



ADAPTATION FUND

AFB/PPRC.18/4
2 March 2016

Adaptation Fund Board
Project and Programme Review Committee
Eighteenth Meeting
Bonn, Germany, 15-16 March 2016

Agenda Item 7 d)

PROPOSAL FOR FEDERATED STATES OF MICRONESIA

Background

1. The Operational Policies and Guidelines (OPG) for Parties to Access Resources from the Adaptation Fund (the Fund), adopted by the Adaptation Fund Board (the Board), state in paragraph 45 that regular adaptation project and programme proposals, i.e. those that request funding exceeding US\$ 1 million, would undergo either a one-step, or a two-step approval process. In case of the one-step process, the proponent would directly submit a fully-developed project proposal. In the two-step process, the proponent would first submit a brief project concept, which would be reviewed by the Project and Programme Review Committee (PPRC) and would have to receive the endorsement of the Board. In the second step, the fully-developed project/programme document would be reviewed by the PPRC, and would ultimately require the Board's approval.

2. The Templates approved by the Board (OPG, Annex 4) do not include a separate template for project and programme concepts but provide that these are to be submitted using the project and programme proposal template. The section on Adaptation Fund Project Review Criteria states:

For regular projects using the two-step approval process, only the first four criteria will be applied when reviewing the 1st step for regular project concept. In addition, the information provided in the 1st step approval process with respect to the review criteria for the regular project concept could be less detailed than the information in the request for approval template submitted at the 2nd step approval process. Furthermore, a final project document is required for regular projects for the 2nd step approval, in addition to the approval template.

3. The first four criteria mentioned above are:

1. Country Eligibility,
2. Project Eligibility,
3. Resource Availability, and
4. Eligibility of NIE/MIE.

4. The fifth criterion, applied when reviewing a fully-developed project document, is:
5. Implementation Arrangements.

5. It is worth noting that since the twenty-second Board meeting, the Environmental and Social (E&S) Policy of the Fund was approved and consequently compliance with the Policy has been included in the review criteria both for concept documents and fully-developed project documents. The proposals template was revised as well, to include sections requesting demonstration of compliance of the project/programme with the E&S Policy.

6. In its seventeenth meeting, the Board decided (Decision B.17/7) to approve "Instructions for preparing a request for project or programme funding from the Adaptation Fund", contained in the Annex to document AFB/PPRC.8/4, which further outlines applicable review criteria for both concepts and fully-developed proposals. The latest version of this document was launched in conjunction with the revision of the Operational Policies and Guidelines in November 2013.

7. Based on the Board Decision B.9/2, the first call for project and programme proposals was issued and an invitation letter to eligible Parties to submit project and programme proposals to the Fund was sent out on April 8, 2010.

8. According to the Board Decision B.12/10, a project or programme proposal needs to be received by the secretariat no less than nine weeks before a Board meeting, in order to be considered by the Board in that meeting.
9. The following project concept document titled “Practical Solutions for Reducing Community Vulnerability to Climate Change in the Federated States of Micronesia” was submitted by the Micronesia Conservation Trust, which is the National Implementing Entity for the Federated States of Micronesia.
10. This is the first submission of the proposal. It was received by the secretariat in time to be considered in the twenty-seventh Board meeting. The secretariat carried out a technical review of the project proposal, assigned it the diary number FSM/NIE/Multi/1, and completed a review sheet.
11. In accordance with a request to the secretariat made by the Board in its 10th meeting, the secretariat shared this review sheet with the Micronesia Conservation Trust, and offered it the opportunity of providing responses before the review sheet was sent to the PPRC.
12. The secretariat is submitting to the PPRC the summary and, pursuant to decision B.17/15, the final technical review of the project, both prepared by the secretariat, along with the final submission of the proposal in the following section. In accordance with decision B.25.15, the proposal is submitted with changes between the initial submission and the revised version highlighted.
13. MCT has also submitted a Project Formulation Grant Request, which is included as an addendum to this document.

Project Summary

Federated States of Micronesia – Practical Solutions for Reducing Community Vulnerability to Climate Change in the Federated States of Micronesia

Implementing Entity: Micronesia Conservation Trust
 Project/Programme Execution Cost: USD 83,800
 Total Project/Programme Cost: USD 921,800
 Implementing Fee: USD 78,200
 Financing Requested: USD 1,000,000

Project Background and Context:

The project's objectives are to reduce climate change vulnerability of eight communities, to have national and state protected area networks fully functional, and to support near-shore fisheries in FSM states. The project is structured around four components:

Component 1: Through a small grants program, issue at least 4 sub-awards to support ecosystem-based community climate adaptation actions (USD 438,000)

Under this component, sub-grantees will use a suite of tools to engage communities in a collaborative process to identify priority climate change impact vulnerabilities and develop and implement specific ecosystem-based activities to address these priority vulnerabilities. This will happen through a combination of outreach, local planning, and technical assistance and communities that will develop targeted workplans with actions to reduce the exposure and sensitivity of coastal and marine resources, and build their adaptive capacity.

Component 2: Set up and initial implementation of FSM national protected areas network framework and country program strategy (USD 100,000) and component 3: Set up and initial implementation of state protected areas networks (USD 200,000)

These components are designed to result in a fully functioning and institutionalized system for national and state government support for protected areas networks in Yap, Chuuk, Pohnpei, and Kosrae. As such, activities under this objective will take place at the national and state levels. This objective supports climate resilience as it will improve management efforts to restore and maintain ecosystem health across the FSM.

Component 4: Improve state-level enforcement of nearshore fisheries legislation and regulations (USD 100,000)

This component is designed to support state-level efforts to reduce overharvesting of near-shore fisheries, thereby improving coral reef and near-shore marine ecosystem health and improve food security within the FSM. Both results support climate resilience and represent appropriate adaptation strategies in the Micronesian context.



ADAPTATION FUND

ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW OF PROJECT/PROGRAMME PROPOSAL

PROJECT/PROGRAMME CATEGORY: SMALL SIZE PROJECT CONCEPT

Country/Region:	Federated States of Micronesia		
Project Title:	Practical Solutions for Reducing Community Vulnerability to Climate Change in the Federated States of Micronesia		
AF Project ID:	FSM/NIE/Multi/2016/1		
IE Project ID:		Requested Financing from Adaptation Fund (US Dollars):	USD 1,000,000
Reviewer and contact person:	Hugo Remaury	Co-reviewer(s):	Rawleston Moore, Anni Rein
IE Contact Person:	William Kostka		

Review Criteria	Questions	Comments initial review	Comments final review
Country Eligibility	1. Is the country party to the Kyoto Protocol?	Yes.	
	2. Is the country a developing country particularly vulnerable to the adverse effects of climate change?	Yes. The islands of FSM are particularly vulnerable to the impacts of climate change such as sea level rise, higher sea surface temperatures and weather patterns variability.	
Project Eligibility	1. Has the designated government authority for the Adaptation Fund endorsed the project/programme?	Yes.	
	2. Does the project / programme support concrete adaptation actions to assist the country in addressing adaptive capacity to the adverse effects of climate change and build in climate resilience?	Unclear. A higher level of details is expected regarding the description of the proposed activities. CR 1: In light of the Adaptation Fund mandate to finance concrete adaptation projects, and its corresponding Operating Policies and	CR 1: Not addressed. The proposal does not demonstrate that components 2, 3 (development of protected areas networks) and 4 (enforcement of fisheries legislation and regulations) are addressing the identified climate change threats (mainly changing weather patterns,

		<p>Guidelines that defines a concrete adaptation project as “a set of activities aimed at addressing the adverse impacts of and risks posed by climate change”, the proposal should demonstrate how the adaptation measures planned under components 2, 3 and 4 are suited or adequate for the identified climate threats.</p> <p>CR 2: Please provide a higher level of details regarding the proposed small-grant scheme planned under component 1, describing the activities it will finance, and the criteria that will be used to select those activities.</p> <p>CR 3: Please explain the role that the local communities will play in selecting the ecosystem based activities planned in component 1.</p> <p>CR 4: The proposal should provide a higher level of details regarding the activities planned in the programme, further highlighting the concreteness aspects of the proposed activities and describing the visible and tangible results that are expected on the ground.</p> <p>CR 5: The proposal plans to implement activities seeking different objectives, across different topics (small grants for ecosystem based adaptation, establishment of state-</p>	<p>sea level rise, and coastal erosion according to the proposal).</p> <p>CR 2: Mostly addressed. Although the description of the LEAP approach provide useful insights on the tool that sub-grantees will use to engage communities, identify priorities, and implement ecosystem-based activities, the process through which MCT will award the grants is not sufficiently explained, nor are the criteria that will be used to award grants to the grantees. In addition, it seems important to provide a description of the approach that the project will follow to ensure that the activities that will be implemented are indeed adaptation measures.</p> <p>CR 3: Partially addressed. The role that communities will play during the selection of activities in the LEAP approach remains unclear.</p> <p>CR 4: Not addressed. The concept proposal should provide a higher level of details regarding the potential activities that the project plans to deliver, highlighting the visible and tangible results of such outputs.</p> <p>CR 5: Yet to be demonstrated. The cohesion and coherence of the components among themselves need to be highlighted.</p>
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		<p>wide and nationwide protected areas networks, and enforcement of fisheries legislations and regulations). Please further explain the overall goal of the programme as a whole, and highlight the cohesion and coherence between the different components.</p> <p>CR 6: The proposal should further detail the “project/ programme components and financing table” with an exhaustive list of outcomes and outputs to be delivered for each component, and associated budget at output level.</p> <p>CR 7: Since the success of some objectives that the programme seeks to achieve (e.g. establishment of national/regional protected areas, enforcement of fisheries regulations) may highly depend on non-climatic barriers, please include in the proposal a description of such non-climatic barriers, and explain the strategy the programme will follow to minimize the non-climatic risks.</p> <p>CR 8: Please provide more details on the programme background and context, highlighting the past and projected climate trends and impacts for the target areas.</p>	<p>CR 6: Not addressed. This table should reflect the project description section of the proposal and should include a comprehensive list of outcomes and outputs that will be delivered in each component, and associated output-level budget.</p> <p>CR 7: Mostly addressed. However, given the importance of some non-climatic barriers (namely the lack of protected areas network policy frameworks nationwide and state-wide, and the highly sensitive political matter of pelagic fisheries management), the proposal should further elaborate on the project strategy to cope with such major risks.</p> <p>CR 8: Partially addressed. The proposal should further elaborate on the description of climate change impacts on FSM and its states.</p>
	<p>3. Does the project / programme provide economic, social and environmental benefits,</p>	<p>Potentially. Even though the activities proposed by the programme will potentially yield economic, social and</p>	

	<p>particularly to vulnerable communities, including gender considerations, while avoiding or mitigating negative impacts, in compliance with the Environmental and Social Policy of the Fund?</p>	<p>environmental benefits, the proposal does not provide with a comprehensive list of such benefits. In addition, the proposal does not provide clear information about the beneficiaries (including their level of vulnerability to climate change), and does not confirm that gender considerations are considered.</p> <p>CR 9: Please include information about the expected beneficiaries of the programme, outlining their level of vulnerability to the impacts of climate change, and explaining why they have been selected, taking into account gender considerations.</p> <p>CR 10: Please further explain what types of economic, social and environmental benefits the programme is likely to provide to the beneficiaries.</p> <p>CR 11: Please confirm that no minority group nor indigenous community live in the suggested sites. If applicable, you may want to highlight the benefits provided by the project to such communities.</p>	<p>CR 9: Yet to be provided. The proposal provide an overall description of the FSM population characteristics and mentions eight communities to be targeted by component 1. The proposal should include more specific information about the expected beneficiaries of the programme, with particular reference to the equitable distribution of benefits to vulnerable communities, households, and individuals.</p> <p>CR 10: Not addressed.</p> <p>CR 11: The proposal states that the majority of the population is formed by indigenous people. However, it does not confirm whether or not minority groups live in the target areas. If some are identified, particular benefits provided by the project/programme to those groups should be outlined.</p>
	<p>4. Is the project / programme cost effective?</p>	<p>Potentially. The efficiency of the small grants scheme is well explained. However, the proposal should compare the project costs to the</p>	

		<p>expected benefits, and highlight the cost-effectiveness of the selected activities.</p> <p>CR 12: Please compare the relative costs of the programme and expected outcomes (benefits), highlighting the effectiveness, efficiency and relevance of the selected approach vis-à-vis other adaptation measures that would yield similar results.</p>	<p>CR 12: Mostly addressed. Preliminary information highlight the efficiency of the approach followed by MCT. The proposal should further highlight the effectiveness and relevance of such approach vis-à-vis other adaptation measures that would seek the same objectives. The cost effectiveness should also be demonstrated from a sustainability point of view.</p>
	<p>5. Is the project / programme consistent with national or sub-national sustainable development strategies, national or sub-national development plans, poverty reduction strategies, national communications and adaptation programs of action and other relevant instruments?</p>	<p>Likely. However, the proposal should not only list the policies that the programme is said to be consistent with, but should demonstrate this consistency.</p> <p>CR 13: Please briefly explain how the proposed programme aligns with each strategy/plan that has been listed.</p> <p>CR 14: Please provide any specific sub-national (i.e. FSM states ones) development strategies/plans that may be relevant vis-à-vis the proposed activities, including in terms of climate change adaptation (e.g., states targeted by activities planned under component 1), protected areas (e.g. states targeted by activities planned under components 2 and 3), fisheries (e.g. states targeted by activities planned under component 4).</p> <p>CR 15: Should additional information</p>	<p>CR 13: Partially addressed. The proposal should explain how the proposed programme aligns with FSM's commitment to the UNFCCC, including its Intended Nationally Determined Contributions (INDC).</p> <p>CR 14: Mostly addressed. The concept proposal should identify specifically any sub-national development strategies/plans that may be relevant regarding the activities that the programme will implement.</p>

		be provided about the concrete activities that will be performed on the ground, as per above CRs, please update this section accordingly.	CR 15: Addressed.
	6. Does the project / programme meet the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund?	<p>Unclear. It is stated that the concept does not conflict with national or state standards. However, this should be explained specifically, as preliminary information tend to indicate that some standards will need to be followed. Examples include Environmental Impacts Assessments (examples of the marine/costal management activities under component 1), employment laws (case of hiring processes under components 2 and 3), or fishery legislation (case of component 4), among others.</p> <p>CAR 1: The proposal should identify any relevant national standards that could apply to this programme, and explain its compliance in a logical manner.</p>	CAR 1: Not addressed. At concept stage, the relevant national technical standards need to be identified, and compliance stated in a logical manner. These standards include Environmental Impact Assessments (EIAs), building codes, water quality regulations, and sector-specific regulations. Regarding EIAs, all proposed projects/programmes shall undertake a screening of environmental and social risks and demonstrate compliance with the environmental and social principles as outlined in the Environmental and Social Policy.
	7. Is there duplication of project / programme with other funding sources?	<p>Unclear. The proposal talks about ongoing efforts, but does not identify any relevant potentially overlapping project/programme.</p> <p>CAR 2: Although the proposal states that it will ensure “efforts are not duplicated with other funding sources”, all relevant potentially overlapping projects/programmes need to be identified at concept stage, and the lack of overlap/</p>	CAR 2: Partially addressed. Although some relevant initiatives are listed in the proposal, and that the proposal states that for most of the identified projects there will be no duplication of efforts, most of the projects listed seem at contrary source of potential synergies and complementarity with the proposed projects. Such complementarity or synergies are not explained in the proposal. Seeking potential synergies with those projects

		<p>complementarity stated in a logical manner.</p>	<p>is of utmost importance, as it would strengthen the efficiency of the proposed project, especially since these projects include activities that seem to be very similar in nature with the ones of the proposed projects (e.g. coastal revegetation, building code development, development of protected areas, among others).</p>
	<p>8. Does the project / programme have a learning and knowledge management component to capture and feedback lessons?</p>	<p>No. Although the proposal enumerates several initiatives and stakeholders it could link with in terms of knowledge management, the current proposal does not have a learning and knowledge management component, nor specific activities planned in this matter.</p> <p>CAR 3: Please include and describe learning and knowledge management related activities as part of the proposal, and in line with the Results-Based Management Framework of the Adaptation Fund.</p>	<p>CAR 3: Partially addressed. Some knowledge management activities have been very briefly described, along with a description of existing networks that will support such activities. Nevertheless, no specific budget is allocated to knowledge management, and there are no dedicated knowledge management output/outcome, nor specific activities explained in the project description and objectives. Addressing such issues could strengthen the proposal vis-à-vis this criteria.</p>
	<p>9. Has a consultative process taken place, and has it involved all key stakeholders, and vulnerable groups, including gender considerations?</p>	<p>No. The development of the concept has only been made in consultation with the country's Designated Authority. A list of stakeholders that the NIE intends to consult to develop the full proposal has been provided.</p> <p>CAR 4: At the concept stage, an initial consultative process has to take place with key stakeholders of the programme (e.g., communities, states institutions' representatives, protected</p>	<p>CAR 4: Not addressed. It is acknowledged that some challenges may exist in conducting a consultation process. Nevertheless, at concept stage, an initial consultative process has to take place with key stakeholders such as representatives from communities, states and local governments. It is important to demonstrate that views and interests of key stakeholders are taken into account into the design of the</p>

		<p>areas and fishery sectors). If the programme targets areas where minority groups and indigenous peoples have been identified, they should be consulted at the concept stage and their interests or concerns taken into account when designing the proposal. If the concept proposal and PFG is approved, the PFG will support a comprehensive stakeholder consultation process in the project preparation phase.</p>	<p>proposal.</p>
	<p>10. Is the requested financing justified on the basis of full cost of adaptation reasoning?</p>	<p>No.</p> <p>CR 16: The adaptation reasoning of the project has to be better demonstrated, as outlined in previous CRs.</p> <p>CR 17: The proposal should compare the baseline (no AF funding) to the intended outcome of the project (with-project scenario) from a climate change adaptation standpoint.</p>	<p>CR 16: Not addressed. As stated in CR 1 and CR 5, the rationale behind the choice of the proposed activities should be further demonstrated.</p> <p>CR 17: Not addressed.</p>
	<p>11. Is the project / program aligned with AF's results framework?</p>	<p>Potentially, but pending additional information from other CARs and CRs.</p>	
	<p>12. Has the sustainability of the project/programme outcomes been taken into account when designing the project?</p>	<p>Not likely, according to the information provided.</p> <p>CR 18: The proposal should explained specifically how the adaptation benefits (e.g., small grants funded ecosystem based adaptation activities – component 1, coordinators and network planned to be</p>	<p>CR 18: Not addressed. The proposal should explained specifically how the adaptation benefits achieved with the programme activities will be sustained after its end. All key areas of sustainability should be addressed, including but not limited to economic, social, environmental, institutional, and financial.</p>

		<p>implemented under components 2 and 3, or capacity-building enforcement related activities and equipment provided under component 4) achieved with the programme activities will be sustained after its end. The proposal should briefly explain the arrangements through which this would be achieved, taking into account sustainability and maintenance of any infrastructure or installations to be developed, policies and governance arrangements to be developed and implemented, knowledge to be generated, management and other capacity to be improved, etc. All key areas of sustainability should be addressed, including but not limited to economic, social, environmental, institutional, and financial.</p>	
	<p>13. Does the project / programme provide an overview of environmental and social impacts / risks identified?</p>	<p>No. CAR 5: Please provide an overview of environmental and social impacts/risks identified, in accordance to the Environmental and Social Policy of the Fund and state the category in which the screening process has classified the programme.</p>	<p>CAR 5: Partially addressed. The risks table concludes that for none of the 15 principles of the ESP further assessment or management inputs are needed, and that the project is classified as a category C. This is inconsistent with the small grants approach under which for each grant the environmental and social risks remain to be identified and assessed as needed (e.g. activities planned in Component 1 - costal revegetation, restoration projects, setback zones and building code development, plans to support</p>

			<p>managed retreat of homes and infrastructure in low-lying areas, development of protected areas etc.). For example, the table states that no further assessment is required for compliance with the principle on compliance with the law, but at the same time, national standards have not been identified (see CAR 1 above). Similarly, the table states that no further assessment is needed for compliance with the principle on involuntary resettlements, lands and soil conservation, or protection of natural habitats but resettlements of infrastructures, revegetation projects, and development of protected areas are listed as potential activities to be included in component 1. The concept proposal should demonstrate in a rational way the proposed project compliance with the environmental and social principles as outlined in the ESP, including how relevant standards will be applied through project implementation, when applicable.</p> <p>As some Environmental Impact Assessments are likely to be prepared during the project implementation, an Environmental and Social Management Plan (ESMP) commensurate with the risks identified and in accordance with the project ESP categorization will be requested</p>
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			at the full proposal stage.
Resource Availability	1. Is the requested project / programme funding within the cap of the country?	Yes.	
	2. Is the Implementing Entity Management Fee at or below 8.5 per cent of the total project/programme budget before the fee?	No. CAR 6: Please provide the Implementing Entity Fee.	CAR 6: Addressed.
	3. Are the Project/Programme Execution Costs at or below 9.5 per cent of the total project/programme budget?	No. CAR 7: Please provide an estimation of the programme Executing costs.	CAR 7: Addressed.
Eligibility of IE	4. Is the project/programme submitted through an eligible Implementing Entity that has been accredited by the Board?	Yes.	
Implementation Arrangements	1. Is there adequate arrangement for project / programme management?		
	2. Are there measures for financial and project/programme risk management?		
	3. Are there measures in place for the management of for environmental and social risks, in line with the Environmental and Social Policy of the Fund? Proponents are encouraged to refer to the draft Guidance document for Implementing		

	Entities on compliance with the Adaptation Fund Environmental and Social Policy, for details.		
	4. Is a budget on the Implementing Entity Management Fee use included?		
	5. Is an explanation and a breakdown of the execution costs included?		
	6. Is a detailed budget including budget notes included?		
	7. Are arrangements for monitoring and evaluation clearly defined, including budgeted M&E plans and sex-disaggregated data, targets and indicators?		
	8. Does the M&E Framework include a break-down of how implementing entity IE fees will be utilized in the supervision of the M&E function?		
	9. Does the project/programme's results framework align with the AF's results framework? Does it include at least one core outcome indicator from the Fund's results framework?		
	10. Is a disbursement schedule with time-bound milestones included?		

<p>Technical Summary</p>	<p>The project's objectives are to the reduce climate change vulnerability of eight communities, to have national and state protected area networks fully functional, and to support near-shore fisheries in FSM states. The project is structured around four components:</p> <ul style="list-style-type: none">- <i>“Component 1: Through a small grants program, issue at least 4 sub-awards to support ecosystem-based community climate adaptation actions”</i>. Such small-grants could fund costal revegetation or restoration projects, development and/or strengthening of new and/or expanded protected areas, improved agro-forestry and mari-culture programs, development of fisheries management regulations.- Component 2 and component 3 that aim at setting up and implementing national and state protected areas networks in FSM;- Component 4 that aim at improving <i>“state-level enforcement of nearshore fisheries legislation and regulations”</i>. <p>The current concept should demonstrate the underlying adaptation reasoning of the proposal, especially for the components 2, 3 and 4 and should highlight the cohesion and coherence between the different components. The proposal must explain its compliance with any relevant national standards that could apply to this programme and must identify any relevant projects/programmes with which the project could have complementarity or/and overlap. In addition, the proposal should provide evidence that an initial consultative process involving all key stakeholders (e.g., communities, states institutions’ representatives, protected areas and fishery sectors) took place. It should also demonstrate that the benefits from the programme will be sustained overtime. Finally, it must provide an overview of environmental and social impacts/risks identified, in accordance to the Environmental and Social Policy of the Fund and state the category in which the screening process has classified the programme.</p> <p>The document needs to be revised accordingly. A number of issues were raised through the initial review. Seven Corrective Action Request (CAR) as requested.</p> <p>CAR 1: The proposal should identify any relevant national standards that could apply to this programme, and explain its compliance in a logical manner.</p> <p>CAR 2: Although the proposal states that it will ensure “efforts are not duplicated with other funding sources”, all relevant potentially overlapping projects/programmes need to be identified at concept stage, and the lack of overlap/ complementarity stated in a logical manner.</p> <p>CAR 3: Please include and describe learning and knowledge management related activities as part of the proposal, and in line with the Results-Based Management Framework of the Adaptation Fund.</p> <p>CAR 4: At the concept stage, an initial consultative process has to take place with key stakeholders of the programme (e.g., communities, states institutions’ representatives, protected areas and fishery sectors). If the</p>
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programme targets areas where minority groups and indigenous peoples have been identified, they should be consulted at the concept stage and their interests or concerns taken into account when designing the proposal. If the concept proposal and PFG is approved, the PFG will support a comprehensive stakeholder consultation process in the project preparation phase.

CAR 5: Please provide an overview of environmental and social impacts/risks identified, in accordance to the Environmental and Social Policy of the Fund and state the category in which the screening process has classified the programme.

CAR 6: Please provide the Implementing Entity Fee.

CAR 7: Please provide an estimation of the programme Executing costs.

In addition, 18 Clarification Requests (CR) were made:

CR 1: In light of the Adaptation Fund mandate to finance concrete adaptation projects, and its corresponding Operating Policies and Guidelines that defines a concrete adaptation project as “a set of activities aimed at addressing the adverse impacts of and risks posed by climate change”, the proposal should demonstrate how the adaptation measures planned under components 2, 3 and 4 are suited or adequate for the identified climate threats.

CR 2: Please provide a higher level of details regarding the proposed small-grant scheme planned under component 1, describing the activities it will finance, and the criteria that will be used to select those activities.

CR 3: Please explain the role that the local communities will play in selecting the ecosystem based activities planned in component 1.

CR 4: The proposal should provide a higher level of details regarding the activities planned in the programme, further highlighting the concreteness aspects of the proposed activities and describing the visible and tangible results that are expected on the ground.

CR 5: The proposal plans to implement activities seeking different objectives, across different topics (small grants for ecosystem based adaptation, establishment of state-wide and nationwide protected areas networks, and enforcement of fisheries legislations and regulations). Please further explain the overall goal of the programme as a whole, and highlight the cohesion and coherence between the different components.

CR 6: The proposal should further detail the “project/ programme components and financing table” with an exhaustive list of outcomes and outputs to be delivered for each component, and associated budget at output level.

CR 7: Since the success of some objectives that the programme seeks to achieve (e.g. establishment of national/regional protected areas, enforcement of fisheries regulations) may highly depend on non-climatic barriers, please include in the proposal a description of such non-climatic barriers, and explain the strategy the programme will follow to minimize the non-climatic risks.

CR 8: Please provide more details on the programme background and context, highlighting the past and projected climate trends and impacts for the target areas.

CR 9: Please include information about the expected beneficiaries of the programme, outlining their level of vulnerability to the impacts of climate change, and explaining why they have been selected, taking into account gender considerations.

CR 10: Please further explain what types of economic, social and environmental benefits the programme is likely to provide to the beneficiaries.

CR 11: Please confirm that no minority group nor indigenous community live in the suggested sites. If applicable, you may want to highlight the benefits provided by the project to such communities.

CR 12: Please compare the relative costs of the programme and expected outcomes (benefits), highlighting the effectiveness, efficiency and relevance of the selected approach vis-à-vis other adaptation measures that would yield similar results.

CR 13: Please briefly explain how the proposed programme aligns with each strategy/plan that has been listed.

CR 14: Please provide any specific sub-national (i.e. FSM states ones) development strategies/plans that may be relevant vis-à-vis the proposed activities, including in terms of climate change adaptation (e.g., states targeted by activities planned under component 1), protected areas (e.g. states targeted by activities planned under components 2 and 3), fisheries (e.g. states targeted by activities planned under component 4).

CR 15: Should additional information be provided about the concrete activities that will be performed on the ground, as per above CRs, please update this section accordingly.

CR 16: The adaptation reasoning of the project has to be better demonstrated, as outlined in previous CRs.

CR 17: The proposal should compare the baseline (no AF funding) to the intended outcome of the project (with-project scenario) from a climate change adaptation standpoint.

CR 18: The proposal should explain specifically how the adaptation benefits (e.g., small grants funded ecosystem based adaptation activities – component 1, coordinators and network planned to be implemented under components 2 and 3, or capacity-building enforcement related activities and equipment provided under component 4) achieved with the programme activities will be sustained after its end. The proposal should briefly explain the arrangements through which this would be achieved, taking into account sustainability and maintenance of any infrastructure or installations to be developed, policies and governance arrangements to be developed and implemented, knowledge to be generated, management and other capacity to be improved, etc. All key areas of sustainability should be addressed, including but not limited to economic, social, environmental, institutional, and financial.

As general information, the review of this project concept has been done in agreement with the AF Board decision to accredit MCT (Decision B.25/4), which states the following:

“After considering the conclusions and recommendation of the Accreditation Panel, and pursuant to the approval of the Streamlined Accreditation Process for National Implementing Entities (AFB/EFC.16/7), the Adaptation Fund Board decided to accredit the Micronesia Conservation Trust as a National Implementing Entity, subject to two conditions:

- (a) The Micronesia Conservation Trust (MCT) is eligible to submit project/programme proposals to the Fund for up to US\$ 1 million; and*
- (b) MCT should include in its project proposals to be submitted to the Adaptation Fund a description of the expertise and ability of the resources that it will use to complete or oversee procurements – this would apply to projects with anticipated procurements over US\$ 10,000.”*

The revised proposal has addressed some of the issues raised during the initial technical review. However, the overall rationale of the project has not been demonstrated due to remaining uncertainties on the appropriateness of the interventions to address climate change impacts to vulnerable communities. The final project review finds that the proposal fails to correctly address the corrective action requests and clarifications requests made in the initial review. The following observations are made:

- The proposal should provide a higher level of details regarding the concrete activities that will be delivered by the project and should further demonstrate that they address the identified climate change threats;

	<ul style="list-style-type: none">- The proposal should include a description of the specific types of economic, social and environmental benefits of the proposed project;- The proposal should describe how the proposed project meets relevant national standards;- The proposal should state any potential complementarity with relevant on-going projects/programmes.- An initial consultative process has to take place at concept stage with key stakeholders such as representatives from communities, states and local governments;- The proposal should explain specifically how the adaptation benefits will be sustained overtime.
Date:	18 th February 2016



ADAPTATION FUND

REQUEST FOR PROJECT/PROGRAMME FUNDING FROM THE ADAPTATION FUND

The annexed form should be completed and transmitted to the Adaptation Fund Board Secretariat by email or fax.

Please type in the responses using the template provided. The instructions attached to the form provide guidance to filling out the template.

Please note that a project/programme must be fully prepared (i.e., fully appraised for feasibility) when the request is submitted. The final project/programme document resulting from the appraisal process should be attached to this request for funding.

Complete documentation should be sent to:

The Adaptation Fund Board Secretariat
1818 H Street NW
MSN P4-400
Washington, D.C., 20433
U.S.A
Fax: +1 (202) 522-3240/5
Email: afbsec@adaptation-fund.org



ADAPTATION FUND

PROJECT/PROGRAMME PROPOSAL TO THE ADAPTATION FUND

PART I: PROJECT/PROGRAMME INFORMATION

Project/Programme Category:	Concept for Small-Sized Project
Country/ies:	Federated States of Micronesia
Title of Project/Programme:	Practical Solutions for Reducing Community
Vulnerability to Climate Change in the	Federated States of Micronesia
Type of Implementing Entity:	National
Implementing Entity:	Micronesia Conservation Trust
Executing Entity/ies:	To be determined when preparing the full
project proposal:	Federated States of Micronesia Office of Environment and Emergency
Management and/or the Federated States of Micronesia	Department of Resources and
Development	
Amount of Financing Requested:	\$1,000,000 (in U.S Dollars Equivalent)

Project / Programme Background and Context:

The Micronesia Conservation Trust (MCT), the National Implementing Entity for the Federated States of Micronesia (FSM), is pleased to present a concept for a project. MCT is simultaneously submitting a Project Formulation Grant application to develop a full project proposal based on this concept. MCT greatly appreciates this opportunity and is looking forward to working with the Adaptation Fund, including integrating all comments and suggestions regarding this concept and its Project Formulation Grant application.

[Introduction to the FSM: The FSM is comprised of four states; Yap, Chuuk, Pohnpei, and Kosrae. The country contains 607 islands, of which over 70 are inhabited, and stretches across almost 3 million square kilometers of the Pacific. The total landmass of the FSM is only 4,840 square km, but within that relatively small space are 12 terrestrial biomes including: atoll forest, littoral beach strand, mangrove forest, swamp forest, freshwater marsh, riparian forest, freshwater rivers and streams, grassland, secondary \(agro\) forest, primary forest, rain forest, and crest \(dwarf or montane cloud\) forest. The country's marine biomes include: mangrove forest, estuaries, sea grass beds, lagoons, coral reefs, and open ocean. The biodiversity contained within these biomes is characterized by a high rate of endemism and a profusion of species. For example the country is home to more than 1,200 species of ferns and flowering plants, more than half of which are native species. More than 1,000 species of fish and more than 350 types of coral inhabit the country's coastal and marine areas. The FSM is also widely known as a critical corridor for commercially important migratory fish stocks, including the skipjack, yellowfin, and bigeye tunas. The majority of the islands in the FSM are small coral or coralline islands. These islands serve as critical nesting and spawning](#)

sites for species, including: pelagic and reef fish, seabirds, turtles, sharks, rays, and clams. Within the FSM are also 'high' volcanic islands, notably the islands of Pohnpei, Kosrae, and inner lagoon islands within Chuuk such as Weno and Fefan, and the main island of Yap, (Wa'ab).

The FSM consists of two ecoregions. The Yap tropical dry forest ecoregion is characterized by a monsoon-like climate with rainy seasons followed by periods of drought. The other three States share the Carolines tropical moist forest ecoregion characterized by heavy rainfall. The ecosystem services provided by the ecosystems described above are critical for maintenance of the FSM's population.

Many of the FSM's approximately 100,000 people depend on the country's ecosystems for their livelihoods, both for subsistence and as sources of income. In terms of ecosystem services, FSM's watersheds, fisheries, and agroforests provide the population with food, raw materials, water, and medicines. Freshwater lens and watersheds are critical to the livelihoods of people living on the country's islands. Many communities practice agroforestry, a farming system characterized by multi-storied crop production. It is widely estimated that these agroforests take up about 35% of the country's landmass and include root crops such as taro and yam, as well as food trees such as banana, coconut, and breadfruit – there are over 133 cultivar names for breadfruit in Pohnpei alone. Fisheries and marine invertebrates provide a principal source of protein and income for FSM inhabitants. Subsistence and small-scale commercial fishing of reef fish and marine invertebrates is widespread throughout the FSM. However, overharvesting of reef fish and invertebrates is a critical challenge. Beyond the reefs, the sales of international fishing licenses for pelagic fish represent a significant source of revenue for the national government. For fiscal year 2015 the country collected over \$60 million in fishing access fees for tuna and other pelagic fish in the country's exclusive economic zone.

In addition to these provisioning services, the islands' ecosystems also provide critical protection against storm surges, typhoons, and other natural disasters and contribute to mitigating erosion and buffering wind and waves during storms (examples of climate change threats in the FSM). FSM's ecosystems are also a key component to the cultures within the country. For more than 2,000 years inhabitants in the region have lived off the reefs and lands. These environments have shaped island lifestyles, creating strong cultural identities and attachments to the environment that persists today.

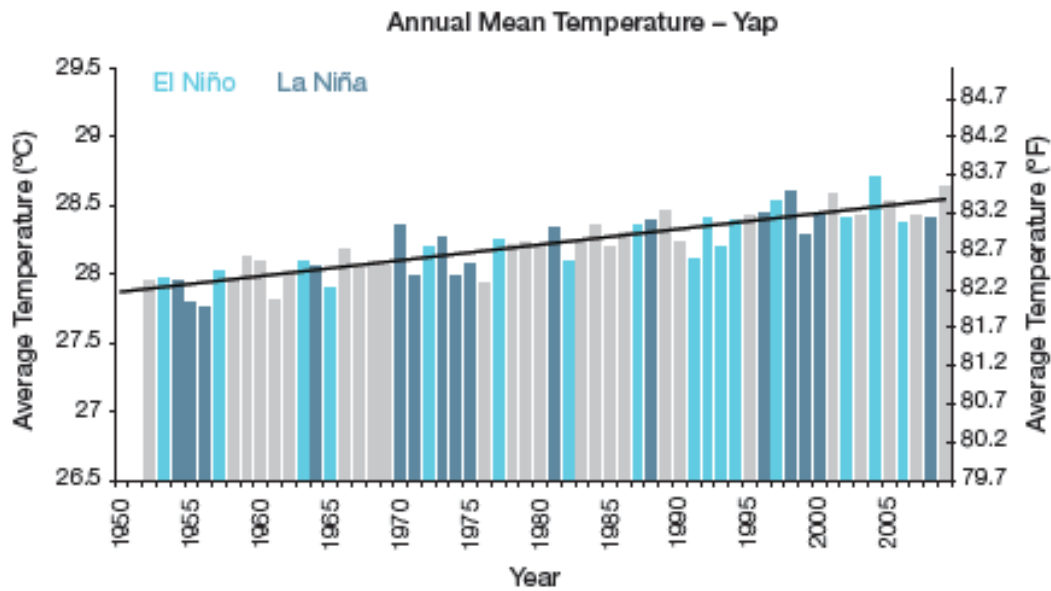
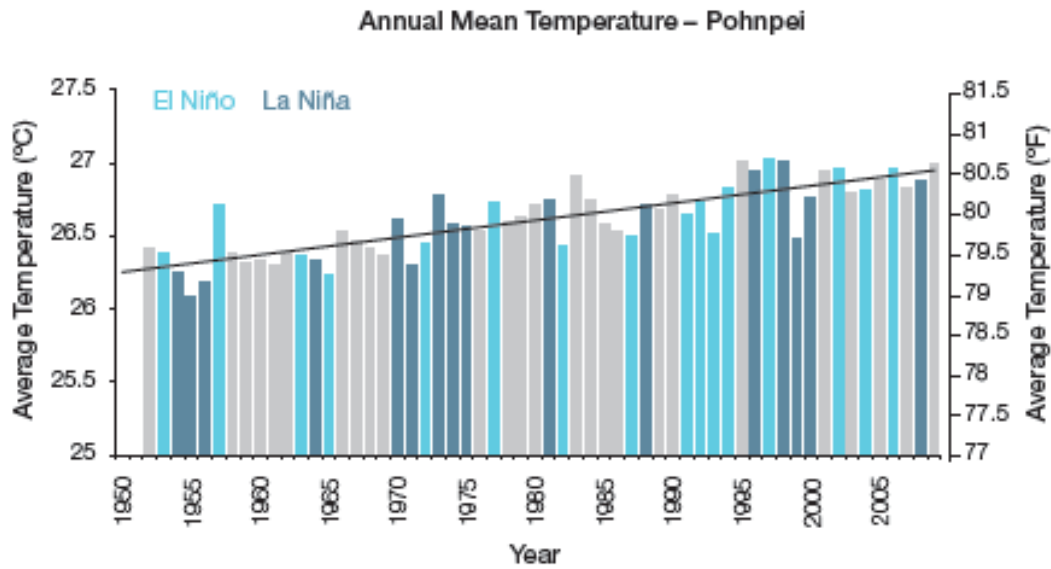
In sum, given the geographic and economic realities of the FSM, the country's ecosystem services are an immediate and critical component of inhabitants' socio-economic wellbeing. This also illustrates the vulnerability of the FSM to climate change impacts on ecosystem services. There is growing research about the relationship between climate change – sea level rise, changing weather patterns affecting soil and agriculture, ocean acidification, and increasing water temperature – and ecosystem health in the FSM. Healthy and well-functioning ecosystems can be crucial to climate change adaptation strategies. As described in the FSM's Second National Communication to the United Nations Framework Convention on Climate Change, the

climate-change risks facing the country are increasingly documented through extensive vulnerability and adaptation assessments.

Climate change mitigation and adaptation strategies to address these threats are incorporated into the country's Nationwide Climate Change Policy, the National Energy Policy and State Action Plans, and the National Action Plan to Combat Land Degradation to name a few. While there are some scientific data-gaps that make it difficult to assess the exact effects of climate change, such as information on soil and agroforestry geospatial layers, wave and sea-level monitoring, and lagoon circulation patterns throughout the FSM, climate change is already impacting the country's agriculture, fisheries, forestry and degrading land. Below are examples of some of the impact of climate change.

In Kosrae stakeholders reported a coral bleaching event in the fall of 2013. This event mainly affected Acropora corals in areas off of the Tafunsak and Utwe municipalities, and followed a month of abnormally calm seas and high temperatures. In Pohnpei stakeholders reported that changing weather patterns are affecting the soil and reducing crop yields. Changing soil conditions may also be behind recent outbreaks of fungus affecting more than 100 varieties of yams in Pohnpei and sakau plants in Pohnpei and Kosrae. In each Sate, stakeholders reported that changing weather patterns have already resulted in different harvesting patterns than previously known. For example species of breadfruit are ripening at different times during the year, which is impacting traditional and cultural practices that revolve around harvest seasons. These observations are in line with scientific findings about changes in soil and weather patterns.

In Yap, longer than usual periods of drought followed by heavier than normal rains are also increasing sedimentation and erosion throughout the State. Heavier than normal rains can swell watersheds, contributing to excess nutrient runoff that can affect sea grass beds, which are another critical spawning sites for many species (Houk, Golbuu, Gorong, Gorong, & Fillmed, 2013). There is evidence that temperatures are also increasing. The below charts show a steady increase in annual mean air temperatures between 1950 and 2010 in Pohnpei and Yap. These charts originally appeared in the FSM's Second National Communication to the United Nations Framework Convention on Climate Change and are based on information from the Australian Bureau of Meteorology and Commonwealth Scientific and Industrial Research Organisation.



[Sea level rise and shifting weather patterns are affecting food and water security. Freshwater lenses on outer islands are increasingly vulnerable to salt water intrusion from storms and sea level rise. The effects of king tides are particularly evident in the country’s outer islands leading to salt-water inundation in taro patches. In response, the FSM National government has identified food security as a top priority. On high-islands as well as low-lying ones sea level rise is also a contributing factor to coastal erosion impacting a wide range of species habitats. Coastal erosion increases sedimentation in near-shore areas, degrading the health coral reefs, which in FSM provide a home to more than 1,000 species of fish and 350 species of coral. Disruptions to the coastline also affect mangrove stands degrading that habitat and increasing fragmentation. This is increasingly leaving some shorelines more vulnerable to storm surges.](#)

Project Summary~~Overall economic, social, development, and environmental~~

~~context:~~ - Like most island nations, the islands of FSM are particularly vulnerable to higher sea level rise, higher sea surface temperatures and volatile changes in weather patterns. In addition, island communities in FSM are under significant socio-economic and development pressures that are having catastrophic impacts on natural resources, and therefore livelihoods and food security for communities. Regional near-shore fisheries are in decline due to over-fishing and there has been significant loss of habitat from forest clearing, unsustainable and destructive agricultural practices as well as mangrove clearing, and sedimentation from infrastructure development on low-lying coastal areas. To address these issues outlined above, this concept is for a project to 1) conduct community-level climate change vulnerability assessments and corresponding adaptation actions to increase community resilience to climate change impacts, 2) improve the implementation of national and state-level protected areas networks; and 3) improve state-level near-shore fisheries management programs.

Addressing climate change vulnerability at the community level: FSM communities have unique socioeconomic challenges, including limited economic opportunities and resources, high dependency on natural resources, and small land areas for dwelling, relocation, and livelihood activities. Social and ecological systems are thus highly interdependent. Communities are the first and ultimate 'shock absorbers' of the negative impacts of both climate and human-induced threats, including shoreline erosion, damage to reefs and fisheries, loss of agriculture and water resources, and loss of land, homes, and public infrastructure. While small island communities are among the first to feel the impacts of climate change and some of the most vulnerable to them, they have until recently been neglected in the outreach and discussions about these issues. MCT will use the Adaptation Fund award to address this by employing an enhanced direct access strategy. By issuing a number of small grants ~~that this project~~ will directly engage at least eight communities to conduct climate change vulnerability assessments and design and implement adaptation plans to address identified threats. This will include work with communities in each of the four states of the FSM: Yap, Chuuk, Pohnpei and Kosrae.

Advancing national and state protected areas networks: In 2006 FSM joined the Republic of the Marshall Islands, the Republic of Palau, the Commonwealth of the Northern Mariana Islands, and the U.S. Territory of Guam in declaring the Micronesia Challenge. The Micronesia Challenge is a regional effort to effectively conserve and manage at least 30 percent of near-shore marine resources and 20 percent of terrestrial resources across Micronesia by 2020. Towards this goal, in the last decade government and non-government partners across the FSM have championed the creation of new protected areas. Effective protected areas result in resilient ecosystems better able to withstand the impacts of climate change. The biological diversity maintained in the protected areas strengthens resilience as well and ensures that alternatives to those resources negatively impacted by climate change are available to meet community needs. The different components to the project are intricately linked with the partners'

and communities' resources (human and natural), needs, priorities, knowledge and capacity determining actions in the management of the PANs established and implemented under this project. The ultimate effectiveness of the PANs then depends on compliance with the policies and regulations and on the level of training and knowledge received by those charged with enforcing the regulations.

The government and its numerous partners are also working towards sustainable financing for protected areas networks. This includes the FSM's Micronesia Challenge Endowment that is intended to support protected area management. As of December 2015, this Endowment was valued at about \$4,600,000.

Across the FSM ~~there are now~~MCT and government, NGO and community partners have worked closely together (through participatory processes and consultation) to establish more than 50 state, municipal, and/or community declared protected areas covering a wide range of marine, terrestrial, and atoll ecosystems. However, the FSM government lacks an institutionalized system for providing technical and financial assistance to these protected areas, which contributes to gaps in management. The FSM states of Kosrae and Pohnpei have put in place legislation for the operation of state government-supported protected areas networks. However the states of Yap and Chuuk have not yet put in place protected areas network legislation/policy frameworks to organize government-level assistance to municipal and community resource managers. Likewise the national government is considering a draft national protected areas network framework and a country program strategy, developed in cooperation with MCT and partners, to guide the disbursement of interest income from the FSM's Micronesia Challenge Endowment Fund.

To solidify national and state-level structures for protected area management, this concept includes a national-level coordinator position, as well as focal point positions in each of the four FSM states. As described in more detail below, these coordinators will work with respective government and non-government partners to finalize the creation of the national and state-level protected area networks the country, and establish the institutional arrangements necessary for protected area managers in all states to begin accessing investment earnings from the FSM's Micronesia Challenge Endowment.

Strengthening the management of near-shore fisheries: While important, community-level actions and effective protected area management alone are not sufficient to address the FSM's complex resource management needs. In particular, overfishing of near-shore fisheries in the FSM is a critical issue. More than a decade of scientific research clearly shows declining coastal fisheries across the FSM, and the national and state governments are increasingly recognizing the importance of nearshore fisheries for community resilience to the impacts of climate change, as well as for food security. Also, in the last ten years non-governmental organizations, universities, and researchers in Micronesia have made significant progress towards institutionalizing science-to-management feedback loops that are already positively influencing policy and decision makers across the region, particularly in the area of fisheries management.

For example, [in June 2015 a team of researchers published: *The Micronesia Challenge: Assessing the Relative Contribution of Stressors on Coral Reefs to Facilitate Science-to-Management Feedback*¹. The researchers took a standardized approach and scored ecosystem conditions across coral reef monitoring sites in the FSM, the Republic of the Marshall Islands, and the Commonwealth of the Northern Mariana Islands. The analysis showed that fishing pressure, acting alone on outer reefs or in combinations with pollution in some lagoons, best predicted both the decline and variance in ecosystem condition. Ensuring and maintaining healthy coral reef ecosystems is an essential climate change adaptation strategy for FSM as the majority of the population lives along the coasts.](#)

Evaluations of marine ecosystems, [like the study cited above](#), indicate that conservation impact and food security can be maximized by including both effectively managed marine protected areas and effective nearshore fisheries management. However, at the state level effective fisheries management is hampered by a lack of sufficient human and financial resources to effectively enforce fisheries legislation and regulations. To address this issue this concept includes activities to strengthen the enforcement of existing nearshore fisheries legislation.

Project / Programme Objectives:

Objective A: Climate change vulnerability reduced in at least eight communities

Objective B: National and state protected area networks fully functioning

Objective C: Near-shore fisheries more effectively managed in the FSM states

Project / Programme Components and Financing

Project/Programme Components	Expected Concrete Outputs	Expected Outcomes	-
			Amount (US\$)*
1. Through a small grants program, issue at least 4 sub-awards to support ecosystem-based community climate adaptation actions	Vulnerability assessments and management plans developed for 8 communities; corresponding workplans developed with concrete actions to address climate threats developed	One to two ecosystem-based activities conducted in eight communities that demonstrably improve community resilience to climate change impacts	\$438,000

¹[Houk P, Camacho R, Johnson S, McLean M, Maxim S, Anson J, et al. \(2015\) PLoS ONE 10\(6\): e0130823. Doi:10.1371/journal.pone.0130823](#)

2. Set up and initial implementation of FSM national protected areas network framework and country program strategy	FSM national protected areas network established and functioning	Improved management of key ecosystems across the FSM; increasing resiliency to climate change impacts	\$100,000
3. Set up and initial implementation of state protected areas networks	State protected area networks established and functioning in Yap, Chuuk, Pohnpei, and Kosrae	Improved management of key ecosystems across the FSM; increasing resiliency to climate change impacts	\$200,000
4. Improve state-level enforcement of nearshore fisheries legislation and regulations	Training, equipment, and supplies provided to fisheries management and enforcement agencies in Yap, Chuuk, Pohnpei, and Kosrae	Reduction in illegal nearshore fishing, resulting in improved marine ecosystem health and food security; furthering FSM climate change resilience	\$100,000
5. Project/Programme Execution cost (10% sum of 1 - 4)			\$83,800
6. Total Project/Programme Cost			\$921,800
7. Project/Programme Cycle Management Fee charged by the Implementing Entity (base = 7)			\$78,200
Amount of Financing Requested			\$1,000,000

*The amounts are illustrative and will be finalized as part of the Project Formulation Grant activities

Projected Calendar:

Milestones	Expected Dates
Start of Project/Programme Implementation	January 2017
Mid-term Review (if planned)	TBD
Project/Programme Closing	December 2019
Terminal Evaluation	TBD

PART II: PROJECT / PROGRAMME JUSTIFICATION

- A. Describe the project / programme components, particularly focusing on the concrete adaptation activities of the project, and how these activities contribute to climate resilience. For the case of a programme, show how the combination of individual projects will contribute to the overall increase in resilience.

This section outlines the concept for this project, including components and illustrative activities. The overall goal of the project is to reduce pressures and stress on ecosystems, as ecosystem health is a key contributing factor to the provision of ecosystem services including climate change resilience. By engaging communities, local resource management agencies and NGOs, and involving the national government, the project will also strengthen the capacity of people within the FSM to address climate change threats through ecosystem-based adaptation initiatives. Below is a short summary of climate adaptation strategy behind each Objective, followed by a detailed description of each Objective.

Together with this proposed concept, MCT is applying for a project formulation grant for its team to visit each of the FSM states and hold consultations with climate change adaptation policy makers and implementers, natural resource managers, traditional leaders, community members, private sector, and other stakeholders. MCT will work closely with the FSM Designated Authority and also hold consultations with the FSM national government. The intent is to widely share this concept and the components and illustrative activities to prepare a full proposal. MCT also welcomes the input of the Adaptation Fund.

Objective A: Climate change vulnerability reduced in at least eight communities

Background: In the FSM local communities play a leading and integral role in managing marine and coastal resources in cooperation with local government agencies. In 2010, natural resource managers who support community based management efforts in Micronesia recognized the need to begin incorporating climate change adaptation into community processes such as protected areas development and fisheries management. At this time community awareness of climate risks and multiple sector engagement were known to be important for effective community-led ecosystem based management. However, adaptation-planning tools were not aimed at communities and did not stress the links between social and ecological dimensions, or present climate science in locally relevant and easy to understand terms.

However the climate adaptation tools available at the time did not enable community participants to build their climate knowledge and develop appropriate actions to build socio-ecological resilience. Additionally, little effort was being made to engage multiple sectors to achieve ecosystem-based adaptation planning at the community-level. To address these issues, MCT and Micronesia Challenge partners developed a suite of climate change tools to foster community based adaptation. MCT convened natural resource managers, community leaders, local resource management non-governmental organizations, climate scientists, and experts from various sectors to inform the development of a suite of community-targeted climate adaptation tools. Through this iterative collaboration the following tools were developed:
MCT through the collaborative efforts of the Micronesia Challenge, launched an initiative to meaningfully address climate change and prepare for impacts to ecosystems, natural resources, and the communities that depend on them. As a first

step to achieve this goal, MCT and Micronesia Challenge partners, developed a climate change tool to foster community-based adaptation. MCT convened natural resource managers, community leaders, climate scientists, and experts from various sectors to determine what a community-based tool should look like. Through this collaboration, a tool “Adapting to a Changing Climate: Guide to Local Early Action Planning (LEAP) and Management Planning,” was developed. The LEAP process is focused on the communities leading the process with support and input from experts and facilitators. The process and the decisions that emerge from it are community lead and driven, as are the actions and strategies selected during the consultations. In order to fully illustrate this process, below is a brief history of the development of LEAP in Micronesia.

The LEAP tool was designed to address gaps in previous/existing vulnerability and adaptation tools to support community efforts by 1) considering socio-ecological linkages and multi-sector interests at the community level, 2) integrating local knowledge and climate science to support greater understanding of impacts, and 3) informing the development of locally relevant adaptation actions to address both climate change and other anthropogenic threats. The LEAP tool was developed in collaboration with community leaders and community facilitators from local conservation organizations to address needs identified by local communities. As such the content of the tool reflects their specific requests/ideas and provides direct guidance on how to facilitate:

- Outreach using visual materials and key messages on climate change concepts and the cumulative impacts of climate and non-climate stressors on social and natural resources and participatory exercises that use local knowledge and experience combined with science to improve community understanding of potential impacts that are most important for adaptation planning
- Vulnerability assessments and adaptation planning to help communities assess and map future climate scenarios, and how natural resources and community members are vulnerable to potential social, economic, and ecological changes. With this information, communities can determine what actions they can take to reduce the exposure and sensitivity of their natural resources, and increase their own adaptive capacity

The process requires low to no technical ability and only requires someone that is comfortable facilitating the community through various participatory activities. Since the first draft of the LEAP tool was completed in 2011, a series of community facilitator capacity building workshops have been conducted across Micronesia. These initial trainings were led by the LEAP tool developers and were tailored to meet the needs of each country. They focused on two main areas: 1) Climate Outreach and Engagement and 2) Adaptation Planning. The trainings targeted community leaders and facilitators from various organizations who work directly with communities. The LEAP tool has been recognized well beyond Micronesia, and has been adopted and adapted by the Coral Triangle Support Partnership as one of the main tools to implement their climate

adaptation work. It is also currently being adapted for communities in the South Pacific and the Caribbean.

In the years since the LEAP's initial development, the LEAP tool developers received feedback on the utility of the tool from community leaders and practitioners in the region and refined the tool based on this information to better address users' needs. It was also through this effort that the need for information and capacity building around complex issues (i.e. designing resilient marine managed areas incorporating fisheries management components, and coastal change including shoreline erosion and coastal flooding) was identified. This enhanced capacity proved critical for developing appropriate adaptation strategies for coastal and marine resources that are ecologically sound, and will reduce vulnerability through long-term climate scenarios. To address this gap, two new tools that complement the LEAP process were developed with direct input from top marine and coastal scientist in the Pacific region. The tools are:

Tool 1: Designing Effective Locally Managed Areas (LMAs) in Tropical Marine Environments: Guidance to Help Sustain Community Benefits through Management for Fisheries, Ecosystems, and Climate Change. This tool is focused on helping communities to understand "how to" design LMAs to incorporate the latest science to build resilience of marine resources while increasing the potential for community benefits through fisheries sustainability, and biodiversity conservation in the face of climate change. This tool includes:

- Outreach to communities to understand key ecological and social factors that contribute to healthy, abundant and resilient marine resources; and management suggestions that support those ecological and social factors
- Planning steps to specifically develop zones and rules for LMAs that are based on the latest scientific recommendations for managing protected areas that have the greatest chances of supporting resilience to climate change and other threats. Zones and rules are also based on target species that communities are concerned about for livelihoods

This tool was developed with support from USAID's regional Asia program, through the Coral Triangle Support Partnership including Conservation International, The Nature Conservancy, World Wildlife Fund, NOAA, and in collaboration with the MCT.

Tool 2: Coastal Change in the Pacific Islands: A Facilitators Guide to Support Community Understanding and Decision Making on Coastal Erosion and Flooding Issues. This tool responds to communities' requests for guidance on how to address and reduce the exposure and sensitivity to climate stressors of their coastlines to sea level rise, and associated changes in the frequency and magnitude of coastal inundation events and the potential impacts of shoreline change. Responses to coastal erosion and inundation have typically focused on reactive approaches, such as building seawalls. In many cases, such 'solutions' have adversely affected coastlines and

coastal communities specifically, creating conflicts with community values and ignoring the human (development) dimension of the problem. This tool includes:

- Outreach and engagement session to help communities understand coastal processes, what causes shorelines to change (i.e. natural processes and human alternations including climate change), and what communities can do to build long term resilience of coastal resources and the community
- Planning steps to develop local actions that include enhancing natural defenses, ensuring safe development practices, and using hard defenses wisely to avoid further negative impact to shorelines

Partners involved in development of this tool include MCT, The Nature Conservancy, PIMPAC, Secretariat of the Pacific Community, the Coping with Climate Change in the Pacific Island Region project funded by the German Federal Ministry for Economic Cooperation and Development, USAID, the Palau International Coral Reef Center, Palau Office of Environmental Response and Coordination, NOAA Climate Services, Pacific Region, New Zealand National Institute of Water and Atmospheric Research, and Kosrae Island Resource Management Authority, KCSO; and the Vanuatu Meteorology and Geo-Hazards Department.

The LEAP tool provides a full adaptation and management planning process. Tools 1 and 2 complement the LEAP process when high degrees of natural and social vulnerability are linked to coastal and marine resources and actions need to be developed. These two tools provide further outreach and short planning steps focused on understanding these topics and developing a suite of actions related to them that support natural and social resilience. In short, Tools 1 and 2 provide simple, short, and strategic approaches for developing meaningful actions to address coastal change and coral reef and fisheries resilience. These workplans can then be integrated in to broader management plans and/or action plans. Lastly, MCT is currently exploring methods and options for regionally appropriate alternative livelihoods to draft a tool that provides community facilitators with skills and knowledge on how to build social and economic resilience to climate change impacts through alternative livelihood development. MCT is seeking funding support outside of this Concept to develop this additional tool.

As is illustrated in the above background, through facilitation and the use of regionally appropriate tools, the communities themselves will drive the selection process of ecosystem-based activities.

Adapting to a Changing Climate: Guide to Local Early Action Planning (LEAP) and Management Planning: The LEAP tool was designed to address gaps in previous/existing vulnerability and adaptation tools to support community efforts by 1) considering socio-ecological linkages and multi-sector interests at the community level, 2) integrating local knowledge and climate science to support greater understanding of impacts, and 3) informing the development of locally relevant adaptation actions to address both climate change and other anthropogenic threats. The process requires low

~~to no technical ability and only requires someone that is comfortable facilitating the community through various participatory activities.~~

~~*Designing Effective Locally Managed Areas in Tropical Marine Environments: Guidance to Help Sustain Community Benefits through Management for Fisheries, Ecosystems, and Climate Change:* This tool is focused on helping communities to understand “how to” design locally managed areas to incorporate the latest science to build resilience of marine resources while increasing the potential for community benefits through fisheries sustainability, and biodiversity conservation in the face of climate change.~~

~~*Coastal Change in the Pacific Islands: A Facilitators Guide to Support Community Understanding and Decision Making on Coastal Erosion and Flooding Issues.* This tool responds to communities’ requests for guidance on how to address and reduce the exposure and sensitivity to climate stressors of their coastlines to sea level rise, and associated changes in the frequency and magnitude of coastal inundation events and the potential impacts of shoreline change. Responses to coastal erosion and inundation have typically focused on reactive approaches, such as building seawalls. In many cases, such ‘solutions’ have adversely affected coastlines and coastal communities specifically, creating conflicts with community values and ignoring the human (development) dimension of the problem.~~

Since ~~Since~~ the first draft of the LEAP tool was completed in 2011, a series of communities have partnered with local conservation government agencies, non-governmental organizations, and MCT to use the tools to reduce vulnerability to climate change impacts. This concept is to further this work in at least 8 communities (at least 2 per FSM state) by issuing a series of grants to state-level local conservation non-governmental organizations to work with communities.

Component 1: Through a small grants program, issue at least 4 sub-awards to support ecosystem-based community climate adaptation actions

MCT’s subgrantees will use a suite of tools, described above, to engage communities in a collaborative process to identify priority climate change impact vulnerabilities and develop and implement specific ecosystem-based activities to address these priority vulnerabilities. This will happened through a combination of outreach, local planning, and technical assistance and communities will develop targeted workplans with actions to reduce the exposure and sensitivity of coastal and marine resources, and build their adaptive capacity. MCT cannot specify exactly which specific ecosystem-based activities that the small-grant scheme will fund in detail at this time, as the community consultations that will determine these will take place as an initial activity of the community engagement process the project will use (see CR 3 below). However, based on prior experience and discussions with our partners (see CAR 4 above) the ecosystem-based activities are likely to include, but are not limited to: coastal re-vegetation or restoration projects, setback zones and building code development, plans to support managed retreat of homes and infrastructure in low-lying areas, development and/or strengthening of new and/or expanded protected areas, development of fisheries

[management regulations \(i.e. fish size and quota limits, seasonal bans, gear bans, etc.\) or no-take zones, awareness-raising campaigns for protected areas and fisheries management regulations, or improved enforcement of protected areas.](#)

[This process is one that MCT and its partners have developed and refined over the past six years and is referred to as LEAP, in which local NGOs are awarded grants to work directly with communities to facilitate community identification and mapping of their resources, consider threats to the resources and select actions to abate or adapt those threats and conditions. MCT has an established suite of project management tools, the Grant Tools, that link performance-based workplans to budgets and project-specific monitoring and evaluation tools.](#)

Through a combination of outreach, local planning, and technical assistance, communities will develop targeted workplans with actions to reduce the exposure and sensitivity of coastal and marine resources, and build their adaptive capacity. Actions could include, but are not limited to: coastal re-vegetation or restoration projects, setback zones and building code development, plans to support managed retreat of homes and infrastructure in low-lying areas, development and/or strengthening of new and/or expanded protected areas, improved agro-forestry and mari-culture programs, development of fisheries management regulations (i.e. fish size and quota limits, seasonal bans, gear bans, etc.) or no-take zones, awareness-raising campaigns for protected areas and fisheries management regulations, or improved enforcement of protected areas. In 2016 MCT is also planning to pilot sustainable livelihoods tools and approaches for communities, and intends to integrate this effort into the proposed community work as well.

During the consultative process to develop a full proposal, MCT will work with state stakeholders to either identify the communities or determine a process for competitively selecting these communities after award. [Likewise, MCT cannot specify exactly which specific ecosystem-based activities that the small-grant scheme will fund in detail at this time, as the community consultations that will determine these will take place as an initial activity. However, based on prior experience and discussions with our partners, the ecosystem-based activities are likely to include, but are not limited to: coastal re-vegetation or restoration projects, setback zones and building code development, plans to support managed retreat of homes and infrastructure in low-lying areas, development and/or strengthening of new and/or expanded protected areas, development of fisheries management regulations \(i.e. fish size and quota limits, seasonal bans, gear bans, etc.\) or no-take zones, awareness-raising campaigns for protected areas and fisheries management regulations, or improved enforcement of protected areas.](#) Below are three example communities from Kosrae, Chuuk, and Yap to further illustrate this component:

Walung, Kosrae: Walung is located on the southwest coast of Kosrae. Walung is a remote community with difficult access to health care, disaster management, and other social services. Land transportation is a challenge, as the road that connects to the area where these services are located is not well maintained. There are approximately 175 residents living in Walung. The main occupations are subsistence activities, such as

fishing, farming, and wood harvesting resulting in a community that is highly dependent on local resources. Agroforestry and coral reefs provide food, medicine, and income. Mangroves provide firewood, shelter, food, and income. Most community members live on the coastline and have observed elevated rates of coastal erosion. Community members identify themselves as vulnerable to sea level rise exacerbating existing impacts from king tides, which inundate residential and agricultural areas. They are also vulnerable to changes in weather patterns and to coastal storms, which cause high surges and high winds along the coastline. As most of the community residents depend on their natural resources for food and income, the impacts of climate change will affect their livelihood. The community is well organized and has been working with Kosrae Conservation and Safety Organization, a local non-governmental organization, on specific climate change adaptation activities and to improve community management of natural resources in order to increase resilience of natural resources and the community. They are beginning a process to develop a marine protected area to improve resource health and to support fisheries livelihoods. With further support, this community could develop actions around fisheries and protected area management, as well as begin to address concerns about coastal change.

Mwanukun, Uman, Chuuk: Mwanukun village on Uman island is located south of Weno, the capital of Chuuk state. The population of Mwanukun is 348 with about 40 households, averaging 9 persons per household. Households on Mwanukun are primarily situated along the coastline. Community income is derived from small-scale marketing of agricultural products and marine resources. Few individuals are government employees that commute daily to Weno to work. Due to the lack of job opportunities, the natural resources of Mwanukun are being threatened by over harvesting and poor management of marine resources. With the negative impacts of climate change, threats to these resources will be exacerbated unless addressed. As a means to address this issue, the community has imposed a traditional closure of its marine area. The community has sought assistance from the Chuuk Department of Marine Resources and the Chuuk Conservation Society to develop a management plan for its marine area. A baseline survey has been conducted for Mwanukun's marine area. In addition, a terrestrial assessment is planned to spearhead a reef to ridge management approach. Climate adaptation activities in this community could support the development of zoning and rules to be incorporated into their locally managed marine area management plan. Additionally, it could assist in considering impacts from coastal and upland systems and actions that support sustainable use of natural resources.

Riken, Yap: Riken is a small village in the Municipality of Gagil and has a population of approximately 800, in the main Island of Yap. Agroforestry and fishing are vital for the livelihoods and subsistence of community members. In the recent past fish populations have declined, and those that are caught have decreased in size. Marine resources are depleting due to several existing threats including sedimentation, pollution, and over-harvesting. The land has also become less productive over time due to [an unusually](#) long-term dry season and other changes in weather patterns. Climate change is likely to exacerbate these threats and impacts on the natural resources and the community.

Moreover, customary lands in Riken hold valuable historical sites. The community views these sites as an opportunity for tourism and as a possible source of income. This community has been working with the Yap State Marine Resource Management Division and the Yap Community Action Program, a local conservation organization, to explore ways to improve conservation and resources management. For example, there is an existing project to initiate a marine protected area to promote food security, resources, health, and livelihoods. With further assistance, the community could plan and implement actions that consider existing threats and climate change, and build long term resilience of coastal and marine resources as well as community capacity.

For this component MCT has identified the following illustrative actions:

Activity 1: Issue grants to local non-governmental organizations within the each of the four states of the FSM. Illustrative grant recipients include the Yap Community Action Program, the Chuuk Conservation Society, the Conservation Society of Pohnpei, and the Kosrae Conservation and Safety Organization. MCT will administer these grants.

Activity 2: With support from consultant(s), build skills of community facilitators within local organizations (government agencies and local organization partners) in each of the four states, to:

1. Effectively communicate impacts to socio-ecological systems from climate change and other threats, and
2. Carry out participatory assessments to develop appropriate community actions that are ecologically sound and consider long term resilience

Activity 4: Using the tools outlined above, build the adaptive capacity of at least eight FSM communities to cope with potential negative impacts from climate change to coastal and marine resources and associated livelihoods through organization, awareness, adaptation planning, and project implementation

Activity 5: Implement coastal and marine management actions that reduce the exposure and sensitivity of social and ecological systems to climate stressors in at least eight FSM communities

Objective B: National and state protected area networks fully functioning

The components and activities under this objective are designed to result in a fully functioning and institutionalized system for national and state government support for protected areas networks in Yap, Chuuk, Pohnpei, and Kosrae. As such, activities under this objective will take place at the national and state levels. This objective supports climate resilience as it will improve management efforts to restore and maintain ecosystem health across the FSM.

Component 2: Set up and initial implementation of FSM national protected areas network framework and country program strategy

Background: In 2015 MCT worked with the FSM Department of Resources and Development and integrated stakeholder input from FSM states to draft a national protected areas framework for the country. This framework outlines a transparent, fair, and efficient system governing the designation and operation of a nationwide protected areas network, inclusive of state-level protected areas networks in Yap, Chuuk, Pohnpei, and Kosrae. This national protected areas network is designed to facilitate the national government in assisting states in the protection of significant areas of biodiversity, key habitats, and other valuable resources that are important to the future stability and health of the FSM, particularly given climate change impacts that are already affecting the country. The protected areas network framework establishes procedures for the management entities of protected area sites to apply to join the protected area network and outlines the benefits of membership in the national protected areas network, including access to [long-term and sustained](#) technical and financial assistance.

The FSM's national protected areas network is designed to augment efforts at the state, municipal, and community levels throughout the country to achieve conservation and climate change adaptation goals, which broadly reflect the country's participation in the Micronesia Challenge, the United Nations Convention on Biological Diversity, and the United Nations Framework Convention on Climate Change. Funding for the operation of the FSM's protected areas network will come from a combination of national government allocations, state financial and in-kind support, and investment earnings from the FSM's Micronesia Challenge Endowment Fund.

Also in 2015 MCT and the FSM Department of Resources and Development prepared a companion document to the national protected areas framework: a country program strategy with guidelines and procedures for the disbursement of investment earnings from the FSM's Micronesia Challenge Endowment Fund. The strategies and procedures for dispersing earnings from FSM's Micronesia Challenge Endowment Fund described in this document are designed to support the operation of the FSM's protected areas network. This Endowment Fund was established as a result of FSM's commitment to the Micronesia Challenge and the fund is administered by MCT.

MCT anticipates that the FSM Executive [Branch](#) and National Congress will endorse the policy framework and country program strategy by the end of 2016, if not earlier. This concept includes illustrative activities to support the start-up and initial operations of this network at the national level.

Activity 2.1: Identify/hire a National Protected Areas Network Coordinator as a full time government employee within either the FSM Department of Resources and Development or the Office of Environment and Emergency Management. This person will be responsible for the start-up and initial implementation of the FSM protected areas network.

Activity 2.2: Develop an operations manual based on the FSM national protected areas network framework and country program strategy that further details the roles, responsibilities, functions, and activities for the protected areas network.

Activity 2.3: Test and implement the process by which management entities of protected areas apply to join the national protected areas network.

Activity 2.4: Test and implement the process by which management entities apply for and receive financial support through the national protected area network (i.e. from government allocation and/or investment earnings from the FSM's Micronesia Challenge Endowment Fund).

Component 3: Set up and initial implementation of state protected areas networks

Background: The FSM national government has the crucial role and responsibility of providing coordinated technical and financial assistance to support state-level resource management activities. Per the constitution of the country however, the FSM states each have sole jurisdiction and resource management authority for the nearshore marine and terrestrial areas within their borders. Therefore each FSM state has its own set of resource management agencies, policies, and legislation. To establish a fully functioning national protected areas network, each state is developing their own state protected areas networks that will link up to the national framework.

The FSM states of Pohnpei and Kosrae already have legislation in place for such state protected areas networks. However, the states of Yap and Chuuk do not yet have protected area network frameworks in place. These two states have limited jurisdiction over most terrestrial and near-shore marine resources, as most land and coastal areas in these states are either privately or community owned. In Yap, government agencies, non-governmental conservation and resource management groups, and community members created a community-managed network of protected areas in 2015. But additional consultation and design is required to establish a state-recognized protected areas network in Yap. Similarly, in Chuuk multiple municipalities have legally recognized protected areas, and the state recently adopted legislation creating the first state recognized protected area (Parem). However work remains to establish a state-recognized network of such areas in Chuuk.

During 2016, MCT and its partners are already planning to conduct state-level consultations to inform the design of protected areas networks in Yap and Chuuk that are state recognized, and therefore eligible for government technical and financial assistance, while respecting the existing system of private resource tenure in these states. Therefore this concept assumes that by the start of the project each of the four states will have in place either legislation (as exists in Pohnpei and Kosrae) or have established policy frameworks (likely for Chuuk and Yap) for state-level protected areas networks. The illustrative activities below are:

Activity 3.1: Identify/hire a State Protected Areas Network Coordinator as a full time state government employee within the appropriate government agencies in Yap, Chuuk, Pohnpei, and Kosrae. In Yap and Chuuk, this person will be responsible for the start-up and initial implementation of the FSM protected areas network while in Pohnpei and Kosrae this individual will assume responsibility for the operation of the existing state protected areas networks.

Activity 3.2: Develop state-level operations manuals that are consistent with the FSM national protected areas network and country program strategy that further details the roles, responsibilities, functions, and activities of the states' protected areas network.

Activity 3.3: Test and implement the process by which management entities of protected areas apply to join the state protected areas networks in Chuuk and Yap; continue to implement the process of by which management entities join the state protected areas networks in Pohnpei and Kosrae.

Activity 3.4: In conjunction with the National Protected Areas Network Coordinator, test and implement the process by which state-level protected areas apply to join the national protected areas network.

Activity 3.5: In conjunction with the National Protected Areas Network Coordinator, implement the process by which management entities apply and receive financial support through the national protected area network.

Objective C: Near-shore fisheries more effectively managed in the FSM states

The component under this objective is designed to support state-level efforts to reduce overharvesting of near-shore fisheries, thereby improving coral reef and near-shore marine ecosystem health and improve food security within the FSM. Both results support climate resilience [and represent appropriate adaptation strategies in the Micronesian context.](#)

Component 4: Improve state-level enforcement of nearshore fisheries legislation and regulations

Background: As described above, overfishing is a critical issue facing FSM communities. The example of Pohnpei illustrates this issue for the FSM. Pohnpei is one of four island states in the FSM, with a population of around 35,000 individuals and approximately 6,000 households. Of these, more than 63 percent of households contain at least one fisher (for a total of 7,227 fishers). These fishers constitute more than 20 percent of the total population. Of this population of fishers, 2,976 are commercial/artisanal and 4,251 are subsistence coral reef fishers. While impacts from subsistence fishing cannot be ignored, that catch relies on hook and line fishing and accounts for only 32 percent of the overall catch. The commercial finfishery on the other hand accounts for 68 percent of the total catch, primarily derived through nighttime spearfishing and net fishing, both known as unsustainable techniques.

As these numbers indicate, the smaller group of commercial fishers who are employing the more unsustainable methods and garnering larger catches overall are having a bigger impact on the fisheries, and in turn negatively impacting the livelihoods of the larger portion of the population that depends on fisheries as a subsistence protein source.

However, in the past few years there has been significant momentum driven by government, non-governmental, and community partners to address overfishing. These multi-actor/agency activities have resulted in positive advances. Again taking Pohnpei as the example, state government agencies partnered with MCT and a number of other international conservation groups and community partners to form a Fisheries Working Group in 2014. Using fisheries and market data gathered under a series of complementary projects, the Fisheries Working Group created a clear and easily communicated message about the status of Pohnpei's reefs and marine resources. The Fisheries Working Group also supported the establishment of the state's first fisher and market owner-led Fisheries Advisory Council. Together these groups conducted an extensive fisheries awareness campaign. As a result, municipal and traditional leaders strengthened fisheries management at the community level, calling for moratoriums on several highly threatened and flagship species such as the Napoleon Wrasse, bump head parrotfish, giant clams and giant groupers. Additionally, Pohnpei state adopted a number of new regulations in the second and third quarters of 2015 including size-based regulations for key herbivores as well as additional regulations for harvesting predators.

Building on advances at the state level, in 2016 MCT is planning to will initiate work, funded under a separate program, with the national government to develop a comprehensive plan to manage each of the states' coastal fisheries under an umbrella FSM-wide management plan. A key part of this plan will be sustainable financing for coastal fisheries by tapping into FSM national revenues from pelagic fishing by setting aside a percentage to fund fisheries management activities.... Sales of international fishing licenses for pelagic fish represent a significant source of revenue for the FSM. For fiscal year 2015 alone the national government collected approximately \$45 million in fishing access fees. Currently this revenue is included in the FSM national government's general fund and allocated to support national and state operations. Throughout 2016 and into 2017 MCT will also continue supporting multi-actor efforts, such as the Pohnpei example described above, within the FSM states.

While current and planned activities are/will help address overharvesting of FSM fisheries, enforcement remains a critical challenge within each of the FSM states. While well intentioned, many of the state marine resource agencies and enforcement divisions lack sufficient human capacity and equipment to enforce existing legislation and regulations. To address this issue, under this component this concept includes direct support to the state agencies to address enforcement gaps. This will include trainings for enforcement officers in each state about existing and proposed fisheries regulations in their respective jurisdictions. In addition, one mechanism that is proving effective

around the FSM are collaborative enforcement teams that include representatives from communities, non-governmental organizations, and other state agencies not normally involved in enforcement activities. For example, in 2014 Kosrae state in the FSM created a Conservation and Enforcement Taskforce comprised of five state government agencies and non-governmental organizations. To support the establishment of similar joint-enforcement teams for Pohnpei, Yap, and Chuuk, this concept includes activities to engage enforcement stakeholders and conduct joint enforcement planning, using *A Guide to Support Development of Collaborative Enforcement Plans*.

This Guide was based on prior efforts to build enforcement capacity throughout Micronesia and was developed with input from the following groups: Pacific Islands Managed and Protected Areas Community, the Guam Department of Aquatic and Wildlife Resources, Pew Charitable Trusts, Rare, Inc., the National Oceanic and Atmospheric Administration's National Marine Sanctuaries Program, and MCT. Previous capacity building efforts that informed the Guide include MCT-supported trainings for Pohnpei State Division of Fish and Wildlife. The capacity building trainings proposed in this concept will build on this prior technical assistance. In addition to exploring joint enforcement mechanisms and training conservation officers on existing and proposed regulations, MCT is proposing to procure necessary equipment and supplies, such as boat fuel and flashlight batteries, that are needed immediately by state agencies tasked with managing and enforcing fisheries regulations.

Activity 4.1: Provide training in each state on existing legislation and any newly adopted regulations and associated activities, such as marine protected area management and collaborative enforcement, to improve enforcement capacity.

Activity 4.2: Provide training and technical assistance in the states of Yap, Chuuk, and Pohnpei on joint-enforcement techniques to further the establishment of joint enforcement taskforces in these states.

Activity 4.3: Procure and distribute necessary equipment and supplies to support states' enforcement personnel with their outreach and enforcement activities.

B. Describe how the project / programme provides economic, social and environmental benefits, with particular reference to the most vulnerable communities, and vulnerable groups within communities, including gender considerations. Describe how the project / programme will avoid or mitigate negative impacts, in compliance with the Environmental and Social Policy of the Adaptation Fund.

Under Objective 1 this project will focus on vulnerable communities in the four states of FSM who depend largely on their natural resources for their livelihoods and who are already facing the negative impacts of climate change (i.e. droughts and contaminated water resources, forest and agro-forestry loss and increasing numbers of invasive species and pests, coral reef degradation and declining coastal fisheries, flash-floods and mudslides, erosion and loss of coastal lands and shorelines, etc.). These stakeholders (including mostly small farming and artisanal fisheries and low income

families) constitute more than 50 percent of the population, and approximately 60 percent of those are women and children. This project anticipates working with at least two such communities per state, and will ensure benefits to all those involved.

MCT intends to build on the work already underway through the programs it has administered over the past 10 years to continue to assist Micronesian communities with vulnerability assessments, adaptation planning, and implementation of those plans. As described above in Section A, through a combination of outreach, local planning, and technical assistance MCT and its national executing entity(ies) and grant recipients will assist communities to develop targeted work plans with actions to reduce the exposure and sensitivity of coastal and marine resources, and build their adaptive capacity.

MCT has a strong track record of working with vulnerable communities, having worked with and/or providing grants and technical assistance to approximately 150 communities/sites across Micronesia (FSM, Republic of Palau and the Republic of the Marshall Islands). MCT's own portfolio of grants tools requires that all project proponents receiving funds from MCT involve all members of the communities during the project design and implementation, with specific emphasis on the involvement/participation of women and the most vulnerable members of society. Additionally, to ensure there are no or very minimal environmental and social negative impacts of project activities, MCT will make sure that its Environmental and Social Policy (to be finalized and implemented with a technical assistance grant from the Adaptation Fund prior to the start of this project) as well as that of the Adaptation Fund, are adhered to by all participating entities.

Under Objective 2 this project will also support more effective protected area management, which includes supporting watershed management, forest/agro-forestry and mangrove restoration and management, sustainable land management, pests/invasive species management, improved food and water security through improved ecosystem health and resource use strategies, and innovative pests management practices, ~~which could be exacerbated by increasing temperatures~~, restoration and rehabilitation of ecosystems to enhance resilience of ecosystem services such as water availability to cope with drought and rising temperatures. Objective 3 will also improve food security and marine ecosystem health by strengthening nearshore fisheries management. Finally, because none of the project activities will include major infrastructure development activities and because the project will mostly employ ecosystems based approaches, MCT does not anticipate any negative environmental impacts.

[MCT will use the AF grant to specifically address concrete adaptation measures through an eco-system-based approach. The activities combined all aim to address the adverse impacts and risks posed by climate change through the identification and implementation of community priorities, under components 2, 3 \(establishment and implementation of PANs\) and by ensuring sustainability of the measures implemented through component 4 \(enforcement training\). The focus on eco-system health will improve communities' overall resiliency to climate change.](#)

The effective management of key ecosystems and adaptation to climate change impacts in critical areas depends, in the Micronesian context, on the establishment and implementation of the appropriate combination of conservation, protection and rehabilitation and other strategies through networks of protected areas managed by a coalition of community members, leadership, state and national agencies and conservation NGOs. The protected areas typically include areas used by the communities and the management actions selected are based on community needs and priorities as well as the conservation measures required to ensure the health and sustainability of the resources therein. These are determined as part of the LEAP process described in the concept paper and informed by scientific research and studies. The effectiveness of these protected areas once established depends on the enforcement of the policies and regulations agreed upon. The experience gained through previous enforcement trainings has shown that compliance with and enforcement of regulations improves when all parties are aware of them and involved in their development.

In addition, the project is designed to include the implementation of concrete interventions and activities involving communities. While there are a suite of tools available, there is a real need for funding to turn planning into actual action on the ground, and the AF grant will provide funding. Based on MCT's unique experience, doing climate change work with communities effectively requires addressing three main challenges. This project will address these challenges through direct adaptation work in Micronesian communities while also building broader long-term capacity of Micronesians to scale up efforts and reach more communities over time:

1. **Sustained, effective capacity of community facilitators:** To truly build long-term resilience, it takes time to first build the capacity of community facilitators who can effectively carryout outreach and assessment processes in local languages and in culturally appropriate ways. This requires sustained skills building of staff in local organizations whose regular work is in communities.
2. **Information and Capacity gaps:** Further technical support and skills building is needed to understand complex issues, and to ensure appropriate adaptation strategies are ecologically sound, as well as reduce vulnerability through long-term climate scenarios. Complex issues include coastal change (i.e. erosion and flooding) and designing resilient marine managed areas as part of fisheries management.
3. **Need for sustained funding:** There is often an implementation gap due to lack of consistent and sustained funding sufficient to catalyze and implement adaptation actions identified through community processes. Therefore, if funds are not secured in conjunction with planning efforts, momentum and interest by communities to implement adaptation action can wane.

<u>Checklist of environmental and social principles</u>	<u>No further assessment required for compliance</u>	<u>Potential impacts and risks— further assessment and management required for compliance</u>
<u>Compliance with the Law</u>	<u>X</u>	<u>The Concept considers the resource tenure systems and national and state laws of the FSM. MCT has more than 10 years implementing similar programming and has not had any legal issues as a result of the technical activities of its projects</u>
<u>Access and Equity</u>	<u>X</u>	<u>Given the social makeup of the FSM and the immediate and significant role of communities in managing their natural resources, MCT plans to engage and partner with local NGOs, government structures, and communities. Women and youth will also be engaged, see CR 9 for additional gender considerations</u>
<u>Marginalized and Vulnerable Groups</u>	<u>X</u>	<u>See above</u>
<u>Human Rights</u>	<u>X</u>	<u>See above</u>
<u>Gender Equity and Women's Empowerment</u>	<u>X</u>	<u>We have in place ways for engaging women in the larger community and have experience in doing so; see CR 9 for additional details</u>
<u>Core Labour Rights</u>	<u>X</u>	<u>The Concept does not include activities that would infringe on labor rights</u>
<u>Indigenous Peoples</u>	<u>X</u>	<u>As stated above, the indigenous people of the FSM are also the political, social, and cultural leaders of the country—the vast majority of the population is comprised of indigenous peoples.</u>
<u>Involuntary Resettlement</u>	<u>X</u>	<u>The Concept does not include activities that would result in involuntary resettlement</u>
<u>Protection of Natural Habitats</u>	<u>X</u>	<u>Objective B is focused on improving the effective</u>

		<u>management of protected areas in FSM; this is part of the Micronesia Challenge which has been in place since 2006</u>
<u>Conservation of Biological Diversity</u>	<u>X</u>	<u>As described above in CAR 4, the FSM's commitments to the UN CBD directly informed sections of the Concept; all three project Objectives support the FSM's goals to conserve biodiversity</u>
<u>Climate Change</u>	<u>X</u>	<u>As a small island nation, the FSM is facing considerable threats from climate change; this concept is intended to help reduce vulnerability to these impacts</u>
<u>Pollution Prevention and Resource Efficiency</u>	<u>X</u>	<u>The Concept does not include any activities that could increase pollution, and Objectives A, B, and C aim to improve ecosystem services (i.e. resource efficiency)</u>
<u>Public Health</u>	<u>X</u>	<u>The Concept does not include any activities that could negatively impact public health</u>
<u>Physical and Cultural Heritage</u>	<u>X</u>	<u>The Concept does not include any activities that would infringe on physical and cultural heritage; to the contrary Objective B includes strengthening the management and preservation of such sites</u>
<u>Lands and Soil Conservation</u>	<u>X</u>	<u>The Concept does not include any activities that would infringe on lands and soil conservation</u>

C. Describe or provide an analysis of the cost-effectiveness of the proposed project / programme.

MCT intends to leverage the PFG to conduct detailed analysis. However, for this concept MCT considered the following: Micronesian communities and local grant recipients currently do not have the absorption capacity to design and implement sound projects of more than \$100,000. MCT's over 10 years of grant-making experience shows us that projects around \$35,000 to \$100,000 have the most impact and are currently the size that communities can handle without causing community dissent and social problems. Larger grants require more technical capacity beyond what community members, most especially the vulnerable groups, can effectively provide. Additionally,

larger grants usually attract unhelpful members of society who look to find ways to personally gain from such programs/projects. This assertion, which will be elaborated on during the full project development, can also be corroborated by the Global Environment Facility-Small Grants Program and by other donor entities in the FSM.

Activities in smaller/right-sized projects are also more easily adapted when necessary and can be more practically replicated in other communities across Micronesia. Smaller/right-sized projects also force communities to be highly innovative and to find ways to provide in-kind contributions and to leverage additional resources to the project activities. Larger and/or inappropriate amounts of grants provided to local communities will certainly lead to more dependency on project funds and could lead to the design and implementation of project activities which cannot be maintained and sustained by the participating communities beyond the project period.

Given the above, this concept includes an enhanced direct access approach to a small grants program under Objective 1. Through these targeted small grants, communities will have access to appropriate and sufficient support to assess vulnerabilities to climate impacts and design ecosystem-based activities to address these threats. This is a more efficient and appropriate approach to supporting community activities than the traditional government assistance model.

Activities under Objectives 2 and 3 will build off of existing government structures. For Objective 2 this will be accomplished by embedding personnel within the executing entity(ies), both of which are national government agencies, and within state government agencies at the state level to coordinate and spearhead the work of starting up and implementing the FSM national protected areas network and its constituent state-level protected areas networks. Under Objective 3, training and material support will be provided to existing state government bodies responsible for enforcement of near-shore fisheries policy and management. This is a cost effective approach since it is not duplicating government efforts and is instead building capacity within the existing government system. MCT and its Pacific Islands Managed and Protected Areas Community (PIMPAC) partners also rely on local capacity and expertise to facilitate training activities and peer-learning, rather than depending on outside experts and consultants, thus strengthening local capacity and minimizing costs.

In addition, MCT and its partners are continuing to work to advance ongoing sustainable financing efforts related to the Micronesia Challenge and its associated efforts. Through sustainable financing mechanisms such as the FSM's Micronesia Challenge Endowment Fund and the establishment of consistent local funding streams, MCT and its partners are working to maintain resource management and climate adaptation initiatives (such as this proposed concept) beyond the project/programme periods of performance. The FSM's participation in the Micronesia Challenge Endowment funding program is contingent upon the FSM PAN and Country Program Strategy both being operational and meeting the Micronesia Challenge Steering Committee's standards. Thus the activities in components 2, 3 and 4 of this project themselves will result in the

availability of sustainable financing for this work beyond the life of the AF project. An effectively implemented PAN will result in sustainable financing.

Finally, MCT's core business as stated in its mission statement is: "We build partnerships, raise and manage funds, influence policy, and provide conservation and financing expertise." MCT's new Strategic Action Plan also prioritizes Climate Resilience as one of its key Impact Areas. Thus, fundraising and providing technical support for climate change adaptation work and projects such as that proposed here is an organizational priority and will represent a significant portion of MCT's work and budgets for the foreseeable future.

D. Describe how the project / programme is consistent with national or sub-national sustainable development strategies, including, where appropriate, national or sub-national development plans, poverty reduction strategies, national communications, or national adaptation programs of action, or other relevant instruments, where they exist.

This concept is consistent with the following FSM national government policies, laws, and international commitments:

- FSM's Nationwide Integrated Disaster Risk Management and Climate Change Policy
- Public Law No. 18-43 which corresponds to the FSM's Nationwide Integrated Disaster Risk Management and Climate Change Policy
- FSM's commitment to the United Nations Framework Convention on Climate Change
- FSM's commitment to the United Nations Convention on Biological Diversity
- The Micronesia Challenge

In 2013, the FSM government enacted Public Law No. 18-43 as well as approving the Federated States of Micronesia's Nationwide Integrated Disaster and Climate Change Policy (the "CC Policy"). The combination of the law and CC policy introduces certain legal obligations for departments and agencies of the National Government in relation to climate change. The act and the CC Policy provide the overarching framework for further detailed legislation on climate change, and is part of the FSM's commitment to the United Nations Framework Convention on Climate Change.

The proposed project directly addresses the Strategic Outcomes (2013-2023) identified by FSM's government in its CC Policy, specifically the following elements of the policy:

Economic resilience

- Robust agriculture, forestry and fisheries sectors that are able to rapidly recover from hazards and positively adapt to changing environmental circumstances □
- Reduced reliance on imported commodities □

And under Climate Change Adaptation:

- . Enable adjustments in natural and human systems in response to actual or expected changes in the climate or its impacts in order to moderate harm or exploit beneficial opportunities. □
- . Adapt development and economic activities to gradual changes in average temperature, sea level, ocean acidification and precipitation. □
- . Reduce and manage the risks associated with more frequent, severe and unpredictable extreme weather events. □

The project further aims to expand and strengthen the implementation of FSM's protected area network by establishing state level networks in areas of biological, cultural, and ecosystem significance in places where they currently do not exist, and strengthening the effective management of established protected areas. Building on existing government institutions at the different levels, the project will foster inter-ministerial and cross-sectoral coordination on climate change adaptation issues. These aspects of the project directly support the FSM's biodiversity goals as established in its National Biodiversity Strategic Action Plan, developed as part of the FSM's commitment to the United Nations Convention on Biological Diversity. Specifically, the project supports the following Themes:

Theme 1: Ecosystem Management: A full representation of FSM's marine, freshwater and terrestrial ecosystems are protected, conserved and sustainable managed, including selected areas designed for total protection. Objectives A (Climate change vulnerability reduced in at least eight communities), B (National and state protected area networks fully functioning), and C (Near-shore fisheries more effectively managed in the FSM states) of this proposed program support this Theme.

Theme 4: Agro biodiversity: The conservation and sustainable use of Agro biodiversity contributes to the nation's development and the future food security of the FSM. Objective A of this proposed program supports this Theme.

Theme 5: Ecologically Sustainable Industry Development: Economic development activities in the FSM meet the needs of the population while sustaining the resources for the benefit of future generations. Objectives A and C of this proposed program support this Theme.

Theme 9: Resource Owners: Traditional resource owners and communities are fully involved in the protection, conservation, preservation, and sustainable use of the nation's biodiversity. Objectives A, B, and C of this proposed program support this Theme.

As described above as the states have jurisdiction over the natural resources, each state in the FSM also developed State Biodiversity Strategic Action Plans. Objective B activities are aligned with all five of these planning documents. In addition, each state has a fisheries plan, either as a standalone document or incorporated into broader

economic/social development plans. More information about these sub-national plans will be provided in the full proposal.

In addition to these FSM specific standards, this project also supports the Micronesia Challenge. In early 2006, the Chief Executives of the U.S. Commonwealth of the Northern Marianas Islands, FSM, the Republic of the Marshall Islands, the Republic of Palau, and the U.S. Territory of Guam signed the Micronesia Challenge. The Micronesia Challenge is a shared commitment to effectively manage and protect at least 30 percent of nearshore marine resources and 20 percent of the terrestrial resources across Micronesia by 2020. The Micronesia Challenge was a catalyst for creating a regional web of mutually reinforcing projects, programs, and peer-learning networks to improve the management and ecosystem condition of the natural resources Micronesians rely on. Reflecting the region's diverse resource tenure systems and traditional management practices, national and sub-national government agencies with policy, regulatory, and enforcement mandates are partnered with non-governmental organizations (NGOs) with conservation and community outreach and mobilization skills to work with communities and traditional leaders to manage resources, conserve biodiversity, and increase ecosystem and community resilience to climate change. International universities, institutes, and conservation organizations provide scientific knowledge and support, while regional peer-learning networks connect resource managers and NGOs from across the Micronesia Challenge, functioning as capacity building and knowledge sharing platforms.

As described in this concept, MCT and its partners plan to build on this existing framework by actively involving NGOs, government agencies, traditional leaders and communities in each of the three project Objectives.

- E. Describe how the project / programme meets relevant national technical standards, where applicable, such as standards for environmental assessment, building codes, etc., and complies with the Environmental and Social Policy of the Adaptation Fund.

This concept does not conflict with national or state standards; this section will be more fully addressed in the full project proposal once MCT has had the opportunity to consult with state-level officials and representatives regarding the most recent developments and standards in this area. For the purposes of this concept document, MCT can offer the following:

- F. Describe if there is duplication of project / programme with other funding sources, if any.

While ~~many~~ much of the activities outlined in this concept align with and/or will build on past and ongoing efforts, MCT and its national executing agencies and local grantees will ensure efforts are not duplicated with other funding sources. Together with this

proposed concept, MCT is applying for a Project Formulation Grant so that it can consult all relevant stakeholders within each of the FSM states, as well as the FSM national government and other organizations conducting similar work in the country to ensure the activities proposed in the full project proposal will not duplicate other current or planned projects/activities. Additionally, related to Objective 1, FSM has hundreds of communities and MCT and its other partners' efforts are far from working to improve climate resilience within all the vulnerable communities across the FSM.

Below is a table highlighting current major initiatives underway in the FSM. These efforts are complementary to each other and MCT and its partners work regularly with the implementers in the table to ensure that efforts are not duplicated.

<u>Project Name</u>	<u>Objective and Complementarity</u>	<u>Funding Source</u>	<u>Implementer(s)</u>
<u>Watershed Management Project</u>	<u>Improvement of water quality and reduction of sediment runoff through relocation of piggeries and conversion to dry litter system. This proposal is not duplicative of this project. The Watershed Management project is located in one community on Pohnpei in the FSM and will close by the end of 2016. Under this project farmers are receiving loans to convert piggeries and the community has agreed to limit upland farming in exchange for the construction of a community center. MCT will not fund similar work in this location under its proposed project.</u>	<u>Seacology, GEF Small Grants</u>	<u>MCT & Awak Youth Organization</u>
<u>Implementation of Micronesia Challenge and Climate Adaptation Plans for Forest Areas in FSM</u>	<u>Development and implementation of community-based management and adaptation plans. This proposal is not duplicative of this project. This project focuses on improving the management of specific parcels of forests in Kosrae, Pohnpei, Yap and Chuuk. Landowners are partnered with local NGOs to identify and implement targeted forest interventions, such as invasive species management. MCT will not fund similar work in these locations under its proposed project.</u>	<u>United States Forest Service</u>	<u>MCT and partner NGOs in each of the 4 FSM states</u>
<u>Global Climate Change Alliance Adaptation Project</u>	<u>Build local/community capacity in FSM to be able to adapt to climate change; and to develop climate adaptation plans and implement plans in at least 3 communities (demo sites) in FSM. This proposal is not duplicative of this project. The sites for this project were/are Walung, Kosrae, Pakin, Pohnpei, and Piis Peniau in Chuuk. Under this project local NGOs used the LEAP tools described in the Concept to identify community climate change vulnerabilities and design management strategies to improve resiliency. The experiences of NGOs and communities are relevant to MCT's proposed project, particularly Objective A, but MCT will not fund similar work in these locations again.</u>	<u>European Union/University of the South Pacific</u>	<u>MCT and partner NGOs in Yap, Pohnpei and Kosrae</u>

<p>Building the Resilience of Communities and their Ecosystems to the Impacts of Climate Change in Micronesia and Melanesia</p>	<p>Eco-systems based climate change adaptation: community-level adaptation, national and subnational level capacity-building to guide, formation and evaluation of climate change policies and innovative financing mechanisms, such as through PES can support eco-systems based adaptation. This proposal is not duplicative of this project. The sites for this project are Onei, Chuuk; Pakin, Pohnpei; Malem, Kosrae, Tamil, Yap; Melekeok and Kayangel, Palau, and Wotho and Mejit in the Republic of the Marshall Islands. Under this project local NGOs used the LEAP tools described in the Concept to identify community climate change vulnerabilities and design management strategies to improve resiliency. The experiences of NGOs and communities are relevant to MCT's proposed project, particularly Objective A, but MCT will not fund similar work in these locations again.</p>	<p>BMU-ICI/The Nature Conservancy (TNC)</p>	<p>MCT, TNC, partner NGOs, technical consultants</p>
<p>Increasing Coastal Resilience of Micronesia's Mangroves</p>	<p>1.Work with local governments, NGOs and communities to conduct a vulnerability assessment of Pohnpei's mangrove forests to identify threats, and create a mangrove adaptation plan with specific adaptation actions to address threats, 2.Assess the feasibility of funding habitat conservation by marketing carbon credits, 3. Share project results to catalyze similar projects throughout Micronesia. This project is focused on mangrove ecosystems on Pohnpei State, and in addition to the three broad goals above will also support a mangrove protected area in Sokehs, Pohnpei. MCT will not fund similar work under this Concept.</p>	<p>US Department of the Interior, PICCC</p>	<p>US Geological Survey, US Fish and Wildlife Service, US Dpt of the Interior, TNC, Pohnpei State Gov, MCT, local NOGs, PICCC</p>
<p>FSM Joint National Action Policy and State Action Plans for Climate Change Adaptation and Disaster Risk Management</p>	<p>Assistance to FSM government with the development of this policy and plans. MCT's Concept does not include any activities that are duplicative of this planning project.</p>	<p>EU</p>	<p>SPC, EU, SPREP, FSM OEEM</p>
<p>Supporting more effective natural resource management in Micronesia Project</p>	<p>Build on the significant successes already achieved in support of the Micronesia Challenge, while advancing fisheries management, expanding necessary support for protected areas networks, and improving protected area effectiveness. Through this project the partners will also strengthen financial and human capacity in the Micronesian conservation community. Through this new</p>	<p>The David and Lucile Packard Foundation, Margaret A Cargill Foundation</p>	<p>MCT and local partner NGOs</p>

	<p><u>project MCT is planning to issue approximately 15 competitively selected grants to partners in the FSM, Palau, and the Republic of the Marshall Islands that support one or more of the following:</u></p> <ul style="list-style-type: none"> • <u>New protected areas are formally listed as part of jurisdiction PANs</u> • <u>New protected area management plans are developed and/or revised</u> • <u>Actions under management plans are implemented in protected areas</u> • <u>Enforcement is measurably improved at protected area sites</u> • <u>Community awareness and behavior change campaigns take place that result in increased support for and compliance with protected areas</u> • <u>At least two people per jurisdiction trained in the use of the Marine Protected Area Management Effectiveness tool, and the tool is routinely used with protected area managers to gauge effectiveness of their efforts</u> • <u>Science-to-management research projects conducted that directly influence protected area design and/or management plans</u> <p><u>It is likely that some of these awards will be to partners in the FSM that will support the country's PAN. However this is not duplicative of MCT's Concept, as Objective B specifically focuses on strengthening the PANs at the National and State level by putting in place policies and frameworks. Put another way, MCT's Concept supports the PAN system, while this project will provide targeted support to individual protected areas/site specific projects.</u></p>		
<p><u>United States Peace Corps Small Project Assistance for Adaptation</u></p>	<p><u>Extend USAID's reach to remote communities by supporting, 1. Youth camps to promote awareness, knowledge & skills to become responsible natural resource stewards, 2. Trainings to support community adaptation to climate change and build capacity for disaster risk reduction, 3. Small-scale community projects that can demonstrate application of climate change & DRR principles . MCT will not fund similar activities in the same locations.</u></p>	<p><u>USAID</u></p>	<p><u>United States Peace Corps</u></p>

<u>Coastal Community Adaptation Project</u>	<u>Build resiliency of vulnerable coastal communities to withstand more intense and frequent weather events and ecosystem degradation and sea level rise by, 1. Rehabilitating or constructing new small-scale community infrastructure, 2. Building capacity for disaster prevention and preparedness, 3. Integrating climate resilient policies and practices into land use plans and building codes. MCT will not fund similar activities in the same locations.</u>	<u>USAID</u>	<u>Development Alternative s Inc., USP, Kramer Ausenco Papua New Guinea Limited, FSM OEEM</u>
<u>Pacific Catastrophe Management and Financing Initiative</u>	<u>Assistance with risk modelling and assessment tools to help better understand, model and assess exposure to natural disasters and engage in dialogue on integrated financial solutions for the reduction of Pacific island countries' financial vulnerability to natural disaster and climate change. MCT will not fund similar activities in the same locations.</u>	<u>WB and ADB</u>	<u>SPC, WB, ADB, Gov of Japan, Pacific Disaster Center</u>

G. If applicable, describe the learning and knowledge management component to capture and disseminate lessons learned.

While this section will be more fully addressed as part of the full project proposal submission, MCT will share the results of this project with a wide variety of audiences including: national and state-level government agencies, partner non-governmental organizations, and regional and international conservation NGOs and multilateral institutions. At the regional and state levels, MCT will share project bright spots, lessons learned, and recommended approaches through the Micronesians in Island Conservation Network, the Pacific Islands Managed and Protected Areas Community, and the Micronesia Locally Managed Marine Areas Network. MCT, as a non-voting member of the Micronesia Challenge Steering Committee and frequent attendee/presenter at regional policy forums including the Micronesian Presidents Summit, the Micronesia Chief Executives Summit, and the Association of Pacific Island Legislatures will use these platforms to share the results of the project and cultivate continued support of the Micronesia Challenge. MCT will also continue to share the progress of the Micronesia Challenge and will highlight specific results from this project through either its direct participation at, or through the Global Islands Partnership, at World Bank, United Nations Framework Convention on Climate Change, and the United Nations Convention on Biological Diversity events.

[MCT- recognizes the importance of knowledge management \(KM\) to enhance impacts and facilitate replication. As such, this project will integrate various KM related actions. The KM component will ensure the systematic capturing and dissemination of lessons learned and good practices that emerge from the project and a broad range of KM products will be developed \(including, case studies, photo stories, posters, and technical reports – these will be in English and in local languages\).](#)

One of the key KM actions will be to embed a learning mechanism within the small grants component of the project, executing partners in the field, such as Yap Community Action Program, the Chuuk Conservation Society, the Conservation Society of Pohnpei, and the Kosrae Conservation and Safety Organization, will be tasked with monitoring project progress and required to report on lessons and provide qualitative assessments on successes and challenges. As described in Part III D of the Concept, MCT will use its existing suite of project management tools, the Grant Tools, to track individual sub-grantee and project performance.

Also, a community of practice will be convened of grant awardees to share experiences, brainstorm solutions to common challenges, and provide a network of support across islands. This community of practice will be integrated into the three peer learning networks that MCT already supports, the Pacific Islands Managed and Protected Areas Community, Micronesians in Island Conservation, and Locally Managed Marine Area Network, Micronesia Node, as well as the Global Islands Partnership. Below is a brief summary of each entity and its role in the proposed project.

Pacific Islands Managed and Protected Areas Community (PIMPAC): Under this Concept, MCT and its partners will leverage PIMPAC to share technical and scientific information to inform more effective community climate change adaptation initiatives, ecosystem management activities, and build the capacity of resource managers. PIMPAC's mission is to provide continuous opportunities for the sharing of information, expertise, practice, and experience to develop and strengthen area-based management capacity throughout the Pacific Islands region. PIMPAC does this by providing support to area based management efforts in the region. This includes both land and marine managed and protected areas and aims to support a holistic approach to management from ridge to reef. As a social network, PIMPAC uses four main approaches to carry out its mission. They are: 1) Training and Technical Support, 2) Learning Exchanges, 3) Partnership Building, and 4) Communications/ Information Sharing. PIMPAC is currently co-coordinated by U.S. National Oceanic and Atmospheric Administration (NOAA) and MCT.

Micronesians in Island Conservation (MIC): Through MIC, MCT and its partners will share policy and management recommendations informed by the results of the activities proposed in the Concept. MIC is a peer-learning network for conservation leaders of government agencies, NGOs, and local/regional initiatives, to leverage financial and human resources for greater conservation impact across Micronesia. Its purpose is increasing the success, effectiveness, and number of conservation leaders in the nonprofit and government sectors. MIC's approach is to create a support structure that fosters shared self-directed learning to address priority organizational and technical needs. In the years since its inception in 2002, MIC has contributed significantly to advancing major conservation and climate adaptation initiatives at the site, national and regional levels – particularly supporting the implementation of the Micronesia Challenge. MCT currently coordinates MIC.

Locally Managed Marine Area Network, Micronesia Node (LMMA Network): MCT and its partners will continue sharing knowledge, science, and recommendations for improved ecosystem management through the LMMA Network. The LMMA Network is a group of practitioners involved in various marine conservation projects around the globe who have joined together to increase the success of their efforts. The LMMA Network is a learning network, with participating projects using a common strategy and working together to achieve goals. Members share knowledge, skills, resources and information in order to collectively learn how to improve marine management activities and increase conservation impact.

Global Island Partnership (GLISPA): MCT leverages GLISPA's international outreach and communications networks to promote the Micronesia Challenge. GLISPA provides a global platform that enables islands to work together to develop solutions to common problems and to take high-level commitments and actions that address these global challenges.

The project will also identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects in FSM as well as elsewhere in the Pacific. Further details and costing of KM related outputs and activities will be provided in the full project document

H. Describe the consultative process, including the list of stakeholders consulted, undertaken during project preparation, with particular reference to vulnerable groups, including gender considerations, in compliance with the Environmental and Social Policy of the Adaptation Fund.

In the FSM, the indigenous people of the islands form the vast majority of the population and land and political institutions are in their full control. Thus any project development and implementation does not require this special consideration.

There are five primary governing structures within the FSM: the national government, and the Yap, Chuuk, Pohnpei and Kosrae state governments. Furthermore each state is divided into a number of municipalities each with representative governments, and traditional/religious leaders also play a significant role at the state and national levels. At the constitutional/legislative level, responsibilities for climate adaptation initiatives, ecosystem, and natural resource management are shared between the municipalities, states, and the national governments. Each state has jurisdiction of its surrounding natural resources out to 12 nautical miles, and manages its resources through a combination of policies, resource management agencies, and delegation to municipalities. The FSM also has diverse land tenure systems, and communities across the country own and manage large sections of terrestrial and nearshore coastal areas. The national government is also responsible for managing resources from 12 to 200 nautical miles. Given this structure, it is imperative that consultations include both national and state-level stakeholders.

However, the geography of the FSM poses severe challenges to conducting a traditional consultation processes, with the four states separated by hundreds of miles of ocean between each state; over thousands of miles of ocean in total. Air travel is prohibitively expensive and communications technology often unreliable. Because of this and because of the time constraints involved with submitting a concept in time for the most recent deadline, MCT and the FSM Designating Authority opted to depend on recently conducted consultations around climate change adaptation issues and projects to inform the development of this concept paper. This concept was also influenced by the results of FSM National Environment Summits. These Summits happen each year and are a forum where stakeholders from across the FSM share biodiversity and climate adaptation needs and solutions.

One of MCT's most extensive recent stakeholder consultations was to develop the FSM's 5th National Report to the United Nations Convention on Biological Diversity. The primary method of data collection to inform the report was a series of two-day stakeholder workshops held in each of the four states of FSM and at the national level, as well as individual meetings with key stakeholders. Over a three month period at the end of 2014 the MCT report team met with over 100 individuals, including representatives from 60 national and state government resource management agencies, local NGOs, members of communities, traditional leaders, educational institutions, the private sector and regional and international donor and conservation organizations. During these workshops and meetings, stakeholders discussed the FSM's progress towards achieving objectives outlined in its national Biodiversity Strategic Action Plan. As a small island nation, conversations about biodiversity and protected area management also included significant discussions about the impacts of climate change and related community vulnerabilities. These discussions were captured in the 5th National Report, which included sections on the accelerating impact of climate change on FSM ecosystems and communities. Below is the list of stakeholder organizations consulted:

FSM Department of Resources and Development
College of Micronesia – FSM
Rare, Inc.
The Nature Conservancy
FSM Office of Environment and Emergency Management
FSM Philatelic Bureau
FSM Department of Transportation, Communications, and Infrastructure
FSM Department of Education
Secretariat of the Pacific Community
FSM Pacific Adaptation to Climate Change Project
UN Small Grants Program
FSM Department of Health and Social Affairs
FSM Department of Foreign Affairs
Chuuk Department of Marine Resources
Chuuk Environmental Protection Agency
College of Micronesia - Chuuk Campus
Chuuk Women's Council
Chuuk Conservation Society
Chuuk Department of Agriculture
Chuuk Historic Preservation Office
Chuuk Budget Office
Chuuk Department of Administrative Services
College of Micronesia - Cooperative Research and Extension Chuuk
UFO Women's Association Chuuk
Chuuk Department of Commerce and Industry
Chuuk Attorney General's Office

[Yap Division of Agriculture and Forestry](#)
[Yap Environmental Protection Agency](#)
[Yap Fishing Authority](#)
[Yap Department of Resources and Development](#)
[Yap Attorney General](#)
[Tamil Resources Conservation Trust - Yap](#)
[Yap Community Action Program](#)
[Yap Department of Marine Resources](#)
[Nimbal Challenge Protected Area - Yap](#)
[Kosrae Island Resource Management Authority](#)
[Kosrae Conservation and Safety Organization](#)
[Kosrae Division of Agriculture](#)
[Kosrae Visitor's Bureau](#)
[Kosrae Department of Resources and Economic Affairs](#)
[Yela Environment Landowners Authority - Kosrae](#)
[College of Micronesia - Cooperative Research and Extension Kosrae](#)
[Kosrae Attorney General](#)
[Kosrae Governor](#)
[Kosrae Recycling Program](#)
[Kosrae Women's Association](#)
[Kosrae Conservation and Enforcement Taskforce](#)
[Kosrae State Land Court](#)
[Kosrae State Legislature](#)
[Conservation Society of Pohnpei](#)
[Pohnpei Environmental Protection Agency](#)
[Island Food Community of Pohnpei](#)
[Pohnpei Office of Fisheries and Aquaculture](#)
[Pohnpei Department of Lands and Natural Resources](#)
[Pohnpei Office of Economic Affairs and Agriculture](#)
[Pohnpei Attorney General](#)
[Pohnpei Division of Fish and Wildlife](#)
[Pohnpei Women's Advisory Council](#)
[Madolenihmw Municipal Government](#)
[Pohnpei Office of Foreign Investment](#)
[Pohnpei Division of Forestry](#)
[Pohnpei Farmer's Association](#)
[Pohnpei Department of Public Safety](#)

Also, MCT's grantees are required to report at least semi-annually and in these reports are encouraged to suggest future areas of programming and identify specific needs. Below is a list of MCT's current grantees in the FSM. The input and reports from these grantees also informed this concept:

- [Kosrae Conservation and Safety Organization](#)
- [Yela Environment Landowners Authority](#)
- [Conservation Society of Pohnpei](#)
- [Awak Youth Organization \(MCT is a fiscal sponsor\)](#)
- [Island Food Community of Pohnpei \(MCT is a fiscal sponsor\)](#)
- [Chuuk Conservation Society](#)
- [Chuuk Women’s Council](#)
- [Yap Community Action Program](#)

Therefore, while the development of this concept was primarily a collaboration between the Micronesia Conservation Trust and the FSM government’s Designated Authority, it was also based on MCT’s intimate knowledge of the communities and their needs and capacity. This experience was gained as the result of years of funding, monitoring and evaluating projects in these communities in conjunction with the NGOs indicated in the Concept as those we plan to work with in implementing this AF project. Potential target communities are also either in, or adjacent to, the protected areas that this project will target and depend on them for their daily needs. In addition, because of the small size of these communities and the small populations of the FSM states and the limited number of conservation NGOs, MCT and the Designated Authority maintain close relationships with their leadership and members. Therefore MCT and the Designated Authority are aware of the needs and capacity of communities located in and around PAs based on their regular contact with these partner organizations and feel confident that this regular contact served instead of consultations at the concept phase of this project development as consultation, in a broad sense, occurs regularly. The formal consultations proposed in the PFG will serve to garner site-specific information and needs as well as AF project specific details.

While the dDevelopment of this specific concept document has only included the FSM Designated Authority, its contents and approaches described have resulted from years of consultation and interaction with the stakeholders as well as several recent project development and implementation activities around climate change adaptation and PAN development.As stated above, MCT is applying for a project formulation grant for MCT to develop the full project proposal with all relevant stakeholders involved. It is also important to note that MCT is a long time partner to all the relevant national entities who would be eligible to serve as MCT's executing entity(ies) and is an established a grant-making organization with more than a decade of experience administering grants in the FSM. Given its level of engagement with natural resource managers, government agencies, and communities, MCT has based this concept on the numerous discussions and requests its staff has had and/or received from its national and state government partners, grantees, and stakeholders. Below are two tables. The first includes an illustrative list of the government stakeholders and the second lists non-government stakeholders MCT intends to consult with to develop the full project proposal:

Table 1: Government stakeholders to be engaged in designing the full project proposal		
Location	Agency	Role

FSM National Government	Department of Resources and Development	National MC Focal Point. Tasked with coordinating the work of the State MC Focal Points; will be responsible for PAN framework and CPS
	Office of Emergency and Environmental Management	Will be invited to participate in national-level meetings; drafts of the PAN framework and CPS will be shared for feedback
	Congress, Office of the President, Department of Justice	Will review and provide input and necessary approvals to finalize FSM PAN and CPS
Chuuk State	Department of Agriculture and Forestry	Coordinates and implements measures promoting sustainable land management and agricultural practices
	Environmental Protection Agency	Provides for the protection of land, water and quality of air; supports climate change adaptation programming
	Attorney General's Office	Legal review and enforcement of policies and regulations on natural resource management
	Department of Marine Resources	Responsible for the protection, surveillance and sustainable use of marine resources, enforces marine regulations
	Department of Administrative Services	Administers Chuuk State budget
Governor's Office	Will review and endorse creation of State-level PAN, listing of any State PAs	
Yap State	Resources and Development (R&D)	Oversees State Divisions responsible for managing land and marine resources
	R&D Division of Agriculture and Forestry	Coordinates and implements measures promoting sustainable land management and agricultural practices
	R&D Division of Land Resources	Responsible for management of public lands
	R&D Marine Resources Management Division	Management of MPAs for the Yap State. Includes community engagement, data collection and monitoring activities in conjunction with other PA stakeholders
	Environmental Protection Agency	Responsible for protection of land, air, and ocean resources
	Office of Planning and Budget	Coordinates Yap state agencies to develop and implement state-wide plans for coastal and terrestrial management
	Governor's Office	Will review and endorse creation of State-level PAN, listing of any State PAs
	Yap Fishing Authority	State authority charged to manage sustainable fish stock for the state
Attorney General's Office	Legal review and enforcement of policies and regulations on natural resource management in Yap	
Kosrae State	Kosrae Island Resource Management Authority	Manages and monitors statewide marine areas, enforces protected areas. Sets regulatory framework, manages invasive species, conducts biological monitoring
	Department of Resources and Economic Affairs (DREA)	Oversees marine and land resource management. Responsible for fisheries development in support of sustainable livelihoods and marine surveillance unit.
	DREA Division of Agriculture	Responsible for agriculture, including quarantine services. Does model farming, has export promotion programs
	Kosrae Conservation and Enforcement Taskforce	New attempt at collaboration to enforce existing legislation and regulation for natural resource management in general, and PAs in particular
Attorney General's Office	Legal review and enforcement of policies and regulations on natural resource management	

	Governor's Office	Governor signs legislation for the creation of new PAs under the Kosrae PAN
Pohnpei State	Governor's Office	Can introduce legislation to create new PAs under the Pohnpei PAN
	Attorney General's Office	Legal review and enforcement of policies and regulations on natural resource management in Pohnpei. Also responsible for trying cases when violations occur
	Office of Fisheries and Aquaculture	Lead State government agency for conservation and restoration of Pohnpei marine ecosystem
	Department of Lands and Natural Resources	Issue permits, responsible for approving the establishment of PAs, mandated agency for terrestrial management, including watersheds and mangrove areas
	Department of Public Safety, Fish and Wildlife	Enforcement agency for protected areas in Pohnpei, supports community awareness and outreach activities
	Environmental Protection Agency	Provides for the protection of land, water and quality of air; supports climate change adaptation programming

Table 2: Non-government MCT partners to be engaged in designing the full project proposal

Location	Organization	Role
Regional	The Nature Conservancy	Technical partner, also funding and/or implementing projects that support the Micronesia Challenge. Specifically, The Nature Conservancy is helping the Micronesia Challenge go further by supplying the scientific know-how and conservation creativity needed to develop new environmental approaches. Will contribute in-kind to MCT's sustainable finance and capacity building activities
	Rare	Technical partner. Rare's approach includes comprehensive marketing campaigns, called Pride campaigns, to inspire communities to take pride in their natural resources. Rare is supporting Pride campaigns throughout the region in support of the Micronesia Challenge
	Global Island Partnership	MCT leverages GLISPA's International outreach and communications networks to promote the Micronesia Challenge. GLISPA provides a global platform that enables islands to work together to develop solutions to common problems and to take high-level commitments and actions that address these global challenges
	Micronesians in Island Conservation	A peer learning initiative for Micronesia's established leaders, emerging pioneers, and dedicated champions in conservation within both the non-profit and government sectors. The network creates a support structure that fosters shared, self-directed learning to address priority organizational and leadership needs of its members. MCT coordinates this network
	Pacific Islands Marine Protected Areas Community	Provides continuous opportunities for the sharing of information, expertise, practice, and experience to develop and strengthen area-based natural resource managers throughout the Pacific Islands. Supports ongoing training and technical assistance for management planning, socio-economic monitoring, and linking biological monitoring to management effectiveness and enforcement. MCT and NOAA co-coordinate PIIMPAC
	Locally Managed Marine Areas Network	The network provides information and resources on locally-managed marine areas and community-based adaptive management, and training in project design, monitoring, data management and analysis, fundraising, communications and more.
	Secretariat for the Pacific Regional Environment Program	Has been charged by the governments and administrations of the Pacific region with the protection and sustainable development of the region's environment. Funds conservation and natural resource management programming in Micronesia, MCT will continue to coordinate programming to avoid overlapping initiatives

	Global Environment Facility Small Grants Program	Provides small grants to local and community based organizations to promote sustainable resource management, increase climate change resiliency, and promote biodiversity conservation. MCT will continue to coordinate programming to avoid overlapping initiatives; will also continue upon request to act as fiscal sponsors for local groups to implement projects through the Small Grants Program
	Chuuk Women's Council	Coalition of women's associations, implements resource management programming in communities. MCT grantee, potential future grantee
	Chuuk Conservation Society	Conservation and resource management NGO, MCT grantee, potential future grantee
	Kosrae Conservation and Safety Organization	Conservation and resource management NGO, MCT grantee, potential future grantee
	Yela Environment Landowners Authority	Locally-based conservation NGO, MCT grantee, potential future grantee under this project
FSM	Yap Institute of Natural Science	Research organization and scientific partner
	Yap Community Action Program	Conservation and resource management NGO, MCT grantee, potential future grantee
	Waa'gey	Locally-based conservation NGO, MCT grantee, potential future grantee under this project
	Conservation Society of Pohnpei	Conservation and resource management NGO, MCT grantee, potential future grantee
	Awak Youth Organization	Locally-based community NGO, MCT currently acting as fiscal sponsor, potential future grantee under this project

Gender Considerations: Community/state/national level efforts supported by MCT are carried out in culturally appropriate ways. Micronesia is predominantly a matriarchal structure where women and women's groups play a strong role in mobilizing community action as well as in decision-making. Given past and current successes in its partnership with women's groups in conservation projects in Micronesia, and taking into consideration their varied and vital roles as producers and gathers, MCT will continue to support women's leadership in the communities, municipalities, states and national governments to ensure that project activities are successfully and sustainably carried out. MCT will also ensure that the application of the climate change adaptation tools under Objective A will be gender-sensitive, ensuring equal opportunities for participation between men, women and the youth in the communities.

MCT will ensure that the Learning and Knowledge Management framework developed for this project will capture and address any gender issues that negatively affect climate adaptation efforts. Importantly, the project will use participatory monitoring approaches that capture the differences in opportunities, risks and benefits for women and men that result from the adaptation process. The monitoring will also aim to capture gender differences in changes in resilience over the life of the project, and how these relate to other social, ecological, political and economic drivers of vulnerability to climate change. As in past and current efforts, youth groups will be particularly targeted with an emphasis on fostering interests and opportunities for young girls to engage in adaptation outreach, planning and actions.

- I. Provide justification for funding requested, focusing on the full cost of adaptation reasoning.

This concept includes illustrative estimates of the amounts required to conduct activities under the project Objectives. For component 1, MCT based the ~~\$450,000~~438,000 estimate on the following assumptions: 8 – 12 communities are reached by issuing approximately 4 – 6 grants of \$70,000 – \$120,000 (assuming that grantees work in more than one community). This estimate is based on MCT's current grants portfolio, which includes similar-sized subgrants to local partner organizations to conduct similar community climate change vulnerability assessments and implement corresponding adaptation actions. For component 2, MCT based the assumption of \$100,000 on broad estimates of salary, travel, and logistics costs over a three-year period for one full time National Protected Areas Network Coordinator. The component 3 assumption of \$200,000 includes salary for four State Protected Areas Network Coordinators for three years. The component 4 assumption of \$100,000 is based MCT's historical costs, specifically an estimate of 8 trainings at a cost of approximately \$10,000 each, with \$5,000 for equipment and supply purchases for each of the four states of the FSM. ~~As indicated in the table above in Part I, during the preparation of a full proposal~~ MCT Following the consultations proposed in the PFG, MCT will be able to determine ~~the amounts~~a more detailed cost breakdown for the -for project execution cost and project cycle management fee based on the specific state and national budget needs. This section will be fully addressed as part of the full project proposal submission, and the estimates outlined above are subject to change based on future stakeholder consultation.

- J. Describe how the sustainability of the project/programme outcomes has been taken into account when designing the project / programme.

As stated above, MCT is only recommending community-level project sizes and activities which can be supported-maintained by MCT, the national executing entity(ies) and grants recipients beyond the life of this project. MCT, the national executing entity(ies), and grants recipients also intend to make sure there are linkages between this project's activities with other projects/programs to ensure they can be sustained. For Objective 1 activities, MCT, its national executing entity(ies) and the grant recipients will encourage and/or require that project proponents include sustainable financing and sustainable livelihoods as specific activities. Objective 2 is designed to support the start up and initial implementation of national and state protected areas networks, and the FSM's Micronesia Challenge Endowment Fund and other national/state government allocations will support the maintenance of these networks. Lastly, Objective 3 largely calls for training and human capacity building activities which are designed to improve long-term enforcement of near-shore fisheries regulations.

In addition, MCT and its partners are continuing to work to advance ongoing sustainable financing efforts related to the Micronesia Challenge and its associated efforts. Through sustainable financing mechanisms such as the FSM's Micronesia Challenge Endowment Fund and the establishment of consistent local funding streams, MCT and

its partners are working to maintain resource management and climate adaptation initiatives (such as this proposed concept) beyond the project/programme periods of performance. The FSM's participation in the Micronesia Challenge Endowment funding program is contingent upon the FSM PAN and Country Program Strategy both being operational and meeting the Micronesia Challenge Steering Committee's standards. Thus the activities in components 2, 3 and 4 of this project themselves will result in the availability of sustainable financing for this work beyond the life of the AF project. An effectively implemented PAN will result in sustainable financing.

Finally, MCT's core business as stated in its mission statement is: "We build partnerships, raise and manage funds, influence policy, and provide conservation and financing expertise." MCT's new Strategic Action Plan also prioritizes Climate Resilience as one of its key Impact Areas. Thus, fundraising and providing technical support for climate change adaptation work and projects such as that proposed here is an organizational priority and will represent a significant portion of MCT's work and budgets for the foreseeable future.

K. Provide an overview of the environmental and social impacts and risks identified as being relevant to the project / programme.

Beyond the static geographic and logistical challenges of working in the FSM, MCT has identified four potential non-climatic barriers. Below is a short description of each and a plan to manage them:

Sub-grantee implementation. MCT is planning to re-grant a significant portion of project funds to local partners throughout the FSM. As such MCT will not have complete control over sub-project implementation and reporting. MCT, through its Capacity Building Program and site visits, will provide assistance with budgeting, project management, and reporting. In addition to the internal organization capacity needs, MCT will also continue providing opportunities for its partners to grow their organizational and technical skills through MIC, PIMPAC, the Pacific Invasive Learning Network, LMMA Network, the Micronesia Challenge Internship Program, and the Professional Forestry Internship Program. Through these networks and programs MCT will provide opportunities for technical training.

Community implications. As outlined in Section C above, a main area of risk/social impact is in providing excessively large grants to local communities. To mitigate this risk MCT is proposing to award small/right-sized grants to local conservation organizations experienced in implementing MCT-funded grants. As also stated above, the project will not include any major infrastructure development activities and the community level work will mostly employ ecosystems based approaches. As such, MCT does not anticipate any negative environmental impacts. However, during planned consultations to develop the full proposal MCT will discuss potential social and environmental risk and impacts of planned activities and integrate feedback as appropriate into the final project design.

Institutionalizing the PANs in the FSM. The FSM national government has not yet put in place a national PAN policy framework or Country Program Strategy, and two states (Yap and Chuuk) have not yet passed legislation/frameworks to establish state-level PANs. MCT has been invited to directly address this risk by providing technical assistance to government partners in those jurisdictions to put in place the legislation/policies as soon as possible. While there is continuing political support for the Micronesia Challenge, and MCT and its partner The Nature Conservancy have already worked to advance drafts at the national levels in FSM, experience to date shows that ongoing technical assistance and support will be required before the legislation/policies are finalized, adopted and implemented.

Uncertain political commitment for improved state fisheries management. Coastal fisheries in the FSM states are an important source of protein and livelihoods for a significant number of FSM citizens. In Pohnpei alone, fishers account for approximately 20 percent of the population and more than 60 percent of households contain at least one fisher. Therefore the management of coastal fisheries is a highly sensitive political issue at the state levels. In addition, offshore fisheries are an important source of revenue for the FSM National government and a variety of stakeholders are involved in pelagic fisheries management. Therefore, MCT anticipates that improving enforcement and overall fisheries management will require strong political leadership and commitment at the national and state levels. MCT will address this challenge by systematically involving politicians and other stakeholders throughout the process.

Based on a review and analysis of the Adaptation Fund's 14 core principles, MCT has designated this project as a Category C project. A more in-depth analysis will be undertaken during the full project development.

<u>Checklist of environmental and social principles</u>	<u>No further assessment required for compliance</u>	<u>Potential impacts and risks – further assessment and management required for compliance</u>
<u>Compliance with the Law</u>	<u>X</u>	The project is in full compliance with FSM's national and state laws and policies. In particular, it takes into consideration the resource tenure systems of the FSM. MCT has more than 10 years experience implementing similar programming and has not had any legal issues as a result of the technical activities of its projects
<u>Access and Equity</u>	<u>X</u>	Given the social makeup of the FSM and the immediate and significant role of communities in managing their natural resources, MCT plans to engage and partner with local NGOs, government structures, and communities. Women and youth will also be engaged, see CR 9 for additional gender considerations
<u>Marginalized and Vulnerable Groups</u>	<u>X</u>	See above
<u>Human Rights</u>	<u>X</u>	See above
<u>Gender Equity and Women's Empowerment</u>		Since this project specifically targets community groups, ensuring gender equity and women's empowerment is critical to project success. The risk for not engaging is quite low but MCT will track and include specific plans on integrating gender. MCT has specific strategies in place ways for engaging women in the larger community and has experience implementing these strategies successfully
<u>Core Labour Rights</u>	<u>X</u>	The Concept does not include activities that would

		<u>infringe on labor rights</u>
<u>Indigenous Peoples</u>	<u>X</u>	<u>As stated above, the indigenous people of the FSM are also the political, social, and cultural leaders of the country – the vast majority of the population is comprised of indigenous peoples.</u>
<u>Involuntary Resettlement</u>	<u>X</u>	<u>The Concept does not include activities that would result in involuntary resettlement</u>
<u>Protection of Natural Habitats</u>	<u>X</u>	<u>Objective B is focused on improving the effective management of protected areas in FSM; this is part of the Micronesia Challenge which has been in place since 2006</u>
<u>Conservation of Biological Diversity</u>	<u>X</u>	<u>As described above in CAR 4, the FSM's commitments to the UN CBD directly informed sections of the Concept; all three project Objectives support the FSM's goals to conserve biodiversity</u>
<u>Climate Change</u>	<u>X</u>	<u>As a small island nation, the FSM is facing considerable threats from climate change; this concept is intended to help reduce vulnerability to these impacts and will not in any meaningful way increase GHG emissions.</u>
<u>Pollution Prevention and Resource Efficiency</u>	<u>X</u>	<u>The Concept does not include any activities that could increase pollution, and Objectives A, B, and C aim to improve ecosystem services (i.e. resource efficiency)</u>
<u>Public Health</u>	<u>X</u>	<u>The Concept does not include any activities that could negatively impact public health</u>
<u>Physical and Cultural Heritage</u>	<u>X</u>	<u>The Concept does not include any activities that would infringe on physical and cultural heritage; to the contrary Objective B includes strengthening the management and preservation of such sites</u>
<u>Lands and Soil Conservation</u>	<u>X</u>	<u>The Concept does not include any activities that would infringe on lands and soil conservation</u>

PART III: IMPLEMENTATION ARRANGEMENTS

A. Describe the arrangements for project / programme implementation.

During the development of the full project document MCT will discuss the arrangements for project implementation and this section will be fully addressed when MCT submits the project proposal. At this concept stage MCT envisions the following:

- The executing entity(s) will be the FSM Office of Environment and Emergency Management and/or the FSM Department of Resources and Development.
- Within the executing entity(s) an individual will be hired/identified to manage the project.
- For Objective 1 MCT will work with the Project Manager to oversee the grants program. MCT will administer and issue the grants directly to the sub-grantees and the Project Manager will work in conjunction with MCT staff to manage the awards.
- For Objective 2 the Project Manager will oversee the work, with input from MCT and/or the FSM Office of Environment and Emergency Management and/or the FSM Department of Resources and Development, of the National Protected Areas Network Coordinator.
- The National Protected Areas Network Coordinator will in turn provide input into the activities conducted by the State Protected Areas Network Coordinators. These Coordinators will be responsible to the Directors/Secretaries of their respective state government agencies.
- For Objective 3, the Project Manager will plan and oversee consultants to conduct the training activities and manage the equipment and supply purchases.

B. Describe the measures for financial and project / programme risk management.

During the development of the full project document and the state visits, the risks and associated financial and project management measures will be analyzed and elaborated.

C. Describe the measures for environmental and social risk management, in line with the Environmental and Social Policy of the Adaptation Fund.

During the development of the full project document, the measures for environmental and social risk management will be developed in line with MCT's Environmental and Social Policy, which is under development, and that of the Adaptation Fund. Please

note that MCT has submitted a Technical Assistance grant request to the Adaptation Fund Secretariat to help MCT develop its own Environment and Social Risk Mitigation Policy.

D. Describe the monitoring and evaluation arrangements and provide a budgeted M&E plan.

This section will be fully addressed as part of the full project proposal submission. In particular during the preparation of the full project, MCT and its partners will determine how the work of the Project Manager, the National Protected Areas Network Coordinator, and the State Protected Areas Network Coordinators will be monitored as all positions are envisioned to be full-time government employees. Regarding the sub-grantees under Objective 1, MCT will use information from each sub-grantee and projects supported under component 1 to evaluate MCT's overall progress towards project goals. MCT will use its existing suite of project management tools, the Grant Tools, to track individual sub-grantee and project performance. These Grant Tools include a performance-based workplan that is tied to a budget, a monitoring and evaluation plan, and a project risk assessment and mitigation plan. For each sub-award, MCT and the sub-grantees use the Grant Tools to set targets, identify indicators, describe risk mitigation strategies, and track progress. Sub-grantees are required to report against these metrics at least semi-annually and MCT conducts periodic site visits to check in with grantees to review sub-grant objectives and progress.

E. Include a results framework for the project proposal, including milestones, targets and indicators.

This section will be fully addressed as part of the full project proposal submission, however see below for an illustrative results framework.

Component	Milestones	Targets	Indicators
1. Ecosystem-based community climate adaptation actions	1. Grants issued 2. Vulnerability assessments conducted in communities 3. Workplans with ecosystem-based actions to address identified community vulnerabilities developed 4. Completion of adaptation actions	1. Community vulnerabilities to climate change impacts identified in at least 8 communities 2. At least 8 communities complete eco-system based adaptation actions to reduce climate change vulnerability	1. No. of grants issued and location of grantees 2. Completed community vulnerability assessments 3. Completed community workplans 4. Climate adaptation activity completion reports from at least 8 communities

<p>2. Set up and initial implementation of FSM national protected areas network framework and country program strategy</p>	<p>1. National Protected Areas Network Coordinator hired</p> <p>2. Application process to join national protected areas network tested</p> <p>3. Application for funding process through the national protected areas network tested</p>	<p>1. FSM adopts protected areas network framework and country program strategy</p> <p>2. At least 10 protected areas successfully join the national protected areas network</p> <p>3. At least 5 protected areas receive financial and/or technical support through the national protected areas network</p>	<p>1. National government resolution adopting the protected areas network framework and country program strategy</p> <p>2. No. of protected areas admitted to the protected areas network</p> <p>3. No. of protected areas that receive financial and/or technical support through the protected areas network</p>
<p>3. Set up and initial implementation of state protected areas networks</p>	<p>1. State Protected Areas Network Coordinators hired</p> <p>2. Yap and Chuuk states adopt government-endorsed protected areas networks</p> <p>3. All four states put in place policies/procedures to link state-level protected areas networks to national protected areas network</p>	<p>1. All four FSM state have government-endorsed and fully functioning protected areas networks</p> <p>2. At least 10 state-recognized protected areas admitted to the national protected areas network</p>	<p>1. Chuuk and Yap state resolutions/policies creating state protected area networks</p> <p>2. No. of protected areas admitted to the protected areas network</p>
<p>4. Improve state-level enforcement of nearshore fisheries legislation and regulations</p>	<p>1. Trainings on existing and pending fisheries laws and regulations held in each of the four FSM states</p> <p>2. Trainings on joint enforcement best practices held in each of the four FSM states</p> <p>3. Equipment and supplies necessary for enforcement procured</p>	<p>1. At least 70% of all Enforcement Officers in each of the FSM states receive training on existing and pending fisheries laws and regulations</p> <p>2. Representatives least 4 agencies/NGOs/communities in each of the FSM states receive training on best practices for joint enforcement</p> <p>3. Approximately \$5,000 in necessary enforcement equipment and supplies procured for each state</p>	<p>1. No. and location of trainings held</p> <p>2. No. of participants and participant host organizations represented at trainings</p> <p>3. Delivery received receipts of supplies and equipment</p>

F. Demonstrate how the project / programme aligns with the Results Framework of the Adaptation Fund

MCT believes its project goals and objectives clearly align with the Results Framework of the Adaptation Fund because the activities of the project will strengthen the ability of vulnerable communities to undertake concrete actions to adapt to climate change driven hazards, strengthen the ability of vulnerable communities to make informed decisions about climate change driven hazards affecting their specific locations, reduce exposure and increase adaptive capacity of coastal communities to flood, sea-level rise, water inundation and ocean surge related risks and hazards, and improve awareness of adaptation and climate change related hazards affecting vulnerable communities. The

project will also benefit ecosystem health by supporting the institutionalization of protected area networks and improved nearshore fisheries management.

However, a more detailed response, including filling out the Adaptation Fund's table and including the corresponding grant amounts, will be developed prior to submitting the full proposal.

G. Include a detailed budget with budget notes, a budget on the Implementing Entity management fee use, and an explanation and a breakdown of the execution costs.

MCT will develop this section when drafting the full project document after conducting consultations with stakeholders in each of the FSM states and at the national level. For an illustrative estimate for each of the project components, please see MCT's response to Section I under Part II above.

H. Include a disbursement schedule with time-bound milestones.

This section will be fully addressed as part of the full project proposal submission.

PART IV: ENDORSEMENT BY GOVERNMENT AND CERTIFICATION BY THE IMPLEMENTING ENTITY

A. Record of endorsement on behalf of the government² *Provide the name and position of the government official and indicate date of endorsement. If this is a regional project/programme, list the endorsing officials all the participating countries. The endorsement letter(s) should be attached as an annex to the project/programme proposal. Please attach the endorsement letter(s) with this template; add as many participating governments if a regional project/programme:*

<i>(Enter Name, Position, Ministry)</i>	<i>Date: (Month, day, year)</i>
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B. Implementing Entity certification *Provide the name and signature of the Implementing Entity Coordinator and the date of signature. Provide also the project/programme contact person’s name, telephone number and email address*

<p>I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans (.....list here.....) and subject to the approval by the Adaptation Fund Board, <u>commit to implementing the project/programme in compliance with the Environmental and Social Policy of the Adaptation Fund</u> and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.</p>	
<p><i>Name & Signature</i> Implementing Entity Coordinator</p>	
<i>Date: (Month, Day, Year)</i>	<i>Tel. and email:</i>
<i>Project Contact Person:</i>	
<i>Tel. And Email:</i>	

⁶. Each Party shall designate and communicate to the secretariat the authority that will endorse on behalf of the national government the projects and programmes proposed by the implementing entities.



DEPARTMENT OF FOREIGN AFFAIRS

of the

FEDERATED STATES OF MICRONESIA

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January 11, 2016

The Adaptation Fund Board
c/o Adaptation Fund Board Secretariat
Email: Secretariat@Adaptation-Fund.org
Fax: 202 522 3240/5

Subject: Endorsement for "Practical Solutions to Reducing Community Vulnerability to Climate Change in the Federated States of Micronesia"

Dear Sir,

In my capacity as designated authority for the Adaptation Fund in the Federated States of Micronesia(FSM), I confirm that the above national project/programme proposal is in accordance with the government's national priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in the FSM.

Accordingly, I am pleased to endorse the above project/programme proposal with support from the Adaptation Fund. If approved, the project/programme will be implemented by the Micronesia Conservation Trust and executed by the FSM Office of Environment and Emergency Management and by the Department of Resources and Development (To be confirmed during the full project development phase).

Sincerely,

A handwritten signature in dark ink, appearing to read "Lorin S. Robert", is written over a faint circular stamp.

Lorin S. Robert

Secretary/FSM Department of Foreign Affairs