

Project Inception Report

Project name: “Practical Solutions for Reducing Community Vulnerability to Climate Change in the Federated States of Micronesia”

Project Background: The Micronesia Conservation Trust (MCT) was awarded by the Adaptation Fund (AF) in 2018 to implement the above-mentioned project. The core focus of this project is to increase communities' resilience through ecosystem-based climate change adaptation measures. The project has three main components. The first component of the project is to ensure there is adequate protection/rehabilitation of natural assets or ecosystems that are already under management. This component involves institutionalizing a nation-wide Protected Area Network (PAN). This requires working with both FSM and state leaderships to put the appropriate legislations in place to support the establishment of the PAN, establishing a Technical Committee for the network, developing an Operations Manual to guide the operations of the network, and placing a State PAN Coordinator in each of the four states,. Component two of the project is to increase communities' resilience through strengthened ownership and financing of climate change adaptation and risk reduction measures at the local level. The last project component of the project is to develop a knowledge management system to facilitate future scaling-up and replication of effective Marine Protected Area Management and community-led ecosystem-based adaptation actions.

MCT conducted a number of consultations with the relevant stakeholders at the national and state (including community stakeholders) when developing the proposal for this project. An inception workshop was conducted after the project proposal was approved by the AF and MCT was awarded. The inception workshop was for MCT to share with the stakeholders AF's approval of the project, the project objectives, and what climate change actions are supported by the project to help the stakeholders especially the communities understand how the project will benefit them. The following is a full report from the project inception workshop.

MCT led five individual workshops with the FSM National Government and the four State Governments (Pohnpei, Kosrae, Yap and Chuuk) in their respective jurisdictions. The inception workshops brought representatives from different levels of government and non-government groups including national, state, and local governments, communities, youth, and women's and fishermen's groups. The inception was co-sponsored by MCT, the FSM Ridge to Reef Project (funded by GEF5 allocation), and the USAID Climate Ready- North Pacific Office. The workshops were led by the MCT Executive Director, Mr. William Kostka, the MCT Conservation Program Manager, Tamara Greenstone-Alefaio, the Adaptation Fund Project Manager, Shirley Ann Pelep, the Ridge to Reef (R2R) Project Manager, Rosalinda Yatilman, and the USAID Climate Ready Senior Policy and Climate Finance Advisor, Stephen Boland.

The workshop had the following objectives:

- Review of MCT Adaptation Fund Project
- Discussion of MCT Adaptation Fund Project Implementation
- Presentation and Discussion of synergies of the FSM Ridge to Reef project and the MCT AF Project

This report summarizes the key points of the discussions that took place regarding each of the above objectives. All five workshops followed the same approach. The hosting National or State Department

commenced the workshop with welcoming remarks, followed by a presentation on the project. After every presentation, the facilitator opened the floor for a questions and answers session before moving to the next presentation to ensure that the attendees fully understand the information shared and discussed.

July 3rd, 2018 (Inception workshop with FSM National Government)

MCT conducted the first workshop of the project with the relevant departments at the FSM National Government, which included the FSM Department of Finance, the FSM Department of Resources and Development (FSM R&D), the Department of Environment Climate Change and Emergency Management (DECEM), the Department of Foreign Affairs (FSM FA), the Green Climate Fund National Designated Office (NDA), and the USAID Climate Ready Office. As this AF funded project has components that share similar goals to the components of the R2R project, MCT and R2R are working closely on both projects and invited the R2R Project Manager to co-lead the inception workshops. The MCT Conservation Program Manager led the presentation on the AF funded project and the MCT Executive Director lead the discussion session.

The issues/concerns highlighted in the discussion between MCT and the attendees of the inception included the following:

- It was vital that the FSM Congress adopt the FSM National Protected Areas Network Policy Framework (NPANP) as the non-passage of the FSM PAN bill would delay progress of the component associated with the adoption of the bill.
- The FSM Government needs to confirm who is responsible for the role of the National PAN Coordinator who will perform all secretarial responsibilities.
- MCT's Technical Committee for its Small Grant Facility will conduct the review of proposal applications to the MCT AF Small Grants Call for Proposals. Given that MCT is the Implementing Entity to the Fund for the FSM Project, two members, one from DECEM and one from FSM R&D will join the MCT Technical Committee for this particular Call for Proposals.
- It is important that each of the four states have a designated point of contact who should serve as the go to person for communities that are interested in becoming a member of the Protected Areas Network (PAN). MCT anticipates that the key local NGOs such as the Conservation Society of Pohnpei (CSP) will work with the State PAN Coordinator in the process.
- FSM R&D should be involved in the recruitment process of the PAN Coordinators as it will administer the network at the national level.
- While brought up as a possibility, the R2R State Coordinators cannot serve as the PAN Coordinators as both positions include full-time responsibilities.

July 5th, 2018 (Inception workshop with Pohnpei State)

MCT and R2R conducted the second inception workshop at the Pohnpei Governor's Conference room. Participants included representatives from Pohnpei State Executive Branch, Pohnpei State Legislative Branch, Department of Treasury, Department of Resources and Development, Pohnpei State Department of Health, Office of Fisheries and Aquaculture, State Department of Social Affairs, Department of Land

Resources, Pohnpei Environmental Protection Agency, Sokehs Municipal Government Chief, Madolenihmw Municipal Government, U Municipal Government, Nukuoro Municipal Government, Pacific Resources for Education and Learning (PREL), Enipein Eco Tourism, Woun Kepin Semwei, Conservation Society of Pohnpei, One Reef, Micronesian Productions, The Nature Conservancy, Marine Environment Research Institute of Pohnpei, Sapwuafik Youth Group, Pohnpei Women Council, Natural Resources Conservation Service, US Geological Science and U.S.A Embassy.

The issues/concerns highlighted in the discussion between MCT and the attendees of the inception included the following:

- MCT shared with the group that all natural resource management projects that are awarded to and implemented or sub-granted by MCT and the FSM Government always focus on and contribute to the goals of the Micronesia Challenge initiative. The initiative is to effectively conserve 30% marine resources and 20% terrestrial resources by 2020. This AF project, for instance, is supporting the Micronesia Challenge through the implementation of a Protected Area Network with community and government partners.
- Although the AF targets to assist communities to tackle climate change impacts, not all climate change actions can be funded by the AF grant to MCT, as this portion of money is focused specifically on ecosystem-based climate actions.
- The \$340,000 allocated for the Small Grants Facility component of the project is open to organizations that meet the eligibility criteria provided by MCT. There is no breakdown for the \$340k for each state. The selection process will be strictly based on merit, where only projects that meet the objectives of the AF project will be funded.
- USAID Climate Ready offered to provide technical assistance to organizations or associations that have interest in applying to the MCTAF Small Grants call for proposal.
- MCT anticipates to assist the state and national government to put in place all necessary mechanisms and processes that should leverage other funds to support work intended under the AF project.

July 9th, 2018 (Inception workshop with Yap State)

The third inception workshop was held in Yap with participants from Yap State Department of Resources and Development, Yap Community Action Program (YapCAP), Yap Environmental Protection Agency (Yap EPA), Secretariat of the Pacific Community (SPC), Tamil Resources Conservation Trust (TRCT), Waa'gey, The Nature Conservancy (TNC), Our Youth Are Promising (OurYAP), Yap Visitors Bureau (YVB), Yap State Historical Preservation Office (YSHPO), Micronesia Challenge Regional Office (MCRO), Yap Institute of Natural Science (YINS) Department of Youth & Civic Affairs (DY&CA), and Nimpal community.

The issues/concerns highlighted in the discussion between MCT and the attendees of the inception included the following:

- Yap State needs to pass the Yap PAN regulation in order for sites in Yap to apply to the Protected Areas Network (PAN) and access funding that can support protected areas operational costs.
- Clarification was required for Output 2.1 of the AF project that it is not referring to certification training but training in terms of having knowledge and understanding of existing laws and regulations associated with or relevant to PAN or natural resource management.
- Sites do not have to be a member of the PAN for communities or organizations to apply to the MCTAF Small Grants, however these sites must have a management plan or Local Early Action Plan (LEAP) in place in order for it to be an eligible project site under the AF. This aims to help such sites become members to the PAN and build capacity of the managers to oversee management of the sites.

July 12th, 2018 (Inception workshop with Chuuk State)

The inception workshop in Chuuk brought together a number of governmental and non-governmental organizations and agencies. There were 10 women and 13 men who attended the workshop. The 10 women represented eight different organizations or groups. There were representatives from Pacific Resource for Education and Learning (PREL), Micronesia Red Cross Society, Department of Marine Resources (DMR), Environmental Protection Agency (EPA), International Organization for Migration (IOM), Chuuk Women Council, Transportation and Public Works, College of Micronesia (Chuuk Campus), Island Research & Education Initiative (iREi), Governor's Office, Economic Commission, Chuuk Small Business Development Center (SBDC), Disaster Control Office, and Chuuk Disaster Emergency Operation Centre Coordination Office (CDEOC)

The issues/concerns highlighted in the discussion between MCT and the attendees of the inception included the following:

- Chuuk State needs to develop and pass regulations associated with the Chuuk State PAN law that was passed in September 2017 to make the law effective.
- Though the National Government does not have jurisdiction in the 12-mile territorial waters (12 miles beyond the shoreline), MCT and state partners are seeking National Government's input because the States need to be a registered member to the FSM National PAN Framework to be eligible to access funds from the Endowment Fund. The Endowment Funds are under the FSM National Government's control since it is the National Government that contributes to the Micronesia Challenge Endowment Fund and not the individual states.
- The Micronesia Red Cross is currently working on an eco-based project in five communities in Chuuk. MCT and Micronesia Red Cross discussed potential partnership on such projects.

July 16th, 2018 (Inception workshop with Kosrae State)

MCT conducted the last workshop in Kosrae. Out of the five workshops, the inception workshop held in Kosrae had the biggest audience. 33 people attended the workshop, seven females and the rest were male. We had representatives from United Nations Educational, Scientific and Cultural Organization (UNESCO), Kosrae Conservation and Safety Organization (KCSO), Ridge to Reef International Water,

Tafunsak Municipal Government, Department of Resources and Economic Affairs (DREA), Kosrae Island Resource Management Authority (KIRMA), Women in Farming, Kosrae Visitor's Bureau, College of Micronesia Land Grant, Department of Agriculture (DoA), Kosrae State Legislature (KSL), Malem Municipal Government, Disaster Control Office, Small Business Development Center, and Department of Health.

The issues/concerns highlighted in the discussion between MCT and the attendees of the inception included the following:

- The FSM PAN Policy Framework has been sitting with the National Government since 2015 and had yet to be adopted. The community and the State need to urge the national senators to support the passage of the policy. The disbursement of the MCT Endowment Fund is under the National Government's control, therefore all four states need to encourage their respective Congressmen to ensure the funds are disbursed when the policy is adopted. **Update: the PAN Framework was passed soon after this meeting in August 2018.
- The Kosrae State Attorney General shared that the Kosrae State PAN Fund has been endorsed. Ridge to Reef has obligated \$10,000 to contribute to the Kosrae PAN Fund.
- Kosrae State showed their interest in submitting a resolution to the FSM Congress to support the adoption of the policy. MCT offered to assist the State with the drafting of the resolution.
- MCT shared with the audience that of the \$22 million in the MC Endowment for all jurisdictions combined, \$18 million are contributions and \$4 million are earnings.
- It has not been determined whether or not there will be limitations of funding that each PAN site will receive from the Endowment. FSM National Government will determine the distributions to each site, which will be decided when the money is available, and the conditions have been met. For MCT ongoing projects, there are limits to projects depending on the donors' requirements.
- If the policy is adopted and each of the States start contributing, the amount of disbursement to each state will have to be agreed upon between the contributing state and the national government.

Summary:

Overall, the inception was an important introduction of the project to all stakeholders and government representatives who were in attendance. Attendees are very excited about the project, especially that it is heavily focused on supporting the passage of the FSM National PAN Policy Framework which is key to Protected Areas being able to access funds from the MC Endowment. Each jurisdiction assured MCT that they will provide the necessary support to encourage their National Senators to support the passage of the PAN Policy Framework. MCT and partners will continue to provide technical assistance to Chuuk State for the development of the rules and regulations for the Chuuk State PAN legislation, and also provide necessary support for the Yap State PAN regulations. The USAID Climate Ready Office committed to support organizations that are interested to apply to the MCT AF Small Grants.