
Readiness Proposal

**with the Secretariat of the Pacific Community (SPC)
for the Federated States of Micronesia**

23 June 2015 | NDA Strengthening & Country Programming



**GREEN
CLIMATE
FUND**

**Green Climate Fund Readiness and Preparatory Support:
Proposal**

Country (or region)	FSM (the Federated States of Micronesia)
Submission Date	
NDA or Focal Point	National Designated Authority for FSM – Department of Finance & Administration
Date of NDA Designation or Mandating of Focal Point	18 August 2014
Contact Point <i>(the person who will be responsible and accountable for this request)</i>	Name: The Honorable Kensley K. Ikosia Position: Secretary, Department of Finance and Administration Email: fsmdofa12@gmail.com Tel: +691 320 2640
Full Office Address	P.O. Box PS-158 Palikir, Pohnpei FM 96941
Readiness Area/s	<input checked="" type="checkbox"/> 1. Establishing and strengthening National Designated Authorities (NDAs) or Focal Points <input checked="" type="checkbox"/> 2. Strategic frameworks for engagement with the Fund, including the preparation of country programmes <input type="checkbox"/> 3. Selection of implementing entities or intermediaries, and support for accreditation <input type="checkbox"/> 4. Initial pipelines of programme and project proposals <input type="checkbox"/> 5. Information sharing, experience exchange and learning
Request Summary <i>(In 200 words or less please summarise your request for readiness support)</i>	<p><i>Activity 1: Strengthening the NDA</i></p> <p>The Secretariat of the Pacific Community (SPC) in partnership with the NDA will hire a consultant for 2 years to build the capacity of the team within the NDA that will be responsible for overall coordination and capacity building of FSM engagement with the Green Climate Fund (the Fund). Key activities will include:</p> <ul style="list-style-type: none"> a) Strengthening of an NDA or focal point consistent with the Fund’s Initial best-practice guidelines; b) Strengthening NDA capacity to fulfil the following roles and responsibilities including: <ul style="list-style-type: none"> i. recommend to the Board funding proposals in the context of national climate change strategies and plans, including through consultation processes; ii. facilitate the communication of nominations of prospective public and private sector entities seeking accreditation with the Fund;

	<ul style="list-style-type: none"> iii. seek to ensure consistency of funding proposals from national, subnational, regional and international intermediaries and implementing entities with national plans and strategies; iv. implement the no-objection procedure as per the Fund’s Initial no-objection procedure; and <p>c. Strengthen NDA capacity to act as the primary communication channel with the Fund as well as stakeholders at national and sub-national levels, including government (namely state-level representatives given the scattered nature of the Federation), civil society and private sector actors consistent with the Fund’s <i>Initial best practice options for country coordination and multi-stakeholder engagement</i>.</p> <p>The NDA may also add other activities in accordance with the Fund’s defined scope of work on NDA strengthening here.</p> <p><i>Activity 2: Strategic Engagement Framework with the Fund</i> The NDA will develop a country programme that includes and/or involves:</p> <ul style="list-style-type: none"> i) FSM’s development priorities with respect to the Fund made consistent with the country’s Nationwide Climate Change Strategy (2009), the National Development Framework (2012), and the Fund’s <i>Initial results management framework</i>; ii) Rapid vulnerability assessment study to collate information on climate adaptation options; adaptation planning and evaluation of options; training in vulnerability assessment and evaluation for capacity building of relevant government officials; iii) Identifying programmes and projects, including public-private partnerships, consistent with the Fund’s <i>Initial investment framework</i>; iv) Identifying the roles of prospective public, private and non-governmental entities that may be accredited by the Fund in implementing FSM’s programming priorities with respect to the Fund; and v) Identifying how the GCF can build on the ongoing work of other development partners in the country, and deliver its support in a manner complementary to the efforts of other partners. <p>The NDA may add other elements to the country programme and will also undertake stakeholder consultations in a manner that is consistent with the Fund’s defined scope of work on developing strategic frameworks including the preparation of country programmes here.</p>
Anticipated Start and Completion Date	01/06/2015 – 01/06/2017
Duration of support (in months)	24 months
Estimated total cost	US\$ 300,000
SECTION A: CONTEXT	

A.1	Status of GCF readiness in the country <i>(include information on previous engagement with the Fund and related readiness initiatives and activities)</i>
<p>The Government of the Federated States of Micronesia (FSM) submitted a formal request for readiness support to the GCF Secretariat on 2 February, 2015. The Secretariat converted the request into a concept note which was then circulated to and agreed among stakeholders by the NDA. Subsequently, the NDA identified the Secretariat of the Pacific Community (SPC) as its preferred readiness delivery partner. This was namely due the location of a sub-regional office of SPC in FSM, as well as SPC’s established status as a partner in delivery of sustainable development and climate related work and priorities.</p>	
A.2	Description of planned project / programmes <i>(applicable for project / programme preparation request only)</i>
NA.	
SECTION B: DESCRIPTION OF ACTIVITIES	
B.1	Logical Framework
<i>See Annex I</i>	
B.2	Rationale for the request
<p><i>Overall context and request rationale</i></p> <p>As a small island developing State (SID), FSM is among one of the most vulnerable countries in the world to climate change. FSM is also extremely isolated and geographically disbursed. FSM consists of a group of 607 widely dispersed groups of coral atolls with a population of approximately 111,364. Of the 607 islands, some are relatively large and mountainous, while the rest consist of smaller islands, flat coral atolls and raised coralline islands. The islands are organized in four states, Yap, Chuuk, Pohnpei, and Kosrae, covering a land area of just over 700 square kilometres (ADB, 2014). The capital city is Palikir in the state of Pohnpei.</p> <p>The mainstays of the Micronesian economy are subsistence farming and fishing; the country also possesses high-grade deposits of phosphate. There is little tourism in the area due to geographical isolation (and its consequent lack of access), and minimal facilities. This contributes to financial instability and a stagnant economy. The majority of FSM’s revenue comes from a compact agreement grant from the United States, which is due to expire in 2024.</p> <p>Moreover, public (and private) resources to address present and future climate related risks are scarce, along with dedicated capacity within national and (more importantly) state-level government. As a result, FSM is requesting GCF readiness and preparatory support to establish a strong and durable partnership with the Fund, as well as awareness of Fund opportunities among stakeholders and resulting national and sub-national priorities for engagement.</p> <p><i>Activity 1</i></p> <p>The Department of Finance and Administration was selected as the NDA for FSM given the recognised importance of the GCF to national strategic planning decisions and investments. However, the NDA is currently in need of improved capacity and means of core functions required of NDAs including raising awareness among the distributed geography of stakeholders at the national and state-level and convening the range of stakeholders required to confirm national priorities for engagement with the GCF, among others.</p>	

Activity 2

In line with Activity 1, and in light of strategic national climate compatible development objectives, FSM lacks certain up-to-date information on priority adaptation investments for which to target GCF support as well as national consensus and feedback on possible priority investments and implementation partners. As a result, a rapid assessment study to collate information on climate adaptation options and plans is being requested to inform elaboration of a Country Programme, along with identification of possible (or currently) accredited entities for delivery. To maximise capacity building of government officials to iteratively continue vulnerability assessment exercises in future, a training element will be included in the implementation of the rapid assessment. This will include multi-stakeholder and community engagement in identification of appropriate adaptation options.

SECTION C: BUDGET (include total cost and share of GCF funding)

Total: US\$ 300,000

Activity 1 - US\$ 150,000

Consultant fees	61,389
Travel & per diem of consultants	18,889
Workshops (venue, catering, travel, per diem, materials, etc.)	47,222
Other (incl. audit costs)	7,500
Contingency (5%)	7,500
SPC fees (5%)	7,500
Total	150,000

Activity 2 – US\$ 150,000

Cost Category Amount (in US\$)	
Consultant fees	61,389
Travel & per diem of consultants	18,889
Workshops (venue, catering, travel, per diem, materials, etc.)	47,222
Other (incl. audit costs)	7,500
Contingency (5%)	7,500
SPC fees (5%)	7,500
Total	150,000

SECTION D: IMPLEMENTATION PLAN

D.1 Implementation and disbursement schedule

The NDA has identified the Secretariat of the Pacific Community (SPC) as the delivery partner for this readiness request.

The funding will be transferred to SPC in equal three tranches:

- The first disbursement, which amounts US\$ 100,000 will be transferred upon the submission of an Inception Report from the NDA to the Fund, in an appropriate format and content acceptable to the Fund. The Inception Report will include a detailed 1) Implementation Plan, 2) Procurement Plan and 3) Detailed Budget;
- The second tranche of US\$ 100,000 will be transferred upon submission of an Interim Progress Report and Financial Report, including an audited Expenditure Statement, in form and substance acceptable to the Fund; and

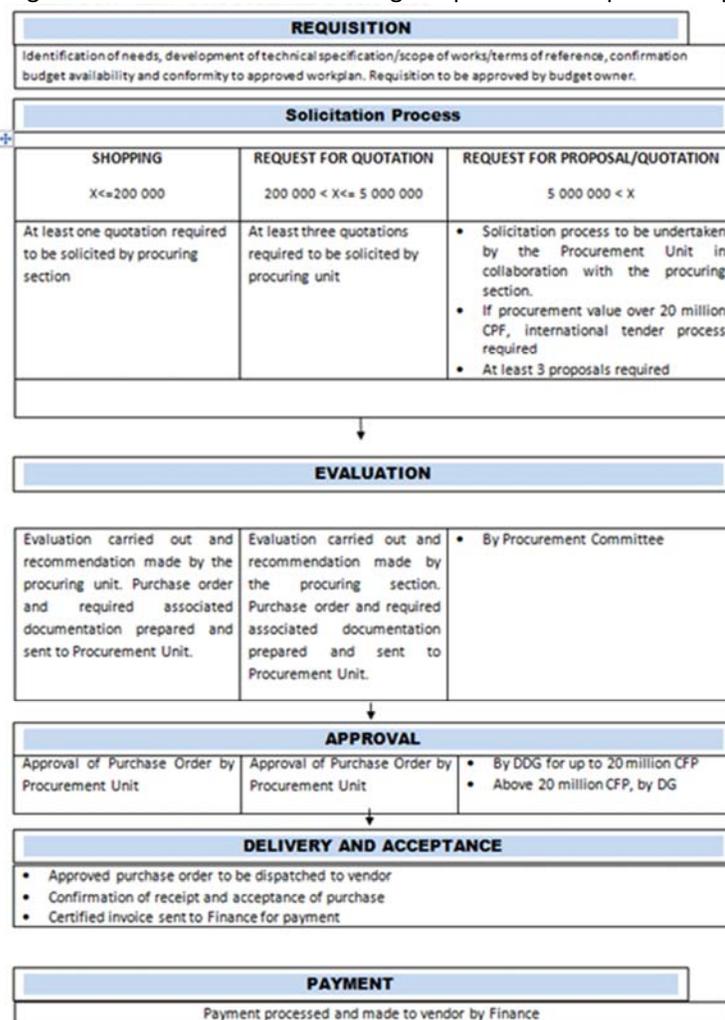
- The final disbursement of US\$ 100,000 will be made upon submission of a Project Completion Report and Financial Report, including an audited Expenditure Statement, in form and substance acceptable to the Fund.

D.2 **Implementation arrangements** (include delivery partners, opportunity for South-South knowledge sharing and transfer where applicable)

While SPC will take responsibility for fiduciary management of the readiness funding, the NDA will lead the implementation process of this programme in collaboration with SPC and other relevant stakeholders. SPC will identify and hire an individual consultant or a consulting firm to deliver Activity Areas 1 and 2, in accordance with the Procurement Plan and a detailed Implementation Plan, both of which will be further elaborated in the Inception Report. A clear division of labour between SPC and the NDA will be outlined in the Implementation Plan as part of the Inception Report.

D.3 **Procurement plan**

SPC will be responsible for the procurement of all contract packages in connection with this readiness support in accordance with the procurement plan to be set out in the Inception Report. The SPC Procurement and Supply Management Policies and Procedures outline the entire processes and procedures including the level of authorisation – these are currently used in all projects implemented by SPC. The document contents are: general provisions, evaluation of bids and contract award and, contract management. A flowchart summarising the procurement process is provided below for reference



SECTION E: COUNTRY OWNERSHIP & STAKEHOLDER ENGAGEMENT	
E.1	Alignment with national plans and strategies
<p>The Nationwide Climate Change Policy (2009) includes a commitment to addressing climate change adaptation through a framework in which: “all development activities in FSM to take into account projected climatic changes in the design and implementation as stipulated in the FSM Strategic Development Plan/Infrastructure Development Plan.” It also calls for the use of an ecosystem-based approach where applicable; strengthening the application of traditional knowledge on conservation practices; and the development and implementation of appropriate strategies to improve food production and other relevant sectors. The Policy also calls for the integration of climate change into other policies and strategies, including those related to disaster preparedness (FSM, 2009).</p> <p>Towards the above national goals, readiness Activity Area 2 covers development of a Country Programme through a multi-stakeholder approach, informed by a rapid assessment study to collate information on climate adaptation options. The latter will also serve as an updated reference to the previously developed 2009 Climate Strategy. Identified projects/programmes and potential implementation partners will serve to guide engagement and investment priorities of FSM towards the Fund. NDA strengthening (Activity 1), will further facilitate the above stakeholder and Fund-level engagement with FSM. Capacity building activities in both Activities 1 & 2 will ensure national officials are empowered to continue this work beyond the period of readiness support, enabling longer-term implementation of national plans.</p>	
E.2	Stakeholder engagement (<i>e.g. civil society, sub-national and national government, private sector, intended beneficiaries</i>)
<p>Multi-stakeholder consultations or events will be held in accordance with the Fund’s initial best-practice options for country coordination and multi-stakeholder engagement. Critically, this will include outer-island communities and representatives.</p>	
SECTION F: MONITORING & REPORTING PLAN	
<p>The reports to be submitted will be as per what is included in section D.1, and will include reporting against the <u>Logical Framework</u> included in Annex I.</p>	
SECTION G: RISK & MITIGATION MEASURES	
<p>Risks include the following:</p> <ul style="list-style-type: none"> • Geographic challenge presented by the highly dispersed nature of FSM. Mitigation options include prioritising inclusion of state-level representatives. • Communication facilities have been a challenge. Facilities offered by SPC appear to mitigate this and offer the opportunity for conference calls with the NDA and other stakeholders. Physical attendance of the Secretariat at a stakeholder consultation meeting will also help address this challenge. 	
SECTION H: KNOWLEDGE MANAGEMENT AND COMMUNICATION PLAN	
<ul style="list-style-type: none"> • Awareness raising activities appropriate to FSM’s unique geographic context will be outlined in the Inception Report. • Early experiences and lessons learned will be highlighted at the Pacific regional workshop to be held in Nadi, Fiji in July 2015. 	

- Communications products will be tailored to national and state-level stakeholders (public and private sector, as well as communities); dissemination will be facilitated through strategic partnerships (e.g. with the Micronesia Trust Fund).

Annex I: Draft standardized logical framework strengthening NDA of the Federated States of Micronesia

Description		Indicators
Outcomes		
1	NDA capacity strengthened to undertake Fund-related responsibilities	1.1 Knowledge acquired on the country's climate- and development-related needs, priorities, strategies, plans, relevant institutions and stakeholders 1.2 Capacity developed to facilitate and coordinate a country coordination mechanism and multi-stakeholder engagement that results in identification of priorities and recommendations of (or no-objections on) funding proposals 1.3 Capacity and systems developed to monitor, evaluate and maintain an overview of activities of the Fund and other relevant funding mechanisms and institutions working in the country 1.4 Capacity to disseminate information, including in local languages, on the operational procedures of the Fund to country stakeholders
2	Strategic framework for engagement with the Fund developed	2.1 Country work programme developed and published by country coordination mechanism 2.2 NDA-led stakeholder engagement process undertaken
Outputs		
1.1	Presentations or other climate and development-related information materials	To be completed based on country-specific context and included in the Inception Report
1.2	Summaries of meetings of country coordination mechanism and multi-stakeholder engagement at national and sub-national levels, where relevant, including list of participants	
1.3	Annual report on activities of the Fund and other relevant funding mechanisms and institutions in the country	
1.4	Information materials on the operational procedures of the Fund in local languages (where relevant) and distribution lists of recipients	
2.1	Country programme, including elements provided in the Fund's <i>Initial Guidelines for Country Programme</i>	
2.2	Summaries of meetings of multi-stakeholder engagement, including list of participants	
Activities		
To be completed based on country-specific context and included in the Inception Report		

(Please submit completed form to countries@gcfund.org)

Summary	
Country	Federated States of Micronesia (FSM)
Date of Submission	10/12/2015
NDA or Focal Point contact details	Secretary, Department of Finance & Administration
<p>Summary of proposed activities and timeline (maximum 350 words)</p>	<p>The objective of this grant is to enhance country ownership and climate finance access during the early stages of the operationalization of the Green Climate Fund in the FSM. The Secretariat of the Pacific Community (SPC) is the delivery partner working with the National Designated Authority (NDA) to deliver the grant.</p> <p>In particular, the grant aims to develop the capacity of the NDA to engage with regional, national & state governments, civil society and private sector stakeholders with regard to the priorities of the Fund, taking a gender sensitive approach (readiness area 1). Under this component, the main activities will include strengthening the capacity of the NDA to:</p> <ul style="list-style-type: none"> i) recommend to the Board funding proposals in the context of national climate change; ii) facilitate the communication of nominations of prospective public and private sector entities seeking accreditation with the Fund; iii) seek to ensure consistency of funding proposals from various entities with national plans and strategies; implement the no-objection procedure. <p>Furthermore, the grant aims to develop a strategic framework for national engagement with the Fund, as well as a country program, building on existing strategies & plans (readiness area 2). Under this component, the main activities will include the preparation of the country programme through:</p> <ul style="list-style-type: none"> i) FSM's development priorities with respect to the Fund; ii) Rapid assessment study to collate information on climate adaptation options; adaptation planning and evaluation of options; training in vulnerability assessment and evaluation for capacity building of relevant government officials; iii) Identifying programs and projects, including public-private partnerships, consistent with the Fund's <i>Initial investment framework</i>; iv) Identifying the roles of entities that may be accredited by the Fund in implementing FSM's programming priorities; v) Identifying how the GCF can build on the ongoing work of other development partners in the country and deliver its support in a manner complementary to the efforts of other partners. <p>The implementation of the two components of the readiness programme is projected to generate national interest in the GCF opportunities and to strengthen FSM's access to climate finance. The country programme for engagement with the GCF will ensure that programs/project proposals to GCF will foster integration of national priorities and promote climate relevant transformational development.</p> <p>The grants' activities planned start date is January 2016 and the planned end date is December 2017. The total approved budget is USD 300 000.</p>

ACTIVITY AREA 1: STRENGTHENING OF NATIONAL DESIGNATED AUTHORITY

A.1 Assessment of strengths and needs

Addressing climate change is an increasingly important policy priority for the FSM. In the 2004 – 2023 Strategic Development Plan (SDP) Strategic Goal 1 in the Environment Section recognized the need to mainstream climate change into national planning as well as in all economic development activities. This was further consolidated with the adoption of the Nationwide Integrated Disaster Risk Management and Climate Change Policy and the enactment of Climate Change Act of 2013.

The Second National Communication to the UNFCCC and other documents suggest that successfully achieving climate adaptation within the FSM may be facilitated by a number of key initiatives including amongst other things: (i) establishing FSM Department of Finance & Administration as a National Implementing Entity in order to improve access to international funding, thereby increasing the flow of financial resources to the FSM and its States; (ii) forming international partnerships to aid adaptation efforts; and (iii) continuing the development of internal policies and legislation focused on building resilient and sustainable communities.

Currently, public (and private) resources to address present and future climate related risks, though increasing, are still insufficient and scattered. Similarly, there is limited and insufficient dedicated capacity within national and (more importantly) state-level governments.

The Office of Environment & Emergency Management (OEEM) is the FSM Government lead agency on climate change policy. It has accessed Global Environment Facility (GEF), Adaptation Fund (AF), Climate Investment Fund (CIF), Pacific Adaptation to Climate Change (PACC), Global Climate Change Alliance (GCCA), etc., for climate change projects with US\$14.0 million in financing assistance to date. There are several ongoing climate change projects in FSM; however, these vary in scale and focus and are spread across a number of departments as well as States for their implementation which is hence fragmented. Financing is accessed and managed by several different Government departments and entities, in collaboration with different development partners. There are high transaction costs and additional capacity is required for managing with such a setup and number of projects. The political setup of the Federation is such that a persistent challenge is coordination, strategic management and harmonization across and alignment with existing Sector, State and National development agendas, activities and capacities...

There are also on-going challenges in communications and linking State and National level development and climate interventions. Streamlining the coordination of climate finance access into a more central arrangement is seen as an opportunity that could be explored through GCF readiness assistance. As the NDA, the Office of the Secretary, Department of Finance & Administration (DoFA) aims to develop a more programmatic and strategic approach to climate change interventions and associated sources of finance in the long term and one that is compatible with existing National and State efforts and capacities. However, the FSM Government currently does not have an established office to access the resources of GCF and coordinate broader climate finance together with development finance that is relevant to, and promotes low carbon high resilient development. While several committees and working groups are already established to support different climate change projects and interventions, they could benefit from further augmentation to streamline the engagement of other stakeholders including the private sector and community groups and strengthen connection between State and National level decision making systems.

The readiness grant will enable the recruitment of a local consultant for a period of 24 months as dedicated capacity to focus on the process of establishing a unit within the DoFA. The consultant will also help to build capacity amongst staff in the NDA and throughout key departments and stakeholders about the GCF and associated opportunities for the FSM.

A.2	Key stakeholders to be involved
<p>As part of past and current climate change related initiatives, various stakeholders have been involved as follows:</p>	
Departments	Roles related to climate change
Office of Environment and Emergency Management	Focal point of Climate and Disaster Risk Management hence oversee Climate Change policy dialogue for the nation
Finance and Administration	Central agency responsible for FSM national budgeting, accounting and donor financing coordination
Resources & Development	Mainstreaming in agriculture, tourism, fisheries, trade & industries, energy and statistics
Health	Surveillance and control climate related diseases
Education & Social Affairs	Mainstreaming disaster risk management and climate change programs into schools' curriculum and for public awareness
Transport, Communication and Infrastructure	Incorporating climate predictions in infrastructure development planning and designs
Foreign Affairs	Consultations on climate change protocols, international conventions and to support the NDA solicits the resources of the GCF
<p>There a number of Non Government Organisations (NGO) and Intergovernmental Organisations (IGO) that are actively participating in climate change discussions, project development and public awareness such as;</p>	
Name of NGO/IGO	Roles related to climate change in FSM
Micronesia Conservation Trust	Supports development of proposals on climate change adaptation interventions. It is an accredited NIE to the Adaptation Fund for projects up to USD1m
The Nature Conservancy	Supports development of proposals on climate change adaptation interventions and also oversees implementation of external funded initiatives
Conservation Society Pohnpei	Implements community based Climate Change Adaptation (CCA)
Yap Community Action Program	Implements grassroots climate change adaptation intervention
Kosrae Conservation & Safety Organization	Implements grassroots climate change adaptation intervention
Chuuk Conservation Society	Implements grassroots climate change adaptation intervention
National and State Chamber of Commerce	Facilitates consultations with private sector for climate change adaptations
FSM Development Bank	Seeking to become a GCF Direct Access Accredited Entity. Developing micro finance for climate related activities e.g. renewable energy
FSM National Council of Women	Implements small scale initiatives through their chapters in all 4 states
International Organisation for Migration	Implements projects aimed at assisting vulnerable communities in adapting to climate change while also increasing their resilience to

	natural hazards.
College of Micronesia/US Land Grants Program	Conducts research and education on climate change related interventions
UN Joint Presence Office	Administers small grants program in climate change adaptations as well as oversees other sectoral and development climate change programs
Pacific Community (SPC)	Technical support and implementing agency on climate change interventions. Requested by FSM as a delivery partner for the GCF readiness fund
Secretariat of the Pacific Regional Environment Program	Regional Implementing Entity for AF and Accredited Entity for the GCF. Implementing agency for other regional climate change projects

A.3

Proposed process for multi-stakeholder engagement

Considerable consultation on climate change priorities throughout FSM has already taken place most recently (within the last 4years) in the development of the Joint States Action Plans (JSAPs) with SPC as the lead support agency. As such, multi-stakeholder engagement for the GCF activities will focus on reconciling any necessary updates of priorities and consultative arrangements reflected in these JSAPs and Nationwide Integrated Disaster and Climate Change Policy, taking into account key national development policies and financing arrangements including FSMs Strategic Development Plan, Infrastructure Development Plan, the 2023 Action Plan and existing and proposed financing options.

Further, the consultation process will focus on raising the awareness and understanding of all stakeholders, in particular women and youth, about the opportunities presented by the GCF for FSM. Consultations will also target private sector and national entities that may be accredited to the Fund to support FSMs direct access to GCF resources and ability to harmonise and better coordinate climate change interventions.

There are challenges in the FSM in coordinating policy initiatives with the four FSM states, thus the need to strengthen the existing policy and technical working group/teams at the national and state levels. A national steering committee will be established which will be composed of the entities aforementioned and two members from each State representing adaptation and mitigation program areas. FSM Development Bank and a nationally-based international/regional NGO/IGO such as SPC will be considered to sit on this Committee as well. This newly constituted National Steering Committee will provide oversight and coordination roles to the four FSM State governments in collaboration with existing working groups for climate change.

Though this serves as the nucleus through which climate compatible development is sought at the national level, it has to be extended to include the States' Working Groups (SWG's) which consist of the relevant government departments at the state level, civil society and private sector organizations such as, the Small Business Development Centers, Chamber of Commerce, Public Utilities, Environment NGOs and other community-based interest groups such as traditional, youth and women groups, etc. These States' working groups will form the consultation fora through which all climate change adaptation and mitigation programs/projects will be scrutinized and recommended for GCF, GEF and other financing opportunities.

As part of its mandate, the NDA office will provide secretariat support to the National Steering Committee and the States' Working Groups regarding climate change/finance activities, and be responsible for informing the stakeholders about GCF opportunities and consult with them on defining the GCF country programme and preparing projects/programmes concept notes. This arrangement will allow to ensure complementarity and coordination with existing and on-going efforts with other sources of finance.

Specific activities to be funded by the Grant:

- Recruitment of local consultant to capacitate NDA to facilitate consultations and activities;
- Initial stakeholder engagement that will focus on the national steering committee to develop a country coordination mechanism;
- Developing the strategic planning process related to engagement with the Fund and development of funding proposals, including liaising with relevant government agencies and other stakeholders as needed, and providing information to stakeholders on an ongoing basis through appropriate channels;
- Establishing a process to raise awareness and facilitate the identification and communication of nominations of prospective public and private sector entities seeking accreditation with the Fund;
- Establish a clear No-Objection procedure for project submission for FSM;
- Conduct necessary inclusive, country-wide consultations (see more details in the next section) that will focus on establishing a shared understanding of the Fund, how it can be accessed and existing opportunities for the different sectors. It will pay particular focus on engaging financing institutions, private sector, energy and environment groups, women and the youth;
- Develop and disseminate communications materials on the GCF via appropriate media (e.g. TV, Radio, in schools, and internet);
- Develop a sustainability plan for necessary capacity and strategies related to climate change mitigation and adaptation in place to sustain efforts beyond the Readiness project.

A.4

Detailed plan

The objective of this grant is to enhance country ownership and climate finance access during the early stages of the operationalization of the Green Climate Fund in the FSM. In particular, it aims to develop the capacity of the National Designated Authority to engage with regional, national & sub-national governments, civil society and private sector stakeholders with regard to the priorities of the Fund, taking a gender sensitive approach (readiness area 1).

SPC the delivery partner and as a Sub-recipient of the Grant will administer the grant using its procurement and recruitment policy and support the NDA in organising multi stakeholder consultations.

NDA capacity strengthening. This activity will support FSMs NDA to carry out its functions in an effective and timely manner by increasing its staff capacity, raising awareness of the opportunities the GCF presents for FSM, and ensuring effective engagement and broad buy-in of relevant stakeholders. Under this component, the main activities will include:

Activities:

1.1 Secretariat for the Pacific Community (SPC) together with the current NDA will facilitate the recruitment of a local consultant – for a period of 24 months – which will activate the operation of the NDA Office at the Department of Finance & Administration (envisaged to take effect in December 2015/January 2016). SPC’s primary role is to administer the readiness grant funds and provide oversight support in delivering the outputs and outcomes envisioned for the NDA.

1.2 The local/national consultant will be assisted by a staff from within the Department to provide administrative and logistical support in organizing and coordinating workshops, trainings and consultative meetings with the National Steering Committee. In consultation with the NDA office, and with support from SPC as the delivery partner, the local consultant will be responsible for:

- Formulating and/or revising work plan in consultation with NDA, delivery partner and the Fund as necessary.
- Assisting with the recruitment of an International Consultant to undertake a review of existing climate change and development policies in line with the GCF’s Investment Framework (see activity area 2 for details).
- Leading the strategic planning process, including liaising with relevant government agencies and other stakeholders as needed, and providing information to stakeholders on an ongoing basis through appropriate channels.

- Convening the National Steering Committee for an orientation workshop/training on the GCF, its investment framework, programs and accreditation requirements with assistance from GCF staff.
- Developing and implementing a schedule for broader stakeholder awareness raising and consultation – State and National level with particular focus on gender balance and engagement of youth.
- Leading the development of content for awareness-raising and communications material.
- Networking and informing entities and organizations in the FSM that may be interested in accreditation to submit expressions of interest as such.
- Reach out to Accredited Entities about assisting FSM to develop any agreed project concept ideas.
- Organising a workshop on filing the application and preparation of projects concept notes with assistance also from GCF Secretariat.
- Proposing a clear No-Objection procedure of consultation on project concepts and proposals received by the NDA for endorsement.
- Work with other departments and development partners to ensure complementarity and harmonisation of GCF related activities and opportunities.
- Developing draft reports on the progress of the grant for reporting back to the Fund annually and in line with reporting requirements of the Fund.

NDA will organise multi-stakeholder consultations in consultation with OEEM that preferably align with the timing of GEF, AF and other relevant climate financing consultations/workshops. Consultations will also build on JSAP consultations, initially focusing on the State with incomplete JSAP so as to reduce consultation burden of stakeholders and increase opportunities for harmonisation of climate change efforts and development in FSM. This will mean periodic meetings of National Steering Committee and State level working groups, and at least 2 national trainings/workshops: an orientation training for the National Steering Committee (see fourth bullet point above) and a workshop on accreditation and preparation of concept notes (see ninth bullet point above). The latter workshop will involve NGO's and/or IGO's that may be interested in being accredited to GCF. Workshop costs would be nominal for catering, refreshments, etc.

1.3 National consultant with assistance from GCF will provide orientation, training and regular briefings to NDA staff, in order to transfer the necessary knowledge and expertise required by the NDA to effectively perform its functions, including post readiness workshop as a follow-up, continuous update and regular assessment of progress. National Consultant will take the lead in providing initial orientation meetings to NDA staff and at least fortnightly staff meeting on performance of NDA and progress of Program.

1.5 Develop a communications plan, and develop and distribute communications materials, in close collaboration with the communications arrangements of the OEEM. Develop content for awareness and communications material to create public awareness of the GCF and the opportunities that it offers for FSM. This will include developing content for TV and radio programmes, social media, educational material for schools, and other material, building on existing platforms and programmes. There are existing programs on climate change public awareness and communication and so the NDA will work with existing programs such as that for International Organisation for Migration (IOM) and with State working groups to deliver on its communications plan.

It has been proposed for policy consideration that the NDA office be upgraded to a Secretariat function responsible for reviewing, coordinating, monitoring and evaluating all FSM projects and programs that are climate change adaptation and mitigation in nature. The responsibilities of the Secretariat will be clearer prior to the implementation of the GCF Country Programme.

ACTIVITY AREA 2 :COUNTRY PROGRAMMES

B.1 List of national climate change policies and initiatives

As being in the Pacific Typhoon Alley, FSM has gone through three decades of evolution from disaster preparedness and mitigation to disaster risk management and climate change adaptation. These are the policies that have been developed to support climate change mainstreaming, adaptation and mitigation;

Policy name	Description
<ul style="list-style-type: none"> Nation-wide Integrated Disaster Risk Management & Climate Change Policy (2013) 	key policy instrument to enforce and complement efforts in implementing projects and programs for disaster risk reduction and climate change adaptation in the FSM
<ul style="list-style-type: none"> Climate Change Act 18- 34 	Legalises the Nationwide Integrated DRM and CC policy and mandates obligations of departments and agencies
<ul style="list-style-type: none"> Intended Nationally Determined Contribution (2015) 	Sets out FSM's intended greenhouse gas emission reduction for the year 2025
<ul style="list-style-type: none"> The Energy Policy of 2012 	Outlines greenhouse gas emissions reduction in the FSM and renewable energy initiatives such as solar electrification and net metering in public facilities, energy efficiency through grid transmission loss studies, coconut bio-fuel promotion and to reduce 30% use of conventional energy by 2020
<ul style="list-style-type: none"> Agriculture Policy of 2012 	key policy for food security through home gardening, collective farming and trade, food crops resilience to climate change and sea level rise, etc.
<ul style="list-style-type: none"> National Water & Sanitation Policy of 2011 	The framework for the production and conservation of water wells and other sources for the high islands and water catchments and tanks for the low-lying islands to alleviate water shortages during drought periods, etc.

The FSM 2nd National Communication to UNFCCC provides FSM's update on its obligations to the Convention and an INDC is submitted with inputs from States and National government representatives and is consistent with above policies. The FSM commits to unconditionally reduce by 2025 a 28% of its GHG emissions below emissions in year 2000. However, with additional financial, technical and capacity building support from the international community, FSM could attain 35% reduction in GHG emission below emissions in year 2000.

The development of the energy plan in 2010 and the adoption of the Energy Policy in 2012 have enabled FSM to access more international financing for power generation, rural electrification and solar lighting, energy efficiency, and more recently exploration into bio-fuel sources, etc. The INDC commitment continues focus on continuing reduction of emissions from the energy sector, particularly electricity, although further contributions will be possible if funding is found and projects developed and prioritised to address other sources of emissions in FSM, which are still small on a global scale.

FSM has benefitted from a number of regional and national initiatives on climate change adaptation with a view to reduce vulnerabilities and details can be accessed through the Pacific Climate Change Portal, www.pacificclimatechange.net. The JSAPs vary by State but often propose replication or upscaling of demonstration activities done through previous projects, and the GCF readiness grant should enable further prioritisation .

An _USD 8.9 million proposal for development of marine coastal plans and building codes and standards for climate resilient coastal infrastructure, climate proofing construction of inland and coastal roads, and capacity building is being submitted for funding through the Adaptation Fund.

The FSM DRM & Climate Change Policy, the Energy Policy, etc, will be used as the policy instruments to guide the stakeholders' consultations, and as a basis for the preparation of the GCF country programme.

B.2	List of other existing relevant country strategies
<p>The FSM, but most particularly the four States governments will face a severe contraction in economic activity after 2023 should the US Compact financial assistance be curtailed or eliminated. To counter this potential difficult scenario, a 2023 Action Plan was developed with strategies for tax reform and fiscal consolidation, expenditure reduction, private sector development, etc, and to channel finances and other resources into the four priority sectors; tourism, fisheries, agriculture and energy with emphasis on environmental management and climate resilience.</p> <p>Like other SIDS, disaster risk management and food security are two major agenda items in FSM for development planning and international financing. The provision for communications and early warning systems including the construction of emergency operations centers from EU has been an on-going strategy to minimize risk and loss of life and property. A few community focused pilot initiatives have been implemented to build resiliency and adaptive capacity.</p> <p>For food security, several food banks have been created in the States with assistance from FAO and SPC but more will be needed in the future to propagate and store climate resilient root crops and vegetables. Identification and control of Alien Invasive Species efforts have been ongoing to ensure the local fauna and flora are protected. The development of water sources through well drilling and solar pumps and water containers are also on-going priorities.</p> <p>The Ridge to Reef initiative with GEF5 financing will provide the necessary protection and conservation measures to farmlands, water sheds, mangrove and coastal protected areas. Renewable energy programs, eradication of invasive species and additional food security projects are being proposed for GEF 6 financing.</p> <p>The preparation of the GCF country programme will build on lessons learned from these various climate-smart projects and programs and associated polices, including the submitted INDC.</p>	
B.3	Stakeholder consultation on country programmes
<p>For the FSM, stakeholder engagement is most often required both at National level and at the State level in each of the four FSM States. Similar approach is necessary for the success of the GCF. At the National level, the Office of Environment & Emergency Management currently coordinates funding and implementation of DRM and climate change projects in the FSM. Additionally, the Department of Resources & Development also coordinates funding and implementation of projects and initiatives on food security, energy efficiency and renewable energy, and projects for the Ridge to Reef initiative.</p> <p>These two National Offices coordinate implementation by working with State level stakeholders. The combined efforts and resources of these agencies culminated in the development of the Joint States Action Plans. Hence, the review and assessment of the JSAP's and the related FSM policy and planning documents will involve the active participation of the National Steering Committee members and the key stakeholders at the national and states levels.</p> <p>Three of the States have completed their JSAPs and the remaining is expected by early 2016. GCF consultation will build on the JSAP process where practical and acceptable to the States. A rapid assessment (desktop and site visit) of the three completed JSAP's and a review of the FSM development plans will form the basis for developing the strategic framework/country programme for GCF to be developed for discussion and endorsement in the stakeholders' consultation. The development of the JSAP's had involved the participation of the relevant departments and agencies of the FSM National and State Governments, the civil society organizations as well as the private sector, community and gender interest groups. The JSAP's focused on disaster risk management and applicable measures translated into sectoral programs and projects for adaptation and mitigation programmatic areas.</p> <p>Particular efforts will be placed on engaging the private sector to identify public-private partnerships that</p>	

might support programs and efforts consistent with the Fund's Initial investment framework. Outreach to, and calls for, prospective public, private and non-governmental entities that may be accredited by the Fund in implementing FSM's programming priorities will be made and workshops will cover accreditation requirements to assist in facilitating this. Engagement of other development partners in these workshops will be facilitated to assist in facilitating complementarity of GCF projects to the efforts of other partners.

B.4

Detailed plan for development of country programme

Refer to Implementation Plan in annex 2 for timelines.

FSMs Strategic Engagement Framework/Country Program with the Fund aims to ensure its development priorities with respect to the Fund are made consistent with the Country's Nationwide DRM & Climate Change Strategy (2013), the National JSAP Development Framework (2012), INDCs and the Fund's Initial results management framework. Further, that these are informed by efforts to date through appropriate assessments and representative stakeholder consultations, including private sector stakeholders, CSO women and youths. Identifying potential national entities for accreditation and ensuring complementarity with work of other development partners will seek to facilitate direct access, streamline efforts and promote a more strategic and programmatic country programme.

An international consultant with expertise on island environments and vulnerabilities to climate change will be recruited under this grant for a period of 6 months to assist with the tasks envisaged under this activity which are as follows:

2.1 Review existing interventions against National and States priorities and identify gaps and lessons learned. Prepare a position paper for a three-day national workshop with the National Steering Committee and other key stakeholders.

2.2 Conduct a three-day GCF-JSAP national consultation/inception workshop.

- Day one: awareness raising around paradigm-shifting investments and strategic planning for transformational climate finance: taking stock of progress made to date and opportunities presented by the Fund (GCF).
- Day two: pipeline development: considering FSM's development priorities and identify projects and programmes, including private public partnerships, in the context of the Fund's GCF's investment framework.
- Day three: institutional roles and donor coordination: identifying the roles and responsibilities of key national institutions in light of FSM's priorities and GCF's investment framework, the identified project pipeline, including those that may be well placed to apply for accreditation; and coordinating donor support for green and climate resilient economy. Develop a workshop report summarising main messages/ conclusions and next steps.

2.3 Conduct a desktop assessment of the JSAP's, the FSM's development plans, laws and regulations, policies and frameworks and to begin drafting of the FSM Strategic Engagement Framework and Country Program.

2.4 Conduct a site visit to the States as part of the rapid assessment to verify results of the desktop assessment and strategies on climate adaptation options, planning and evaluation options, etc.

2.5 Convene all relevant stakeholders to review and validate the Country Programme through individual State level validation workshops followed by a final national workshop. The review and validation of the Country Program will require the participation of the National Steering Committee, NGO's, public and private entities, community and gender interest groups; essentially the framers of the JSAP's.

C: LOGICAL FRAMEWORK	
C.1	Detailed logframe with implementation schedule
<p><i>Please provide detailed log frame including activity level.</i></p> <p>See Annex I.</p>	
D: CONSULTANTS AND EXPERT SUPPORT	
D.1	Consultants
<p>A national consultant with knowledge on climate change and disaster risk management will be recruited for the NDA Office for a period of 24 months to build the capacity of the NDA and to engage with national, regional, civil society and private sector stakeholders with regard to the priorities and resources of the Fund.</p> <p>An international consultant with expertise on natural resource management and development economics with emphasis on island environment will be recruited for a period of 6 months to conduct the rapid assessment of the FSM JSAP's; develop the strategic framework/FSM Country Programme/Plan for GCF financing, and assist with the development of concept notes for select priority projects. Both TORs are available in Annex II.</p>	
D.2	Procurement plan
<p>SPC Financial Management Procurement & Travel Regulations will be followed for procurement under this project. Local consultant and international consultant will be hired under the project for coordination and to provide TA. Workshops will be conducted requiring procurement of services. International and some local travel is required for consultations and this will be supported by the project, in line with GCF rules and procedures.</p> <p>The Procurement Plan is in Annex III</p>	
E: BUDGET	
E.1	Budget
<p><i>Please provide detailed budget using the attached template.</i></p> <ol style="list-style-type: none"> (1) From the approved budget of USD300,000; USD77,510 is allocated as direct cost for strengthening the capacity of the NDA, USD 185,870 for development of the GCF Country Program for the FSM and the remaining USD36,620 is allocated to SPC management cost for USD18,000, USD7,500 for audit and other administrative costs and USD11,120 for unforeseen transaction costs. The cost breakdown in the proposed budget is slightly different than the breakdown in the grant agreement for consultants' travel costs. When the grant agreement was prepared, an estimate had been done for travel cost, which has now been adjusted with real cost and detailed activities, thus only USD24,110 would be needed instead of USD35,000. (2) The development of the proposed budget placed a high priority in allocating more funds to the activities envisaged for the development of the Country Program for the FSM. Major costs are in consultants' services and in-country travels and for workshops and consultations with the stakeholders which account for 62% of the proposed budget. (3) In terms of estimates for the consultation/workshops and training/workshop, the adjusted real cost is USD93,220 which is close to the grant agreement estimate of USD95,000 	

Annex I: Logical framework and implementation schedule

	PROJECT SUMMARY	INDICATORS	BASELINES	TARGETS/RESULTS
OUTCOMES	<p>1. NDA capacity to undertake Fund-related responsibilities and engage national stakeholders strengthened</p>	<p>1.1 Capacity to coordinate across stakeholders and facilitate effective consultation and communication</p> <p>1.2 Knowledge on climate and finance priorities strengthened</p> <p>1.3 System for reviewing proposals and issuing recommendations (or no-objections) established</p> <p>1.4 Capacity and systems to monitor, evaluate and report on the activities of the Fund and other relevant finance mechanisms and institutions established</p> <p>1.5 Information, including in local languages, on procedures of the Fund to disseminated to country stakeholders</p>	<p>1.1 The country is used to consulting national stakeholders for developing new strategies. However, there have been recent political changes, key committees have lost members and strengthening the capacity of the NDA to lead the consultation process is necessary.</p> <p>1.2 Knowledge on climate and finance priorities exists in some sectors and agencies but is fragmented and needs to be systematically strengthened.</p> <p>1.3 OEEM & Department of R&D have systems for reviewing projects but there is no dedicated no-objection system for GCF projects at this time.</p> <p>1.4 Review and Strengthen existing monitoring and reporting systems</p> <p>1.5 The Department of Social Affairs and the President’s Media Office have the resources and the means to communication to the States and the stakeholders. At this time, no dedicated information on the Fund’s procedures has been communicated to national stakeholders.</p>	<p>1.1 For GCF activities, two administrative staff, a National Consultant and an Admin Officer are dedicated to support the coordination/consultation process. The NDA capacity to coordinate across stakeholders is greatly improved. Additional staffing from within the Department will be provided when needed.</p> <p>1.2 Knowledge on climate and finance priorities has been strengthened for all stakeholders through four workshop on GCF opportunities & project prep.</p> <p>1.3 A projects’ review and no objection process has been put in place with the NDA and the National Steering Committee.</p> <p>1.4 A monitoring and evaluation system is operational to report on GCF and other climate funds activities.</p> <p>1.5 Translation of GCF information has been done into four major languages of the FSM and the Fund’s basic information has been disseminated to country stakeholders.</p>

	<p>2. Strategic framework for engagement with the Fund developed</p>	<p>2.1 Engagement of private sector, civil society, government and local government stakeholders on priorities for engagement with the fund</p> <p>2.2 Priorities for project and concepts to be developed for accessing the fund</p> <p>2.3 Country programming document developed and published in adherence with the initial guidance from the Fund</p>	<p>2.1 The initial engagement has been done with the development of the JSAP's for the four States* one still pending development, one pending endorsement. Further prioritisation with stakeholders is required on which priorities specifically to put forward for GCF funding, as well as taking into account synergies and differences across States</p> <p>2.2 Some national priorities are mentioned in the Climate Change Policy and the INDC, as well as other strategic documents. The rapid assessment of these planning and policy documents should provide the basis for prioritization of projects for tourism, fisheries, agriculture, energy, etc.</p> <p>2.3 There is no country programme for engagement with the GCF at this time. The review of the policy frameworks, laws and regulations and planning documents would provide the framework for the development of the Country Programme.</p>	<p>2.1 Various consultations meetings and workshops were hold for stakeholders to engage with the Fund. A review and validation consultation was done to finalize the Country programme.</p> <p>2.2The sectors' priority projects are selected, costed and sequenced to be submitted for GCF financing.</p> <p>2.3 A GCF country programme document has been developed and published in order to further mobilise climate finance and attract new investors for climate-smart development in FSM.</p>
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	PROJECT SUMMARY	INDICATORS	BASELINES	TARGETS/RESULTS
OUTPUTS	<p>1.1 A process for supporting coordination across stakeholders and facilitating engagement (including periodic meetings / workshops)</p> <p>1.2 Annual report on activities of the Fund and other relevant funding mechanisms and institutions in the country</p> <p>1.3 Information materials on the operational procedures of the Fund in local languages (where relevant) and distribution lists of recipients</p> <p>1.4 Capacity building & information sharing for NDA and relevant stakeholders</p>	<p>1.1.1 An internal procedure established for coordination process and meeting schedule</p> <p>1.1.2 Meeting minutes and participant lists documenting engagement of at least xx2 groups</p> <p>1.2.1 Electronic copy of the annual report, and details of public dissemination channels</p> <p>1.3.1 Links to electronic copies of presentations, information materials, climate and development information disseminated to distribution lists where relevant.</p> <p>1.3.2 At least 4 information materials on the fund developed and disseminated to at least xx people</p> <p>1.4.1 Undertake dedicated</p>	<p>1.1.1 A limited coordination process exists for climate smart interventions and policies on an ad hoc basis but needs to be streamlined and strengthened.</p> <p>1.1.2 Minutes of the meetings of various committees are usually distributed to a select group of member stakeholders.</p> <p>FSM ODA office has just started a database to document and report on funding to different categories of activities including climate change expended in country on an annual basis commencing with FY2014 Comprehensive quarterly and annual reports on the activities of the Fund in FSM is formatted with assistance from GCF .</p> <p>1.2.1 Four State and National existing websites are sometimes used for uploading relevant information on DRM and climate change.</p> <p>1.3.2 No information materials on the Fund have been developed so far.</p>	<p>1.1.1. The NDA has prepared a coordination process and developed a convening schedule which was followed. It has coordinated the submission of projects from the national stakeholders and has ensured broad consultations.</p> <p>1.1.2. Minutes and participants lists of 2 GCF workshops and 2 meetings of the NSC, accredited entities and donor partners have been distributed.</p> <p>1.2.1 NDA Office has prepared and disseminated comprehensive quarterly and annual reports on the activities of the Fund in FSM with added information on activities of other international financing assistance to the FSM.</p> <p>1.3.1 Four existing websites have been utilized for uploading information on FSM activities with GCF financing. A NDA Office website has been constructed and links to electronic copies of presentations, information materials, climate and development information disseminated.</p> <p>1.3.2 At least 10 information materials on GCF have been developed in English and local languages and distributed to government entities, 30 civil society organizations and interest groups, and through the websites for the international community.</p> <p>1.4.1 During the project, dedicated capacity building activities have been undertaken to make sure the NDA and national stakeholders have all necessary knowledge to engage with the Fund.</p>

		capacity building activities (trainings, workshops) for NDA and other relevant stakeholders	1.4.1 No capacity building activities have been carried out in relation to GCF yet.	
	2.1 Country program, including elements provided in the Fund's Initial Guidelines for Country Programs	2.1.1 Copy of country programme, completed using the initial guidance on country programmes prepared by the GCF secretariat	2.1.1 There is no GCF country programme for the FSM in existence.	2.1.1 The country programme has been completed and made available for GCF within 6-8 months.
	2.2 Summaries of meetings of multi-stakeholder engagement, including list of participants	2.1.2 Background documentation on the programme, and links to public dissemination channels	2.1.2 OEEM website has been utilized to publish some relevant and background information on DRM and climate change.	2.1.2 OEEM website and NDA Office website have been used to disseminate background documentation on the country programme.
		2.2.1 Agendas and summaries from workshops convened as part of the country programme process	2.2.1 Country programme not yet in place	2.2.1 Agendas and summaries from all workshops convened as part of the country program process have been produced and disseminated.
		2.2.2 Short note on lessons learned from country programming, and good practices in stakeholder engagement	2.2.2 From the development of the JSAP's, there were needs identified for capacity development in project formulation and improved coordination of projects financed by international organizations and donor partners.	2.2.2 At least 2 short note on lessons learned from country programming, and good practices in stakeholder engagement have been produced and disseminated.

IMPLEMENTATION SCHEDULE	ACTIVITIES	YEAR 1				YEAR 2			
		Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Readiness Area 1									
1.1.1.1	Recruit international and national consultants to support NDA and strategic framework activities.	Start date End date							
1.1.1.2	Formulating and/or revising work plan in consultation with NDA, delivery partner and the Fund as necessary.	Start Date						End Date	
1.1.1.3	Design and lead the strategic planning & coordination process, including liaising with relevant government agencies and other stakeholders as needed.	Start date							End date
1.1.1.4	Organize an orientation workshop for the National Steering Committee and interested national accredited entities and stakeholders.	Start Date /EndDate							
1.1.1.5	Developing and implementing a schedule for broader stakeholder awareness raising and consultation – State and National level with particular focus on gender balance and engagement of youth.	Start Date		End Date					
1.1.1.6	Networking and informing entities and organizations in the FSM that may be interested in accreditation to submit expressions of interest as such & Conduct a training session for potential NIEs on GCF accreditation application process and requirements. Agree on a way forward including prioritization of national entities for accreditation and estimated timeline.	Start Date		End Date					

	1.1.1.7 Reach out to Accredited Entities about assisting FSM develop any agreed project concept ideas & Organising a workshop on filing the application and preparation of projects concept notes will be needed with assistance also from GCF Secretariat.		Start Date		End Date				
	1.1.1.8 Organize periodic meetings of National steering committee and State level working groups	Start Date						End Date	
	1.1.1.9 Proposing a clear No-Objection procedure of consultation on project concepts and proposals received by the NDA for endorsement.	Start Date	End Date						
	1.1.2.1 Prepare and distribute minutes of the workshops, and map workplan for the subsequent stakeholders' consultations.	Start Date	End Date						
	1.2.1.1 Preparation of semi-annual and annual reports on readiness activities with the Fund, and dissemination through various communication channels.		Start Date End Date		Start Date End Date		Start Date End Date		Start Date End Date
	1.3.1.1 Provide links to electronic copies of presentations, information materials, and climate and development information disseminated to distribution lists where relevant.	Start Date							End Date
	1.3.1.2 Develop a communications plan, and develop and distribute communications materials. This will include developing content for TV and radio programmes, social media, educational material for schools, and other material, building on existing platforms and programmes.		Start Date		End Date				
	1.3.2.1 GCF documents disseminated to relevant stakeholders	Start Date							End Date
	1.4.1.1 Provide orientation, training and regular briefings to NDA staff, in order to transfer the necessary knowledge and expertise required by the	Start Date						End Date	

	NDA to effectively perform its functions								
	1.4.1.2 Develop a sustainability plan for necessary capacity and strategies in place to sustain efforts beyond the Readiness project.			Start Date	End date				
	Readiness Area 2								
	2.1.1.1. Review existing interventions against National and States priorities and identify gaps and lessons learned. This also includes an assessment and evaluation of adaptation options. Prepare a position paper for a three-day national workshop with the National Steering Committee and other key stakeholders.	Start Date	End Date						
	2.1.1.2 Conduct a three day consultation workshop to review FSM policy frameworks, laws and regulations, planning documents and other relevant documents needed for the development of the Country Programme.	Start date	End Date						
	2.1.1.3 Conduct rapid assessment (Desktop Assessment) using information attained from research and the workshop and begin preparing the Country Programme..	Start Date	End Date						
	2.1.1.4 Conduct rapid assessment (Site Visit/Assessment) to verify information on climate adaption options , adaptation plans resulting from the workshop and desktop assessment for each State	Start Date	End Date						
	2.1.1.5 Convene all stakeholders including interested national and regional accredited entities and donor partners to review and validate the new GCF Country Programme for the FSM.		Start Date	End Date					



	2.1.1.6 Publish the endorsed country programme for dissemination through GCF newsletter, FSM websites, hard copies for FSM governments and civil society organizations and interest groups.			Start Date					
	2.1.2.1 Collect all background documents necessary to prepare the GCF country programme and make them available through various communication channels.			Start Date	End Date				
	2.2.1.1 Develop workshop reports for the country programme workshops, summarising main messages/ conclusions and next steps.			Start Date	End Date				
	2.2.1.2 Disseminate all agendas and summaries from workshops convened as part of the country programprocess.								
	2.2.2.1 Printing copies of lessons learned of the elaboration process of the country programme and disseminate them				Start Date	End Date			

Annex II

FEDERATED STATES OF MICRONESIA

Terms of Reference for the National & International Consultants:

Background and Context

The Federated States of Micronesia (FSM) became a sovereign country in 1979 comprised of Yap State to the west, Chuuk State, Pohnpei State and Kosrae State to the east of the Micronesian Archipelago. FSM has 607 mountainous islands as well as lowlying islands and atoll island groups covering an area more than 1,000,000 square miles but with only 271 square miles of land area. The 2010 population census count had 103,000, a decrease from 2000 census of 107,000 which is attributed to out-migration to US territories, Hawaii and US Mainland for employment, better medical care, education, etc. Approximately 70% of the population reside in the main capital centers of the four states and the remaining 30% on the outlying atoll islands. Like other Pacific Island SIDS with limited financial and natural resources, FSM depends largely on foreign grants to operate and maintain essential services and financing of development projects. FSM Governments' tax and non-tax revenues account for approximately 30% of GDP with the remaining 70% from US Compact funds and grants from donor countries and international financial institutions. The generosity of the international community is evident with modern telecommunication systems, airports and aircraft transport safety and security systems, and other essential infrastructure for health and education, etc.

Being resource limited and geographically isolated, FSM faces not only challenges of economic growth and employment but similarly the challenges to balance development against fragile eco-systems and cultural well-being of its citizens to realize the benefits of sustainable development. The terrestrial and marine eco-systems are diverse with endemic and migratory species providing a source of food and income to a subsistence economy of roughly 40% of the population. Commercial activities are mostly seen at the four capital centers providing a cash economy that is susceptible to external shocks caused by increases in world prices and by reductions in foreign aid grants. A significant reduction in the latter scenario is expected by year 2023 with the termination of the Compact Treaty with the US Government and no level of economic assistance is secured for FSM for 2024 and beyond. FSM also faces the challenges of climate change being in the typhoon alley (north central to western Pacific) and vulnerable to storms, tidal surges and destruction of food crops. These anticipated challenges may not be easily overcome but through effective development planning and policy initiatives, FSM could retrenched on softer grounds and pursue its aspirations and goals in the sustainable use and development of tourism, fisheries, agriculture and energy resources.

FSM designated the Office of the Secretary, Department of Finance & Administration as the National Designated Authority (NDA) to engage with the Fund and also requested readiness support for the development of a country program to access the resources of the Fund. The readiness support program aims to strengthen the capacity of the NDA to engage with regional, national & sub-national governments, civil society and private sector stakeholders with regard to the priorities of the Fund,

taking a gender sensitive approach. Furthermore, it aims to develop a strategic framework/country program for national engagement with the Fund, building on existing strategies & plans. The implementation of the two components of the readiness program is projected to generate national interest in the GCF opportunities and to strengthen FSM's access to climate finance through the preparation of the country program. The strategic framework/country programme for engagement with the GCF will ensure that programs/project proposals to GCF will increasingly meet integration of national priorities across sectors of the national economy and therefore, promote climate relevant transformational development.

1. National Consultant:

Scope of work for NDA strengthening.

- The consultant should have at least a bachelor's degree in Climate Change/Environment/Natural Resources/Development studies with at least 3 years of work experience in national and international climate change policy and financing mechanisms.
- The consultant should demonstrate ability to coordinate and drive communication with the Fund and manage operational activities.
- The consultant should be familiar with the relevant institutions and stakeholders in the climate change domain in FSM - including potential candidates for implementing entities/intermediaries and the private sector and multilateral finance.

The specific tasks for the Consultant are:

- a. Advise the Secretary of Finance & Administration (NDA) and her staff through day to day interactions and thinking on strategic areas for engagement with the Fund and with others partners with regards to climate finance mobilisation,
- b. Act as interface between the NDA and the GCF to facilitate communications, and also facilitate public awareness raising events (through TV, radio, schools, etc) on GCF opportunities,
- c. Coordinate and disseminate information among the stakeholders, the GCF accreditation application process and requirements, delivery of "no objection" on proposals to be submitted to the Fund, etc.
- d. Organise meetings of the National Steering Committee (NSC) with civil society organizations, private sector, financial institutions, academia, media, implementing entities, etc to discuss GCF opportunities, accreditation procedures and requirements, and to create synergy with other relevant multilateral, bilateral, regional and global climate initiatives in FSM.
- e. Provide continuous guidance and orientation to the International Consultant and the NSC for the development of the country program to ensure adherence to the general guidelines set by GCF.

2. International Consultant:

Scope of work for the Development of the Country Program

- The consultant should have at least a PhD/Master's degree in Natural Resources Management and development economics with at least 7 years of experience in climate change and sustainable development.
- Organize meetings with the NSC and other key stakeholders to guide GCF engagements, especially for designing the country program;

- The consultant to lead and coordinate relevant activities for the development of the country program.
- The Consultant to review all documentation provided by the NDA in relation to the assignment;
- The consultant should have the ability to prepare, moderate and report on national stakeholder workshops.
- The Consultant to have relevant knowledge on national priorities, strategies, and plans, and multilateral finance and be familiar with adaptation and mitigation strategies in island environment. He/She should have strong analytical, writing and presentation skills in English.

The specific tasks for the Consultant are:

- a. Analysis of existing climate change-related strategies, policies and regulations
 - b. Analysis of national development strategies, economic trajectories, macro-economic circumstances and poverty reduction strategies,
 - c. Analysis of the institutional context (roles and contributions of key stakeholders)
 - d. Analysis of the needs for strengthening institutional and regulatory systems for climate-responsive planning and development and implementation capacity
 - e. Analysis of Human resources development and capacity building
- Collect all background documents necessary to prepare the GCF country program and make them available through various communication channels;
 - Facilitate multi-stakeholders engagement forums for developing the country program and with the national consultant to ensure the country program is consistent with the FSM development priorities as well as the Fund's initial results management framework. They will also assist the accredited entities in identifying opportunities to engage the private sector, including micro, small and medium-sized enterprises, and leverage their capacity to implement FSM's programming priorities.
 - Facilitate the multi-stakeholders events including logistics, as well as compiles workshops reports and disseminate workshops documents to all stakeholders. Support the integration and mainstreaming of climate change adaptation and mitigation initiatives into the national and sectoral development plans of FSM.
 - Support the identification and preparation of concept notes for proposals consistent with the Fund's initial investment framework and other requirements of the Fund.

At the end of the country programming process, prepare notes on lessons learned from the process.

Annex III

PROCUREMENT PLAN

The procurement plan will cover the implementation period. The delivery partner shall update the procurement plan throughout the duration of the project at least annually by including contracts previously awarded. All procurement plans, their updates or modifications shall be published on the website of the delivery partner.

General Information

Project Name : Readiness and Preparatory Support Programme	
Country: Micronesia, Federated States	Executing Agency: FSM NDA - with SPC as delivery partner
Grant Amount: USD 300,000	Grant Agreement Number: FSM-RS-001
Date of First Procurement Plan : January 2016	Date of updated Procurement Plan

A. Process Thresholds, Review - Month/Quarterly Procurement Plan

1. Project Procurement Thresholds

The following national process thresholds shall apply to procurement of goods and services

Procurement of Goods and Services	
Method	Threshold
Open competitive/Full Tender	USD50,001 > USD200,000+
Request for threes quotation (RFQ)	USD2,001 > USD50,000
Single source/Shopping	USD50,01 > USD2,000
Petty Cash	0 > USD 50.00

2. National Prior or Post Review

The following national prior or post review requirements apply to the various procurement and consultant recruitment methods used for the project.

Procurement Method	Prior or Post	Comments
Procurement of Goods and Services		
Open competitive/Full Tender	post	
Request for quotation (RFQ)	post	
Single source/Shopping	Prior	
Petty Cash	Prior	

Recruitment of Consulting Firms

National consultant services	post	
International consultant services	post	

3. **Goods & Contracts Estimated** (\$135,430)

The following table lists goods contracts for which procurement activity is expected to commence within the next 2 months.

General Description	Cost/Value	Procurement Method	Prequalification of Bidders (y/n)	Procurement Date (quarter/year)	Comments
International Consultant in-country travels for workshops & States consultations in the FSM States	20,695	Request For Quotations	n	Q1 to Q3 2016	Airfare quotations from 2 local travel agents and 2 airline carriers.
National Consultant in-country travel for verification trip in the FSM States	3,415	RFQ for that 1 trip to the States	n	Q3 2016	Airfare quotations from 2 local travel agents and 2 airline carriers.
Provision of workshops Stationery & Printing Materials	4,400	Single source/Shopping since unit cost will be below USD 2000	n	Q1 to Q3 2016	Request describing the materials needed will be sent to three suppliers
NDA Office Supplies & Communication/Postage	13,700	RFQ and Single source/Shopping	y	Over the duration of project	List of supplies send to three suppliers. Single source from FSM Telecom Corp.
Catering – refreshments tea and coffee breaks etc. for participants attending 2 workshops/1- Training & venue sound system	11,600	Request for Quotation from 3 suppliers	y	Q1 to Q3 2016	Request describing the needs will be sent to three suppliers
Airfare tickets for the two workshops, & one GCF Training	39,600	Request For Quotations	n	Q1 to Q3 2016	Airfare quotations from 2 local travel agents and 2 airline carriers.

Rental vehicle for transport of workshops & training participants+Departure Fee	2,610	Request for quotation (RFQ) and Single Source	y	Q1 to Q3 2016	Requests will be sent to three suppliers
DSA/Per diem for participants invited to attend 2workshops & 1training	35,910	N/A	n	N/A	Per diem is paid to participants invited for workshops/ training
NDA Office Equipment Purchase	3,500	Request for Price Quotation	y	Q1 2016	Solicit price quotations from 3 suppliers
<u>Management & Undetermined/Contingency Funds : (\$29,120)</u>					
Grant Management Cost	18,000	Delivery Partner: determined SPC	n	Over the duration of project	Delivery Partner: determined
Contingency Funds for unforeseen costs	11,120	To be determined	n	Over the duration of project	To be determined

4. Consulting Services Contracts Estimated (\$135,450)

The following table lists consulting services contracts for which procurement activity is expected to commence within the next 1 month.

General Description	Contract Value	Recruitment Method¹	Advertisement Date (quarter/year)	International or National Assignment	Comments
Hiring of national consultant to support NDA activities	60,000	Open competitive method/Full Tender	Q1 2016	National assignment	ToR will be sent for public announcement/advertisement
Hiring of international consultant to develop country program.	64,950	Open competitive method/Full Tender	Q1 2016	International assignment	Consultant knowledgeable on the climate context of FSM with expertise in development planning and natural resource management. Advertisements in FSM and GCF websites, etc
Hiring of a local independent contractor to develop media and public info materials on GCF; DRM & Climate Chang.	3,000	Request for Quotation from three contractors	Q1 to Q2/2016	National assignment	Local contractor will be hired on short-term basis not exceeding a period of two months
Auditing and other printing services	7,500	Request for Quotation from three audit firms	Q4 2016 Q4 2017	National assignment	ToR will be send to reputable audit firms operating in the country.

¹ QCBS – Quality and Cost Based Selection