

GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA (FSM)

United Nations Development Programme

**Other Partners:
Sustainable Development Unit**

**NATIONAL CAPACITY NEEDS SELF-ASSESSMENT FOR GLOBAL
ENVIRONMENTAL MANAGEMENT**

Brief Description

The main goal of the FSM NCSA project is to identify, through a country-driven consultative process, priorities and needs for capacity building to protect the environment and natural resources, taking into account FSM's obligations under the three global conventions on biodiversity, climate change and desertification/land degradation. The project will provide the key national decision makers and external funding agencies with critical information about FSM's specific capacity needs to protect and contribute to managing the global environment and will produce a document highlighting prioritized national capacity needs, resource mobilization strategy and a capacity development action plan to guide further actions for the strengthening of national capacity to protect the environment.

SIGNATURE PAGE

Country: Federated States of Micronesia (FSM)

Expected Outcome(s)/Indicators: **Outcomes:** Increased capacity to implement and monitor the implementation of agreements signed at international conventions and UN conferences.
Indicator: Rules and regulations enacted reflecting conventions.

Expected Outcome(s)/Indicators(s): **Outcome:** A framework for national action and external assistance for future capacity building for global environmental management.
Indicator: A National Action Plan and Resource Mobilization Strategy based on the priority needs for capacity building in FSM as identified through stakeholder assessments.

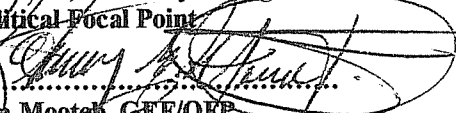
Implementation Partner: Sustainable Development Unit


Other Partners: UNDP

Programme Period: 2005-2006
Programme Component: Goal 3. Environment.
Project Title: National Capacity Self-Assessment for Global Environment Management.
Project Code:
Project Duration: 18 months
Implementing Arrangements: NEX

Total Budget: \$250,000
Allocated resources: \$200,000
• Government: \$ 50,000
• Regular: \$200,000
• Others:
Donor: GEF: \$200,000
Unfunded budget: 0

Agreed by Government of FSM: 
Mr. Sebastian Anefal, Secretary Foreign Affairs
GEF Political Focal Point

Agreed by Sustainable Development Unit: 
Mr. John Mootoh, GEF/OFF

Agreed by UNDP: 

SECTION 1.

Part 1. Situation Analysis

Sustainable development in FSM

The FSM National Environmental Management Strategy (NEMS) – NEMS was produced in 1993 and was the initial statement by the FSM on the environment, whereas the *Environment Sector Strategic Plan*, endorsed at the 3rd FSM Economic Summit in March 2004, was intended to guide policy makers in allocating funds to support the development of sustainable environment initiatives. The plan identifies nine areas as its strategic focus (strategic goals) on which environment sector funds will be based and allocated, and identifies specific outcome measures and suggested activities and outputs. The plan places special emphasis on in-country technical capacity building and developing sustainable conservation finance mechanisms within the FSM. The NCSA would assist the FSM to address environmental issues in line with the goals that have been identified in the strategic plan.

The FSM is one of the most biodiversity-rich areas in the world. Unfortunately FSM's biodiversity and natural resources face mounting threats to which urgent action needs to be undertaken. This reality has led to a growing interest in the assessment and direction of national efforts on biodiversity conservation. The need to address such issues necessitates the NCSA process, which will identify capacity needs and how to address them.

The specific responsibility for environmental management and coordination on the national level lies with the Department of Economic Affairs. Overall coordination is achieved through the Environment and Sustainable Development Unit (SD Unit), where the Operational Focal Point for GEF is based. The SD Unit was created by Amended Presidential Order 1 in 1998 (an Order that created and established all new departments, agencies and offices as a result of the government reform). The SD Unit has the responsibility for the coordination and implementation of obligations under the CBD, UNFCCC and UNCCD.

Commitment to International Agreements

The FSM is a party to 18 environmentally-related regional and international conventions and treaties, including the CBD, UNFCCC and UNCCD. As a Country Party to the UNFCCC (ratified on June 9, 1993), the FSM has ratified the Kyoto Protocol, and embarked on several undertakings over the past years to enable the country to comply with its commitments under the Convention. The FSM adopted the convention on Biological Diversity on 7 November 1993. For details on activities in the area of biodiversity, see Section I of the project brief. The FSM ratified the UNCCD on March 1996. The FSM became a party to this convention because of the region's increasing vulnerability to drought and land degradation as a result of poor watershed and land management, increasing population and increasing recurrence of extended drought periods.

Problem to be addressed

Capacity constraints have been recognized as the main obstacle to sustainable development in the FSM. Accordingly, the national government and its local, regional and international partners have paid increasing attention to capacity development and capacity assessment in its policies and projects. In addition, the national government has entered into a number of regional and international agreements and conventions over the last decade, which has placed additional demands on the nation's capacity. This lack of capacity has been identified as a key obstacle to the effective implementation of the Conventions.

Like many other small island nations in the Pacific region, the government of FSM has adopted a large number of Multi-lateral Environmental Agreements thereby placing a heavy burden on its limited human and financial resources to implement obligations under these agreements. Despite the increased awareness both at national and international levels, efforts to maximize synergies between agreements are generally not undertaken when plans are prepared and implemented under the various conventions. The NCSA will serve as a catalyst to synchronize actions in a way that maximizes synergies and integrates thematic areas so that capacity development is an efficient and cost-effective undertaking.

Part II. Strategy

The NCSA will build on the experience of previous and existing capacity building work (such as the NBSAP, Enabling Activity for PICCAP and POPs) and will as much as possible endeavor to consolidate and integrate capacity building activities that have been identified and implemented under these projects into the NCSA process. This project proposes to develop a comprehensive strategy on capacity building to address environmental management issues at the national and international levels. The goal of the NCSA is to identify, through a country-driven consultative process, priorities and needs for capacity building to help protect the global environment.

The significant overlaps and interrelation between climate change, desertification/land degradation and biodiversity issues will be identified and reviewed to ensure co-ordination and synergy of action. In the past, capacity needs assessments have been more project-based, resulting in a restricted and confined focus with little emphasis on building synergies and linkages between other projects and efforts. It is anticipated that the unified actions by all three sectors will ensure concrete progress in addressing critical environmental problems in the FSM. Other ongoing capacity-related projects in other thematic areas such as Persistent Organic Pollutants (POPs) and forestry will also be explored.

The project will help identify capacity building needs at the individual, institutional and systematic levels of the participating government agencies and NGOs in FSM. It will involve an extensive number of individuals, government agencies, non-governmental organizations, and the private sector. A series consultative meetings and workshops will

be conducted to map out an implementation plan for the NCSA and to raise stakeholder awareness about the NCSA and involve stakeholder participation in project design.

Linkages to UNDP-supported, GEF, and other ongoing programmes

UNDP has long recognized that capacity development and institutional strengthening is necessary for articulating national priorities through targeted support. In the Pacific, UNDP has provided guidance and support for sustainable development through programmes with focus on environmental management, empowering of vulnerable groups (including women) and introduction of sustainable livelihood practices to all. The government of FSM will identify its capacity to address global and national environmental challenges, and share resources and information with relevant UNDP-supported programmes.

By the end of the NCSA process, there will be a clear indication of how the resulting action plan can be linked to other national projects and regional projects including those being formulated for execution under the Pacific Regional Center to be established in Suva, Fiji, as appropriate. Work on the Millennium Development Goals (MDG) is yet to begin in FSM; it is envisaged that the NCSA could provide useful capacity information that can be used towards commencement of MDG monitoring.

The project will work with, and build on all ongoing and planned projects, programmes and initiatives in the thematic areas of biodiversity, climate change and land degradation in the FSM. It will also explore working relationships with ongoing projects in other thematic areas such as POPs and forestry.

The project will seek to combine the efforts of all interested parties involved in the implementation of the UN Conventions on environmental protection, in order to identify national and state level capacity building needs and possible solutions. The SD Unit, which is the executing agency for the NCSA and several other GEF-funded projects in the FSM, and the State project teams, will work with a wide range of partners and stakeholders to identify needs and priorities for capacity building in the government, non-government and private sector.

Beneficiaries

The direct beneficiaries of the NCSA will be the government of FSM and its relevant institutions (ministries, departments and agencies), non-governmental organizations, and the private sector whose current capacities to address environmental concerns will be assessed and analyzed during the NCSA process. Gaps in capacities to address environmental concerns will be identified and prioritized and a strategy to address the prioritized capacity needs will be developed. This strategy will include gender sensitive planning and gender balanced capacity building at all levels. Equally importantly, through the training to be provided under the project, the agencies and organizations will

be provided the capacity to undertake self-assessments as a tool for continuing institutional building and staff skills development.

Apart from providing an opportunity for an extensive stakeholder dialogue to integrate global environmental concerns at a national context, the NCSA will also facilitate the identification of synergies, practical initiatives and priorities to address environmental issues as a long term intervention. The outputs and outcomes from this project will benefit the donor community and other partners to focus their future projects and programmes on priority capacity building needs as identified through the NCSA process. Success for the project will also pave the way for achieving the long-term benefits at the global level, while the increased capacities for environmental management will help realize FSM's sustainable development vision and at the same time comply with commitments to the global community.

Partnership Strategy

The executing agency will consult and work collaboratively with all relevant national and state stakeholders in the implementation of this project. The NCSA process will be participatory, demand-driven, cross-sectoral and cooperative, relying on male and female stakeholder participation, information exchange, networking and learning by doing to guide project activities. An appropriate participatory process will be developed during the implementation phase.

The NCSA will aim to consolidate the partnership between the SD Unit and other agencies and organizations who have actively participated in committees and working groups established for projects such as NBSAP, Climate Change, Biosafety, and others. The NCSA will adopt a broader but more strategic partnership and programmatic approach that goes beyond the current 'stand-alone' projects which should result in significant long-term impacts. The FSM Country Team will be set up to oversee the NCSA process. The FSM Country Team will have a gender balanced membership.

The project plans to carry out an extensive stakeholder analysis in throughout the FSM to identify relevant individuals and groups to be part of the NCSA process. These individuals will receive training from the project in the conduct of capacity self-assessment and will be heavily involved in the undertaking of the assessments for the agencies they work for. These individuals will represent an important investment in future capacity building initiatives in FSM.

Project Mechanism

The FSM NCSA aims to identify current country level priorities and needs to help address global environmental concerns, particularly those relating to the CBD, UNFCCC and UNCCD. The aim is to catalyze action to meet local and international needs in a coordinated and planned manner. Thus, the NCSA process will enhance opportunities for all relevant stakeholders to effectively participate in the planning and implementation of

FSM's obligations and commitments to the Multilateral Environmental Agreements and at the same time addressing priority national concerns.

The NCSA will support the development of a long-term strategy for capacity building focusing on the MEAs with particular emphasis on the three conventions, the CBD, UNFCCC and the UNCCD. The NCSA will adopt the following process and produce the outputs highlighted in bold.

1. Project Planning and Establishment – confirming project establishment arrangements, stakeholders' analysis (all stakeholder consultations to target men and women in equal numbers) and linkage study.
2. Finalizing and endorsing high-level support – **Government endorsement of the FSM Country Team** as the national body for overseeing the implementation of the NCSA.
3. Stocktaking – **Baseline appraisal** targeting previous and on-going activities in terms of implementing the conventions.
4. In-depth analysis of current capacity – **overall capacity needs assessment** relating to implementing the conventions, **identification and validation of priority areas**, existing capacity in the priority areas and cross-cutting issues, including gender.
5. Production of **thematic profiles** with priority capacity needs and cross-cutting priorities, including an assessment of how environmental activities impact women.
6. Production of an **NCSA document** for FSM detailing the process taken and documenting capacity needs and recommendations for action.
7. Preparation of an **NCSA Action Plan and Resource Mobilization Strategy**.
8. Securing of high level support and initiation of implementation and monitoring processes.

Part III. Management Arrangements

The NCSA will be implemented under the overall supervision and oversight of the Secretary of DEA and the Deputy Assistant Secretary for the SD Unit under the Department of Economic Affairs (DEA) with advice from the FSM Country Team.

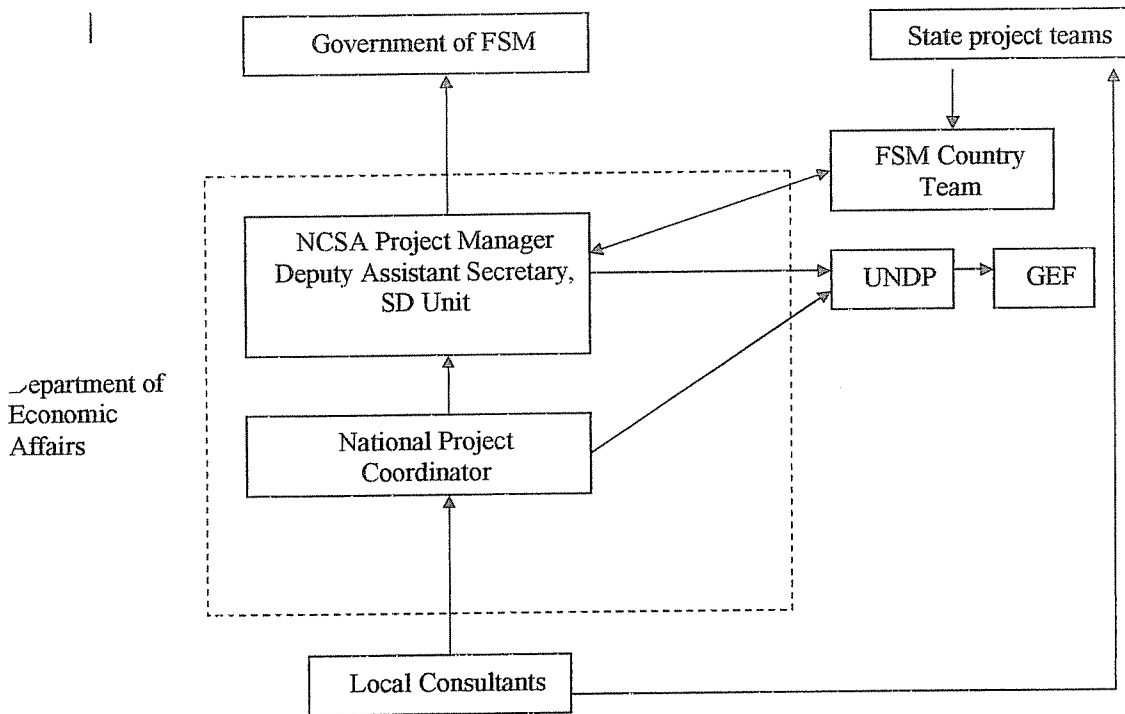
The Secretary of Economic Affairs will appoint the members of the FSM Country Team from both national and state government levels as well as from the community and private sector. The FSM Country Team's responsibilities will include policy and

technical advice, final validation of the thematic and cross-cutting priorities identified and addressed appropriately, and review and approval of the final NCSA document. Because the FSM Country Team will be largely composed of stakeholders and technical experts, the team will also serve as a technical arm when needed. In an effort to promote a more “integrated” NCSA approach, each State and National governments will have its own project team to assess its capacity needs under the three conventions. As with the FSM Country Team, the project teams will also provide technical advice when required. Each project team will be headed by its state focal point, who also sits on the FSM Country Team. This will ensure closer coordination of national and state activities. The National Project Coordinator (NPC) will be required to provide a monthly progress report to the team.

The primary responsibilities of the state project teams will be to assign a local consultant to facilitate and implement the State’s component of the project; identify working groups for each thematic area; undertake stakeholder consultations; and provide technical advice. It is the responsibility of the state focal points to report state activities to the FSM Country Team. It is the responsibility of the local consultants to keep their project teams informed of all state NCSA-related activities. To ensure that a high level of communication is maintained, the local consultants will be required to submit a progress report to their respective project teams and the NPC on a monthly basis.

UNDP, as the implementing agency of the GEF, will monitor the NCSA through appraisal of quarterly reports and provision of status updates to GEF. UNDP guidelines will apply to the execution of the NCSA. The Tripartite Review (TPR) will include representatives from the FSM government, the FSM Country Team, and UNDP.

Figure 1 below illustrates reporting relationships for the NCSA.



Audit Arrangements

An annual audit of NCSA resources will be carried out by an accredited auditor who shall, in addition to local government requirements, pay particular attention to the UNDP financial regulations, policies and procedures that apply to projects; the project document and work plans, including activities, management arrangements, expected results, monitoring, evaluation and reporting provisions; and the key considerations for management, administration and finance. The audit shall not cover expenses incurred by UNDP.

Part IV. Monitoring and Evaluation

Quarterly and Annual Monitoring

The project will be monitored and evaluated according to UNDP/GEF rules and procedures. SD Unit will prepare annual work plans, Quarterly Operational Reports (QOPs) and Annual Progress Reports (APRs) on the technical and substantive progress of the project. Local consultants will submit monthly progress reports to the NPC and the FSM Country Team. The FSM Country Team will meet regularly to review these reports and to resolve any issues constraining implementation. Tripartite Review Meetings (TPR) involving government of FSM, SD Unit and UNDP will be held at the end of the first 12 months and at the completion of the project.

The SD Unit will ensure that progress reports are submitted by all consultants involved in project activities. These include surveys, trainings, workshops, meetings and field activities.

Based on QOP received from the SD Unit, UNDP Suva will prepare Quarterly Operational Report (QOR) to be submitted to UNDP-GEF Regional Coordination Unit for Asia and the Pacific, every quarter.

The FSM Country Team together with SD Unit will monitor the activities of the NCSA by assessing progress at all stages, analyzing situations to determine the causes for any major deviations from the plan and deciding necessary actions to remedy the situations as appropriate.

Final Evaluation

A Final Impact Evaluation will be conducted at the end of the project to provide an overall assessment of the NCSA process and to consider opportunities for implementing and supporting the Work Plan and Resource Mobilization Strategy. This evaluation will be carried out in accordance with UNDP-GEF procedures and requirements and will be undertaken by an independent evaluator with the help of a local expert.

UNDP Suva, with inputs from UNDP-GEF and the government of the FSM, will prepare and finalize the Terms of Reference for the Final Evaluation. UNDP/GEF will also contribute to the evaluation by providing nominations for consultants and agreeing to the final selection, participating in the final evaluation if necessary, providing input to the evaluation as appropriate, reviewing and providing comments on the draft evaluation report, and supporting UNDP Suva, government of FSM and SD Unit in addressing the recommendations and applying lessons learned.

Part V. Legal Context

This document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of FSM and the United Nations Development Programme on 10th June 1974. The host country implementing agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government cooperating agency described in the Agreement. The following types of revisions may be made to this document with the signature of the UNDP Resident Representative only:

- Revisions in or additions to, any annexes of the document.
- Revisions which do not involve significant changes to the immediate objectives, outputs, or activities of the programme, but is caused by the rearrangement of inputs already agreed to, or by cost increases due to inflation, and
- Mandatory annual revisions which re-phase the delivery of agreed inputs or increased expert costs due to inflation or take into account agency expenditure flexibility.