUATION ANALYSIS

The Federated States of Micronesia (FSM) is an island nation comprised of 607 dispersed islands in the north-western Pacific Ocean. The FSM is an independent sovereign nation in free association with the United States of America made up of four semi-autonomous states; Pohnpei, Kosrae, Yap and Chuuk. The unique context of FSM is due to the physical variation between islands, from steeply mountainous to isolated atolls, the rich diversity in ecosystems, cultures and languages between islands, and the administrative composition of the country. These features raise both opportunities and challenges for adaptation. Geographically, the islands lie just above the equator, about 2500 miles southwest of Hawaii and about 1,900 miles north of Australia covering a vast area

of the Western Pacific region. The total land area of all islands in FSM is 702km^2 while FSMs Ocean territory or Exclusive Economic Zone (EEZ) is 2,980,000km^2 placing the island nation as the third largest in the Pacific region after Kiribati and Papua New Guinea.[1] Each of the four States is centered on one or more islands with numerous outlying atolls except for the State of Kosrae. Land elevations range up to approximately 760 metres (2500 feet) but the majority are relatively flat, small, swampy with low-lying forested atoll islets typically 1-5 meters above mean sea level[2].

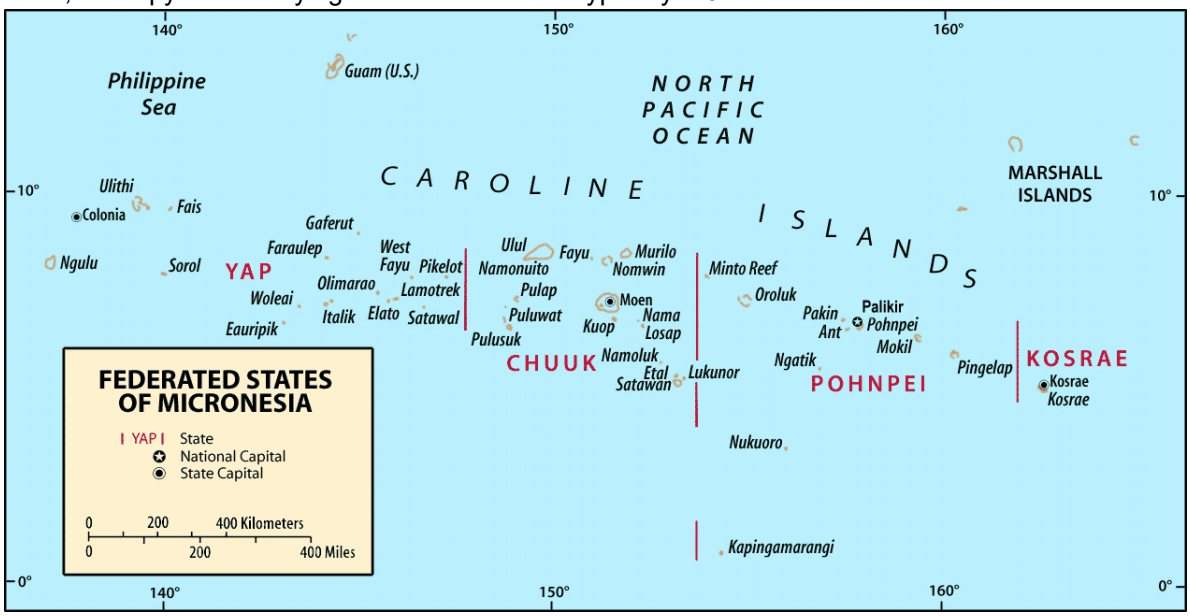

Figure 1: *Map of the Federated States of Micronesia showing vast distance between States and outlying atolls scattered across FSM EEZ*

Although the FSM National Constitution holds the four states together, each of the four states has its own State Constitution and each State has considerable autonomy. It is modelled after the federal system of the United States with a national President, Vice President and four State Governors with respective legislatures and judiciaries. The Government has four levels of governance – national, state, municipality and traditional – with most of the government functions carried out at State levels except for foreign policy and national defense.

Based on the 2020 Population and Housing[3] statistics, the total population is 104,548 with a near-equal split between males and females. Chuuk State has the highest total population at 48% followed by Pohnpei State at 35%, Yap at 11% and Kosrae with the lowest of 6%. The data and information indicated an increase in households by 1,044 with average family size dropping to 4 from 7 in 2000 highlighting a preference for smaller families by couples. At least 85% of citizens are native to the State in which they reside. The majority of the population on higher islands are concentrated along the coasts due to rough interior and mariner culture of the people of FSM. While the people of FSM are culturally and linguistically Micronesian, the influence of the United States and Japan is apparent. Each of the four States has its own distinct culture, tradition, and language. There are eight major indigenous languages with English being the main language used

[1] FAO Fishery Country Profile, 2002
[2] By U.S. Central Intelligence Agency - Federated States of Micronesia (Political) 1999 from Perry-Castaneda Library Map Collection: Federated States of Micronesia Maps, Public Domain, https://commons.wikimedia.org/w/index.php?curid=46492
[3] https://www.fsmstatistics.fm/social/population-statistics/

in Government, schools and for business purposes. FSM is a Christian nation with the majority being either Roman Catholic or Protestant. Culture and religion play a major role in the people's daily lives. FSM's economy is dominated by government services and external grants with relatively limited private sector activity. National and State governments provide the majority of employment to the adult working population and accounts for approximately 38 percent of the nation's Gross Domestic Product. The public sector is dependent greatly on assistance provided to FSM under the Compact of Free Association Agreement with the United States and other international development assistance grants. Agriculture is primarily subsistence farming. With a 2.9 million square kilometers of EEZ and the recent introduction of the Vessel Day Scheme under the Parties to the Nauru Agreement, fisheries is becoming a critical source of revenue for FSM through licensing fees and fish exports. However, FSM's small, remote and dispersed population, narrow range of natural resources, poorly developed infrastructure, limited domestic air and sea transport links and vulnerability to external shocks present challenges to economic growth.

Gender and social inclusion context in FSM

It is important to recognize that vulnerable populations such as the elderly, children, women, and people living in extremely vulnerable locations such as the outer islands and atolls with low levels of livelihood resources may be particularly disadvantaged and unable to cope to the adverse effects of climate change. Safeguards for social inclusion – such as a gender lens – are critical to integrate and mainstream into disaster, readiness, and climate change adaptation programs.

Cultural and gender norms vary greatly across FSM's four states and shape gender relations in FSM differently depending on the context, however, some themes remain common throughout the region. In the area of health, FSM has one of the highest maternal mortality rates in the Pacific, all four states report high teenage pregnancy rates with low rates of family planning coverage, and there are low rates of access to improved water sources (41%) and improved sanitation (45%).[4] In the area of education, there is still a lack of women in technical and professional positions throughout FSM.[5] Traditionally assigned gender roles in the workplace and home life that compel women to take on household responsibilities can limit choices in education and professional development.

When it comes to decision making, women are still underrepresented at the legislative and executive levels. It is rare for women to become traditional leaders and it is common to defer to men in community affairs.[6] The lack of women's participation in government is thought to be related to cultural stereotyping of gender norms and roles that are based on traditional social hierarchies.[7] Micronesian societies, with a few exceptions in Yap and Pohnpei, highlight matrilineal descent. Despite the cultural emphasis and value placed on matriarchal lines, women's rights to land ownership and access to resources have changed. Most decision making, particularly as it relates to land ownership and land use, now tend to be retained by men in the family.

Another consideration to note is that women are traditionally responsible for agriculture while men are traditionally responsible for fishing in FSM. A recent case study found that due to declining

[4] ADB (Asian Development Bank). 2010. FSM Millennium Development Goals. http://www.adb.org/Micronesia/millenium-goal.asp
[5] Secretariat of the Pacific Community. 2012. Stocktake of the Gender Mainstreaming Capacity of Pacific Island Governments FSM. https://www.spc.int/sites/default/files/wordpresscontent/wp-content/uploads/2017/03/web_2-FSM_gender_stocktake.pdf
[6] SPC. 2019. Gender analysis of the fisheries sector in Federated States of Micronesia. https://peump.dev/resource/gender-analysis-fisheries-sector-federated-states-micronesia
[7] Ibid

coastal fisheries catches, women tend to be negatively impacted downstream as they may face pressure to find ways to supplement their diets and incomes as catches decrease.[8] A potential solution to introduce sustainable land use management practices as a way to help women make up for fewer fishery catches and better involve them in the decision making process in this context was found to be promising.[9] This solution would facilitate dialogue between men and women and would ensure women are represented and engaged in the decision making process of this project.

These examples show that gender mainstreaming must be cross-sectoral and coordinated across various levels of government and institutions. The NAP process will build on efforts already underway in FSM and will further encourage and complement gender-sensitive considerations into its work. As an example, the Project will support and strengthen gender considerations and assessments related to climate change vulnerability (Output 3.2.2), particularly when it comes to supporting the gender mainstreaming efforts made in FSM's JSAP and National Biodiversity Strategy and Action Plan (NBSAP) policies. This will entail further encouraging gender responsive adaptation planning that incorporates gender-sensitive assessments in assessments and workstreams.

Current climate, vulnerability and future climate change impacts in FSM

FSM's geographical location, large ocean and prevalence of strong northeast trade winds dictates the country's tropical climate. From December to April, trade winds prevail while weaker winds and doldrums occur from May to November. Precipitation is extremely high on the high islands of Pohnpei, Chuuk and Kosrae while Yap is affected frequently by droughts as it is located in an area that experience monsoonal climate patterns. Temperature and humidity are generally high in each of the States. The country is affected by storms and typhoons that are generally more severe in the Western Pacific region as well as by periods of drought and excessive rainfall associated with different phases of the Southern Oscillation (ENSO). The 2011 Pacific-Australia Climate Change Science and Adaptation Planning Program (PACCSAP) published the most recent climate science for the Pacific region with projections and impact scenarios for each of the 14 countries of the Pacific including FSM as summarized in Table 1 below.

A rapid desktop climate vulnerability assessment at State level was conducted by the Secretariat of the Pacific Community in collaboration with the Government of FSM to inform it's GCF Country Programme in 2016 based on collated information across the Joint State Action Plans for Disaster Risk Reduction and Climate Change (JSAPs). Typhoons, flooding, drought, high sea swells and storm surges are common climate change impacts in all four States.

Table 1. Current and future climate change impacts in the Federated States of Micronesia

Climate Risks	**Observed changes and Projected Impacts of Climate Change in FSM**
Temperature and extreme heat	**Observed changes:** • **Temperatures have risen (except in Yap)** Average annual air temperatures have risen between 0.5-1.0°C since

[8] The Pacific Gender & Climate Change Toolkit.
[9] Ibid

	1951 in Kosrae, Pohnpei and Chuuk. Temperatures in Yap have not significantly changed, rising only 0.06°C since 1950.[10] • **Extreme temperatures** (days/nights that are hotter or colder than the 90th percentile temperatures) **have been increasing at Pohnpei** consistent with global trends with more warm days/nights and less cool days/nights. Extremes in Yap have behaved differently to global trends, with the number of warm days increasing, but the number of cool nights is also increasing resulting in a stable average temperature. This could be due to unresolved inconsistencies with the data.[11] **Projected Impacts:** • **Long term average temperatures will rise:** ○ By 2030 FSM is estimated to be 0.8°C warmer (compared to 1995) ○ By 2100 FSM is estimated to be 1°C – 1.5°C warmer (**low** emissions scenario) ○ By 2100 FSM is estimated to be 2.5°C – 3°C warmer (high emissions scenario)[12] • **Extremely hot days will be more frequent and more intense** There will also be a decrease in frequency and average minimum temperatures of cool days. **Implications**: • Rising temperatures will have impacts to the health sector with increased likelihood of heat stress, especially if working outside or for outdoor recreation. • A Climate Change and Human Health Vulnerability Study for FSM found 'suggestive evidence' of an increased risk of respiratory disease and diarrheal illness when temperatures rose above 32-33°C[13] • Rising air temperature, due to increased absorption of greenhouse gas emissions, will in turn increase sea surface temperatures, which is already impacting coral reefs and marine species[14]. Additionally, warmer oceans will lead to more intense storms and precipitation which will impact agriculture and water resources

[10] Pacific RISA, El Niño and its Impacts on Federated States of Micronesia – Yap and Chuuk Factsheet, 2015
[11] PACCSAP Report
[12] Bell, J.D., Johnson, J.E. and Hobday, A.J. eds., 2011. Vulnerability of tropical Pacific fisheries and aquaculture to climate change. SPC FAME Digital Library.
[13] FSM Department of Health and Social Affairs, 2011; UNFCCC
[14] NOAA Coral Reef Watch 2016 Annual Summaries of Thermal Conditions Related to Coral Bleaching for the U.S. Coral Reef Jurisdictions

Ocean impacts
- Sea Surface Temperature (SST) changes
- Ocean Acidification
- Ocean Current Changes

Current state:

- **Sea Surface Temperatures have risen**

  The average SST for FSM between 1980-1999 was 29°C.[15] Although there are warmer and cooler years, the average SST is increasing, illustrated in Figure 1.

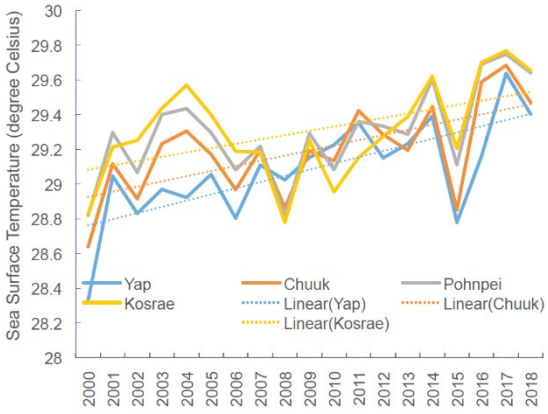

***Figure 2**. Sea Surface Temperature between 2000-2018 in FSM – State of the Environment Report, SPREP 2018*

- **Ocean Acidification has increased**

  Ocean acidification can be measured as aragonite saturation state. As the saturation declines the acidification increases. In FSM the aragonite saturation state has declined from 4.5 in the 18th century to 3.9 in 2000.[16] The average ocean pH in FSM is estimated to be 8.08.[17]

- **Ocean currents may be changing**

  There has been an observed increase in strength of the Northern Pacific gyre. Simultaneously there has been a slight decrease in nutrient supply to FSM's waters due to increased stratification of the water column.

Future impacts:

- **Sea surface temperatures will increase → increasing risk of coral bleaching**
  - Sea surface temperatures (SST) are expected to rise as air temperature rises (high confidence).
  - In 2030 SST is projected to rise 0.6°C-0.8°C (all emissions scenarios)
  - By 2100 SST is estimated to increase 1.2°C – 1.6°C (**low** emissions scenario)
  - By 2100 SST is estimated to increase 2.2°C – 2.7°C (**high** emissions scenario)[18]

Coral bleaching occurs when the sea is at an increased temperature for extended period of time (a risk event). Under all emissions scenarios risk events are predicted to happen *more often* and *last longer*[19].

[15] Average for EEZ derived from the HadISST database, PACCSAP Report
[16] Kuchinke, M., Tilbrook, B. and Lenton, A., 2014. Seasonal variability of aragonite saturation state in the Western Pacific. *Marine Chemistry*, *161*, pp.1-13.
[17] Bell, J.D., Johnson, J.E. and Hobday, A.J. eds., 2011. *Vulnerability of tropical Pacific fisheries and aquaculture to climate change*. SPC FAME Digital Library.
[18] Bell, J.D., Johnson, J.E. and Hobday, A.J. eds., 2011. *Vulnerability of tropical Pacific fisheries and aquaculture to climate change*. SPC FAME Digital Library.
[19] PACCSAP Report, 2015

	• **Ocean acidification will continue** As the oceans continue to absorb excess CO_2, the aragonite saturation will decrease as the ocean becomes more acidic, and coral growth rate will slow. ○ By 2030 the aragonite saturation is projected to be 3.5 (marginal conditions for coral growth) under all emissions scenarios ○ Under a very low emissions scenario aragonite saturation will plateau at 3.5 for the rest of the century and it is predicted that healthy reefs will still be able to survive ○ In all other emissions scenarios, the aragonite saturation drops below marginal conditions which will likely impact coral growth • **Ocean currents may change** During the last two decades there has been an observed increase in the North Pacific Gyre. It is anticipated that this gyre will continue to increase in strength. **Implications:** • Coral bleaching and disease can adversely affect reef-dependent species and reduce services reefs provide (tourism; coastal protection; food and livelihoods; habitat; medicine). • Early research has indicated that Crown of Thorns starfish, a pest which already causes substantial damage to reef health in FSM and subsequently impacts coastal fish populations due to habitat destruction, may grow faster in a more acidified ocean[20]. Additionally, Crown of Thorns starfish already cause stress to corals as they recover from bleaching events. • Ocean Acidification affects many marine organisms that rely on calcium carbonate to build their shells/skeleton (e.g. corals, clams, mussels). • OA can result in decreased growth and reproduction and weaker and more brittle skeletons, prone to increased damage from storms. Corals are critical because they provide habitats for fish, support food and livelihoods, income from tourism, and coastal protection to islands. [21]
Climate Drivers: El-Niño Southern Oscillation	**Current impacts:** The El Niño Southern Oscillation (ENSO) has a direct effect on FSM, and slightly stronger impacts on the western states (Yap and Chuuk) compared to the eastern states (Pohnpei and Kosrae). El Niño years are associated with less rain/drought, weaker winds, lowered sea levels and colder sea temperatures[22]. La Niña years are associated with higher sea levels which can lead to coastal inundation and flooding. The flooding can threaten homes and infrastructure, as well as damage crops and negatively impact the agricultural sector[23]. An example is the leaf burning that is seen in figure 3 due to saltwater intrusion.

[20] Kamya, P.Z., Byrne, M., Mos, B., Hall, L. and Dworjanyn, S.A., 2017. Indirect effects of ocean acidification drive feeding and growth of juvenile crown-of-thorns starfish, Acanthaster planci. *Proceedings of the Royal Society B: Biological Sciences*, *284*(1856), p.20170778.
[21] FSM State of the Environment Report, SPREP, 2018
[22] Pacific RISA, El Niño and its Impacts on Federated States of Micronesia – Pohnpei and Kosrae Factsheet, 2015
[23] 2nd National Communication to UNFCCC

	Future projections: ENSO is expected to continue in the next century, however there is less certainty regarding any changes in the length or variability of these cycles. Changes to ENSO could have a significant impact on FSM, in particular longer El Niño periods could leave FSM highly vulnerable to drought, which could increase the impacts listed above.  ***Figure 3.*** *Inundation affected Taro patch – Chuuk, by Henry Susaia* The exaggerated sea level rise during La Niña years is already impacting FSM, such as the inundation experienced in 2007 & 2008 which damaged freshwater ponds/aquifers and killed crops.[24] This extreme high sea level, combined with overall sea level rise, is already leading to chronic coastal erosion and will continue to have damaging impacts on coastal areas of FSM. **Implications** This effects numerous sectors; droughts impact crop production in the agriculture sector, tuna often migrate away from their regular locations due to changes in ocean temperature impacting the fisheries sector, changing winds can change the direction and size of swell, which can impact coastal areas[25], and floods and sea level rise have numerous impacts as listed below.
Rainfall – extreme rain and drought	**Current Impacts:** FSM has two seasons, a dry season from November to April and a wet season from May to October. In Pohnpei (which is one of the wettest places in the world, averaging +7620mm/year)[26] there has been **a decrease in wet season rainfall since 1950**. This could indicate the Intertropical Convergence Zone (ITCZ) is moving away from Pohnpei or ITCZ rainfall is becoming less intense. There has been no significant change in the other states. There are less 'very wet days' in Pohnpei, and also less 'consecutive dry days' in Yap since 1950. **Future Impacts:** • **Increase in long term average rainfall** Models indicate an increase in wet season rainfall. There will still be wetter and dryer years (interannual variability), and in the short to medium-term this variability will be more obvious than changes due to climate change[27]. The average long-term amount of rain is expected to increase by between 10-12% by 2090[28].

[24] 2nd National Communication to UNFCCC
[25] Pacific RISA, El Niño and its Impacts on Federated States of Micronesia – Yap and Chuuk Factsheet, 2015
[26] Pacific RISA, El Niño and its Impacts on Federated States of Micronesia – Pohnpei and Kosrae Factsheet, 2015
[27] PACCSAP Report, 2015
[28] Pacific RISA, El Niño and its Impacts on Federated States of Micronesia – Pohnpei and Kosrae Factsheet, 2015

<table>
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<tr><td></td><td>East FSM (Pohnpei & Kosrae)</td><td>West FSM (Yap & Chuuk)</td></tr>
<tr><td>2030</td><td>11 – 15 mm increase</td><td>14 – 18 mm increase</td></tr>
<tr><td>2090</td><td>20 – 38 mm increase</td><td>19 – 47 mm increase</td></tr>
</table>
Green = Low emissions scenario (<1.5°C); Red = High emissions scenario

• Extreme rainfall events are projected to increase in frequency and intensity
The frequency of extreme rainfall events is projected to increase. In eastern FSM a 1-in-20 year event is expected to occur every 1-in-7 or 1-in-6 years. In western FSM they may become a 1-in-8 to 1-in-4-year event.[29]

• Overall time in drought may decrease slightly
Overall, the proportion of time spent in drought in FSM is projected to decrease slightly.
ENSO directly influences the length and severity of droughts, but because we don’t know how much ENSO will change, it is difficult to predict major drought changes.

Implications:
• Increases in rainfall intensity will lead to increasing flooding, damage to crops, and increases in run-off/pollutants into coastal waters.
• Wetter conditions may lead to increases in vector-borne diseases (e.g., dengue), while very dry conditions can impact water sources, increasing the risk of typhoid and cholera. [30]
• Impacts from droughts will continue. Severe droughts in 1982-83 and 1997-98 had severe impacts on food and water security, with the atoll communities only surviving with bottled water and the importation of reverse osmosis pumps.[31] Severe Impacts are expected to be felt again during periods of extended drought.
• Impacts will worsen with increases in land and coastal degradation which create conditions for higher erosion, run off, landslides and floods.</td></tr>
<tr><td>Rising sea level</td><td>Observed Changes:
• Sea level has risen
Satellite data indicates the sea level has risen in FSM by about 10 mm (0.39 inches) per year since 1993. This is larger than the global average of 2.8–3.6 mm (0.11–0.14 inches) per year.[32] It is estimated that sea level has risen 6cm since 1960[33]. A SEAFRAME tide gauge was installed by the Australian Bureau of Meteorology in FSM in 2001, and has measured a 16.9mm increase in sea</td></tr>
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[29] PACCSAP Report, 2015
[30] 2nd National Communication to UNFCCC
[31] 2nd National Communication to UNFCCC
[32] PACCSAP Brochure 2015
[33]Bell, J. D., Johnson, J. E., & Hobday, A. J. (Eds.). (2011). *Vulnerability of tropical Pacific fisheries and aquaculture to climate change*. SPC FAME Digital Library

level between 2001-2010, however as this is a relatively short time period of measurement the average is not yet accurate[34].

Projected Impacts:

- **Sea levels will continue to rise[35]**

	Yap	Chuuk	Phonpei
2030	15 cm	12 – 13 cm	14 – 15 cm
2050	26 – 31cm	22 – 27 cm	26 – 30 cm
2100	54 – 86 cm	46 – 78 cm	52 – 83 cm

Green = Low emissions scenario (<1.5°C); **Red** = High emissions scenario

These levels may be an underestimation as we cannot yet accurately predict the melting of at Antarctic ice sheet, which could mean the range is much higher.

- **Sea levels will continue to vary year to year**

Historically sea level interannual variability has been around 23cm, and it is likely that this will continue throughout the century[36]

Implications:

- Sea level rise will create problems for low lying coastal areas, with increases in coastal erosion and saltwater intrusion.[37]
- Most of the FSM communities (> 80%) are vulnerable to SLR and flooding, as most are settled along coasts, rivers, and streams.[38] This could lead to crop failures including personal garden crops, which could in turn increase fishing pressure and exacerbate the impacts of climate change on coastal fisheries.[39] Urban areas and transport infrastructure including ports and airports will be significantly impacted.
- Sea level rise exacerbates flooding from high tides and storms. This can increase the potential for loss of lives, damage and loss of coastal homes, lands, and infrastructure, contaminated drinking water, and destruction of crops.
- Increased coastal erosion can result from higher sea levels especially when combined with large waves. Salinity intrusion can damage coastal aquifers and agricultural land. [40]

[34] Level, S.P.S., 2010. Climate Monitoring Project. 2006b. Pacific Country Report. Sea Level & Climate: Their Present State: Federated States of Micronesia.
[35] Kopp, R.E., Horton, R.M., Little, C.M., Mitrovica, J.X., Oppenheimer, M., Rasmussen, D.J., Strauss, B.H. and Tebaldi, C., 2014. Probabilistic 21st and 22nd century sea-level projections at a global network of tide-gauge sites. *Earth's future*, *2*(8), pp.383-406; Local SLR http://localslr.climateanalytics.org/location/Pohnpei-b
[36] PACCSAP Country Report, 2011
[37] Mimura, N., 2013. Sea-level rise caused by climate change and its implications for society. *Proceedings of the Japan Academy, Series B*, *89*(7), pp.281-301.
[38] SPREP State of the Environment Report 2018
[39] Moore, B., Hedson, C., Kiareti, A., Ladore, R., Liu, R., Malakai, S., Mathias, D., Maxin, S., Moses, P., Olpet, K. (2014) *Monitoring the Vulnerability and Adaptation of Coastal Fisheries to Climate Change, Pohnpei Federated States of Micronesia Assessment Report No.* Coastal Fisheries Program, SPC
[40] SPREP State of the Environment Report 2018

	• The tourism industry will likely be impacted by rising sea levels as much of the services and accommodation are close to the ocean. Rising sea levels may lead to economic losses for tourism providers.
Typhoons (Tropical Cyclones)	**Current Impacts:** The FSM is vulnerable to typhoons, mainly between June and November. Between 1977 – 2010 there were **248** typhoons that developed within or passed through the FSM's Exclusive Economic Zone, an average of 71 per decade.[41] Year to year there is significant variation, with some seasons having no typhoons, and some seasons having up to twelve. Typhoons are more common in El Niño and neutral years and less likely in La Nina years. Major storms tend to originate in the eastern states of Pohnpei and Kosrae, and gather strength as they move west, more severely impacting Yap and Chuuk.[42] **Projected Trends/Impacts:** Regionally, it is expected that tropical cyclones/typhoons will **become less frequent** (6%-35% decrease in frequency), but **more intense** with **stronger winds** (increase of 2% -11%) and **increased rainfall** (~20%).[43] There is a *medium* level of confidence in these projections. The projections for FSM indicate a decrease in formation within their EEZ (between 20-50% decrease) but there is *low* confidence in this projection. **Implications**: • More intense typhoons, combined with sea level rise, will result in increased flooding, with potential to damage crops, infrastructure, buildings and lead to potential increased loss of lives. • Typhoon Maysak in 2015 hit FSM hard, resulting in four casualties. The damage across the states totalled approximately $8.5 million USD with particularly severe losses in the agricultural sector where 90 percent of the banana, breadfruit, and taro crops were destroyed in Chuuk and Yap states.[44] More intense typhoons will have similar or more damaging impacts, particularly for infrastructure and crops.

FSM Climate Change Policy Environment

FSM has been a global leader in developing legislation specifically addressing climate change. The National and State Governments of FSM have invested significant effort into the development of robust climate change and disaster risk management policies and legislation. The first FSM Intended Nationally Determined Contribution to the UNFCCC[45] does not include adaptation and refers instead to these policies: "FSM does not see the INDC as the vehicle to address its adaptation needs in the post 2020 context, even if these need careful consideration and

[41] PACCSAP Report, 2015
[42] SPREP State of the Environment Report 2018
[43] Knutson et al., 2010
[44] Federated States of Micronesia Climate Change and Disaster Risk Finance Assessment: final Report - February 2019 / prepared by the Pacific Community and the Pacific Islands Forum Secretariat
[45] Federated States of Micronesia Intended Nationally Determined Contribution, 2015 https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Micronesia%20First/Micronesia%20First%20NDC.pdf

assessment. Such assessments are being made in the context of the nationwide Integrated Disaster Risk Management and Climate Change Policy 2013 and the FSM Climate Change Act 2013, as well as the joint state action plans for disaster risk management and climate change adaptation. All necessary efforts are being made to engage the country in the formulation and implementation of transformational adaptation investment plans to protect the country against climate change, through various sources of funding including from the UNFCCC financial mechanisms, the Green Climate Fund in particular."

The existing policy landscape in FSM is illustrated in Figure 4. The Federated States of Micronesia Climate Change and Disaster Risk Finance Assessment prepared by the Pacific Community (SPC) and the Pacific Islands Forum Secretariat in 2019 provides up to date information and analysis of FSM's current climate finance landscape that has informed this proposal.

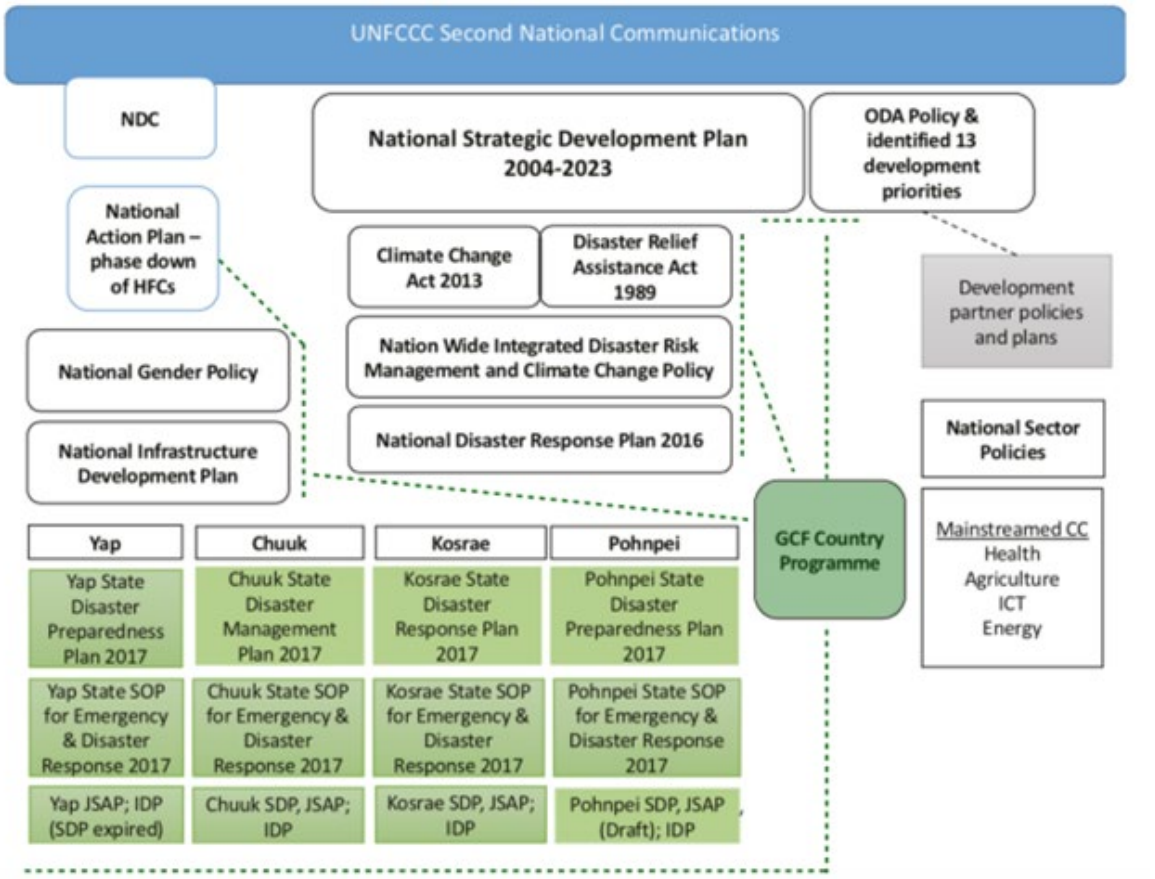

***Figure 4**. Climate change and disaster risk management policy landscape. Figure adapted from the FSM Climate Change and Disaster Risk Finance Assessment, 2019*

FSM has a wide-ranging approach to addressing the impacts of climate change across sectors, regional vulnerabilities, and adaptation challenges that are common to FSM overall but also unique to each State's own environment. The Joint State Action Plan for Disaster Risk Management and Climate Change (JSAP) policies are a good example of this joint state and region wide effort to mainstream adaptation and more so, disaster risk management work in a way that is both overarching and focused. The National Strategic Development Plan (SDP) provides the national

blueprint to which many of FSM's climate change adaptation policies are connected and contains not only nationwide guidance, but also sector specific strategies. Table 2 outlines these critical policies.

Table 2. Key policies

National Strategic Development Plan 2004-2023	The Strategic Development Plan (SDP) presents an overview of FSM's economic landscape with a vision and development strategy for a new era of economic growth and self-reliance in the region. It was first developed in 2003 as a required provision for economic assistance via sector grants from the United States under the Compact of Free Association (CFA). The SDP consists of three volumes. The first summarizes the state of FSM's economy and includes a discussion of its macroeconomic framework in conjunction with a Sustained Growth Strategy. Volume II contains a strategic planning methodology, sector planning policy matrices that have been adopted, and relevant statistics. Volume III is the Infrastructure Development Plan (IDP), another requirement under CFA, which serves as an integral part of FSM's overall planning framework. Each volume contains sector specific strategies and goals for sectorial work in agriculture, fisheries, tourism, environment, health, education, and gender. Majority of the policies relevant to climate change can be found in the SDP's Environment Sector Review, although there are some overlaps in other sectors such as health and tourism. Sector reviews include an analysis of the sector's strategic goals, an assessment of risks and weaknesses, activities and outputs with linkages and rationale, as well as outcomes and measures with suggested activities and outputs. The Environment Sector Strategic Plan of the SDP identified the following nine strategic goals to improve FSM's environment and allocate funding toward (shortened below for brevity):[46] 1. Mainstream environmental considerations, including climate change in national policy, planning and all economic development activities 2. Improve and enhance the human environment (improve waste management and pollution control) 3. Reduce energy use and convert to renewable energy 4. Make FSM's genetic resources accessible 5. Manage and protect natural resources 6. Improve environmental awareness/education, increase involvement of citizenry 7. Establish effective biosecurity programs to protect FSM's biodiversity 8. Create sustainable financing mechanisms for environmental and sustainable resource initiatives 9. Enhance and employ in-country technical capacity to support environmental programs

[46] National Strategic Development Plan 2004-2023, pg. 284

Nation Wide Integrated Disaster Risk Management and Climate Change Policy 2013	The Nation-Wide Integrated Disaster Risk Management and Climate Change Policy 2013 provides an overarching framework for integrating disaster risk management and climate change adaptation considerations into FSM's development. This policy supersedes and is an update of the Nation-Wide Climate Change Policy of 2009. It supports FSM's SDP 2004-2023 and broadly aims to "achieve economic growth and self-reliance" while also maximizing the "opportunities presented by climate change".[47] This policy identifies nine guiding principles such as "strong horizontal and vertical coordination between sectors", "knowledge-based decision making", and a " 'ridge-to-reef' approach to risk reduction" as well as strategic outcomes and objectives related to climate change adaptation, capacity building, and public awareness raising strategies.[48]
Climate Change Act 2013	FSM's Climate Change Act was created to implement provisions of FSM's Nationwide Integrated Disaster and Climate Change Policy (referred to as the "CC Policy"). The Act provides a framework for developing further legislation on climate change, identifies departments responsible for preparing climate change plans and policies, outlines their specific duties, and calls for the President of FSM to submit an annual report on progress made to the Congress.
Joint State Actions Plans (JSAPs)	FSM has four JSAPs (one for each state) that have been developed and finalized from 2015-2017. JSAPs identify prioritized projects across all states in order to create consistent climate change and disaster risk management actions and objectives. They also indicate government offices and their responsibilities, outline action plans with recommended policies, activities, and corresponding timelines, as well as project estimated costs for such projects. JSAPs play a significant role in FSM's national and regional climate change adaptation activities; not only do they build a foundation to inform planning and mainstreaming at the national level, but they also provide localized and regional knowledge on the barriers and needs unique to each state. However, the current JSAPs are heavily focused on disaster risk management (DRM) and have much less detail on adaptation.
Yap Joint State Action Plan for Disaster Risk Management and Climate Change (JSAP) 2015	The Yap JSAP supports national and regional efforts to address climate change in a holistic and integrated way by providing strategic and prioritized actions across various sectors.
Kosrae Joint State Action Plan for Disaster Risk Management and	Similar to other JSAPs, the Kosrae JSAP identifies action plans to address both national and regional climate change related concerns across various sectors. Past policies specific to Kosrae tend to focus on disaster management, hazard mitigation, and risk reduction although there is some integration of climate related planning into adaptation activities.

[47] *Nation Wide Integrated Disaster Risk Management and Climate Change Policy*, pg. 1.
[48] *Nation Wide Integrated Disaster Risk Management and Climate Change Policy*, pg. 2-3.

Climate Change (JSAP) 2015	
Pohnpei Joint State Action Plan for Disaster Risk Management and Climate Change (JSAP) 2016	The Pohnpei JSAP includes detailed objectives with corresponding actions and budget plans to tackle challenges related to climate change. Similar to the other three state JSAPs, there is a focus on pursuing actions that address emergency and disaster related events. Action plans specifically identified within the Pohnpei JSAP's environment sector goals primarily address shoreline, stream, and river protection as well as water and energy security (Pohnpei JSAP Objectives 5.1-5.4). There is limited attention and action brought to climate change adaptation work specifically, however, some have been integrated into communication, education, private sector engagement, and respond care efforts.
Chuuk Joint State Action Plan for Disaster Risk Management and Climate Change (JSAP) 2017	The Chuuk JSAP is the most recent of the four FSM state JSAPs. As with the previous three, this JSAP also concentrates on action plans for disaster risks associated with climate change. It pays special attention to risk management and disaster preparedness efforts rather than making a direct connection to climate change adaptation work. This is also the case with Chuuk's JSAP's shoreline protection and climate-proofing goals; the Project supports these goals in a more general sense by fostering stronger communication and coordination overall.
Agriculture Policy (2012-2016)	The Agriculture Policy outlines an overarching framework for sector development with desired outcomes and strategies to accomplish them. It aims to achieve national food security with its seven guiding principles on: 1) environmental sustainability, 2) cultural sensitivity and integrity, 3) social and gender equity, 4) private sector led growth, 5) subsidiarity, 6) good governance and transparency, and 7) observance of international treaties.
Infrastructure Development Plan FY2016-FY2025 (2015)	The Infrastructure Development Plan (IDP) outlines priority infrastructure development projects for the next ten years in FSM across various sectors. It consists of six volumes: the first two concentrate on FSM's infrastructure development at the national level while the remaining four volumes consist of each state's individual plans. The IDP provides an institutional framework for infrastructure planning and budgeting and includes strategic goals and objectives for implementation. The Plan was made in consultation with all four FSM states and integrates past environmental and climate change policies (e.g. SDP, JSAPs, Nation Wide Integrated Disaster Risk Management and Climate Change Policy) as it relates to infrastructure into its goals. It is also a continuation and update of the first IDP created in 2004, which did not specifically target cross-sector climate change adaptation into infrastructure planning as the 2015 IDP does.
FSM National Biodiversity Strategy and Action Plan 2018	The vision of FSM's NMBSAP is to foster "more extensive, diverse, and higher quality of marine, freshwater, and terrestrial ecosystems, which meet human needs and aspirations fairly." It provides a road map for protecting biodiversity in FSM and has been revised from the first NBSAP implemented

(FSM NBSAP 2018)	in 2002 to better incorporate climate change adaptation and resilience goals alongside its conservation ones. This update also includes climate change and gender as recognized themes and topics of focus. It continues the work of the first NBSAP by building upon the same eleven themes found in the first plan, which include: 1. Ecosystem Management 2. Species Management 3. Genetic Resource Use 4. Agrobiodiversity 5. Ecological Sustainable Industry Development 6. Biosecurity 7. Waste Management 8. Human Resources & Institutional Development 9. Resource Owners 10. Mainstreaming Biodiversity 11. Financial Resources
FSM National Information, Communication & Technology Policy 2012 (NICT/ICT)	The ICT is an overarching framework that integrates FSM's national ICT policy with sector specific goals. It provides strategic direction for ICT development in FSM and establishes key objectives and strategies for implementation. The ICT includes guiding principles to preserve and safeguard the environment (Guiding Principle E) while also promoting gender sensitivity and culture in its efforts (Guiding Principle D), all of which are designed to complement environmental protections in other sectors. To that end, the ICT is recognized as playing "a vital role in climate change education and awareness, maintaining communication links in times of disaster and the timely management of disaster response and relief, and contributing to disaster risk reduction."[49]
National Climate Change and Health Action Plan 2012 (NCCH, NCCHAP)	The NCCH is the contribution of FSM's health sector to climate change adaptation planning. Its purpose is to describe and define how climate change has impacted people's health. The NCCH summarizes key health concerns in FSM that are climate-sensitive, advocates for mainstreaming climate change considerations into work across sectors, and offers a framework for implementing adaptation strategies.
GCF Country Programme	The Country Programme (CP), developed by FSM for the GCF in 2017, represents the strategic and operational framework for engaging with the GCF and serves to ensure that national priorities are integrated with development that is climate smart. The CP integrates work across sectors and policies such as FSM's Joint State Action Plans for Disaster Risk Management and Climate Change (JSAPs), the FSM Infrastructure Development Plan (IDP), and the FSM Overseas Development Assistance (ODA) Priorities List. There are 13 large-scale, multi-year, and cross-sectoral priority projects in the CP. These projects are based on previously endorsed priority projects outlined under the JSAPs, IDP, and ODA and are

[49] FSM National Information, Communication & Technology Policy 2012, pg. 9

	consolidated to enable early alignment of work with GCF impact results areas as well as FSM's nation-wide development. FSM will be updating this work on an annual basis.

Institutional landscape for adaptation in FSM

The NAP Project will work closely with key stakeholders and institutions outlined in Table 3 in order to help build FSM's capacity to reach its climate change adaptation goals. Key players across sectors will be engaged throughout this process. The Department of Environment, Climate Change and Emergency (DECEM) from the public sector will house the Climate Change Coordination Units to advance the NAP process and convene the multi-stakeholder Climate Change Country Team (CCCT) which is a critical entry point for ensuring ownership, coordination and momentum at all levels (NAP Outcome 3.1). DECEM and Nationally Designated Authorities (NDA) will play a leading role in coordinating the implementation of all of the outputs in the Project and will contribute to decision making for M&E activities and results-based and budget management.

Umbrella organisations such as Chamber of Commerce bodies will be critical in engaging the private sector in adaptation planning, and non-governmental organisations such as the Pacific Islands Association of Non-governmental Organisations (PIANGO) will be included in capacity gap assessments in the adaptation planning process. In-country educational institutions such as the College of Micronesia will also be engaged in order to strengthen in-house capacity building. Table 4 identifies these key institutions, explains their role in FSM and the NAP process, and describes how they would support and engage with adaptation planning.

Table 3. Key stakeholders /institutions

Department of Environment, Climate Change and Emergency Management (DECEM), national government
Formerly the Office of Environment and Emergency Management (OEEM), the DECEM was established under the Environment Protection Act (2013) and is mandated to support and advocate for the Nationwide Disaster Risk Management and Climate Change Policy. This office plays a critical role in facilitating climate change adaptation work at a national level in FSM. Its objective is to "monitor, guide, supervise and provide policy directions logistics and administrative support to the Divisions and liaise with other offices and agencies of the government." DECEM also supports and advances the Nationwide Disaster Risk Management and Climate Change Policy and works to proactively manage hazards related to climate change through adaptation investments. The DECEM will be the home of the Climate Change Coordination Units and will drive the NAP process forward at state and municipal levels. It will be the lead institution to mobilise, coordinate, and convene the governance and institutional coordination of adaptation planning (Outcome 3.1) and climate change policy decision makers in FSM, particularly when it comes to coordinating mechanisms for an adaptation framework as well as reviewing the planning and implementation of the Project across state and national levels.

In this vein, DECEM will also house the NAP Project Coordination Unit and will supervise the Project and staff implementing the NAP in FSM. They will also play and important role in updating baselines critical for climate assessments (Outcome 3.2), engaging the private sector as a critical coordinator (Outcome 3.3), and contributing to efforts to increase adaptation finance (Outcome 3.4).
Department of Finance and Administration (NDA Office, national government)
The Secretary of the Department of Finance and Administration acts as the NDA for the Green Climate Fund (GCF) and is a strong partner for strengthening readiness and access to GCF resources. Naturally, the Department of Finance and Administration will be involved in the Project's work to increase adaptation finance (Outcome 3.4). The Department of Finance and Administration will also participate in adaptation planning (Outcome 3.1) and may provide project oversight to the Project as a Nationally Designated Authority.
Climate Change Country Team (CCCT)
The CCCT is an advisory body on climate change established in 1995 during the development of FSM's first National Communication to the UNFCCC. It is an important technical coordinating mechanism that works across national and state levels and previously served as the steering committee for large national projects related to climate change (e.g. the Global Climate Change Alliance, the Adaptation Fund project). It consists of members who are focal points within state government and national and state agencies. Supporting and strengthening the role of the CCCT is a key step in the early stages of the Project, as the CCCT will work closely with the Adaptation Specialist and representatives from the Department of Environment, Climate Change and Emergency Management (DECEM). The CCCT will be regularly engaged in discussions regarding the technical inputs into climate adaptation planning and will provide feedback on activities and deliverables completed in the planning process.
Council for Climate Change and Sustainable Development (national government)
The Council on Climate Change and Sustainable Development (CCCSD) is a relatively new body, formally established under the amended Presidential Order 14 in March 2019. Its roles include review of projects for funding, the coordination of priority areas, and to ensure alignment to the five priority areas of national development. The Council provides institutional coordination across all FSM sectors on the mainstreaming of climate change policies and actions. The CCCSD will play an important role in acting as an institutional coordination body for adaptation (Output 3.1.2), developing and endorsing an adaptation financing strategy (NAP Outcome 3.4), endorsing the NAP and vetted project ideas, and in providing strategic direction (NAP Outcome 3.1).
Department of Transportation, Communication and Infrastructure (national government)
This office will be a key partner in all climate change adaptation activities related to infrastructure, particularly when it comes to climate proofing buildings, roads, and infrastructure more broadly as well as in the planning and development of infrastructure.
College of Micronesia (CoM)

CoM has campuses in all the 4 States
The College of Micronesia-FSM is a public community college in FSM that may serve as an important training institute to conduct workshops and in-house capacity development programs for local talent such as hosting technical trainings for climate adaptation work.
FSM State Governments
FSM State governments will play a critical role in implementing on the ground climate change adaptation activities. While institutions like DECEM play a national facilitation role for FSM, the work of implementation goes to the state governments and their agencies. The Project will require the implementation of the following activities (which largely fall to FSM's state governments): immediate priorities, a Monitoring, Evaluation and Learning framework and a framework for capacity development. FSM state governments will play critical roles in adaptation planning processes by conducting design workshops, implementing recommendations, as well as revising and developing an adaptation planning process guideline and capacity reports among other activities. Additionally, FSM state governments will lead and update assessments of climate change impacts through inclusive assessments that take into account gender, traditional knowledge, and the perspectives of vulnerable groups. In this vein, state government will also be involved in the communication and knowledge management of the Project. The involvement of state government will be crucial in fulfilling the work set out in the NAP and this has been accounted for in the NAP activities.
Vital Group – FSM PetroCorp The Vital Group has branches in all the 4 States
The Vital Group (formally known as FSM PetroCorp) is an established state-owned enterprise that is the largest supplier of energy lifeline products and services in FSM and Nauru. It has adopted innovative strategies to make its services affordable and accessible to communities throughout FSM and is a leader in broadening the country's renewable energy mix. The Vital Group will be an important corporation to engage in FSM's adaptation planning, particularly for work done under Outcome 3.3. The NAP process will complement the Vital Group's efforts and goals to become a leader in expanding FSM's renewable energy mix.
Micronesia Conservation Trust
The Micronesian Conservation Trust (MCT) is a grant funding private corporation that supports biodiversity conservation and sustainable development in FSM. It consists of a governing board of 11 members, which includes international, national, state, and municipal governments as well as NGOs, businesses, and financial institutions. MCT has a grants program that provides long-term funding to encourage the adoption of sustainable solutions to the environmental challenges found throughout FSM. MCT focuses on capacity building, the management of programs, and bringing together stakeholders across sectors to address natural resource management challenges. MCT is accredited with the Green Climate Fund, the Adaptation Fund, and are candidates for GCF Enhancing Direct Access (EDA). MCT will be an important partner in the NAP's work to catalyse private sector engagement and increase adaptation finance (Outcome 3.4). The Project's efforts to develop financial options and modalities and a framework for adaptation capacity development with FSM training institutes will complement and build upon the work MCT does to provide grants, technical assistance, and

technical capacity-building in FSM. MCT is an important player that the Project will collaborate and coordinate with.
Micronesia Red Cross (MCRS)
The Micronesia Red Cross (MCRS) is a member of the International Federation of Red Cross and Red Crescent Societies and works to aid FSM communities in the areas of disaster preparedness, education, health, and climate change to name a few. The Society has a membership that spans all four states and has headquarters in Pohnpei with chapter offices in Chuuk, Kosrae, and Yap. MCRS's role in disaster response and preparedness will be critical when it comes to implementing some of the policy recommendations that will come out of the Project's work to update disaster risk policy related to climate change. Another area of enhancement will be between the NAP's efforts to develop an adaptation communication strategy (Outcome 3.1) and MCRS's work around raising: public awareness and education, community resilience, and capacity development—the latter of which will be especially relevant to NAP activities. Each of those outputs will require a multi-stakeholder approach which the MCRS would be an important player. Finally, MCRS also contributes to mitigation projects to implement coastal community resilience and disaster risk reduction (DRR) activities to help communities in FSM respond to climate change and its associated impacts and risks. The Project will enhance this on-the-ground adaptation work.
International Organisation for Migration (IOM)
The International Organisation for Migration (IOM) is a leading inter-governmental organisation that specializes in: migration and development, facilitating migration, regulating migration, and forced migration. It has established a presence in FSM and is involved in the work of a number of adaptation relevant projects. Currently working on implementing a Disaster Mitigation, Relief and Reconstruction Programme, IOM is partnering with the US Agency for International Development (USAID) to strengthen FSM's emergency response capacity as a measure of disaster mitigation. IOM is also working on the Climate Adaptation, Disaster Risk Reduction, and Education (CADRE) Programme, which aims to build the resilience of vulnerable communities in FSM. The Project will enhance efforts in this area to include the perspectives of vulnerable groups in its assessments.
Pacific Islands Association of Non-governmental Organisations (PIANGO) – FSM Alliance of NGOs (FANGO)
The Pacific Islands Association of Non-governmental Organisations (PIANGO) is a regional network of NGO coordinating bodies, referred to as national Liaison Units (NLUs), that are based across 25 Pacific Island countries and territories. Established in 1991, PIANGO consists of a network of national umbrella organisations across the region that work to give the civil society sector a voice in policy. Within PIANGO, there is also a FSM Alliance of NGOs (FANGO) that includes 113 registered members which consist of individual, umbrella, affiliate, and corporate entities. FANGO's mission is to strengthen participatory development and responsive governance in FSM through: 1) capacity building, 2) information clearinghouse, 3) financial sustainability, 4) alliance and partnership development, and 5) organisational support services. PIANGO, alongside FANGO, will be a key multi-stakeholder organisation to engage throughout the NAP process, particularly under Outcome 3.1 where NGOs will be sought out in the adaptation planning and capacity gaps assessment process.
Pohnpei, Kosrae, Yap, and Chuuk Chamber of Commerce

The Chamber of Commerce in each FSM state represents the private sector in each of its respective locations. The Pohnpei Chamber of Commerce is the umbrella organisation that all businesses in Pohnpei, whether foreign or local-owned, are joined under. Similarly for the other state Chamber of Commerce bodies. Each Chamber of Commerce is a local organisation of companies joined together with the intention of developing and furthering the interests of local businesses in FSM. The membership of each chamber typically consists of international and local operating companies such as airlines, banks, lawyers, legal advisors, property developers, as well as tourism, manufacturing, and finance companies. The Chambers' main activities include safeguarding private sector interests, sharing business experiences and interests as well as liaising with governments, civil society, and press. As a collective representative of the private sector in each state, the Chambers of Commerce will be a key player to engage in the NAP process. The Project's work under Outcome 3.3 to catalyse private sector engagement in adaptation activities will support the Chambers' vision to facilitate the development of FSM into a nationally competitive, sustainable, and economically diverse state. The Project will incorporate and update private sector challenges and best practices into adaptation planning. It will also support the Chamber's activities in liaising with other sectors and sharing their experiences and interests in the development of an adaptation action plan that engages businesses.
FSM Development Bank (FSMDB) FSMDB has branches in all the 4 States
The FSM Development Bank is a key actor in the development of FSM's private sector. Its mission is to make investments that assist new and existing businesses to grow prosperously, in turn creating jobs and producing economic vitality. The Project will support FSMDB's mission to make investments with impact in its work to engage and encourage key private sector actors like FSMDB to make investments in adaptation planning (Outcome 3.3).
FSM Telecommunication Corporation (FSMTCC) FSMTCC has branches in all the 4 States
FSM's Telecommunication Corporation (FSMTCC) is the fibre optic cable company that connects all FSM states (save for Kosrae, which is slated for 2021) to the internet. FSMTCC works under the government of FSM with funding from the World Bank to deliver high speed internet to FSM. FSMTCC also owns the cables for government and is responsible for installing and maintaining the fiber network. As a government corporation, its shareholders include the government of FSM, the Department of Transportation, Communications & Infrastructure, and the Department of Finance and Administration. The Project will build upon and support the infrastructure that the FSMTCC has built and utilised for its mission to help develop FSM's economy and connect it to the rest of the world. The NAP process will develop a climate change adaptation communication strategy and engage relevant stakeholders like FSMTCC throughout the process, further enhancing FSMTCC's twin goals to provide FSM connectivity and communication in a way that bolsters its development.
Pacific Islands Private Sector Organisation (PIPSO)

The Pacific Islands Private Sector Organisation (PIPSO) is a representative body of the private sector in the Pacific Islands region. Its mission is to drive economic growth for the benefit of the region it operates in and to promote the growth of Pacific businesses. PIPSO works to build strong and responsive National Private Sector Organisations (NPSOs), champion the interests of the private sector in relevant forums, and to enhance the growth and competitiveness of Pacific businesses.

Catalysing private sector engagement in the adaptation process will be a core focus of the Project (Outcome 3.3). PIPSO will be an important private sector actor and representative to engage throughout these NAP activities. The Project will enhance private sector engagement in climate change adaptation planning and implementation by examining the challenges, lessons learnt and best practices for engaging with the private sector (Outcome 3.3). The Project will also identify barriers and challenges to private sector investment in climate resilient activities as well as develop an action plan for strengthening private sector engagement and participation in implementing climate change adaptation actions. The Project will work alongside private sector actors like PIPSO to inform its planning and actions.

Barriers and Challenges for Adaptation Planning in FSM

FSM is facing extraordinary challenges due to climate change; even at the lowest projected warming threshold of 1.5°C FSM will experience changes to weather patterns, reef health and inundation levels. Adapting to the impacts of climate change is already becoming vitally important. Due to FSM's vulnerability and the projected climate impacts (articulated in Table 1) it is crucial to establish an integrated and effective adaptation planning process to facilitate climate change adaptation.

The rationale for this proposal, the associated barriers this project will overcome and the gaps it will address, are described through a problem tree (Figure 5). The problem tree serves as a starting point for defining the issues and changes this project will address. The problem statement, or rationale for the project, is: "FSM does not have a robust planning process to facilitate effective climate change adaptation in the face of increasing climate change impacts". The problem statement/rationale aligns with the Theory of Change, which is detailed in Section 4. The problem tree details the barriers to adaptation planning in FSM, labeled in the diagram as 'causes'. These causes are interrelated, with sub-causes contributing to multiple barriers. The effects of the problem are areas which will be addressed by this project.

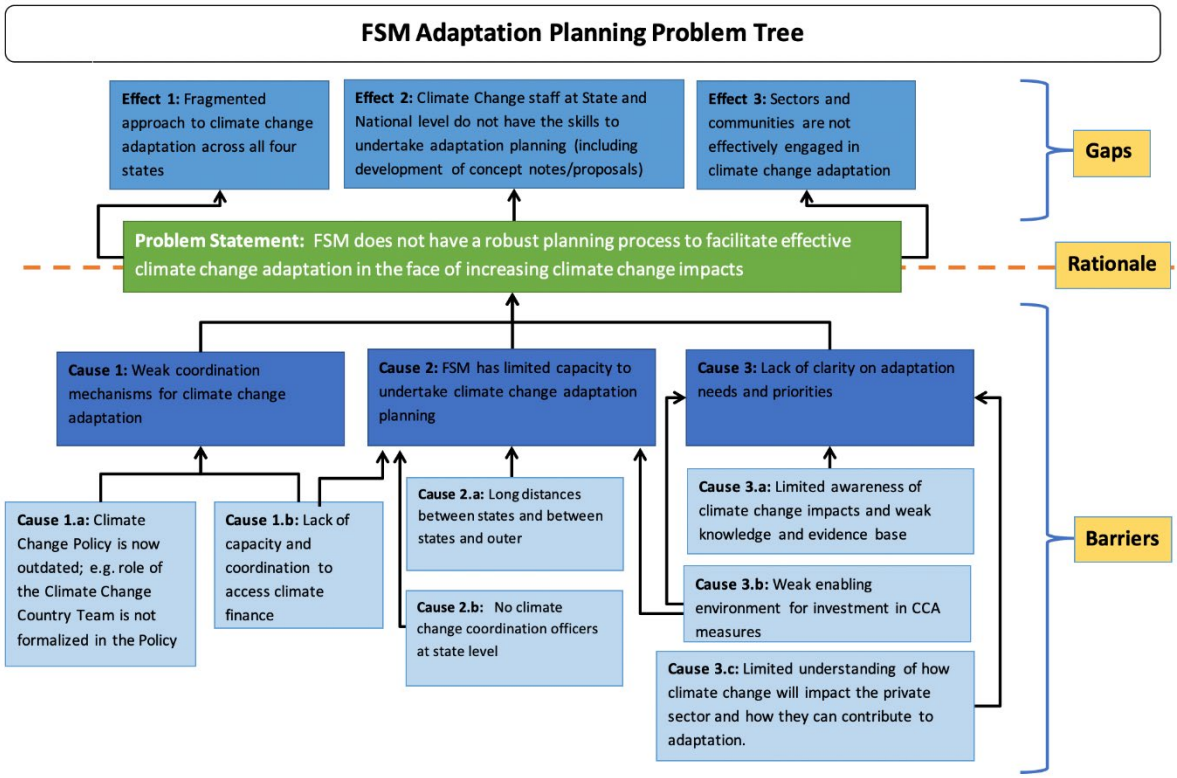

***Figure 5**. Problem Tree diagram – identifies the rationale for the project through the Problem Statement, articulates the barriers for the project through the Causes and highlights the gaps the project will fill in (Effects)*

The current barriers to effective adaptation planning in FSM are outlined below in relation to the four overarching outcomes of the project: adaptation planning governance and institutional coordination, evidence basis to design adaptation solutions for maximum impact, private sector engagement, and adaptation finance. How the NAP project will address and overcome the barriers is described in the ToC narrative in Section 4.

Adaptation planning governance and institutional coordination

A primary barrier to adaptation planning in FSM is the limited policy coordination between the national, state and local level, and a need to streamline adaptation planning across all States. This issue was highlighted in the Rapid Vulnerability Assessment Report (2016) completed under NDA Readiness 1, and during stakeholder consultation for this proposal. Since the Nation-Wide Integrated Policy on Disaster Management and Climate Change was developed in 2013 there have been numerous changes to the actors and institutions undertaking climate change adaptation planning in FSM, such as the establishment of the Climate Change Country Teams (CCCT) at the State level and the Council on Climate Change and Sustainable Development (CCCSD) at the National level. Additionally, the Climate Change Division within DECEM was only recently established and had no formal lead until 2020, so gaps in institutions and governance can only now be addressed. These advances, and other changes, are not reflected in the 2013 policy, which

therefore needs to be updated to reflect the new context, and detail new gaps and opportunities for climate change adaptation in FSM.

The state JSAPs have also been identified to be updated to provide more comprehensive information on climate change adaptation responses. Currently the JSAPs have a strong focus on disaster risk management, however there is an opportunity to increase the focus on State level climate adaptation responses. Additionally, there is a need for a national monitoring and evaluation system to bring together the lessons and outcomes of the four JSAPs and track FSM's progress on climate change adaptation.

The lack of capacity at National and State level to undertake effective adaptation planning is a gap that will be built upon through the activities and outcomes of the project, elaborated below in the Logical Framework (Section 3). The need for increased capacity is demonstrated through the lack of climate change coordination officers at State level, even though the states have the mandate to implement adaptation under the Climate Change Policy. The governance of FSM in 4 autonomous States and the huge distances between States and between the islands in within States has led to fragmentation of efforts and constrained national ability to support capacity development on climate change. Each State has its own constitution and law, and local and State by-laws which will apply when designing adaptation action. This is an added complexity to be incorporated into the institutional coordination mechanisms.

Evidence basis produced to design adaptation solutions for maximum impact

Improved clarity around adaptation priorities, including consideration of the needs of diverse communities across FSM States and climate resilient sector development, would strengthen FSM's adaptation planning. Although FSM was the first country in the Pacific to have developed and endorsed a national Green Climate Fund Country Programme, there remains a need for strong processes and methods to support prioritization of issues and projects. Stronger prioritization processes will ensure adaptation interventions are implemented in the most efficient and effective manner, and address the most vulnerable groups or areas in FSM.

An underlying cause of this barrier is that adaptation planning in FSM is not underpinned by a systematic analysis of current and future climate risks, past climate data and up-to-date climate change projections. Vulnerability assessments to date are limited to State level and no comprehensive assessments of climate change vulnerability, risks and adaptive capacity of communities, and the eco-systems and natural resources they depend on, have been undertaken to give the detail needed for effective planning and allow for community priorities to be taken into account. As a result, there is limited knowledge and awareness of the current and projected future climate change risks, vulnerabilities and impacts at national, state, local and community levels which is a pre-requisite for adaptation planning and project prioritization. The effective engagement of sectors, municipalities and communities with vulnerability assessments to support adaptation planning is therefore a gap that will be filled by this project.

An additional challenge is the isolated nature of many communities in FSM, which leads to limited awareness and engagement in climate change discussions, policy and adaptation responses. Limited engagement is partially a result of the difficulty in accessing climate change information, which is exacerbated by inconsistent knowledge management systems. For example, while there is an FSM National Climate Change Data Portal, it is currently not 'live' and needs additional input and

management to ensure it is populated with up-to-date climate change adaptation information. These challenges of accessing climate change information on remote islands, and the difficulty communicating information and providing services to the outer islands will also be addressed through the project outcomes and activities.

Private sector engagement in adaptation

FSM's economy has shifted from production based on subsistence to market-based production, not unlike the economies of other islands in the Pacific. Past private sector growth in FSM has occurred due to a shift in focus to market production in the monetized economy and improvements made to enhance the environment for private activity.[50] There is still a need to grow productive sectors in FSM. Government also plays a significant role in FSM's economy and was the largest economic sector in FSM from 1987-2000. Overall, FSM still has a small private sector, and the opportunities to engage businesses in change adaptation need to be mapped, before the development of policies and options to support the private sector with adaptation can be developed.

The main economic sectors in FSM are currently agriculture, fisheries, and tourism; significant investment is made in these areas and all are highly vulnerable to climate change due to each sectors' dependence on healthy natural environments.[51] These sectors have also been identified as FSM's strongest opportunity for continued growth.[52] Investment in culture and nature-based tourism alongside fish production are especially supported in Yap.[53] Similarly, Pohnpei encourages cultural and nature based-tourism through the development of projects such as a Micronesian Tourism Complex as well as through promoting food production and onshore processing for goods. Kosrae also features nature-based tourism as a significant area for growth in its State Strategic Development Plan.

As the economy in FSM depends on a relatively limited number of economic activities and outputs that are largely climate-dependent and climate-sensitive, businesses at risk need to be climate resilient to ensure they remain viable. FSM could experience severe economic challenges as natural habitats are damaged; most nature-based tourist operators are located in coastal zones and are thus also vulnerable to sea-level rise, heavy rainfall, and extreme weather events. Climate change impacts could limit access to commercial transportation, also risking incoming passengers and supplies to the islands. Ocean acidification and increasing sea surface temperature damage not only marine ecosystems, but also the industries tied to it by jeopardizing the ecosystems that drive economies in FSM. The narrow range of natural resources, limited domestic air and sea transport links and vulnerability to external shocks all present challenges to economic growth in FSM.

A primary barrier to private sector engagement in climate change adaptation is the poor communication of potential opportunities and costs of climate change adaptation to the private sector, and an overall low awareness of how climate change will impact businesses, from both private sector actors and government. Additionally, there is limited awareness of how the private sector can contribute to adaptation planning and adaptation services. The enabling environment and

[50] FSM Strategic Development Plan (2004 to 2023), pg. 77 https://fsm-data.sprep.org/system/files/cobp-fsm-2015-2017-sd-02.pdf
[51] Green Climate Fund. Country Program: Federated States of Micronesia pg. 11. https://www.greenclimate.fund/sites/default/files/document/micronesia-country-programme.pdf
[52] FSM Strategic Development Plan (2004-2023).
[53] 2013 FSM Investment Guide.

policies governing private sector activities are evolving and need to be clearly communicated. By enhancing the enabling environment for investment in climate change adaptation, the private sector has the potential to improve the progress of climate change adaptation across FSM.

Adaptation finance

There is a need to coordinate the approach to access climate finance across all four states. As each state is mandated to implement adaptation actions there is no nation-wide coordinated approach for climate finance which means synergies may be overlooked, projects may be duplicated, or opportunities missed. FSM has not yet developed its medium-term fiscal strategy to access global climate funding. This strategy will help to streamline and facilitate access to funding through state and national budgets, bilateral arrangements and multilateral funds to support implementation of adaptation actions, as supported by the GCF CP. Additionally, there is limited capacity within FSM to develop concept notes or project proposals to access climate finance. These capacity restrictions effect the number of climate finance mechanisms that FSM can effectively tap into to advance the adaptation project pipeline for FSM.

A further barrier which affects all the above barriers is the physical dispersal and diversity of islands, in particular remote and vulnerable atolls which are expensive and challenging to reach. The cost and time required to travel between the outer islands is a lesson that has been learned previously in FSM and across the Pacific through implementation of past project such as the Adaptation Fund project currently being implemented in FSM. Therefore, additional time and budget has been allocated for the anticipated travel. A second practical barrier is the diversity of languages spoken across FSM, with each State having its own language, and the outer islands in each State using different languages again. As there are so many languages, the NAP process will use English as the common language, and extensively use translators in all consultation and engagement activities. Barriers to the mainstreaming of gender considerations in adaptation planning across the diverse contexts of the four States have also been considered, in particular a limited awareness of how climate change will differentially affect women and other vulnerable groups. The development of a gender-sensitive assessment of climate change vulnerability will highlight the varying vulnerabilities of different groups (women, men, youth, elderly, people with special needs) and support gender-sensitive adaptation planning.

By addressing these barriers through the outputs and activities of the NAP process we will build a strong foundation for future adaptation planning in FSM. How this will be done is explained in Section 4.

NAP Objectives and Activities

This proposal aims to deliver on a National Adaptation Plan for the Federated States of Micronesia, providing for a comprehensive adaptation planning process, evidence-based strategies and a climate finance investment plan for adaptation. These will contibute to addressing the barriers identified and described above. The NAP for the FSM will primarily consists of:

(i) NAP (deliverable 3.1.6(a))
(ii) National government action plan (deliverable 3.1.6b(ii))
(iii) JSAPs (deliverable 3.1.6b(i)
(iv) Communications and Engagement Strategy for the NAP (deliverable 3.1.4a(ii))
(v) Financing Strategy (deliverable 3.4.1(a) and (b))
(vi) Monitoring, Evaluation and Learning (MEL) framework (deliverable 3.1.7(b))

These are illustrated in Figure 6.

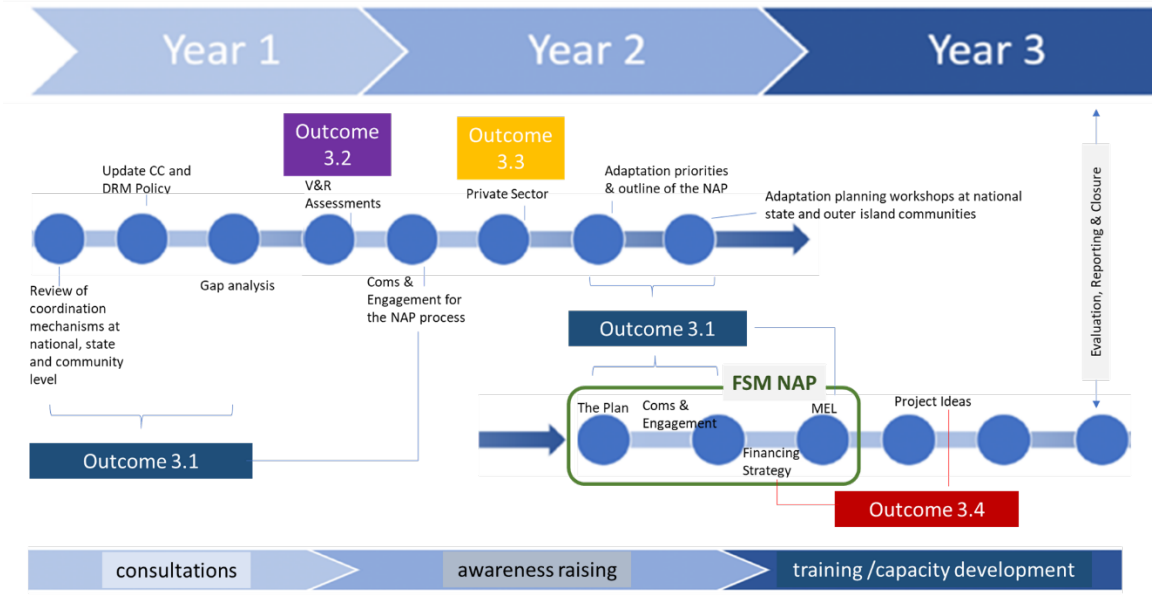

Figure 6. *The FSM NAP development milestones and timelines*

The following summarises the activities presented in Section 3 Logical Framework of this proposal.

1. **Strengthening adaptation planning governance and institutional coordination** (reference Outcome 3.1 in Figure 6 and Section 3 Logical Framework)

The primary barriers to adaptation planning in FSM are: (a) the limited policy coordination between the national, state and local level, and a need to streamline adaptation planning across all States and; (b) the lack of capacity (includes expertise, skillsets, systems, policies, technology and processes) at National and State level to undertake effective adaptation planning and actions. This proposal aims to strengthen the coordination mechanisms and frameworks and build the capacity

across stakeholders to participate in and undertake adaptation planning and effectively action the plans.

Outcome 3.1 will be achieved through seven outputs. Specific activities are:
Activity 3.1.1: Undertake inception phase to establish the NAP Team, review the project implementation plan and validate draft stakeholder engagement plan. The NAP Project team include:

- Project Manager and Finance Administration Assistant (full time basis for 39 months)
- 4 State Coordinators (full time basis for 36 months)
- A consortium of consultants consisting of international and national individuals: a Climate Change Adaptation Specialist/Team Leader, Institutional Strengthening Expert, Gender and Social Inclusion Specialist, Communication and Engagement Expert, Monitoring, Evaluation and Learning Specialist, and the Private Sector Specialist.

Reference budget notes implementation arrangements for additional details.

Key stakeholders include national and state level governments, CCCT, umbrella organisations for CSOs and private sector.

Activity 3.1.2 (a): Review institutional coordination and engagement from national to municipality levels for adaptation planning and implementation to identify gaps, barriers and challenges, lessons learnt and best practices. The review will inform focus areas to strengthen coordination and engagement from national to local levels.

Activity 3.1.2 (b): Update the Nation-wide Climate Change and Disaster Risk Management Policy 2013 with findings from the review including formalization of the role of CCCT through the updated policy.

Activity 3.1.3 (a): Undertake a gap analysis to determine expertise, skillsets, systems, policies, technology and process needs at national and state levels for adaptation planning and implementation of the NAP.

- *The analysis on the implementation of the NAP will focus on national, state and community level coordination, policy and technology needs, possible funding mechanisms at the various levels etc. Note that the NAP is yet to be developed at this stage)*

Examples of key stakeholders at national level: DECEM, DTCI, DNR and at state level: EPA, DTI, others such as the Micronesian Conservation Trust, private sector actors, etc.

Activity 3.1.3 (b): Identify potential training institutes in FSM (e.g., College of Micronesia) and evaluate their capacity to implement the strategy and action plan (Deliverable 3.1.3a (ii))

Activity 3.1.4 (a):

Develop a communication and engagement strategy and action plan to guide communication and awareness raising activities. There will be 2 stages:

Stage 1: Communicate and raise awareness of climate change impacts to the various stakeholders (includes data and information from the vulnerability and risk assessments) during the NAP process.

Stage 2: Communicate, inform and familiarize stakeholders on the FSM NAP.

Activities 3.1.4 (b):

Implement the Communication and Engagement Strategy and Action plan guiding communication and awareness raising for the NAP process as outlined in Stage 1.

Stage 2 will be implemented outside this proposal.

Activity 3.1.5 (a):

(i) Develop a set of criteria for appraisal and prioritization of specific climate change adaptation actions in the prioritised sectors.

It is to be noted that the FSM country programme presents the priority sectors /areas. These economic resilience, food, water & energy, infrastructure & settlements, waste management & sanitation, health & social protection, and education.. They were identified through the FSM Strategic Alignment process.

(ii) Design an adaptation planning process

(iii) Conduct the adaptation planning workshop in a selected State (main island).

(iv) Conduct the adaptation planning workshop in two outer island communities *(where necessary, fine tune the process (learnings from A3.1.5(a)(iii)) prior to the outer island community sessions*

Based on recommendations from the design workshops, design and test approaches to participatory and gender responsive ecosystem-based adaptation planning in one State and selected outer island communities.

Adaptation planning process relates to current state of play at national and state level governments, is flexible to accommodate cultural norms and practices and gender dynamics in different states and outer islands and strengthens inclusive participation of all relevant stakeholder groups.

Activity 3.1.5 (b):

(i) Conduct adaptation planning workshops in the other three Sates (Kosrae, Pohnpei and Yap) (including two outer island communities as appropriate)

(ii) Conduct adaptation planning workshop at the national level

The adaptation planning workshops will inform the finalised adaptation planning process and approaches Guide from Deliverable 3.1.4(a)(iii)

Activity 3.1.5 (c): Revise the adaptation planning process and approaches Guide based on the learnings in Activities 3.1.3(a) and (b)

Activity 3.1.6 (a):

Develop the FSM NAP taking into consideration the deliverables under Outputs 3.1.2 to 3.1.7 and Outputs 3.2.1 and 3.2.2.

Activity 3.1.6 (b):

(i) Develop /update the JSAPs taking into consideration the deliverables under Outputs 3.1.2 – 3.1.4 including 3.1.7, 3.2.1 – 3.2.2, 3.3.1 – 3.3.3 and 3.4.1 – 3.4.2.

The draft FSM NAP in deliverable 3.1.7(a) will form the basis for the review of the JSAPs

(ii) Develop /review a NAP action plan for the national government

The draft FSM NAP in deliverable 3.1.7(a) will form the basis for the review /development of an action plan for national government.

(iii) Conduct validation workshops of the FSM NAP Package:

- *NAP (deliverable 3.1.6a)*
- *National government action plan (deliverable 3.1.6b(ii))*
- *JSAPs (deliverable 3.1.6b(i)*
- *Communications and Engagement Strategy (deliverable 3.1.4a(ii))*
- *Financing Strategy (deliverable 3.4.1(a) and (b))*

MEL (deliverable 3.1.7(b))

Activity 3.1.6 (c):

Compile and present the FSM NAP (with the four JSAPs and the national government action plan) package to the Council for Climate Change and Sustainable Development (CCCSD) for endorsement.

The inclusion of the four JSAPs in the submission is to show CCCSD how the NAP will be implemented at the State level.

Activity 3.1.7 (a):

Conduct a stock take of existing relevant MEL systems and frameworks at national and state levels

Activity 3.1.7 (b): Develop the monitoring, evaluation and learning (MEL) framework for the FSM NAP

This framework will compose of:

- *MEL at the national level (on the action plan for national government)*

MEL at the State level (on the JSAPs)

2. Evidence basis produced to design adaptation solutions for maximum impact (reference Outcome 3.2 in Figure 6 and Section 3 Logical Framework)

Climate projections and impact scenarios for the FSM are not updated to reflect new possible scenarios including hazard zones. The NAP will update these based on the new scientific information issued by the IPCC using the 2011 Pacific Australia Climate Change Science and Adaptation Planning Project as the baseline.

Activity 3.2.1 (a):

Update climate projections and impact scenarios for FSM based on the new scientific information issued by the IPCC using the 2011 Pacific Australia Climate Change Science and Adaptation Planning Project as the baseline.

Activity 3.2.1 (b):

Interpret updated climate projections and impact scenarios to inform risk and vulnerability assessments and adaptation option decisions and develop climate change risk maps

Activity 3.2.2 (a):

Develop framework and methodologies for participatory and gender-sensitive assessment of climate change vulnerability, risks and adaptive capacity of people and eco-systems

Activity 3.2.2 (b):

Carry out participatory assessment of past, current and anticipated future climate change impacts, vulnerability, risks and adaptive capacity of people and eco-systems.

The assessments will use updated climate science, local/traditional knowledge and perspectives of the vulnerable groups (e.g., men, women, children, youth, elderly, people with special needs) and communities

3. **Private sector engagement in adaptation catalyzed** (reference Outcome 3.3 in Figure 6 and Section 3 Logical Framework)

The NAP process through Outcome 3.3. will add value to existing attempts to engage the private sector in climate change activities across FSM through the following activities:

Activity 3.3.1 (a):

Review current arrangements for engagement of private sector in climate change adaptation including review of laws, enabling policies and institutional arrangements and identify barriers and challenges to private sector investment in climate resilient activities or support services, lessons learnt and best practices.

Activity 3.3.1 (b):

Based on the review, map out priority private sector actors based on how their businesses enable adaptation action and risk management and climate sensitivity

Activity 3.3.2 (a): Based on review and mapping, develop options paper to explore potential actions to strengthen engagement and participation of private sector in implementing climate change adaptation at national and state levels

Activity 3.3.2 (b): From Deliverable 3.3.2(a) develop and validate an action plan for strengthening engagement and participation of the private sector in implementing climate change adaptation actions

4. **Increasing adaptation financing** (reference outcome 3.4 in Figure 6 and Section 3 Logical Framework)

The NAP process will assess the financial options and modalities for current and future sources of adaptation financing from international, regional, national and state sources and identify suitable options for national, state and community level adaptation actions based on capacity and capability to access these funds and deliver activities.This outcome will be achieved through the following activities:

Activity 3.4.1 (a): Conduct assessment of financial options and modalities for current and future sources of adaptation financing from international, regional national and state sources and identify suitable options for

national, state and community level adaptation action based on capacity and capability to access these funds and deliver activities.

Activity 3.4.1 (b): Develop a financing strategy for the NAP (i.e., to fund the national action plan and the JSAPs) based on options identified under Activity 3.4.2(a).

Activity 3.4.2:

Develop concept notes, using the GCF template, based on the ideas and priority sectors outlined in the country programme and the specific actions from the NAP process (national and state level)

Details to inform the budget allocation.

(i) Identify the accredited entities
(ii) Conduct a pre-feasibility study and an economic and financial analysis to support the development of the concept notes
(iii) Develop draft concept notes

Notes

- *The financing strategy (Deliverable 3.4.1(b). This strategy is developed based on the FSM NAP, Deliverable 3.1.6(c)) and the Country Programme will form the basis for the projects to be progressed.*
- *The development of the concept notes will be conducted and led by identified accredited entities.*
- *Consultation with stakeholders conducted as part of the NAP process (Deliverables 3.1.5a(iv) and 3.1.5(b)) will also include discussions required as part of the development of the concept notes. This approach is considered as any consultation process in FSM incurs high costs and lengthy timeframes.*

The development of the concept notes targets to begin in month 28. Note that the NAP targets month 24 to be approved.

Complementarity with key policies and projects

To avoid duplication and to build on the progress that has already been made in other projects and through policies and plans such as the Joint State Action Plans (JSAPs), the NAP process will strengthen and support ongoing and proposed adaptation related policies and projects. A concerted effort has been made to streamline and align with existing policies and projects in FSM, including readiness projects, in order to avoid duplicative efforts and increase complementarity.

Mainstreaming efforts, training and educational objectives, as well as communication and awareness raising strategies are areas that the Project will enhance, strengthen, and contribute towards. Tables 4 and 5 provide examples of how the Project will complement, build upon, and integrate with adaptation practices currently in place and in process.

Table 4. Key policies and how the NAP project adds value

National Strategic Development Plan 2004-2023	The NAP readiness project (the Project) will support these goals by contributing to efforts in achieving cohesive and coordinated planning and activities that include environmental considerations into FSM's strategies for development. Activities accomplished under Outcome 3.1, Outcome 3.3, and Outcome 3.4 of the Project will support the first strategic goal of mainstreaming environmental considerations.

	The Project will also develop systems for the SDP's eighth and ninth strategic goals for the environment sector. Activities under Outcome 3.3 and Outcome 3.4 support the strategic goal of creating sustainable financing mechanisms. The ninth strategic goal to enhance and employ in-country technical capacity is supported by Outcome 3.1.
Nation Wide Integrated Disaster Risk Management and Climate Change Policy 2013	The Project will support this policy's climate change adaptation, economic resilience, and capacity building and public awareness strategic objectives by improving public-private partnerships and investment (Outcome 3.3), developing and promoting climate related educational and training programs Outcome 3.1 as well as strengthening overall climate change adaptation. A key outcome of the Project is development of a NAP for FSM and updated JSAPs for each State including an action plan for national government which will provide the necessary guidance and plans to enable operationalisation, resourcing and implementation of this National policy and associated Climate Change Act.
Climate Change Act 2013	The Project will strengthen institutional coordination to support implementation, update the CC Policy with current findings to ensure consistency, assist with climate change adaptation planning and implementation efforts as well as contribute to progress reporting activities.
Joint State Actions Plans (JSAPs)	The project is an opportunity for the States to develop and/or update the plans that are better informed and have a stronger focus on adaptation to climate risks and impacts in all sectors and for all vulnerable groups and ecosystems, while still linked to DRM; and that are responsive to the vulnerabilities an priorities of FSM's dispersed population and the different situations of each State. The adaptation planning process will be flexible and inclusive in order to accommodate the cultural norms and practices that exist among the different states and the outer islands. Specific areas of complementarity between the Project and each state JSAP is explained further below.
Yap Joint State Action Plan for Disaster Risk Management and Climate Change (JSAP) 2015	The Project will enhance the objectives set forth in the Yap's JSAP, particularly those set forth in the private sector and the "Resources and Development and Environment" sector of the JSAP. The Project will raise awareness, strengthen the knowledge of FSM stakeholders, as well as build up technical capacity and training. Vulnerability assessments and adaptation planning processes at the state and municipal levels will be current and relevant as the Project will update baselines for climate change impacts during the planning and development of adaptation activities (Outcome 3.1 and Outcome 3.2). Significant attention and effort will also be put into improving data and knowledge management systems. Finally, the Project will improve collaboration between sectors to improve private sector engagement and build sustainable partnerships.
Kosrae Joint State Action Plan	Work undertaken through the NAP process will support the Kosrae JSAP's objectives to develop and conduct communication and awareness raising

for Disaster Risk Management and Climate Change (JSAP) 2015	programs (Kosrae JSAP Objective 2.1-2.2, Actions 2.1.1, 2.1.2, 2.2.1, 2.2.4) by building stakeholder engagement (NAP Outcome 3.1) as well as communication and knowledge management strategies for climate change adaptation (NAP Outcome 3.2). Institutional coordination will also be strengthened as it relates to climate change adaptation (Kosrae JSAP Objective 3.1; NAP Outcome 3.1). Additionally, the NAP will expand on training, monitoring, and capacity building efforts for climate change adaptation (NAP Outcome 3.1) that align with Kosrae's JSAP's goals to also strengthen monitoring, technical and response capacity, as well as training for climate preparedness (Kosrae JSAP Objective 3.2, Objective 3.4). The Project will encourage private sector engagement (NAP Outcome 3.3), further contributing to the JSAP's goal of improving partnerships with the private sector (Kosrae JSAP Objective 4.1, Action 4.1.1). Cultural considerations and practices will also be considered (Kosrae JSAP Objective 5.2, Action 5.2.1; NAP Outcome 3.1 (a)) in order to encourage inclusive participation in planning and build gender-sensitive assessments related to climate change vulnerability (Kosrae JSAP Action 5.3.1, Action 5.3.2; NAP Outcome 3.1).
Pohnpei Joint State Action Plan for Disaster Risk Management and Climate Change (JSAP) 2016	The Project will further support the Pohnpei JSAP's goals to raise community awareness on the effects of climate change (Pohnpei JSAP Objective 2.1) and the Project's aim to strengthen coordination, communication, and stakeholder engagement to ensure that adaptation planning is inclusive and relevant (NAP Outcome 3.1). The Project will also develop capacities to implement training and in-house capacity development for relevant stakeholders (Pohnpei JSAP Action 2.1.2, Action 2.2.2; NAP Outcome 3.1) as well as public-private partnerships (Pohnpei JSAP Objective 7.1; NAP Outcome 3.3). Finally, the Project will undertake activities to raise knowledge and attention to adaptation and ensure that they are relevant and inclusive.
Chuuk Joint State Action Plan for Disaster Risk Management and Climate Change (JSAP) 2017	The Project's private sector engagement goals (NAP Outcome 3.3) complement the Chuuk JSAP's goal to strengthen the private sector's capacity to support disaster preparedness (Chuuk JSAP Objectives 3.1-3.3). Institutional coordination, communication, public awareness strategies, and training and capacity development are also well supported by the Project (Chuuk JSAP Objective 3.1; NAP Outcome 3.1).
Agriculture Policy (2012-2016)	When developing training, education, and awareness raising programs (Outcome 3.1) such activities will consider sector and stakeholder needs and will inform adaptation options. One of the policy's aims is to enhance environmental services and sector resilience to natural disasters and climate change (Development Outcome Area 8). This will also be enhanced by the NAP Project communication strategies under Outcome 3.1.

Infrastructure Development Plan FY2016-FY2025 (2015)	The Infrastructure Development Plan (IDP) overall objective is to build sustainable infrastructure across sectors—from health to education to transportation and so on—that is resilient to natural disasters and the impacts of climate change. Although there are no infrastructure resilience building activities explicitly included in the NAP, the Project will support these goals broadly through actions such as updating climate change and disaster risk policy to reflect the most current findings (Outcome 3.1) Furthermore, the updated climate projections and impact scenarios that will arise from the Project's Activities and Deliverables under Outcome 3.2 will enable improved knowledge of sea level rise, flooding impacts, and coastal erosion, all of which will inform infrastructure plans. The Project can help to enhance and plug into the work FSM has done to include nature-based solutions and prioritize green infrastructure over grey infrastructure. This also supports one of IDP's Component Strategic Objectives to "[improve] natural disaster and climate change resilience," a goal that development projects have been rated on.[54]
FSM National Biodiversity Strategy and Action Plan 2018 (FSM NBSAP 2018)	The goals of the NMBSAP enable the operationalization of the priorities set in the Project. Gender will be a key topic considered throughout both processes as the NMBSAP seeks to include women in conservation consultations while the NAP will include participatory and gender responsive ecosystem-based adaptation planning Outcome 3.1 and 3.2 will further NMBSAP's recognition of gender and climate change as important themes to protecting FSM's biodiversity by explicitly incorporating gender-sensitive assessments in its framework. The Project will also encourage NMBSAP's goals to "develop and implement long-term monitoring programs at the state level for all ecosystems" (NMBSAP Objective 1)[55] through NAP Outcome 3.1, which will create a national and state level monitoring framework for climate change adaptation. Although the NMBSAP focuses specifically on monitoring the impact of climate change on biodiversity, the Project will still contribute to this work by strengthening overall monitoring and evaluation for climate change adaptation. Further developing the science base for adaptation planning through NAP Outcome 3.2 will also be an important contribution to promoting sustainable and resilient management and use of natural resources, which aligns with the NMPSAP's goals. Additionally, the Project can create synergies between the NMBSAP and private sector development by ensuring that the private sector seeks out green solutions to enable climate proofing. Human capacity building, institutional strengthening, and raising public awareness are another set of NMBSAP objectives that the NAP process will

[54] Department of Transportation, Communication & Infrastructure, *FSM Infrastructure Development Plan FY2016-FY2025*, pg. 15.
[55] FSM National Biodiversity Strategy and Action Plan 2018 (FSM NBSAP 2018), pg. 30

	enhance. The Project will support capacity building for local communities by identifying FSM training institutes to work with (Outcome 3.1), strengthen institutional capacity by improving institutional coordination (Outcome 3.1) as well as develop communication strategies to raise awareness (Outcome 3.2).
FSM National Information, Communication & Technology Policy 2012 (NICT/ICT)	When developing communication strategies, the Project will support ICT's goals "to educate and raise awareness of climate change issues and impacts" (ICT Strategic Objective 2, Environment (ii)), "increase dissemination of information to the affected, and regular monitoring and tracking of data" (ICT Expected Goal/Outcome 3f) and maintain "communication links in times of disaster" (Guiding Principle E) through activities achieved under NAP Output 3.2.3. Namely, the Project will support ICT's goal to act as a communication link by developing a strategy to communicate implementation needs and priorities that incorporate vulnerability assessments, which will also help to raise awareness and strengthen stakeholder knowledge (NAP Outcome 3.2). The ICT's monitoring and tracking related objectives will also be supported through NAP Outcome 3.1, which includes work to update FSM's climate change portal with current data and information.
National Climate Change and Health Action Plan 2012 (NCCH, NCCHAP)	Steps will be taken under the NAP process to ensure that vulnerable populations are included in adaptation planning (Outcome 3.2) and that the science base is updated and relevant so as to develop a framework that uses a current understanding of the adaptive capacity of people and ecosystems in FSM. This approach will help to ensure that the concerns of communities most vulnerable to the health effects of climate change are included in adaptation planning.
GCF Country Programme	The project will ensure that specific areas highlighted in the review of the first country programme is considered, deliberated on and solutions proposed in the NAP process. As concept notes are developed and advanced through this proposal, Output 3.4, the revised priority lists in the revised country programme will guide Output 3.4 particularly to advance the prioritised projects /programmes.

Table 5. Complementarity with key projects (ongoing and proposed)

FSM State-Wide Assessment and Resource Strategy (SWARS) 2010-2015+
FSM's State-Wide Assessments and Resource Strategies (SWARS) is a tool for islands to identify their highest priority forest resource management tasks. SWARS helps all FSM states to seek implementation of their strategies and includes partners who are on-island with assistance from the U.S. Department of Agriculture Forest Service. As per requirements from the Forest Service's State and Private Forestry Redesign and the Cooperative Forestry Assistance Act (CFAA) under the 2008 Farm Bill, states need to complete a State Assessment and Resources Strategy in order to receive funds from CFAA. The SWARS serves as a foundation for annual grant proposals under CFAA programs, identifies priority forest landscape areas, highlights work needed to address

FSM's forest management priorities, and emphasizes integration across programs to meet island priorities that tie into national objectives. *Complementarity:* The Project will support the environmental strategic goals set out under FSM's Strategic Development Plan (SDP), objectives that the SWARS tool works towards implementing and supporting as well. In particular, SWARS supports work to mainstream environmental considerations into FSM's national policy and economic development activities, improve environmental awareness and education in FSM's citizenry, and to employ in-country capacity to support environmental programs.[56] Activities under Outcome 3.1 will enhance these priorities and will operationalize these goals by mainstreaming adaptation coordination across institutions through streamlining financing strategies, developing a communication strategy to raise the awareness and knowledge of FSM stakeholders, and building up in-country capacity by using FSM training institutes for capacity development.
Climate change adaptation solutions for local authorities in the Pacific – GCF Concept Note, submitted 2020 **Accredited Entity: Secretariat of the Pacific Community (SPC)**
This project aims to establish a facility dedicated to strengthening climate change resilience in FSM through the Enhancing Direct Access (EDA) pilot. It will support local authorities in adaptation actions that are pragmatic and impact-driven in order to mitigate the adverse effects of climate change. The project includes components to 1) empower local authorities to deliver climate change adaptation services to their populations and 2) address priority adaptation issues in selected authorities through a priority grants mechanism. *Complementarity:* The Project will enhance and develop systems for the first component by building up in-country capacity development through trainings, particularly with in-country institutes. This directly supports the first component's outlined activity to carry out project development and management workshops in each state for training and mentoring. Work under NAP Outcome 3.1 will also help with the first component's goals to support trainings by developing and endorsing a Monitoring, Evaluation, and Learning (MEL) framework for climate change adaptation. The NAP Project's MEL activities will strengthen the second component's overall goals on reporting and MEL workshops. The concept note's overall objective to empower municipalities to cope with climate change is further supported by NAP Outcome 3.4, all of which will help FSM to identify and implement high priority options and are consistent with FSM JSAPs and the Integrated Disaster Risk Management and Climate Change Policy.
Climate Information and Early Warning Systems, One Pacific Programme – GCF, Concept Note under development 2021 **Accredited Entity: Secretariat of the Pacific Reginal Environment Programme (SPREP)**
This One Pacific Programme is designed to make a concerted effort across all Pacific Island countries (PICs) to gather and apply the critical hydrologic and meteorological information commensurate with the perceived urgency to provide early warnings of the multiple hazards associated with climate change and to undertake effective, science-based responses over the next

[56] Federated States of Micronesia State-Wide Assessment and Resource Strategy 2010-2015+, pg. 9

decade. The objective is to ensure minimal loss of life, damage to infrastructure, and disruption to economic livelihoods by providing reliable, trusted early warnings about climate change hazards and technical advice that will allow local, vulnerable communities to plan for and undertake effective adaptation interventions. The approach is aligned to the Climate Information and Early Warning Systems (CIEWS) sector guide that focuses on: (i) climate information services; (ii) impact-based multi-hazard early warning systems; and (iii) disaster risk reduction and management, as well as building on several related initiatives in the Pacific region, such as Weather Ready Pacific, which incorporates country priorities for investment.

Complementarity:
Activities under NAP Outcome 3.1 and Outcome 3.2, all support the first two components by respectively strengthening institutional coordination, integrating gender-sensitive assessments into adaptation work, and raising awareness of FSM stakeholders. These NAP activities enhance the project's goals to strengthen and improve platform coordination (Component 2, Outcome 4), provide NHMSs with training and tools that incorporate gender considerations (Component 1, Outcome 2), and raise awareness to effectively implement strategies and policies (Component 1, Outcome 1).[57]

NAP Outcome 3.2 also aligns closely with this work and will include updating and interpreting climate projections and scenarios used in adaptation planning. The lifespan of this project is expected to be from 2020-2035. The Project will seek to coordinate and collaborate with this work in order to avoid duplication. The NAP project has not included a climate services output in anticipation of this project taking up that role.

Increasing resilience to the health risks of climate change in the Federated States of Micronesia – GCF, Concept Note, submitted 2020
Accredited Entity: Secretariat of the Pacific Community (SPC)

This project aims to address FSM's high vulnerability to water, vector, and food borne disease risks related to climate change by developing a climate-resilient health system. This work is outlined in and builds from the National Climate Change Health Action Plan (NCCHAP). It consists of the following components which focus on:

1. Enabling environment
2. Integrated climate and health systems
3. Adaptation interventions at the community level to better cope with vector-, water- and food-borne diseases

Complementarity:
Work to strengthen institutional coordination (NAP Outcome 3.1) will broadly support this project's goal to create an enabling environment for conducting policy-level actions and strengthening the coordination capacity of relevant institutions in order to enhance collaboration on adaptation efforts in the area of health (Component 1).[58] Furthermore, the Project's inclusion of gender responsive adaptation planning will advance the third component's goal to enhance disease prevention at the community-level, especially in its efforts to empower women to actively engage in health adaptation.[59]

[57] Strengthened Weather and Climate Services for Resilient Development for Pacific Islands, pg.8-9
[58] Increasing resilience to the health risks of climate change in the Federated States of Micronesia, pg.5
[59] Increasing resilience to the health risks of climate change in the Federated States of Micronesia, pg. 6

Enhancing Climate Change Resilience of Vulnerable Island Communities in FSM (Adaptation Fund) **Accredited Entity: Secretariat of the Pacific Reginal Environment Programme (SPREP)**
Part of the Adaptation Fund's objective for this project is to focus on concrete adaptation activities that contribute to climate resilience. It includes the following components: 1. Strengthening policy and institutional capacity for integrated coastal and water management at national and state levels 2. Demonstration of water security measures in outer islands of Yap, Chuuk and Pohnpei 3. Demonstration of Kosrae Inland Road Relocation Initiative 4. Knowledge management for improved water and coastal protection *Complementarity:* Activities to strengthen institutional coordination (NAP Outcome 3.1) directly enhances the first component of this project. Work to include gender responsive considerations into adaptation planning will further reinforce this project's work to incorporate gender into climate change adaptation planning by conducting a gender review in order to ensure water and sanitation policies are gender-sensitive (Adaptation Fund Activity 1.3.1).[60] Reciprocally, the work undertaken by this project on gender, including a detailed Gender Assessment and Gender Action Plan for the outer islands, has provided an initial platform for the NAP's gender and social inclusion activities. Awareness raising strategies (NAP Outcome 3.2) also support the second component's targeted outcome to increase awareness of climate change through education (Adaptation Fund Outcome 2b, Activity 2.5.1).[61] Component four of the project complements the NAP's work under Outcome 3.2, which calls for the development of a knowledge management strategy to inform adaptation efforts. In order to avoid duplication of effort, the Project will seek engagement with the implementing entity to strategize on alignment, coordination, and share learnings.
Practical Solutions for Reducing Community Vulnerability to Climate Change in the Federated States of Micronesia (Adaptation Fund) Accredited **Entity: Micronesia Conservation Trust (MCT)**
The objective for this project is to develop the resilience of FSM communities by strengthening resiliency in FSM's ecological, social, and economic landscape. This work will entail using practical solutions for reducing vulnerability to climate change. It includes the following objectives: 1. Improve Protected area management including near-shore marine ecosystems 2. Capacity building and enforcement of regulations for protected areas and near-shore fisheries 3. Community-level adaptive capacity to climate change 4. Improve Knowledge Management for Protected Areas and Eco- based Solutions *Complementarity:* Similar to the previous AF Project, the NAP Project will align with this work through activities undertaken to: strengthen institutional coordination (Outcome 3.1), raise awareness, and develop knowledge management strategies. The Projects work to expand capacity building for climate adaptation work further complements this work.

[60] FSM Adaptation Fund, pg. 39-40
[61] FSM Adaptation Fund, pg. 55

Increasing coastal water and food security for climate change in selected FSM state outlying islands - 2013
Under the broader Global Climate Change Alliance: Pacific Small Island States (GCCA: PSIS), this project aimed to provide rainwater catchment systems and improve water infrastructure in Fais Island, an outlying island of Yap State, and supported assessment and design work in Eot and Udot Islands, two lagoon islands in Chuuk State. *Complementarity:* The project conducted a review of the extent of climate change mainstreaming in national strategic plans, policies and budgets in FSM. This was done to inform an assessment of the country's readiness to receive international climate finance through budget support mechanisms. A meeting was held in 2015 to share lessons learnt about building resilience to climate change in the water sector, especially in outlying islands. The NAP Project will support mainstreaming efforts through its activities to strengthen institutional coordination and collaboration under Outcome 3.1.
GCF Readiness Proposal 1
Key activities and objectives outlined in the GCF Readiness Proposal involve two main activity areas: 1) strengthening the National Designated Authority (NDA) and 2) the strategic engagement framework with the fund. The first activity is needed to improve capacity and raise awareness while the second activity addresses the need for training, rapid assessment, and multi-stakeholder community engagement in adaptation options. The NDA identified the Secretariat of the Pacific Community (SPC) as the delivery partner for this readiness proposal. *Complementarity:* The Project's awareness raising activities, strategy and guide to stakeholder engagement and communication strategies enhance and strengthen the proposal's objectives to develop a communication plan to increase the awareness of FSM stakeholders (Section E, Section H).[62] Furthermore, the Project's work to strengthen institutional coordination under Output 3.1 will support and advance the proposal's goal to develop capacity and country coordination on multi-stakeholder engagement (Indicator 1.2).[63] The Project will build on the work accomplished in the proposal and efforts from both the Project and proposal will reinforce and bolster each other in these areas.
GCF Readiness Proposal 2
This proposal represents the second phase of readiness support and build on the success made in the first phase. The purpose of the NDA in this proposal is to maintain stakeholder engagement across institutions and citizenry. One of its primary objectives is to get the Climate Change & Sustainability Development (CC&SD) Council and the M&E system up and running as re-enforcing mechanisms for Country Program (CP) implementation. The Project will enhance this objective through NAP Outcome 3.1 by strengthening the role of the CC&SD as well as through NAP which will develop and endorse a framework for monitoring and evaluation. The Project will coordinate across the NAP activities and proposal objectives to ensure there is alignment.

[62] GCF Readiness Proposal 1, pg. 6
[63] GCF Readiness Proposal 1, pg. 8

Complementarity: Similar to the first proposal, the Project's activities to improve institutional coordination and the awareness and engagement of stakeholders in adaptation planning NAP Outcome 3.1) will likewise support the proposal's objectives to strengthen FSM's capacity (GCF Proposal Outcome 1.1, Activity 1) and stakeholder engagement efforts as well its work to incorporate gender mainstreaming.
UNDP Federated States of Micronesia Ridge to Reef Project **Executive Entity / Implementing Partner: Office of Environment and Emergency Management (OEEM)**
The aim of this project is to foster an integrated approach to sustainable land management and biodiversity conservation. It is designed to create a shift from natural resource management being problem centric to being more holistic instead, encompassing a "ridge to reef" approach. This will help ensure that FSM's island systems are managed to enhance ecosystem services while also conserving important biodiversity. *Complementarity:* The Project's work to develop a communication and knowledge management strategy to increase awareness complements this work by enhancing one of its objective's to seek greater awareness and knowledge of stakeholders. Overall, communication, public awareness strategies, and training and capacity development are also well supported by the Project and complementary to this work (Outcome 3.1).
USAID/BHA Programme Summary
This program facilitates interventions for capacity building and disaster risk reduction in order to foster self-reliance. USAID/BHA has a three part approach in this work: to strengthen the capabilities of first responder agencies, enhance early warning systems, and improve the preparedness of at-risk communities. Funding went to supporting the development of first responder capacity, strengthening logistics in the Pacific, and supporting emergency medical Adaptive Community Transformation (ACT) on Yap in the Pacific. *Complementarity* The Project's work under the activities and deliverables for Output 3.1.3 will develop a capacity building programme for adaptation, further enhancing this project's objective to build capacity.

3. LOGICAL FRAMEWORK

Outcomes	Baseline[64]	Targets	Outputs[65]	Activities (brief description)	Deliverables[66]
Objective 3: National adaptation plans and adaptation planning processes					

[64] Please briefly elaborate on current baselines on which the proposed activities can be built on, processes that are in place that the current Readiness proposal can strengthen, or any gaps that the proposed activities would fill in. If more space is needed, please elaborate this in Section 4.

[65] The respective outputs are not on timeline sequence. The timeline for each output and activity is presented in the implementation plan in Annex 1.

[66] Please include tangible and specific deliverables for each activity proposed, Please note that during implementation all deliverables should be included within the implementation reports for GCF consideration.

Outcome 3.1: Adaptation planning governance and institutional coordination strengthened	FSM has a solid climate change policy foundation however there is limited coordination at and between the national and State level for climate change adaptation. Low capacity and no capacity development plan for adaptation planning at national and State level FSM has not developed a NAP Each State has an action plan, Joint State Action Plan (JSAP) which includes DRR and a low level of adaptation.	Climate change adaptation institutional structures and coordination framework including MEL established and operational. Adaptation planning processes and institutional capacity to implement in place An inclusive FSM NAP, updated JSAPs and a national action plan developed and approved for implementation	**Output 3.1.1:** NAP project operational framework established and functional, NAP project team recruited and strategy to guide engagement of stakeholder in adaptation planning, monitoring, evaluation, and learning developed	**Activity 3.1.1:** Undertake inception phase to establish the NAP Team, review the project implementation plan and validate draft stakeholder engagement plan *The NAP Project team include:* • *Project Manager and Finance Administration Assistant (full time basis for 39 months)* • *4 State Coordinators (full time basis for 36 months)* • *A consortium of consultants consisting of international and national individuals: a Climate Change Adaptation Specialist/Team Leader, Institutional Strengthening Expert, Gender and Social Inclusion Specialist, Communication and Engagement Expert, Monitoring, Evaluation and Learning Specialist, and the Private Sector Specialist.* *Reference budget notes implementation arrangements for additional details.* *Key stakeholders include national and state level governments, CCCT, umbrella organisations for CSOs and private sector.*	**Deliverable 3.1.1:** (i) NAP Project team appointed (ii) NAP Project inception workshops at national and state level conducted resulting in a detailed project implementation plan and validated draft stakeholder engagement plan.
			Output 3.1.2: Institutional coordination mechanisms and framework for adaptation planning and implementation reviewed and strengthened from National to State to Municipality levels with CCCSD and CCCT roles in	**Activity 3.1.2 (a**): Review institutional coordination and engagement from national to municipality levels for adaptation planning and implementation to identify gaps, barriers and challenges, lessons learnt and best practices. The review will inform focus areas to strengthen coordination and engagement from national to local levels.	**Deliverable 3.1.2 (a):** Report of the review and recommendations for coordination mechanisms at national to State levels validated and disseminated

			climate change adaptation planning enhanced	**Activity 3.1.2 (b):** Update the Nation-wide Climate Change and Disaster Risk Management Policy 2013 with findings from the review including formalization of the role of CCCT through the updated policy.	**Deliverable 3.1.2 (b):** Updated nation-wide Climate Change Policy
			Output 3.1.3: A capacity building programme for adaptation planning process developed and implemented and a capacity development strategy and action plan for NAP implementation developed and incorporated in the NAP	**Activity 3.1.3 (a):** Undertake a gap analysis to determine expertise, skillsets, systems, policies, technology and process needs at national and state levels for adaptation planning and implementation of the NAP. ▪ *The analysis on the implementation of the NAP will focus on national, state and community level coordination, policy and technology needs, possible funding mechanisms at the various levels etc. Note that the NAP is yet to be developed at this stage)* ▪ *Examples of key stakeholders at national level: DECEM, DTCI, DNR and at state level: EPA, DTI, others such as the Micronesian Conservation Trust, private sector actors, etc.*	**Deliverable 3.1.3 (a):** (i) Gap Analysis Report (ii) Strategy and action plan to address the Gap Analysis Report recommendations *The ToR to outline the specifics of the gap analysis will provide details of the needs assessments and will be developed at the implementation phase.*
				Activity 3.1.3 (b): Identify potential training institutes in FSM (e.g., College of Micronesia) and evaluate their capacity to implement the strategy and action plan (Deliverable 3.1.3a (ii))	**Deliverable 3.1.3 (b):** Training Institution Evaluation Report highlighting areas in the strategy and action plan that can be addressed. *The implementation of the strategy and action plan (Deliverable 3.1.3(a) (ii)) will be conducted beyond the NAP project timeframe.*
			Output 3.1.4: A climate change adaptation communication and knowledge management strategy is developed, endorsed and	**Activity 3.1.4 (a):** Develop a communication and engagement strategy and action plan to guide communication and awareness raising activities. There will be 2 stages:	**Deliverable 3.1.4 (a):** (i) Stakeholder (National and State levels) mapping and analysis report

			immediate priorities identified and implemented	Stage 1: Communicate and raise awareness of climate change impacts to the various stakeholders (includes data and information from the vulnerability and risk assessments) during the NAP process. Stage 2: Communicate, inform and familiarize stakeholders on the FSM NAP.	(ii) Communication and engagement strategy and action plan Stage 1 and Stage 2 *Stage 2 will be in draft form and to be revisited when the NAP is developed* (iii) Final Communication and Engagement Strategy and Action Plan endorsed
				Activities 3.1.4 (b): Implement the Communication and Engagement Strategy and Action plan guiding communication and awareness raising for the NAP process as outlined in Stage 1. Stage 2 will be implemented outside this proposal.	**Deliverable 3.1.4 (b):** (i) Products, tools and information produced and disseminated as per stakeholder events and the Plan (Activity 3.1.1). *This will be documented in six monthly progress reports and through copies of products, tools etc.* (ii) Reports on awareness events held with target stakeholders (documented in six monthly progress reports and through evaluation surveys)
			Output 3.1.5: Adaptation options selection, appraisal and prioritisation criteria and adaptation planning process developed and tested	**Activity 3.1.5 (a):** (v) Develop a set of criteria for appraisal and prioritization of specific climate change adaptation actions in the prioritised sectors. *It is to be noted that the FSM country programme presents the priority sectors /areas. These economic resilience, food, water & energy, infrastructure & settlements, waste management & sanitation, health & social protection, and education.. They were identified through the FSM Strategic Alignment process.*	**Deliverable 3.1.5 (a):** (i) Draft set of criteria for the appraisal and prioritisations of specific adaptation actions (ii) Draft adaptation planning process and approaches Guide for the FSM. *The draft Guide will form the basis for Activities 3.1.5(a) (iii) and (iv).* (iii) Adaptation planning workshop Report for the States *The Report will outline the process, learnings, findings and recommendations*

				(vi) Design an adaptation planning process (vii) Conduct the adaptation planning workshop in a selected State (main island). (viii) Conduct the adaptation planning workshop in two outer island communities *(where necessary, fine tune the process (learnings from A3.1.5(a)(iii)) prior to the outer island community sessions* Based on recommendations from the design workshops, design and test approaches to participatory and gender responsive ecosystem-based adaptation planning in one State and selected outer island communities. Adaptation planning process relates to current state of play at national and state level governments, is flexible to accommodate cultural norms and practices and gender dynamics in different states and outer islands and strengthens inclusive participation of all relevant stakeholder groups.	(iv) Adaptation planning workshop Report for the participating communities *The Report will outline the process, learnings, findings and recommendations* (v) Refined /revised version of the adaptation planning process and approaches Guide for State and outer island communities, as appropriate
				Activity 3.1.5 (b): (iii) Conduct adaptation planning workshops in the other three Sates (Kosrae, Pohnpei and Yap) (including two outer island communities as appropriate) (iv) Conduct adaptation planning workshop at the national level *The adaptation planning workshops will inform the finalised adaptation planning*	**Deliverable 3.1.5 (b):** (i) Three adaptation planning workshop reports (one per State, includes main island and outer island communities) (ii) One adaptation planning workshop Report (national level)

				process and approaches Guide from Deliverable 3.1.4(a)(iii)	
				Activity 3.1.5 (c): Revise the adaptation planning process and approaches Guide based on the learnings in Activities 3.1.3(a) and (b)	**Deliverable 3.1.5(c):** Validated the FSM climate change adaptation planning process and approaches Guide.
			Output 3.1.6: FSM NAP, a national action plan and updated JSAPs developed, validated and approved by National Government (FSM NAP) and State Governments (Updated JSAPs) *Notes* • *FSM NAP: this is the FSM National Adaptation Plan.* • *National action plan: this plan outlines how the national government will implement the FSM NAP* • *JSAPs: this outlines the implementation of the FSM NAP at the state level*	**Activity 3.1.6 (a):** Develop the FSM NAP taking into consideration the deliverables under Outputs 3.1.2 to 3.1.7 and Outputs 3.2.1 and 3.2.2.	**Deliverable 3.1.6(a):** Draft FSM NAP ready for submission to the Council for Climate Change and Sustainable Development for endorsement
				Activity 3.1.6 (b): (iv) Develop /update the JSAPs taking into consideration the deliverables under Outputs 3.1.2 – 3.1.4 including 3.1.7, 3.2.1 – 3.2.2, 3.3.1 – 3.3.3 and 3.4.1 – 3.4.2. *The draft FSM NAP in deliverable 3.1.7(a) will form the basis for the review of the JSAPs* (v) Develop /review a NAP action plan for the national government *The draft FSM NAP in deliverable 3.1.7(a) will form the basis for the review /development of an action plan for national government.* *(vi)* Conduct validation workshops of the FSM NAP Package: • *NAP (deliverable 3.1.6a)* • *National government action plan (deliverable 3.1.6b(ii))* • *JSAPs (deliverable 3.1.6b(i)* • *Communications and Engagement Strategy (deliverable 3.1.4a(ii))* • *Financing Strategy (deliverable 3.4.1(a) and (b))*	**Deliverable 3.1.6 (b):** (i) Updated JSAPs for each of the four States submitted to the State Governments for endorsement (ii) NAP action plan for the national government developed /reviewed.

				MEL (deliverable 3.1.7(b))	
				Activity 3.1.6 (c): Compile and present the FSM NAP (with the four JSAPs and the national government action plan) package to the Council for Climate Change and Sustainable Development (CCCSD) for endorsement. *The inclusion of the four JSAPs in the submission is to show CCCSD how the NAP will be implemented at the State level.*	**Deliverable 3.1.6 (c):** FSM NAP endorsed by CCCSD *The FSM NAP package consists of:* • *NAP (deliverable 3.1.6a)* • *National government action plan (deliverable 3.1.6b(ii))* • *JSAPs (deliverable 3.1.6b(i)* • *Communications and Engagement Strategy (deliverable 3.1.4a(ii))* • *Financing Strategy (deliverable 3.4.1(a) and (b))* • *MEL (deliverable 3.1.7(b))*
			Output 3.1.7: A Monitoring, Evaluation and Learning (MEL) Framework for climate change adaptation at national and state level developed and endorsed for implementation in the FSM NAP and updated JSAPs	**Activity 3.1.7 (a):** Conduct a stock take of existing relevant MEL systems and frameworks at national and state levels	**Deliverable 3.1.7 (a):** Report highlighting best practices and lessons for MEL systems at national and state levels *This will feed into the development of the FSM NAP MEL framework*
				Activity 3.1.7 (b): Develop the monitoring, evaluation and learning (MEL) framework for the FSM NAP *This framework will compose of:* ▪ *MEL at the national level (on the action plan for national government)* ▪ *MEL at the State level (on the JSAPs)*	**Deliverable 3.1.7(b):** FSM NAP MEL developed and validated
Outcome 3.2: Evidence basis produced to design adaptation	FSM have not updated climate projections and impact scenarios which are critical to	The FSM NAP, JSAPs and adaptation options are informed by up-to-date climate	**Output 3.2.1:** Climate science projections and impacts developed, assessed, and interpreted for adaptation decisions in each State	**Activity 3.2.1 (a):** Update climate projections and impact scenarios for FSM based on the new scientific information issued by the IPCC using the 2011 Pacific Australia Climate	**Deliverable 3.2.1(a):** (i) Stock take Report on risk and vulnerability assessments across the FSM including all priority sectors

solutions for maximum impact	long term adaptation planning. The last update was done in 2011 through the PACSAP project. Some vulnerability assessment was undertaken but focuses on State level vulnerability to climate hazards and financial vulnerability and does not include vulnerability of the people and ecosystems in FSM to the risks and impacts of on-going and future climate change	change projections; vulnerabilities, risks and impacts on people and ecosystems, and agreed knowledge management systems.	*It is to be noted that each State has prioritised sectors as presented in country programme, e.g., Yap identified transport, private sector, and infrastructure. The projections and impacts assessment will therefore better inform the specific adaptation planning and actions in these focus areas.*	Change Science and Adaptation Planning Project as the baseline. *Note: Validation of MEL will be undertaken as part of validation of the FSM NAP Package under activity 3.1.6. b (v)*	(ii) Updated climate projections and impact scenarios for FSM.
				Activity 3.2.1 (b): Interpret updated climate projections and impact scenarios to inform risk and vulnerability assessments and adaptation option decisions and develop climate change risk maps	**Deliverable 3.2.1(b):** Climate projections and impact scenarios interpretation reports and climate change risk maps.
			Output 3.2.2: Assessment of past, current and anticipated future climate change impacts, vulnerabilities, risks, traditional knowledge and adaptive capacity of people and ecosystems established, and updated assessments completed	**Activity 3.2.2 (a):** Develop framework and methodologies for participatory and gender-sensitive assessment of climate change vulnerability, risks and adaptive capacity of people and eco-systems	**Deliverable 3.2.2 (a):** Validated framework and methodologies for participatory and gender-sensitive assessments of climate change vulnerability, risks and adaptive capacity of people and eco-systems
				Activity 3.2.2 (b): Carry out participatory assessment of past, current and anticipated future climate change impacts, vulnerability, risks and adaptive capacity of people and eco-systems. The assessments will use updated climate science, local/traditional knowledge and perspectives of the vulnerable groups (e.g., men, women, children, youth, elderly, people with special needs) and communities	**Deliverable 3.2.2 (b):** Vulnerability, risk and adaptive capacity of people and ecosystems assessment report. The report will include the (i) updated assessment of climate change impacts, vulnerability, risks and adaptive capacity of people and ecosystems and (ii) a list of prioritized climate change vulnerabilities and risks. This report will be used in adaptation planning process (Output 3.1.4)
Outcome 3.3: Private sector engagement in adaptation catalyzed	While the FSM Nation-wide Disaster Risk Management and Climate Change Policy 2013	Enhanced private sector knowledge on and engagement in climate change adaptation planning and support services	**Output 3.3.1:** Review of challenges, lessons learnt and best practices in private sector engagement in climate change adaptation conducted	**Activity 3.3.1 (a):** Review current arrangements for engagement of private sector in climate change adaptation including review of laws, enabling policies and institutional arrangements and identify barriers and	**Deliverable 3.3.1 (a):** Private sector engagement review report.

	requires enhancing of partnerships with private sector to implement relevant aspects of this policy, engagement of private sector in adaptation planning is not known. Private sector across FSM is very small. A thorough review of private sector engagement in climate change adaptation has not been done at national and state levels.	through understanding of challenges and development of options and action plan.		challenges to private sector investment in climate resilient activities or support services, lessons learnt and best practices.	
				Activity 3.3.1 (b): Based on the review, map out priority private sector actors based on how their businesses enable adaptation action and risk management and climate sensitivity	**Deliverable 3.3.1 (b):** (i) Private sector mapping (ii) **Private sector mapping report**
			Output 3.3.2: Options and actions to strengthen private sector engagement and meaningful participation in climate change adaptation developed and approved for implementation.	**Activity 3.3.2 (a):** Based on review and mapping, develop options paper to explore potential actions to strengthen engagement and participation of private sector in implementing climate change adaptation at national and state levels	**Deliverable 3.3.2 (a):** Options paper shared with government and private sector actors
				Activity 3.3.2 (b): From Deliverable 3.3.2(a) develop and validate an action plan for strengthening engagement and participation of the private sector in implementing climate change adaptation actions	**Deliverable 3.3.2 (b):** Validated action plan *This will feed into the NAP in terms of how the private sector will contribute to its implementation at the national and or state levels.*
Outcome 3.4: Adaptation finance increased	There is no framework to systematically and specifically appraise and prioritise adaptation actions. Recent climate change and disaster risk finance assessment by PIFS, SPC and USAID highlighted the need to develop	FSM has systems in place for prioritising, financing and scaling up adaptation action with planned access to financial resources (both domestic and international) to support implementation of the National	**Output 3.4.1:** A national climate change adaptation financing strategy developed and endorsed by the Council on Climate Change and Sustainable Development.	**Activity 3.4.1 (a):** Conduct assessment of financial options and modalities for current and future sources of adaptation financing from international, regional national and state sources and identify suitable options for national, state and community level adaptation action based on capacity and capability to access these funds and deliver activities.	**Deliverable 3.4.1 (a):** Climate finance options assessment report with clear recommendations on finance options *The assessment will consider a broad base of financial options for the country programme and more specifically for the adaptation actions identified through the NAP process.*
				Activity 3.4.1 (b): Develop a financing strategy for the NAP (i.e., to fund the national action plan and the JSAPs) based on options identified under Activity 3.4.2(a).	**Deliverable 3.4.1 (b):** Validated financing strategy endorsed by CCCSD.

	a medium-term fiscal strategy to access global climate funding. This strategy has not been developed yet.	Adaptation Plan and updated JSAPs.	**Output 3.4.2:** Adaptation aspects of the FSM climate change projects pipeline (country programme) progressed based on identified specific actions and capacities to implement	**Activity 3.4.2:** Develop concept notes, using the GCF template, based on the ideas and priority sectors outlined in the country programme and the specific actions from the NAP process (national and state level) *Details to inform the budget allocation.* *(iv) Identify the accredited entities* *(v) Conduct a pre-feasibility study and an economic and financial analysis to support the development of the concept notes* *(vi) Develop draft concept notes* **Notes** • *The financing strategy (Deliverable 3.4.1(b). This strategy is developed based on the FSM NAP, Deliverable 3.1.6(c)) and the Country Programme will form the basis for the projects to be progressed.* • *The development of the concept notes will be conducted and led by identified accredited entities.* • *Consultation with stakeholders conducted as part of the NAP process (Deliverables 3.1.5a(iv) and 3.1.5(b)) will also include discussions required as part of the development of the concept notes. This approach is considered as any consultation process in FSM incurs high costs and lengthy timeframes.* • *The development of the concept notes targets to begin in month 28. Note that the NAP targets month 24 to be approved.*	**Deliverable 3.4.2:** Two concept notes developed and submitted for consideration. *Sub-deliverables* *1. Accredited Entities identified and formally engaged* *2. Pre-feasibility study and economic and financial analysis conducted* 3. *Draft concept notes*

4. THEORY OF CHANGE

Goal

FSM has systems, capacity and financial priorities in place to become more resilient to climate change through integrating adaptation into sustainable and inclusive development plans, economic systems, communities' livelihoods and ecosystems

Goal Statement

IF FSM strengthens its institutions, policies, coordination framework, adaptation planning process and stakeholder engagement across the four States and national government THEN FSM will be able to develop a National Adaptation Plan and implement it through the national government action plan and revised Joint State Action Plans BECAUSE knowledge on climate projections, key vulnerabilities and priorities for community, state and national will be generated and shared, capacity for adaptation planning will be strengthened, and FSM will have systems in place for prioritising, financing and scaling up adaptation actions

Outcomes

Outcome 3.1: Adaptation planning governance and institutional coordination strengthened

Outcome 3.2: Evidence basis produced to design adaptation solutions for maximum impact

Outcome 3.3: Private sector engagement in adaptation catalysed

Outcome 3.4: Adaptation finance increased

Outputs

- **Output 3.1.1:** NAP project operational framework established and functional, NAP project team recruited and strategy to guide engagement of stakeholder in adaptation planning, monitoring, evaluation, and learning developed
- **Output 3.1.2:** Institutional coordination mechanisms and framework for adaptation planning and implementation reviewed and strengthened from National to State to Municipality levels with CCCSD and CCCT roles in climate change adaptation planning enhanced
- **Output 3.1.3:** A capacity building programme for adaptation planning process developed and implemented and a capacity development strategy and action plan for NAP implementation developed and incorporated in the NAP
- **Output 3.1.4:** A climate change adaptation communication and knowledge management strategy is developed, endorsed and immediate priorities identified and implemented
- **Output 3.1.5:** Adaptation options selection, appraisal and prioritisation criteria and adaptation planning process developed and tested
- **Output 3.1.6:** FSM NAP, a national action plan and updated JSAPs developed, validated and approved by National Government and State Governments (Updated JSAPs)
- **Output 3.1.7:** A Monitoring, Evaluation and Learning (MEL) Framework for CCA at national and state level developed and endorsed for implementation in the FSM NAP

- **Output 3.2.1:** Climate science projections and impacts assessed and interpreted for adaptation decisions
- **Output 3.2.2:** Baselines for climate change impacts, vulnerabilities, risks, traditional knowledge and adaptive capacity of people and ecosystems established and updated assessments completed

- **Output 3.3.1:** Review of challenges, lessons learnt and best practices in private sector engagement in climate change adaptation conducted
- **Output 3.3.2:** Options and actions to strengthen private sector engagement and meaningful participation in climate change adaptation developed and approved for implementation

- **Output 3.4.1:** A national climate change adaptation financing strategy and action plan developed
- **Output 3.4.2:** Adaptation aspects of the FSM climate change projects pipeline (country programme) progressed based on identified specific actions and capacities to implement

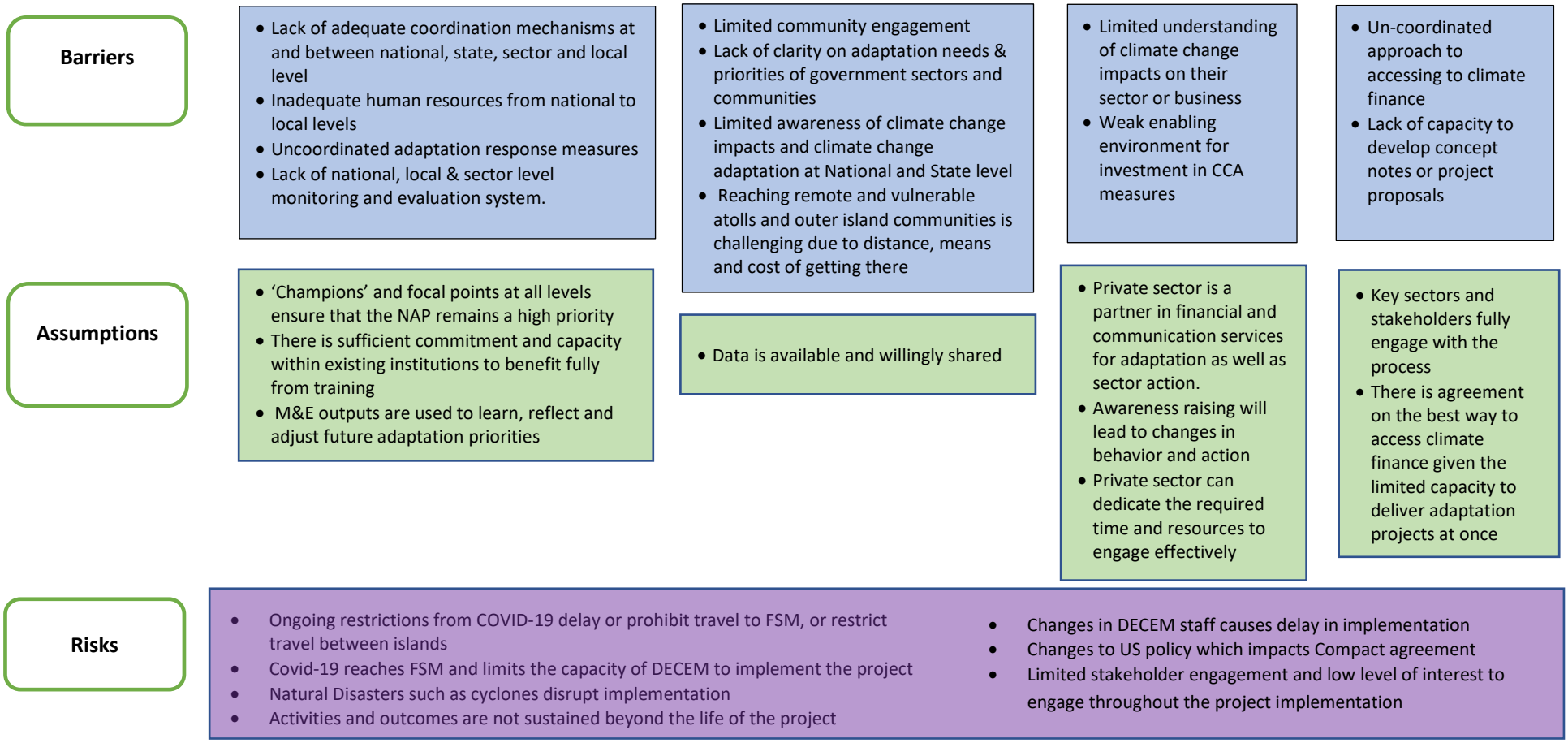

Figure 7. Theory of Change

The Theory of Change (ToC) explains how the project will overcome barriers and challenges, enable opportunities and connect outputs and outcomes to arrive at the goal. It provides a roadmap on how these will be achieved. The ToC summarises the overarching vision, or **Goal,** systematically laying out each step along a 'causal pathway'. Through initial extensive collaboration with stakeholders in FSM, the Goal identified was *FSM has systems, capacity and financial priorities in place to become more resilient to climate change through integrating adaptation into sustainable and inclusive development plans, economic systems, communities' livelihoods and ecosystems.* The consultations also determined that the best way to achieve this goal is to strengthen and enhance FSM institutions, policies, coordination framework, adaptation planning process and stakeholder engagement across the four States so that State actors are able to update the Joint State Action Plans (JSAPs) alongside national government development of a National Adaptation Plan in coordination with the nation-wide DRM and CC Policy (2013)[67]. This will be possible because through the Project, knowledge on climate projections, key vulnerabilities and priorities for community, state and private sector will be generated and shared, capacity for adaptation planning will be strengthened, and FSM will have systems in place for prioritising, financing and scaling up adaptation action. This causal pathway is reflected in the **Goal Statement** in Figure 7.

For NAP development under the GCF Readiness Programme there are four established outcomes which are defined in the GFC Readiness Guidelines, and the **Outputs** of the project have been framed in line with these outcomes. The Outputs constitute the 'bread and butter' of the project and were identified and agreed with the NDA and Department of Environment, Climate Change and Emergency Management (DECEM) during the consultation. These outputs have been refined over the past year with input from DECEM, the NDA and SPREP, while ensuring they reflect the needs identified by stakeholders during cross-sectoral consultations and create a coherent set of interlinked activities and deliverables which collectively result in achieving the desired goals.

Throughout the development of the ToC specific **Barriers,** which are currently hindering effective climate change adaptation planning in FSM, were identified. These barriers are described in Section 2 and reflected in the ToC diagram. The project outputs are intended to address and overcome the barriers to achieve the project outcomes and overall goal. Alongside barriers the **Assumptions** that underpin the successful achievement of each outcome have been identified. The interrelationship of the outputs, and how they address barriers and achieve each of the four project outcomes is described in more detail under the NAP Objectives and Activities and illustrated in Figure 6.

A coherent approach

The overall project logic is that once there is coordination in planning, knowledge management, institutional change, capacity strengthening, engagement with the private sector and development of financing plans, FSM will have the ability, leadership and tools to coordinate and implement effective climate change adaptation action and monitor and learn from the outcomes and their inter-relation. As demonstrated in the ToC, the outputs and outcomes build upon each other to create robust systems to improve climate resilience. For example, the evidence base developed under Outcome 3.2 supports the adaptation planning process and MEL framework in Outcome 3.1 and the development of the appraisal and prioritization criteria in Outcome 3.4. The stakeholder engagement strategy and strengthened CCCT in Outcome 3.1 supports robust consultations at each stage of the process and enables coordination across national and state government, non-government organizations and private sector from the start so that their role in outcomes 3.2, 3.3 and 3.4 are clearly defined and agreed. Gender considerations will be incorporated into all activities such that

[67] The NAP process will contribute to the review of the nation-wide DRM and CC Policy

the outcomes and adaptation priorities are responsive to gender and cultural differences. The private sector activities in Outcome 3.3 will enhance the adaptation finance strategy in Outcome 3.4 and all of these elements will be captured in the National Adaptation Plan itself. The Project outcomes provide FSM with an institutional and policy foundation and a NAP to guide its adaptation planning going forward at state and national level, with guidelines for planning, MEL, capacity development housed in FSM training institutes, private sector engagement and financing mechanisms, all of which create the necessary conditions for sustainable adaptation action and to ultimately ensure increased climate resilience in FSM. The subsequent implementation of the FSM NAP will rely on the outputs and deliverables developed through the planning process and the NAP Project as a whole, with regular learning and adjusting through the MEL framework.

A coherent flow of activity: Figure 7 demonstrates the sequencing and flow of the main activities over the course of the project, showing how each output builds upon the last. The project begins by identifying the gaps and needs for capacity strengthening, then develops the evidence base. From there the strategies and plans are developed, culminating in the National Adaptation Plan and the Climate Change Adaptation Financing Strategy to support the funding of NAP activities. This timeline is simply an overview of the key elements that will be included in the NAP itself and should be read in conjunction with the implementation schedule, which captures the full complexity of the project activities and deliverables.

5. BUDGET, PROCUREMENT, IMPLEMENTATION AND DISBURSEMENT PLAN

5.1 Budget plan

Please refer to 20220222 Annex 1 – FSM NAP – Budget_Procurement_Implementation Plan.

5.2 Procurement plan

Please refer to 20220222 Annex 1 – FSM NAP – Budget_Procurement_Implementation Plan for the proposal's Procurement Plan.

5.3 Implementation Plan

Please refer to 20220222 Annex 1 – FSM NAP – Budget_Procurement_Implementation Plan for the proposal's Implementation Plan.

5.4 Disbursement schedule

Please specify the proposed schedule for requesting disbursements from the GCF. For periodicity, specify whether it's quarterly, bi-annually or annually only.

☒ **Readiness Proposal that requires a bilateral Grant Agreement**

Please include an indicative disbursement table showing the expected amounts to be requested and keep to multiples of USD 5,000.

- The first disbursement *amounting* USD **1,971,141**will be transferred upon approval of the readiness request and effectiveness of the Grant Agreement;
- The second disbursement *amounting* USD **823,760** will be transferred upon submission of an interim progress report [and audited financial report][68], in form and substance acceptable to the Fund, [including an audited expenditure statement]; and
- The third disbursement *amounting* USD **147,100** will be made upon submission of a completion report and financial report, in form and substance acceptable to the Fund, including an audited expenditure statement.

Table 5. Disbursement Schedule

First Disbursement	Second Disbursement	Third Disbursement
0 – 12 months	12 – 24 months	24 – 36 months
Disbursement amounts (% of total funding)		
67%	28%	5%
1,971,141	823,760	147,100
Total Disbursement (USD)		2,942,001*

*Total disbursement of USD 2,942,001 does not include contingency of USD 54,146

6. IMPLEMENTATION ARRANGEMENTS AND OTHER INFORMATION

6.1 Implementation arrangements

SPREP is an Accredited Entity to the GCF and was formally requested by the Secretary of Department of Environment, Climate Change and Emergency Management (DECEM) in April 2019 to be the Delivery Partner for the FSM's NAP proposal. The Director General of SPREP accepted the request in May 2019 which in essence formalized this relationship.

As an Accredited Entity and Delivery Partner to this NAP, SPREP will undertake responsibility for managing the grant contract with the GCF and be responsible for contractual reporting, financial management and the selection, supervision and contracting of work undertaken under this NAP project. This will be formalized through the Grant Agreement between the GCF and SPREP.

[68] For second disbursement, audited financial report and audited expenditure statement are only required for readiness and preparatory support proposals expected to last over 12 months.

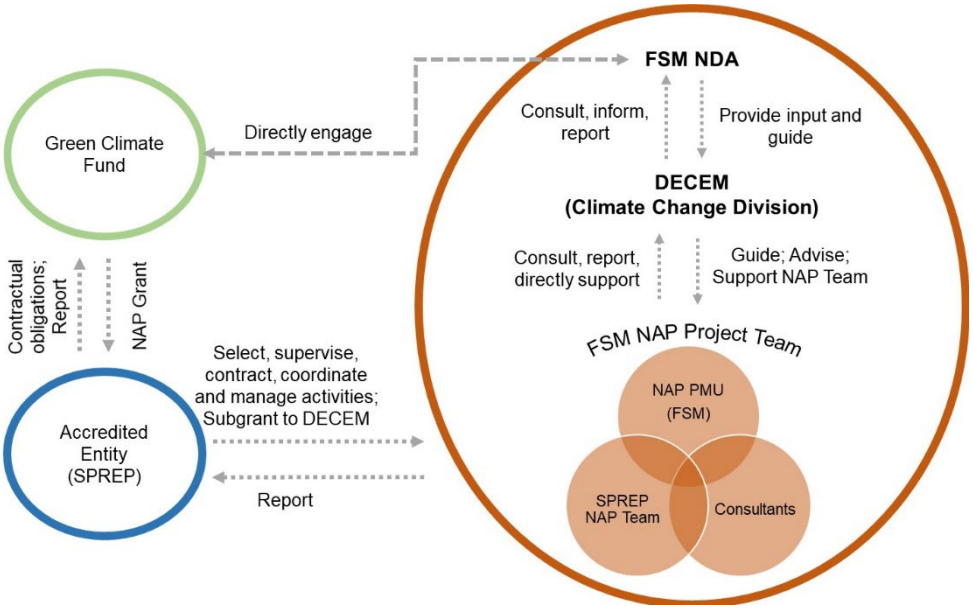

Figure 8. *Contractual and reporting implementation arrangements for the FSM NAP*

SPREP, the Delivery Partner, will be responsible for implementation of the readiness support and will carry out all fiduciary and financial management, procurement of goods and services, monitoring and reporting activities under this proposal in compliance with SPREP's policies and procedures and with the Bilateral Grant Agreement to be signed with GCF.

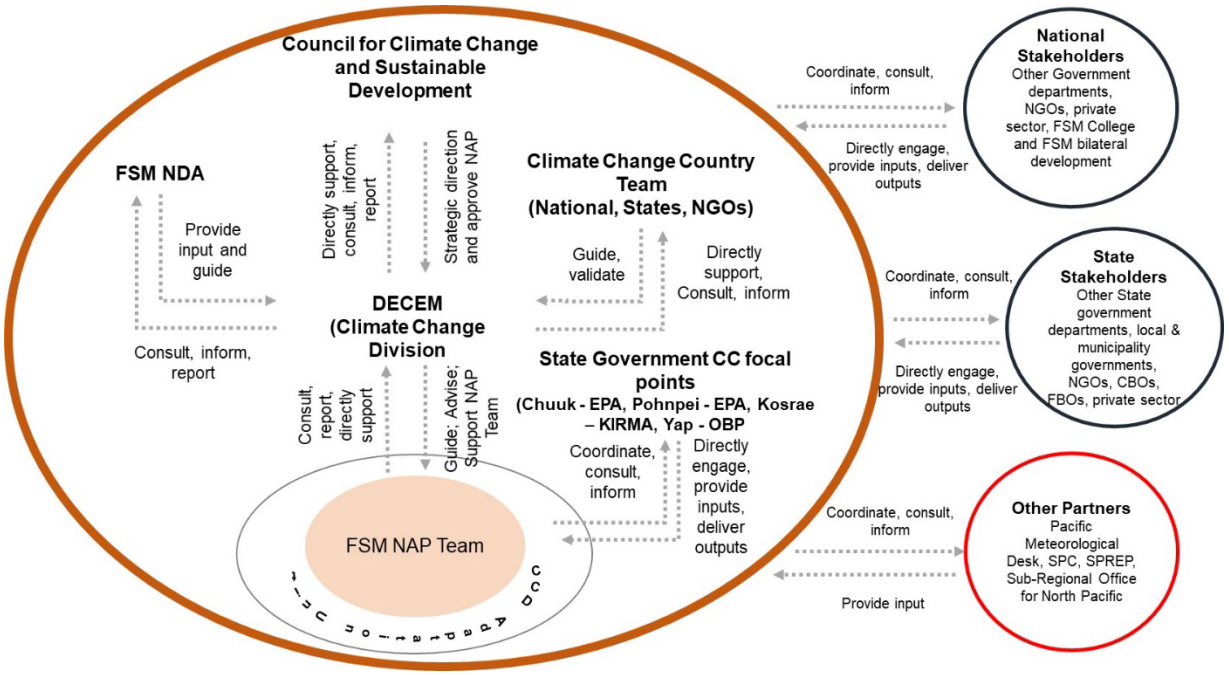

Figure 9. *FSM internal implementation arrangements (decision-making, consultation, inputs)*

The in-country activities will be managed by the Government of FSM through the Department of Environment, Climate Change and Emergency Management (DECEM). A project agreement between SPREP and DECEM will be executed, along with a capacity assessment of DECEM[69], to provide for the transfer of funds to DECEM for specific on-ground activities. This will enable more effective oversighting of in-country activities including stakeholder consultations, DECEM office management responsibilities etc. DECEM will be responsible for any fiducial requirements relating to these funds, and terms and conditions, including reporting will be detailed in the project agreement.

The budget plan has been further detailed to outline the specific outputs and funds to be managed directly by DECEM. These are summarised in Table 6.

The NAP Project Coordination Unit (NAP PCU) will be established in the Adaptation Unit of the Climate Change Division of DECEM and two local consultants (Project Manager and Project Finance and Administration Officer) will be recruited by DECEM to manage this unit. Further, four State Climate Change Coordinators will be recruited by SPREP and placed in each state to coordinate state on-ground activities. The experience of having State Climate Change Coordinators was commented in the Mid-term review of the Adaptation Fund FSM project where they were instrumental in ensuring that project activities are coordinated and executed as planned. The NAP project will utilize such arrangements to ensure that the NAP process is widely executed in the FSM. The NAP team will be further strengthened through the procurement of local and international consultants (engaged by SPREP) to work in close collaboration with DECEM to deliver specific activities of the project.

[69] A capacity assessment was conducted on DECEM pre-2018 as the executing entity for the Adaptation Fund's 'Enhancing climate change resilience of vulnerable communities in FSM' project. DECEM has recently successfully completed a capacity assessment by Micronesia Conservation Trust (MCT), attached to this proposal as Annex 3. MCT is an accredited entity to the GCF. SPREP will utilize this capacity assessment results as the basis for its engagement with DECEM under this NAP.

Table 6. Details of funds to be transferred to DECEM

Outcomes	Outputs	Budget (USD)
Outcome 3.1 Adaptation planning governance and institutional coordination strengthened	Output 3.1.1: NAP project operational framework established and functional, NAP project team recruited and strategy to guide engagement of stakeholders in adaptation planning, monitoring, evaluation, and learning developed.	449,300
	Output 3.1.2: Institutional coordination mechanisms and framework for adaptation planning and implementation reviewed and strengthened from National to State to Municipality levels with CCCSD and CCCT roles in climate change adaptation planning enhanced.	-
	Output 3.1.3: A capacity building programme for adaptation planning developed and implemented and a capacity development strategy and action plan for NAP implementation developed and incorporated in the NAP.	2,400
	Output 3.1.4: A climate change adaptation communication and knowledge management strategy is developed, endorsed and immediate priorities identified and implemented.	-
	Output 3.1.5: Adaptation options selection, appraisal and prioritisation criteria and adaptation planning process developed and tested.	396,000
	Output 3.1.6: FSM NAP and updated JSAPs developed, validated and approved by National Government (FSM NAP) and State Governments (Updated JSAPs).	295,000
	Output 3.1.7: A Monitoring, Evaluation and Learning (MEL) Framework for climate change adaptation at national and state level developed and endorsed for implementation in the FSM NAP and updated JSAPs.	-
Outcome 3.2 Evidence base produced to design adaptation solutions for maximum impact	Output 3.2.1: Climate science projections and impacts developed, assessed, and interpreted for adaptation decisions in each State.	76,000
	Output 3.2.2: Assessment of past, current and anticipated future climate change impacts, vulnerabilities, risks, traditional knowledge, and adaptive capacity of people and ecosystems established and updated assessments completed.	24,000
Outcome 3.3 Private sector engagement in adaptation catalyzed	Output 3.3.1: Review of challenges, lessons learnt and best practices in private sector engagement in climate change.	22,400
	Output 3.3.2: Options and actions to strengthen private sector engagement and meaningful participation in climate change adaptation developed and approved for implementation.	
Outcome 3.4 Adaptation finance increased	Output 3.4.1: A national climate change adaptation financing strategy and action plan developed and endorsed by the Council on Climate Change and Sustainable Development.	7,600
	Output 3.4.2: Adaptation aspects of the FSM climate change projects pipeline (country programme) progressed based on identified specific actions and capacities to implement.	36,200
Subtotal		1,308,900
Project Management Costs		150,900
Total Budget to be transferred to DECEM (USD)		1,459,800

The transfers will be in three tranches to be outlined in the SPREP-FSM (DECEM) Project Agreement.

NAP Project Coordination Unit (NAP PCU)
The NAP PCU will comprise of a Project Manager and a Project Finance and Administration Assistant including the State Climate Change Coordinators (SCCC). PCU will be responsible for the management of the project on a daily basis including support for the procurement of goods and services, coordination of tasks and activities of the project and liaison with all consultants, Government departments and sectors, private sector, NGOs, and State Government departments in FSM. The PCU is also responsible for logistics support for all activities including meetings, consultations, workshops and trainings, compilation of all reports on the progress of implementation, coordination of reviews of all reports, products, materials and the NAP document, and compilation of the NAP document using information that will be generated by the different activities of the project.

The NAP PCU is designed to achieve efficiency and coordination in the management of the project. The PCU ensures that there is effective coordination when there are project activities that are inter-dependent for execution. As a Smaller Island State (SIS), FSM's limited resources and technical capacity, staff turnover and lost institutional memory is one of the core risks to the successful implementation of projects. The PCU is a mitigation measure to overcome and minimize this risk and enhance country ownership of the Project and the subsequent NAP. The PCU meets monthly with the Assistant Secretary of Climate Change Division (CCD) and deliverables of project are reported to the Secretary of DECEM in collaboration with the CCCT that will validate these deliverables.

The NAP PCU will be housed under the Department of Environment, Climate Change and Emergency Management (DECEM) in the Climate Change Division (CCD) Adaptation Unit.

State Climate Change Coordinators (SCCC)
The SCCC are local consultants recruited and based at the four state governments. They form the extension /decentralized arm of the NAP PCU. They will be housed at the state Government Departments mandated with climate change functions. In line with the Constitution of FSM and its decentralized governance system, State Governments are responsible for the implementation of climate change actions at the State level. The State Government departments who are climate change focal points in each state are Chuuk Environment Protection Agency (EPA), Kosrae Island Resource Management Authority (KIRMA), Pohnpei EPA and Yap Office of Planning & Budget (OPB). The SCCC will be the focal point function of each of these agencies. The focal points will take the lead role in coordinating the implementation of the project outputs and activities in each of the four states and their respective outer islands and communities. They will strengthen this coordination role and will be the conduit between the CCD Adaptation Unit /NAP PCU and other State level stakeholders (e.g., other state government departments, NGOs/CSOs, private sector, municipalities, traditional leadership, outer islands /communities and the local teams to implement the participatory community level assessments and adaptation planning processes). Such arrangement at the state level has been commented by the FSM Adaptation Fund midterm review.

National and International Consultants
The project will engage short term international and local consultants to deliver specific activities of the project. The core set of national and international consultants includes Climate Change Adaptation Specialist, Institutional Expert, Gender and Social Inclusion Specialist, Communication and Engagement Specialist, M&E Specialist, Private Sector Specialist and local counterpart experts. They will be engaged as soon as the Grant Agreement is signed. The Climate Change Adaptation Specialist will take the role of Team Leader to ensure the work of each team member is synchronized and aligned. They will work with and through the NAP PCU. Other international and local consultants and professional firms/companies will be engaged based on the timing of their inputs under the relevant specific activities (refer Logframe, Budget Notes, Procurement Plan).

Figure 8 above, outlines the implementation arrangements relating to the contractual and reporting arrangements. Figure 9 provides the schematic on the implementation arrangements within the FSM relating to decision-making regarding the NAP, consultations and stakeholder inputs and undertaking of activities.

Below is an outline of the main roles and responsibilities of the key national government departments and statutory bodies, FSM NAP PCU and associate consultants and SPREP in managing the project and the funds.

Green Climate Fund National Designated Authority (NDA)
The Green Climate Fund (GCF) NDA function for FSM sits within the Department of Finance and Administration. The Secretary of the Department is the NDA. The NDA is a member of the CCCSD and CCCT and therefore a key stakeholder in delivering this project. Specifically, the NDA will ensure that the NAP Project is aligned to and support updating of the FSM GCF Country Programme and pipeline and that the No Objection and appraisal process as set out in the NDA Handbook is followed when developing the concept notes under Output 3.4.2.

Department of Environment, Climate Change and Emergency Management (DECEM)
The FSM Environmental Protection Act 2012 mandated the Office for Environment and Emergency Management (OEEM recently renamed as the DECEM) to undertake roles and responsibilities in environmental management and protection, and climate change activities including projects and meetings FSM's obligations under relevant multilateral agreements for climate change including the UNFCCC.

A Climate Change Division (CCD) is established in the DECEM and is headed by an Assistant Secretary. An Adaptation Unit has also been established in CCD and is tasked as the lead for climate change adaptation at the national level working in collaboration with the State Government departments to plan and implement climate change adaptation. The role of the DECEM through CCD Assistant Secretary is to provide technical, operational and policy guidance to the NAP PCU, NAP Project Team and SPREP's CCAA in implementing the project in country. The CCD Adaptation Unit will be the conduit for the coordination of inputs from all key stakeholders from National and State Governments, CSOs, NGOs, private sector and other development partners physically based and operating in FSM.

Council on Climate Change and Sustainable Development (CCCSD)
The Council on Climate Change and Sustainable Development was formally established under the amended Presidential Order 14 in March 2019 with the Secretary of the DECEM as the Chairman however in 2021, the Vice President is the new Chair of this Council. The Council members are the departmental heads which in this case the Secretaries for the Department of Finance and Administration (GCF NDA), Department of Communication, Transport and Infrastructure, Department of Natural Resources and Development, Department of Foreign Affairs, Department of Health and Social Services, Department of Education, Department of Justice, Overseas Development Assistance, FSM Association of Chambers of Commerce, and Governors of each of the four States.

The role of the Council includes review of projects for funding, coordinate prioritization of areas for funding support through projects and ensure alignment to the five priority areas of national development policy including transportation, fisheries, agriculture, energy and tourism. The Council provides institutional coordination across all FSM sectors on the mainstreaming of climate change policies and actions and use of climate finance in FSM.

Under the NAP Project, the Council will provide strategic direction to adaptation planning and approval of the FSM NAP. The NAP PCU will provide regular project progress reports through the Assistant Secretary for Climate Change Division of DECEM.

Climate Change Country Team (CCCT)
CCCT is a nationwide advisory team established in 1995 during the development of FSM's first national communication to the UNFCCC. It is chaired by the DECEM and comprise of national government representatives from Departments of Resources & Development, Education, Justice, Health & Social Affairs, Foreign Affairs, Finance and Administration, Transportation, Communications & Infrastructure and Office of Overseas Development Assistance; State Governments are represented by the departments that are mandated with climate change functions at State level which include: Chuuk Environmental Protection Agency (Chuuk EPA), Kosrae Island Resource Management Authority (KIRMA), Pohnpei Environmental Protection Agency (Pohnpei EPA) and the Yap Office of Planning & Budget (Yap OPB). The Kosrae Island & Safety Organization is currently the NGO representative to the CCCT.

The CCCT will be the technical body that will provide input through various activities and review and validate all deliverables of the project. It will also validate the NAP and its key elements – Monitoring and Evaluation Plan, Gender and Social Inclusion, Capacity Building Plan and the Financing Strategy before the NAP submission is made to the CCCSD. The CCCT will be informed of project plan and progress of implementation, and will be consulted through the planning process, and to discuss issues affecting the delivery of the project.

6.2 Implementation and execution roles and responsibilities

Please briefly describe how the activities will be implemented and outputs delivered by project staff and consultants.

Roles and responsibilities of the project staff and consultants is outlined in Table 7 below.

Table 7. Outline of Project Staff, Professional Services and Consultancies

Position	Duties / activities and deliverables	Minimum qualifications
Project Manager (PM) (National Consultant) Level of Effort: 39 months *(includes project completion period of 3 months)*	The PM's primary responsibility is to ensure that the project delivers the results and outcomes specified in the project document and that the project is being delivered in a manner that ensures compliance with the terms and conditions of the project execution agreement between the Government of FSM and SPREP. The PM will be responsible for the day to day management of the project, coordination of inputs from FSM national and state	Academic: Postgraduate diploma or a degree in environment science, climate change, governance and public policy, international development, business administration or similar field. Professional: At least 6 years of relevant experience preferably in environment and climate change, governance and policy, project management, institutional capacity

	stakeholders into the planning and delivery of activities of the project, coordination of short term consultants that the project will engage, liaison with SPREP from time to time on project management and implementation, monitoring the progress of the project, tracking of activities in accordance with the agreed timelines for delivery of outputs, and preparation of the necessary progress reports to the Secretary of DECEM and Assistant Secretary for CCD of DECEM, NDA, SPREP and GCF. The PM role will end when the project terminal evaluation report and other documentation required by the GCF and SPREP are completed.	development, and finance in government institutions, NGOs and / or development agencies on similar assignments. Proven experience in project management and coordination with the Governments, private sector, NGOs, and other development agencies nationally and internationally. Good knowledge and understanding of climate change impacts and issues in FSM and the Pacific Proven track record in stakeholder engagement and consultation with government agencies, development agencies, NGOs, private sector, and the community. Experience in preparing reports, meeting minutes, and undertaking research and data collection and managing information.
Project Finance and Administrative Assistant (PFAA) (National Consultant) Level of Effort: 39 months *(includes project completion period of 3 months)*	The PFAA will a local consultant and will be responsible for administration and logistics tasks of the project including record keeping, project asset management, secretariat support for CCCSD and CCCT meetings, other stakeholder meetings, workshops, consultations and trainings, and sourcing of quotes for goods and services required by the project. The PFAA role will end when the project terminal evaluation and other documentation	Academic: A degree and / or a diploma in business administration and / or financial management Professional: At least four years of relevant work experience preferably in business administration and / or finance in government institutions, NGOs, private sector and / or development agencies on similar assignments Demonstrated experience in business administration,

	required by the GCF and SPREP are completed.	financial management, project financial reporting, budget monitoring, development of workplans and budgets, logistical support and coordination with the Governments, NGOs, private sector and international development agencies. Experience and / or understanding of the Government financial system, processes and policies and donor funds requirements. Good knowledge and understanding of climate change impacts and issues in FSM and the Pacific. Experience in record keeping and filing, asset management, preparing reports, meeting minutes and managing information.
State Climate Change Coordinators (SCCC) Local consultants Level of effort: 36 months	There will be 4 Coordinators to lead and facilitate the state activities in the NAP process. This includes engaging stakeholders, organizing logistics including travel to outer islands, etc.	Academic: A degree and / or a diploma in social sciences or related field Professional: At least three years of relevant work experience preferably in administration and / or community engagement in government institutions, NGOs, private sector and / or development agencies on similar assignments
Climate Change Adaptation Specialist (CCAS) *(International Consultant – as a member of the firm /professional services)*	The CCA Specialist will undertake the team leader function including managing the team of experts (Institutional Strengthening Specialist, Gender and Social Inclusion expert,	Academic: Postgraduate qualifications in climate change, natural resource management, environmental science or relevant field

Level of Effort: 300 days	Communication and Engagement expert); Ensure the work of each team member is synchronised and aligned; responsible for ensuring the deliverables of each of the team are up to standard and meeting requirements set out in contracts for engagement; responsible for consolidating reports on activities and deliverables in collaboration with individual members of the NAP Project Team. Lead the team during the inception stakeholder consultations and information sessions. Train and mentor local members of the FSM NAP team.	Professional: Minimum of ten (10) years proven experience related to climate change development, climate adaptation, and development of national plans and strategies Minimum of 10 years' experience with climate mitigation and adaptation projects. Experience working with a cross-section of stakeholders including senior government officials in SIDS and LDCs, donor governments and organizations as well as regional organizations. Demonstrated experience and knowledge of the Green Climate Fund, and other donors such as the Adaptation Fund, development banks and other multilateral development agencies. Proven track record in stakeholder engagement and consultation with international and regional agencies, development banks and nationally with government agencies, development agencies, private sector, and the community
Gender and Social Inclusion Specialist (GSIS) *(International Consultant – as a member of the firm /professional services)* Level of Effort: 60 days	The GSIS will be responsible for comprehensive review of gender and social inclusion in climate change adaptation planning and guide the gender and social inclusion in stakeholder engagement and consultation, input into the design of the adaptation planning process, communication and capacity	Academic: University qualifications (Degree, MSc or PhD) with expertise in the areas of gender studies, social science, environmental studies, political science, Pacific studies, geography, anthropology or another relevant field

	building and framework for prioritisation and appraisal of adaptation options; train and mentor local gender and social inclusion consultant to support the on-ground implementation of activities.	Professional: At least 7 years of professional experience in gender related works in environmental / public sector initiatives. Demonstrated experience in designing / developing a gender strategy and action plan. Formal training in gender analysis and gender planning and demonstrated expertise in mainstreaming gender in projects and programmes, especially in specific area of intervention. Knowledge of and experience in climate change issues in the Pacific region. Thorough understanding of the gender context in the Pacific region, and experience working with government institutions and international or non-governmental organizations supporting gender and development work in the specific area of intervention. Familiarity with gender analysis tools and methodologies in the specific area of intervention. Strong communication skills, and ability to liaise with various stakeholders, including government officials.
Gender and Social Inclusion Consultant (GSIC)	Support the GSIS in undertaking a comprehensive review of gender and social	Academic: University qualifications (Degree, MSc or PhD) with

(National Consultant – as a member of the firm /professional servicces) Level of Effort: 100 days	inclusion in climate change adaptation planning, and to guide integration /consideration of gender and social inclusion in stakeholder engagement and consultation, design of adaptation planning process, etc.; confer with stakeholders, collect and collate data and information relevant to the review and development of guideline and report, analysis of findings, to be trained and mentored to support delivery of activities, etc.	expertise in the areas of gender studies, social science, environmental studies, political science, Pacific studies, geography, anthropology or another relevant field Professional: At least 5 years of professional experience in gender related works in environmental / public sector initiatives Demonstrated experience in designing / developing a gender strategy and action plan. Knowledge of and experience in gender and climate change issues in the Pacific region, particularly FSM. Strong communication skills, and ability to liaise with various stakeholders, including government officials.
Institutional Strengthening Specialist (ISS) *(International Consultant – as a member of the firm /professional services)* Level of Effort: 170 days	The ISS will be responsible for undertaking a gap analysis of skillsets and knowledge in climate change adaptation planning and development of capacity building programme and oversight implementation of high priority trainings; train and mentor the local staff of the FSM NAP team who will be supporting the implementation of these activities; and input into the development of the adaptation planning framework.	Academic: University degree (Bachelor's) in economics, administration, international relations, international development, related studies. Postgraduate: a master's degree in management or administration, governance and public policy or related studies. Professional: At least ten (10) years' experience in institutional strengthening, capacity reviews, organisational evaluations.

		Strong background in qualitative and quantitative data collection and analysis to generate clear evidence-based insights. Strong facilitation and communication skills.
Communication and Engagement Specialist (CES) *(International Consultant)* Level of Effort: 80 days	The CES will be responsible for the development of the communication and engagement strategy and action plan, facilitate stakeholder sessions, development of content of products, provide oversight and technical guidance on implementation of the strategy and action plan, train and mentor national C&E consultant, input into the development of the adaptation planning framework, etc.	Academic: A Masters' degree in communication, Journalism, or a related discipline. Professional: At least seven years of work experience in the field of communication, journalism and / or media relations. Experience working in the international development would be an advantage. Demonstrated communication, networking, and negotiation skills. Good knowledge of and strong interest in climate change issues. Excellent creative / journalistic writing skills and creative approach to communications. Ability to conceptualize and develop visual media products essential.
Communication and Engagement Consultant (CEC) *(National Consultant – as a member of the firm /professional services)* Level of Effort: 120 days	The CEC will support the CES in the development of communication and implementation of the plan, support the baseline survey, confer with stakeholders, collect data and information relevant to these activities, to be trained and mentored to support implementation of the communication plan.	Academic: Degree in communication, Journalism, or a related discipline. Professional: At least five years of work experience in the field of communication, journalism and / or media relations. Demonstrated communication, networking, and negotiation skills.

		Good knowledge of and strong interest in climate change issues. Excellent creative / journalistic writing skills and creative approach to communications. Ability to conceptualize and develop visual media products essential.
Professional Services Company (CSIRO) *(International)* Level of effort: 12 months	CSIRO is a partner in the NAP processes and provides co-financing resources in providing their technical expertise and support to the Pacific Island Countries – hence a joint partnership. Such partnerships, given CSIRO's long-standing engagement both with SPREP and the PICs, leads to long-term sustainability and support of the activity outcomes to the country and the region". To manage such partnerships, SPREP enters into MOU's with key organisations. The activity in the NAP is specifically to develop climate projections, undertake vulnerability and risk assessment and produce national vulnerability and risk assessment report, develop model and user interface, integrating projections into model for production of assessments, mapping of at-risk areas and train government departments and SOEs on use of model interface (Activity 3.2.1 and 3.2.2).	Experience in undertaking climate risk and vulnerability assessments and mapping, climate projections etc Experience in working in the Pacific on climate change issues and working with Pacific Governments, NGOs, private sector and other stakeholders.

6.3 Risks and mitigation measures

Risk category	Specific risk(s) / Risk(s) description	Probability of occurrence (low, medium, high)	Impact level (low, medium, high)	Mitigation action(s)	Entity(ies) responsible to manage the risk(s)
External risks	Delay in recruitment of appropriately skilled consultants for the NAP PCU and NAP Project Team	Low	High	Terms of references for consultants (NAP PCU and NAP Project team) to be prepared well in advance and consulted early. Advertisements to be done via local and SPREP networks. Recruitment of NAP PCU consultants and NAP Project Team (see section 6.2) will commence immediately following approval of the project.	SPREP, DECEM
	Limited stakeholder engagement and low level of interest to engage in project implementation	Medium	Medium	Regular communication with stakeholders, increase visibility of project and promoting the benefits of the project in the long term. Use of the stakeholder engagement strategy to generate interest and maintain higher participation, involvement and engagement.	DECEM
	Project outputs, activities and deliverables not sustained beyond life of project	Medium	Low	Project will focus on building institutional capacity, strengthening of coordination and embed new processes into national government	DECEM, SPREP

Risk category	Specific risk(s) / Risk(s) description	Probability of occurrence (low, medium, high)	Impact level (low, medium, high)	Mitigation action(s)	Entity(ies) responsible to manage the risk(s)
				planning, development and budgeting processes	
	Fraud and funds misappropriation, corrupted procurement, contract and human resource management processes	Low	High	SPREP is a regional DAE that has high standards, policies and systems compliant to the GCF fiduciary requirements. DECEM is an Executing Entity for Adaptation Fund project's and has undertaken a capacity assessment on systems for this project. This will be updated for this project. Utilisation of SPREP and DECEM procurement processes and financial policies and systems will minimize this risk.	SPREP
	Insufficient access to data and information to support risk and vulnerability assessments, adaptation planning and development of the NAP	High	Medium	Data and information required for the activities are available through various national and state level institutions. If unavailable, data and information will be updated/supplemented with newly collected data and information. A feasible interlinking or integration/access	DECEM, SPREP, State Government Climate Change focal points

Risk category	Specific risk(s) / Risk(s) description	Probability of occurrence (low, medium, high)	Impact level (low, medium, high)	Mitigation action(s)	Entity(ies) responsible to manage the risk(s)
				to data and information will be facilitated through involvement of the institutions who are custodians of the required data and information and through the selection of agencies and staff for data gathering, analysis and monitoring.	
	Endorsement of reports, frameworks, and processes may take longer than the planned project implementation timeline	Medium	Medium	Ensure quality of all deliverables to reduce prolonged reviews by CCCT and CCCSD.	DECEM, SPREP
Internal risks (DECEM)	Changes in DECEM staff causes delays in implementation	Low	Medium	NAP PCU is a dedicated unit to manage the project. SPREP NAP Team to provide additional support if needed. Further, the project will strengthen the CCCT to enable continuity.	SPREP, DECEM
	Low institutional and project management capacity	High	Low	Experienced personnel to be engaged as local and international consultants. SPREP NAP Team to provide mentoring support. Some of the trainings to be delivered	SPREP, DECEM

Risk category	Specific risk(s) / Risk(s) description	Probability of occurrence (low, medium, high)	Impact level (low, medium, high)	Mitigation action(s)	Entity(ies) responsible to manage the risk(s)
				through the project will focus on enhancing project management in national and state level Government departments.	
Unforeseeable risks	Natural disasters such as cyclones disruption implementation	High	High	Remote support by international consultants and SPREP with local consultants undertaking required tasks in country. Utilize humanitarian relief and assessments trips to outer islands to deliver required project activities in outer islands e.g. consultations.	DECEM, SPREP
	COVID19 – ongoing restrictions delay/prohibit travel to FSM or restrict travel between islands; virus reaches FSM and limits capacity of DECEM and stakeholders to implement project.	High	High	Remote support by international consultants and SPREP with local consultants undertaking required tasks in country. Increase use of virtual platforms for meetings, consultations, workshops, and trainings. SPREP has an e-learning platform which can be used to delivery online trainings and learning.	SPREP, DECEM
	Changes to US policy which	High	Low	A whole of government approach	DECEM

Risk category	Specific risk(s) / Risk(s) description	Probability of occurrence (low, medium, high)	Impact level (low, medium, high)	Mitigation action(s)	Entity(ies) responsible to manage the risk(s)
	impacts Compact agreement			of which DECEM is a key stakeholder.	

6.4 Monitoring

A draft NAP Project monitoring and evaluation framework is included as part of Annex 1 outlining what deliverables are required and how to measure them. The draft will track the implementation of the FSM NAP and will be aligned to the project implementation plan and finalised at the inception meeting.

The SPREP NAP Team will work closely with the FSM (NAP PCU) to monitor the implementation of each activity and ensure it is in line with the project plan (workplan, implementation plan, budget and procurement plan, etc.). A terminal evaluation will be conducted to evaluate the effectiveness of stakeholder engagement, awareness and communication, and capacity building programmes for adaptation planning. Lessons learnt and best practices from the FSM experience with adaptation planning process will be reported and shared through various platforms (e.g., FSM Climate Change and Inform Portals, Pacific Regional Climate Change Portal, etc.) and networks to strengthen knowledge and learning of adaptation planning within FSM and across the Pacific region in particular Pacific SIDS with similar climate change impacts, barriers and challenges.

6.5 Other Relevant Information

Project Start Date

After the approval of the Grant, a notification letter will be sent by the GCF to NDA with copy to the Accredited Entity (Delivery Partner, SPREP). SPREP will provide an opinion note to the GCF which will than determine the start date for project implementation. From that date, the end date of implementation will be calculated considering the total duration of the project as presented in the approved proposal.

Anti-Money Laundering /Counter Financing of Terrorism

SPREP adheres to the host country (Samoa) policy on anti-money laundering. This has been also considered in the SPREP renewal of its accreditation with the Adaptation Fund in 2019 and the upgrade with the GCF accreditation that was passed by the GCF Board in February 2019 and the reaccreditation of SPREP with the GCF in 2021. As such, all climate finance projects including readiness are to adhere to this policy.

Knowledge Products

Knowledge products produced by the project such as the FSM climate change adaptation planning process, updated climate projections, national vulnerability and risk assessment report, communication products and information, FSM NAP and updated JSAPs etc will be available publicly through the FSM Government Inform Portal and the Climate Change Portal under the DECEM and SPREP website.

Sustainability Plan

The NAP project institutionalizes processes and systems and strengthens policies and plans for the FSM at the national and state levels. These form the basis for sustaining adaptation planning and actions. Other areas resulting from the NAP project that supports and sustains the adaptation aspects in priority sectors in the FSM are:

1. A capacity building programme for adaptation planning and implementation and the use of College of Micronesia as the training institution to deliver such trainings.

2. A financing strategy for adaptation actions in FSM thus mapping a pathway for on-going financial resourcing to support implementation of the NAP.
3. The inclusion of local counterparts in the NAP Team provides some capacity to continue the momentum in adaptation actions at the national and state levels, post NAP project.
4. The FSM NAP project has been designed to progress on-going work in the FSM climate finance portfolio that has been aligned to national and state level development priorities. This ensures that activities /interventions through the NAP will be advanced beyond the NAP project.
5. The FSM NAP is developed as a package consisting of the (i) NAP (deliverable 3.1.6a), (ii) National government action plan (deliverable 3.1.6b(ii)), (iii) JSAPs (deliverable 3.1.6b(i), (iv) Communications and Engagement Strategy (deliverable 3.1.4a(ii)), (v) Financing Strategy (deliverable 3.4.1(a) and (b)), and (vi) MEL (deliverable 3.1.7(b)). Such a package forms a holistic approach to national adaptation planning at different levels in government and provides a framework to track and report progress.

Procurement of Goods and Services

SPREP will receive funds disbursements (see Disbursement Schedule, Table 5) from the GCF and will ensure that all funds are received from the GCF on a timely basis to minimize delays and all funds are accounted for and transparent in all required reporting.

The implementation arrangements states that there are specific activities including some procurement to be conducted by FSM (DECEM). SPREP will also conduct procurement for certain activities. These are specifically referenced in the Procurement Plan, Annex 1.

Contractual Reporting

As illustrated in Figure 8, SPREP will manage all reporting requirements in the Financing Agreement between SPREP and GCF (UNOPs). Other reporting needs would be under a SPREP-FSM (DECEM) Agreement. The specific outputs to be reported to by FSM (DECEM) including associated financials are presented in Table 6.

All SPREP-issued contracts (including the SPREP-FSM (DECEM) contract) will be managed through its financial system (processing of purchase orders and payments) and prepare annual financial reports. It will engage the services of an external auditor to conduct mid-term and final audits of the project funds. SPREP's PCU, Finance and Climate change Adaptation Adviser (CCAA) will work in close collaboration with the FSM NAP PCU to provide a consolidated financial report to DECEM, prepare periodic revisions to reflect changes in six monthly and annual expense category budgets, review project expenditure reports, communicate, and share with the DECEM and GCF Secretariat as required.

SPREP's PCU and CCAA will also work in close collaboration with the FSM NAP PCU to prepare progress reports on the delivery of the project as required under the Grant Agreement and project-closing documents including final project report and externally audited financial closure report and submit to the GCF.