



FSM NDA Office Newsletter



Kosrae State Stakeholder Engagement with GCF

Despite domestic travel challenges within FSM and most especially between its four states, the FSM NDA Team traveled on a 15-seater small plane to hold its first state level consultation with Kosrae State stakeholders through a 3-day face-to-face workshop from April 6–8, 2021.

This is the first of the four state follow up workshops to the FSM-GCF National Virtual Workshop which is intended to allow the NDA team to work directly with the states to reinforce what was discussed in the national virtual meeting and more importantly avail the physical presence of the NDA office to enable a more interactive dialogue. It also provided an opportune time for the state to further refine their priority project ideas with GCF and get clarity on all other GCF related matters.

The Mission program for the NDA Team started with a courtesy call on the Honorable Governor Carson K. Sigrah and Lt. Governor Arthy G. Nena. During the opening of the workshop, Governor Sigrah welcomed all participants and shared encouraging words for Kosrae stakeholders which set a strong tone and contributed to the successful delivery of the workshop.

A key output of the workshop was the application of practical tools to help determine whether the state project ideas identified have clear linkages to climate change and to avoid going through the heavy lifting work of proposal development and get rejected because GCF deems it ‘development’ type project. Such tools would especially be helpful given the decision by Kosrae State to pursue GCF financing for its Inland Road Initiative which is included in the Country Program as one of the top priorities for FSM.

Hence, several discussions have been held for a collaborative engagement between several entities (FSM NDA office, DECEM, DTC&I and SPREP as potential AE) to see how GCF financing could complement the Kosrae Inland Road project currently under implementation with the Adaptation Fund.



The participants used the tools to delve further into the project ideas to ensure efficient use of resources before dedicating financial resources and time for the rigorous and complex processes to access the climate change dedicated and large scale GCF financing.

The workshop ended with the request to continue an open dialogue with Kosrae State on GCF matters and projects relevant for the state level, and a clearer understanding that not all the state priority projects may be suitable for GCF funding.

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On May 4 – 6, 2021, the FSM NDA Office conducted their second state workshop at the Pohnpei Governor’s Large Conference room. Ms. Christina Elnei, Director of Department of Treasury and Administration, welcomed and opened the workshop thanking the participants in advance for their time and active participation. She went on and highlighted the importance of accessing climate finance particularly in the “time we face additional challenges because of the pandemic impacts.”

As most of the participants were new to the table, the NDA team started with a brief update on the Green Climate Fund and shared what FSM has accomplished to date. Although participants were keen on understanding more about the Green Climate Fund and how to access its resources, first impressions aren’t always right. Meaning, when people first hear about GCF, excitement tends to occur with the thought of GCF financial resources being able to fund anything and everything climate related, which is not quite right. To provide clarity on the issue, the team introduced and engaged the participants in a group exercise to seriously consider whether their identified project ideas are well suited for GCF financing.

The exercise allowed the participants to apply tools to differentiate a climate change related project from a development project, since Pohnpei State identified climate resilient road infrastructure as one of the pressing needs for GCF’s consideration.



The three-day workshop ended with a better understanding of the Green Climate Fund, its complex processes, and how projects would need a clear linkage to climate change in order to be considered by the GCF.

Video Conferencing Systems to Support Continued Engagement with GCF

With virtual meetings and conferences significantly becoming the new norm for FSM, the FSM NDA Office for the Green Climate Fund procured (5) complete sets of video conference systems for all four states and FSM’s only Direct Access Entity (DAE), the Micronesia Conservation Trust.

Supporting the states and MCT as our DAE with video conferencing capabilities will immensely help the pandemic impact challenges and the changes imposed on us and how we conduct meetings, workshops and consultations with the increasing number of people working remotely.



This will also help us to maintain continued engagement and promote collaboration with our numerous and various stakeholder groups and more importantly enable us to progress the important work ahead.

GCF Programming Dialogue with the Pacific

After two weeks of virtual dialogue between the GCF Secretariat, Direct Access Entities, Delivery Partners, National Designated Authorities and all other partners in collaboration with the Green Climate Fund, the FSM NDA Office sincerely agrees and appreciates the ‘Lessons Learned’ shared by the USAID Climate Ready for their experiences on supporting the North Pacific NDA offices on proposal development to access GCF financing.



- **Lesson 1: The importance of Readiness funding and NDA support** - Readiness funding and NDA support could potentially be used to develop Concept Notes, especially for national DAEs with limited capacity
- **Lesson 2: High Cost of Project Preparation (PP)** -PP is an expensive process and sufficient funds must be devoted to it (e.g. through PPF Grants) to ensure that there is local ownership and understanding
- **Lesson 3: Local capacity needed** -Most project preparation consultants are remotely-located but because of COVID-19, increased use of national consultants to support remotely-based consultants and build local capacity are needed.

- **Lesson 4: The process is not predictable/constantly changing guidance and requirements from the GCF** -Climate Investment Committee, responses to the Secretariat and iTAP require an intense time commitment and rapid turnaround time. The GCF's processes and guidelines are constantly changing. Continuous monitoring of Board decisions on the GCF website are needed
- **Lesson 5: Data requirements** -The GCF is difficult for PICs to navigate as the amount of data requested/required is often not available for PICs. Macro data versus Micro data. Baseline data could potentially be built into the start-up phase of the project
- **Lesson 6 -Time and cost of project development** -This is significant and constantly underestimated -SAP process took approximately 3 years from initial discussion of Concept Note to Board approval.
- **Lesson 7 -There is a role for technical collaboration** -DAEs lack capacity for technical-specific areas so there is a role for development partners to help DAEs access technical-specific consultants.

- **Lesson 8 -Emphasis on “innovative” financial mechanisms** -EDA proposals seem more attractive to GCF as opposed to projects related to issues such as food security since there seems to be a proliferation of these projects and the climate rationale and theory of change is harder to establish.
- **Lesson 9 -Lack of understanding of Pacific Island context** -The Secretariat and assigned technical panel member assigned to SAP review has limited understanding of the Pacific.

The FSM NDA office commends the GCF Secretariat for the opportunity to share and have meaningful exchanges on the lessons learned between NDA offices, Direct and International Entities, Development Partners as well as the GCF Secretariat. Having such insights are beneficial to the meeting participants and should contribute to better collaboration between the various parties partnering up to support vulnerable countries like FSM to access GCF resources in an efficient manner.

Upcoming GCF Board Meeting (TENTATIVE):

B.30 – October 5 to 8, 2021



For inquiries, please contact us. Thank you!

Phone: (691)-320-2640 ext. 218/219 or Email: fsmgcf@gmail.com