



FSM NDA Office Newsletter



Impact of Coronavirus on FSM Readiness for the Green Climate Fund



As the number of coronavirus infections spread globally, countries around the world have turned to increasingly drastic measures to try to slow the spread of the virus with lockdowns, travel restrictions, and closing of borders.

Now that the two main entry points (Guam and Honolulu) to FSM have been afflicted with COVID-19, FSM is resorting to unprecedented measures which includes 14-day quarantine of all incoming passengers at a facility nearby the airport and few designated hotels. Additionally, there were school shut-downs and an increasing number of people resorting to work from home whereas essential staff are kept on a rotation schedule to maintain normal office functions. These measures have already caused delays and is anticipated to cause further delays on FSM readiness activities if the situation gets worse in the small and remote islands of the Federated States of Micronesia.

Examples of the NDA activities that have already been impacted are as follows.

- NAP development delayed due to travel restrictions resulting from the COVID-19
- Decisions about FSM SAP food proposal and FSM SAP Health concept note dropped from the nation's top priorities.
- Increasing difficulty for the NDA team to engage with stakeholders resulting in delayed implementation activities.

The NDA team are taking the precautionary measures seriously and will continue to do our best to assist stakeholders

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Be **SMART** & inform yourself about #coronavirus

- Follow accurate public health advice from WHO & your local health authority
- Follow the news on latest coronavirus updates
- To avoid spreading rumors, always check the source you are getting information from
- Don't spread rumors

Learn more to Be **READY** for #COVID19:
www.who.int/COVID-19

Protect yourself and others from getting sick
Wash your hands






- after coughing or sneezing
- when caring for the sick
- before, during and after you prepare food
- before eating
- after toilet use
- when hands are visibly dirty
- after handling animals or animal waste

FSM Projects Progressing through GCF Proposal Development Process

The following project list shows projects that are currently moving forward through the GCF proposal process. All other project ideas or concept notes submitted to the FSM NDA Office that are not included in the list have been on hold for a reason (albeit need further scoping, elaboration on the project description/narrative etc.). For further details of project ideas/concepts, please contact the NDA office.

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FSM PROJECT LIST

Title & Description	Accredited Entity	Estimated Cost
<p>1. Climate resilient food security for farming households across the Federated States of Micronesia – (SAP proposal) - The proposed project will work to:</p> <ul style="list-style-type: none"> • Establish an enabling environment for adaptive action and investment including strengthening the evidence base for adaptation, mainstreaming climate risk into development planning, and disseminating actionable climate information to community and state decision makers. • Enhance the food security of vulnerable households by introducing climate-smart agriculture practices • Strengthen climate-resilient value-chains and market linkages across the agriculture sector 		\$9,000,000.00
<p>2. Increasing resilience to the health risks of climate change in the Federated States of Micronesia – (SAP proposal) - The project will transform the current situation of high vulnerability to water-, vector- and food-borne disease risks related to climate change by developing a climate-resilient health system, as outlined in the NCCHAP, and implementing tangible human health adaptation activities at the community level. The project is organized around three components:</p> <ul style="list-style-type: none"> • Enabling environment (i.e. enhancing policies, capacities and cross-sectoral collaboration to mainstream and manage climate variability and change impacts on vector and water-borne diseases) • Integrated climate and health information systems on vector and water-borne diseases • Adaptation interventions at the community level to better cope with climate change impacts on vector- and water-borne diseases 		\$9,600,000.00
<p>3. Climate change adaptation solutions for local authorities in the Federated States of Micronesia (EDA proposal) - The objective is to strengthen climate change resilience in the Federated States of Micronesia through support to local authorities for pragmatic and impact-driven adaptation actions to mitigate the negative consequences of climate change.</p> <p>The two project components are:</p> <ul style="list-style-type: none"> • an empowerment component to bring up abilities of local authorities to engage in climate change adaptation • a priority project grants mechanism. Both will bridge the gap that currently keeps local authorities under-resourced although they have a key role to play in climate change adaptation. 		\$15,000,000.00
<p>4. National Adaptation Plan (NAP) – This project will aim at building a ‘resilient FSM’ by increasing its capacity to access international funding, thereby increasing flow of financial resources to FSM.</p>		\$3,000,000.00
<p>5. The Vaka Motu (boat for the islands) - building indigenous community resilience with low emission sea transportation in the Micronesian region – (Regional proposal) - The project objective is to reduce and avoid carbon dioxide equivalent (tCO₂e) emissions and, increase systemic climate change resilience in all of the participating countries through a transformation in sea transportation. The project is proposed in two components with Component</p> <p>1: Up-scaling successful use of the Vaka (traditional sailing canoe) to reduce and avoid carbon dioxide equivalent (tCO₂eq) emissions; and Component</p> <p>2: Strengthening indigenous community resilience through low emission sea transportation to manage climate risk.</p>		\$50,000,000.00

FSM Direct Access Entities Accreditation Details

Micronesia Conservation Trust (MCT)	<p>Size: Micro (0-10 million USD)</p> <p>Environmental & Social risk category: Category C (minimum or negligible risk)</p> <p>Fiduciary standards: Basic, project management, Grant award</p> <p>Accredited: 2017</p>	FSM Development Bank (FSMDB)	<p>Size: Small (0-50 million USD)</p> <p>Environmental & Social risk category: Category B (Medium risks)</p> <p>Fiduciary Standards: On-lending/blending - loan, equity, guarantee and blending</p> <p>Accreditation status: Stage 1</p>	FSM Petroleum Corp (Vital)	<p>Size: Medium (50-250 million USD)</p> <p>Environmental & Social risk category: Category A (High risks)</p> <p>Fiduciary standards: Project management, Grant award, on-lending/blending</p> <p>Accreditation status: Stage 1</p>
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USAID Climate Ready Team shares an Opportunity for Project Management Course with Secretary Amor during a courtesy call

On January 14, 2020, the USAID Ready team discussed a project management course opportunity to be offered in collaboration with College of Micronesia through USP Pacific Technical and Further Educational College in 2020.

The USAID Ready team have already successfully completed this project management course in Palau, Marshall Islands, and other countries in the South Pacific Region. This Certificate Course opportunity will improve project management skills across countries particularly where there are already

large ongoing climate adaptation projects receiving funds from Green Climate Fund, and other funding sources. The USAID Climate Ready Project has engaged the Pacific Technical and Further Educational College (Pacific TAFE) to provide the Certificate IV course in Project Management Practice to selected participants across the Pacific.



The Project Management Practice

The Certificate IV course contains four modules provided in blended mode (online plus face-to-face sessions) over a four-month period. The course is designed to allow minimal disruption of the participant's workplace, while allowing the participants to use their projects as part of their assignments and apply their new skills immediately. During this year the course will be delivered to cohorts in FSM, Samoa, Fiji and in Papua New Guinea. The USAID Climate Ready team will reach out to relevant offices for further details.

Why FSM is slow to submit project proposals for the Green Climate Fund?

Despite the GCF Readiness support phase I, the completion of a Country Program and several project development workshops, FSM still struggles to submit full fledged and bankable proposals to the Green Climate Fund. “Why” many stakeholders asked feeling frustrated. Although we do not have all the answers and many would readily disagree with us, the reasons listed below are based on the NDA team’s experiences and observations.

- Highly difficult to develop climate rationale for the identified and endorsed projects/programs (which are based on the FSM Infrastructure Development Plan, JSAPs and the ODA priorities) simply because FSM is a small island developing state which has development and climate change consolidated and integrated by necessity of its small population and dispersed isolated geography.
- GCF Private Sector Facility (PSF) requires transformative economies of scale but as a small fragile island economy, FSM has not yet been able to mobilize capital from the private sector. However, FSM continues its dialogue with GCF to help develop methodologies

that would bring this PSF down to at least the Pacific level.

- There seems to be an inadequate number of entities that are capable of developing and implementing large scale and cross sectoral projects in the Pacific region while FSM, among the most vulnerable countries compete for these entities time and expertise.
- Not only Accredited Entities both regionally/multilaterally are not able to meet the demand from countries, they are shying away from GCF co-financing due to challenges encountered during GCF project implementation period.

In spite of the challenges mentioned above, FSM is determined to fight climate change as it is a survival issue that leaves us with not much of a choice. “The nation is committed to making climate finance an enabler to build resilience and meeting our Nationally Determined Contributions (NDC) goals.” (SPC, PIFS, USAID Climate Ready, "Federated States of Micronesia Climate Change and Disaster Risk Finance Assessment Final Report ", 2019, p. x)

New Team Member Joins the FSM NDA Office



The FSM NDA office welcomes, Ms. Brenda Kerman, who recently joined the NDA Team in January 2020. Her role as the National Coordinator is to help strengthen capacity of the NDA office through in-country coordination, stakeholder consultations, information management and communication strategy. We are delighted to have Brenda with our NDA Office Team.

GCF Board Meeting Dates
(B.25) 10 – 12 March 2020
(B.26) 23 – 25 June 2020
(B.27) 22 – 24 October 2020



For inquiries, please contact us. Thank you!
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