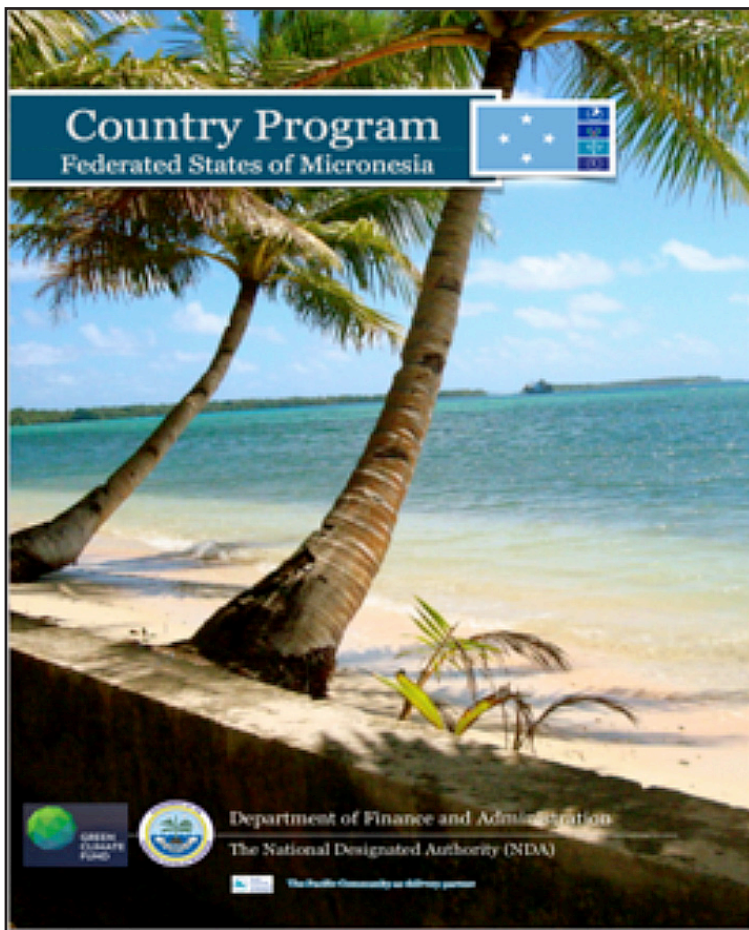




FSM NDA Office Newsletter



The Green Climate Fund approved \$992,452 for FSM's second Readiness and Preparatory Support Program



The FSM NDA office is pleased to announce that the Green Climate Fund has approved funding support for the Federated States of Micronesia in the amount of \$994,452 on 24 April 2019 for a term of two years. The NDA office also wishes to take this opportunity to express FSM's gratitude to the Pacific Community (SPC) for the support and assistance with the 2nd readiness and GCF for making the fund available.

This funding support will further strengthen the National Designated Authority office to implement the Country Program and provide support to pre and post Direct Accredited Entities. It will build on the significant gains made in the first readiness phase.

The Federated States of Micronesia received its first readiness support from GCF in March 2016 in the amount of \$300,000 with two program goals. One was to establish the NDA office with improved capacity and means to deliver the core functions which include stakeholder stewardship, accreditation support and approval of programs and projects and the other was to develop a Country Program to guide priority adaptation and mitigation initiatives for GCF support.

Despite FSM's readiness program achievements, which led the Pacific in its Country Program development, it remains at the starting line to effectively engage with the Fund and channel billions of dollars to implement its Country Program and deliver "transformational impact" towards low-emission and climate resilient development. The FSM NDA primary goal will be to get off the ground the two re-enforcing mechanisms for the CP implementation and sustainability: the Climate Change & Sustainable Development (CC&SD) Council and the Monitoring & Evaluation system.

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GCF Global Programming Conference 19-23 August 2019, Songdo, Republic of Korea

The Green Climate Fund Global Programming Conference serves as a platform for the high-level dialogue on country and entity programming plans with the GCF by bringing together all GCF National Designated Authorities or focal points, Accredited Entities, and other stakeholders.

The Conference will invite developing countries to discuss the demand for GCF resources that move them towards low emission and climate resilient pathways in line with the objectives of the UNFCCC and the Paris Agreement.

It will also be a platform for Accredited Entities to demonstrate how they can help countries realize this demand consistent with their capacities and competencies, and for GCF to consider ways in which its strategy and programming for the first replenishment period could respond to such demand. FSM will be sending a delegation to this important meeting.



FSM Projects Currently Being Developed for GCF



While developing projects for GCF's consideration is no easy task and compounded with the challenges of FSM's unique governmental structure and dynamics, the nation is still committed to accessing GCF resources to battle the adverse impacts of climate change. Through the multiple project ideas listed in the Country Program, one of the most progressed is the Food and Water Security project idea. The NDA office is working tirelessly with Micronesia Conservation Trust as the Direct Access Entity on the funding proposal titled '**Climate Resilient Food Security for Farming Households across the Federated States of Micronesia**' with the FSM Department of Resources and Development as the lead agency.

This is a country specific project that is worth \$10 million and will aim to provide a holistic nation-wide approach to dealing with climate induced vulnerabilities by addressing specific challenges faced by vulnerable households across FSM. The project aims to reduce food insecurity and increase resilience to climate variability and change through: Component 1) Establish an enabling environment for adaptive action and investment; Component 2) Enhance the food security of

vulnerable households by introducing climate-smart agriculture practices; Component 3) Strengthened climate-resilient value-chains and market linkages across agriculture sector.

The other project idea that has also progressed is the Sea sustainable transport with SPREP as the Direct Access Entity. This project is a regional initiative worth \$50 million that includes all five Micronesia countries (FSM, RMI, Palau, Kiribati and Nauru). The project is titled '**The Vaka Motu (boat for the islands) – building indigenous community resilience with the low emission sea transportation in the Micronesia region**' and seeks to access project preparation support in the amount of \$513,250 that will assist with full funding proposal development.



The project will aim to mainstream and implement low emission sea transportation, and the interlinked strengthening of remote atoll climate resilience, throughout the Micronesian region. The primary objective is to reduce and avoid carbon dioxide equivalent (tCO₂e) emissions and, increase systemic climate change resilience in all of the participating countries through a transformation in sea transportation. The project is proposed in two components with Component 1: Up-scaling successful use of the Vaka (traditional sailing canoe) to reduce and avoid carbon dioxide equivalent (tCO₂eq) emissions; and Component 2: Strengthening indigenous community resilience through low emission sea transportation to manage climate risk. The outcomes that FSM is currently proposing from this project are: 1) purchase of vaka motu; 2) training and certification of our own people to operate the vaka motu; 3) build a boat yard to produce the vaka motu locally.

The First Community of Practice Meeting of the Direct Access Entities to Climate Finance

The meeting was held in Durban, South Africa on June 5-7 in an effort to accelerate and enhance Direct Access to climate finance for developing countries that are vulnerable to climate change. The meeting is expected to foster a common Community of Practice for Direct Access Entities (CPDAE) through the adoption of a governance framework and development of a roadmap of activities to build additional capacity of the community's members to efficiently access, receive and utilize Direct Access project funding from AF and GCF.

As FSM's Direct Access Entity (DAE) to both the Adaptation Fund and the Green Climate Fund, the FSM NDA office believes that bringing DAEs to work closely together will enhance country ownership through such meaningful exchanges among DAEs to access climate finance as well as identify and implement tailored projects. The FSM NDA office is optimistic about the two other nominated entities (FSM Development Bank and FSM Petro) soon to be able to join in on such events and unlock more opportunities through accredited national institutions that are based in country rather than outside multilateral organizations.



More Vaka Motus for the North Pacific Region

Two newly-built vaka motus, (the traditional, fossil fuel-free sailing canoes) arrived in FSM waters on 13 June 2019 after a 4,000-mile sail from Auckland, New Zealand to the North Pacific. Okeanos Palau and Okeanos Waa'qab for Yap state in the FSM will be in Pohnpei for a few days joining their sister, Okeanos Pohnpei, which is currently operating in Pohnpei and servicing its remote outer island communities.

The NDA office commends the FSM states for their commitment to reducing imported fossil fuels and looking positively for a more sustainable sea transportation which will also reduce environmental threats while protecting culture. Both Pohnpei and Yap States on their own volition have taken the initiative to obtain the vaka motus despite meager resources.

However slow and cumbersome it is to package a GCF proposal, FSM with RMI, Palau, Kiribati and Nauru are still pursuing GCF funding to obtain the much needed vaka motus. Though there's already one vaka motu operating in the Republic of the Marshall Islands, one in the Federated States of Micronesia while one is soon to be operational in the Republic of Palau there is still much transportation gap or limited access to the remote outer island communities. Hence the vaka motu project currently being worked on with SPREP for the Micronesia Island Countries will help fill the gap and support consistent service such as health/education/food runs for the outer islands that is not currently met by the cargo ship inter-island vessel schedule runs. Having the vaka motus operational in the North Pacific would provide some data and build evidence case that the vaka motus are most suited to the region and therefore strongly support the proposal for 'The Vaka Motu (boat for the islands) – building indigenous community resilience with the low emission sea transportation in the Micronesia region' for GCF."



The following dates are proposed for the remaining meetings of the Board in 2019:

B.23: 6-8 July 2019.
B.24: 15-17 October 2019



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