



USAID
FROM THE AMERICAN PEOPLE

USAID CLIMATE READY

LESSONS LEARNED REPORT

June 2023

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PHOTO: ARIETA SOKOTA

USAID CLIMATE READY

LESSONS LEARNED REPORT

Submitted to:

USAID Philippines

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Photo Caption:

Fishing boat approaching the town of London on Kiritimati Island in the Line Islands group of Kiribati.

Disclaimer:

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ACRONYMS

AE	Accredited Entity
CBO	Community Based Organization
CCA	Climate Change Adaptation
CCDA	Climate Change and Development Authority (PNG)
CCD	Climate Change Division (Tonga and Fiji)
COP	Conference of Parties
COP21/23/26	21 st /23 rd /26 th Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC)
CROP	Council of Regional Organisations in the Pacific
CSO	Civil Society Organization
DAE	Direct Access Entity
DNPM	Department of National Planning and Monitoring (PNG)
DoWH	Department of Works and Highways (PNG)
EDA	Enhanced Direct Access
FDB	Fiji Development Bank
FSM	Federated States of Micronesia
FY	Fiscal Year
GCF	Green Climate Fund
GEF	Global Environment Facility
GESI	Gender Equity and Social Inclusion
JNAP2	Joint National Action Plan on Climate Change and Disaster Risk Reduction 2018-2028 (Tonga)
MEIDECC	Ministry of Energy, Information, Disaster Management, Environment, Climate Change and Communication (Tonga)
MEL	Monitoring, Evaluation and Learning
MCT	Micronesian Conservation Trust
MoE	Ministry of Economy (Fiji)
NAP	National Adaptation Plan
NDA	National Designated Authority
NDC	Nationally Determined Contributions
NGO	Non-Governmental Organization
PIC	Pacific Island Country
PNG	Papua New Guinea
PPF	Project Preparation Facility
RedR	International disaster response and training NGO
RMI	Republic of the Marshall Islands
SAP	Simplified Approval Process
SGP	Small Grants Programme
SPC	The Pacific Community
SPREP	Secretariat of the Pacific Regional Environment Program
TAFE	Technical and Further Education
TDB	Tonga Development Bank
UNDP	United Nations Development Programme
USA	United States of America
USAID	United States Agency for International Development
USP	University of the South Pacific

I.0 INTRODUCTION

I.1 CONTRACT OVERVIEW

Program Name:	USAID Climate Ready Project
Activity Start Date and End Date:	November 22, 2016 – September 30, 2023
Implementing Partner:	DT Global
Geographic Coverage (Countries)	Federated States of Micronesia, Fiji, Kiribati, Republic of the Marshall Islands, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

I.2 BACKGROUND

Following the landmark COP21 in December 2015, the Conference attendees agreed to provide substantial financing and support through international donors and funds to address climate change. As part of this movement, the United States Agency for International Development (USAID) launched the USAID Climate Ready Project, which supports Pacific Island Countries (PICs) as they adapt to climate change.

The ultimate outcome of USAID Climate Ready will be tangible progress toward the implementation of an increased number of adaptation interventions that are aligned with PICs' National Adaptation Plans (NAPs) so countries become more resilient to climate change and disaster risks.

USAID Climate Ready is focused on achieving its Strategic Objective of **capacity of PICs increased to adapt to negative impacts of climate change** through three objectives:

- i. Objective 1: National, sub-national and sectoral policies, regulations and legal frameworks, and institutional arrangements necessary for achieving adaptation goals as identified in national adaptation plans are in place and in practice;
- ii. Objective 2: PICs' abilities to access international, multilateral climate change funds increased; and
- iii. Objective 3: Timely and successful adaptation project implementation increased by building professional capacity and management systems to coordinate, manage, monitor, and report on adaptation projects.

In order to achieve these results, the USAID Climate Ready Project applies the following implementation principles to guide the overall strategy and direct how USAID Climate Ready operates and delivers its results:

- Prioritize climate financing as the principal project driver;
- Challenge PIC leadership to address policy gaps and social inequalities;
- Leverage counterpart exchanges to share experience and fill gaps;
- Support design and implementation of Climate Change Adaptation (CCA) projects at scale through practitioner-led initiatives;
- Link capacity building support to actual CCA projects;
- Leverage existing information and best practices to jump-start implementation; and
- Expand impact through e-learning and other innovative tools.

As crosscutting themes, USAID Climate Ready promotes gender equity and social inclusion, public/private partnerships, and effective coordination across donors and national governments.

USAID Climate Ready works in 11 Pacific Island Countries and, for operational purposes, is divided into three sub-regions, which are serviced by three sub-regional offices: Port Moresby, Pohnpei and Suva (which is co-located with the Project Field Office).

Figure I-1: USAID Climate Ready Countries by Sub-Region

Port Moresby Sub-Regional Office	Pohnpei Sub-Regional Office	Suva Sub-Regional Office
Papua New Guinea (PNG)	Federated States of Micronesia (FSM)	Fiji
Solomon Islands	Palau	Kiribati
Vanuatu	Republic of the Marshall Islands (RMI)	Samoa
		Tonga
		Tuvalu

Figure I-2: Map of Pacific Island Countries Working with USAID Climate Ready





GOAL: Capacity of Pacific Island Countries is increased to adapt to negative impacts of climate change. USAID Climate Ready works with target Pacific Island Countries to achieve their climate change adaptation goals by assisting them to develop and implement climate action policies and plans in a manner that is country-driven, coordinated, inclusive and equitable.

USAID Climate Ready is focused on achieving three objectives:

- 1: Policy work necessary for achieving adaptation goals as identified in national adaptation plans is in place and in practice;
- 2: Improved access to international, multilateral climate change funds; and
- 3: Improved adaptation project implementation by building professional capacity and management systems.



BUDGET
USD
23,903,456



DURATION
22 Nov 2016 -
30 Sept 2023



OFFICE LOCATIONS
The project has regional offices in Suva, Pohnpei and Port Moresby.



COUNTRIES: Federated States of Micronesia, Fiji, Kiribati, Republic of the Marshall Islands, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu

ACCOMPLISHMENTS – Project To Date (FY17 thru FY23 Q2)

Objective 1: CLIMATE CHANGE ADAPTATION POLICIES & LAWS IN PLACE AND IN PRACTICE



19 Climate change policies supported addressing climate resilience.



15 Strategies developed to enable effective climate change adaptation mainstreaming.



42 Institutions with improved capacity to address climate change.

Objective 2: IMPROVED ACCESS TO CLIMATE CHANGE FUNDS



\$515m
Mobilized for climate resilience.



80 Projects with facilitated access to finance.



36 Institutions with improved capacity and accreditation to access climate finance

Objective 3: IMPROVED IMPLEMENTATION OF CLIMATE CHANGE ADAPTATION PROJECTS



\$194m
Value of assets built / rehabilitated according to climate resilient codes.



2,498
People including 1,298 women trained in global climate change adaptation.



17 Tools and systems to strengthen project management, monitoring and reporting.

FY23 Q2 PROJECT SUB- ACTIVITIES 30 SUB-ACTIVITIES IMPLEMENTED IN 11 COUNTRIES

Objective 1:

1 sub-activity including:

- 1 sub-activity that strengthens domestic capacity to address climate change risks.

Objective 2:

24 sub-activities including:

- 8 sub-activities that strengthen national /regional institutions to access climate financing including accreditation;
- 19 sub-activities that prepare bankable climate change adaptation investment proposals to access climate finance.

Objective 3:

2 sub-activities including:

- 2 sub-activities that improve the capacity of government/ private sector officers to manage and implement adaptation projects.

2.0 LESSONS LEARNED

The aim of this document is to provide concise, insightful and practical suggestions based on Project implementation experience. Accordingly, the following outlines the main lessons learned across eight topic areas:

- Policy Development;
- Accreditation;
- Project Proposal Preparation;
- Capacity Building;
- Gender Equity and Social Inclusion (GESI);
- Project Communications;
- Monitoring, Evaluation and Learning (MEL); and
- Being a Trusted Partner.

The contents of this document were shared with participants of the USAID Climate Ready Lessons Learned Event in June 2023 and are now being made available for wider sharing.

2.1 POLICY DEVELOPMENT

Issue

One of USAID Climate Ready's Intermediate Results was to ensure that policies, regulations and legal frameworks, and institutional arrangements necessary for achieving adaptation goals as identified in national adaptation plans, were in place and in practice. Thus, the Project worked with Pacific Island Countries to develop 19 policies and plans and ensured that they were finalized documents and were acknowledged, approved or endorsed by the relevant government bodies. However, when USAID Climate Ready started to evaluate how these policies were being implemented, it found that in most cases there was little progress to incorporate, mainstream, operationalize or even use the policies to incorporate climate change considerations into day-to-day processes of governance. Therefore, the Project utilized an adaptive management approach to provide targeted assistance to strengthen PIC's capacities to implement and overcome implementation barriers that had manifested themselves, particularly in the area of mainstreaming.

Lessons Learned

- a) When investing resources in policy development, it is essential to **adopt a lifecycle approach and to provide program support along the whole policy cycle** (formulation, implementation and monitoring, evaluation and learning) especially in areas of policy innovation such as with climate change.
- b) **Effective operationalization of a policy/plan needs to be supported and driven by senior managers.** These senior managers understand the need for the policy/plan and see that operationalization is essential for improving the organization and its outcomes. They then promote the policy and ensure that it is mainstreamed throughout the organization and embedded into procedures, practices and thinking.
- c) In the Pacific, Council of Regional Organisations in the Pacific (CROPs) organizations and PICs seek to drive their own change and improvement. If you have proven that you are a reliable, trusted and effective partner, you may get invited to support the entity. The time taken for trusted relationships to form can impinge directly on donor timelines and expectations. **It is**

important for donors to be patient and respectful of how things are done in the Pacific, and to allow the CROPs and PICs to lead, which is key to any localization strategy.

- d) In the Pacific, there are usually a limited number of staff in each department who are busy and pulled in multiple directions, so a reasonable timeframe is required in order to get things done. **Both donors and organizations need to accept and appreciate that the process will take longer than expected and allowances will need to be made for this.**

Examples:

- *Fiji – Fiji Development Bank (FDB):* USAID Climate Ready worked with FDB for its Green Climate Fund accreditation, providing support for the gender policy and procurement aspects of accreditation. After USAID Climate Ready had completed this support on accreditation and the FDB had achieved GCF national Direct Access Entity status, FDB requested USAID Climate Ready to support the operationalization of the gender policy and action plan across the whole FDB and its operations. The USAID Climate Ready consultant supporting this work was Fiji-based and had already collaborated closely with the various parts of the FDB to develop the policy and she was able to continue the work to operationalize the policy. Being Fiji-based, she could meet in-person at regular intervals that best suited the FDB and provide regular support over an extended period of time.
- *Tonga – Ministry of Energy, Information, Disaster Management, Environment, Climate Change and Communication (MEIDECC):* USAID Climate Ready supported MEIDECC with the finalization of the Joint National Action Plan on Climate Change and Disaster Risk Reduction 2018-2028 (JNAP 2) through the support of a local technical consultant. After the JNAP 2 was launched, MEIDECC requested USAID Climate Ready's technical support to reconstitute the JNAP Secretariat, whose primary responsibility would be to administer and monitor the implementation of the JNAP 2. The technical support requested involved recruitment and engagement of three local staff in the areas of technical support, climate finance and communications. USAID Climate Ready supported these staff for over three years and enabled them and MEIDECC to implement JNAP 2 activities. The Senior staff in MEIDECC's Department of Climate Change took the lead on the JNAP 2 implementation and the activities were able to be implemented because they had three additional staff whose focus was the JNAP 2. When USAID Climate Ready support ended, the JNAP 2 staff were employed by MEIDECC to continue the implementation of the JNAP2.

2.2 ACCREDITATION

Issue

Across the board, PICs have expressed eagerness to increase the amount of, and control over, climate finance directed to the region. Access to project funds through the Green Climate Fund can only be achieved through accredited entities (AEs). While PICs have accessed GCF funds through International Access Entities (IAEs), countries have expressed a preference to access funds by direct access to GCF through domestic and regional Direct Access Entities (DAEs).

Notwithstanding the efforts of the three regional DAEs (Pacific Community (SPC), Secretariat of the Pacific Regional Environment Program (SPREP) and Micronesia Conservation Trust (MCT)), the ability of countries to access climate finance through DAEs has been limited, despite a clear appetite for seeking national Direct Access Entities (DAEs). The challenge is to strengthen the ability of countries to support national entities to become accredited to increase access to, and control of, climate finance that can then be directed to addressing community, national, regional, and international climate goals.

Lessons Learned

GCF accreditation is a long, resource intensive process that requires significant up-front investment in people, time and money that will only pay off after several years, if ever. While PICs should continue to lobby GCF to explore ways and means to simplify the accreditation process for Pacific-based entities, the focus of the lessons presented here is on what countries can do to better manage the overall accreditation process.

a) Countries and National Designated Authorities (NDAs) need an accreditation strategy.

Countries need to think through and outline their accreditation strategy before embarking on the process. Countries tend to focus on the pipeline of projects in the expectations that funds will start flowing without recognizing the effort, resources and time involved in securing potential GCF funding both through accreditation and then project preparation. Without outlining a clear accreditation strategy, a lot of effort, resources and time can be wasted in seeking accreditation for entities that may not be appropriate to a country's circumstances. Countries should develop a clear strategy that involves identifying appropriate and complementary entities to support for accreditation that aligns with the climate goals outlined in national climate change policies, Nationally Determined Contributions (NDC) and National Adaptation Plans (NAPs).

Example:

In Palau, the Marshall Islands and PNG, USAID Climate Ready has supported “Rapid Assessments” that have explored the appropriateness of entities becoming accredited entities. Also, within the FSM Country Programme there is an exploration of the likely complementary roles of the entities seeking accreditation. For example, FSM has an accredited entity in the form of MCT – a national level NGO to do Enhanced Direct Access (EDA)¹ and other grant projects, the FSMDB Development Bank which is at Stage 2 of the Accreditation Process will support the private sector and Vital Energy will focus on mitigation.

b) Entities considering accreditation should develop a strategy on how to approach the process.

Entities considering accreditation should develop an entity-specific strategy on how to approach the process that includes:

- Detailing the pros and cons of accreditation for the entity (including alignment with the country's accreditation strategy).
- Speaking with other organizations, both accredited and in the accreditation process, to learn about the process and whether it is worthwhile and appropriate.
- Preparing a Gap Assessment (possibly using Readiness Funding²) to identify areas in need of strengthening and developing a complementary Action Plan that would include identifying

¹ The objective of Enhanced Direct Access is to enhance country ownership of projects and programmes using DAEs that are sub-national, national or regional, public or private Accredited Entities (AEs) to submit and implement climate finance projects characterized by an enhanced devolution of decision making whereby both funding decisions and project oversight take place at the national or regional level. This can be achieved by, for example, establishing a dedicated facility to fund small-scale community projects.

² The GCF Readiness Programme provides grants and technical assistance to National Designated Authorities (NDAs) and/or focal points (FPs) and to strengthen Direct Access Entities. The objective is to enhance the capacity of national institutions to efficiently engage with GCF. Dedicated readiness funding may also assist countries in undertaking adaptation planning and developing strategic frameworks to build their programming with GCF.

internal resources to the organization and external support (such as that offered by USAID Climate Ready) needed for addressing gaps.

- At regular stages in the process, taking stock and re-assessing whether to continue to pursue, **or not to pursue**, accreditation.

Example:

All the entities that USAID Climate Ready has supported in their accreditation process have undertaken elements of these steps. For example, FDB, FSMDB, MCT and Ministry of Finance in Palau have all used GCF Readiness Funding to prepare Gap Assessments and Action Plans in early stages of their accreditation process. The Action Plan has helped to identify the need for any external support to address gaps. For example, USAID Climate Ready used the Gap Assessment and Action Plan developed for the Ministry of Finance in Palau to design support to strengthen Palau's Project Management Manual to meet numerous aspects of GCF accreditation requirements in areas such as fiduciary requirements, Gender and Environmental and Social Safeguards.

c) Entities seeking accreditation must devote appropriate resources to the process and have it as a key part of their core activities and strategic direction.

The accreditation process is extremely challenging because it is time and resource-intensive and within PICs, local technical capacity to access funds is low/limited. Nominated accredited entities need to dedicate people, time and resources to the accreditation process including using available readiness funding. The accreditation process is not a part-time commitment or a “nice thing to do”. It must align with and reinforce the core work of the organization and its strategic direction. This will ensure that the organization will assign people, time and money to support the process.

Example:

The Micronesia Conservation Trust, for example, has integrated access to finance and climate change into its two most recent strategic plans with the support of USAID Climate Ready, addressing the rationale for accreditation and how this access to finance will be best utilized to further their goals. MCT has also addressed the organizational changes needed to manage the increased flow of funds and mechanisms that will help them channel funds to NGOs and communities dealing with climate change issues at grassroots levels. MCT has developed an EDA proposal that will be considered by the GCF Board in July 2023 that will use small granting mechanisms in RMI, FSM and Palau to channel CCA funding to domestic NGOs and communities to address local CCA challenges.

d) Autonomous agencies have greater ability to implement changes to meet GCF requirements.

Within the support for accreditation provided by USAID Climate Ready, experience has shown that making the necessary improvements tends to be easier for agencies with autonomy. Agencies that operate in line with Government policy have more difficulty in making the necessary improvements for accreditation than more autonomous agencies.

Example:

The accreditation experiences of the Fiji Development Bank (FDB), the FSM Development Bank and most recently the Tonga Development Bank (TDB) have reflected this where these entities work through very defined governance structures and Boards. This compares to working with Government Ministries or Agencies that often need to work through complex legislative and

executive bureaucracies that can require more time and additional resources for actions such as more widespread and in-depth consultation.

- e) **Accredited Entities (AEs) and potential AEs must have a clear pipeline of projects in mind and be mindful of the resources needed to prepare projects once accreditation is achieved (separate from the resources needed to achieve accreditation).**

Achievement of accreditation is a major accomplishment, but it is no guarantee that money will flow from GCF. Not all DAEs have had projects approved for funding. Having a clear pipeline of projects is critical to taking the next step and utilizing the accreditation effectively to meet climate change adaptation objectives. Like accreditation, project preparation for DAEs needs significant investment of personnel, time and money. DAEs have access to Readiness funding to support Concept Note Development and the Project Preparation Facility (PPF) funding to support the development of full proposals.

Example:

Both SPC and SPREP have used their DAE status to get proposals approved and have developed a pipeline of proposals that have progressed through Concept Note approval, while also taking advantage of Readiness funding, USAID Climate Ready support and PPF funding to develop Concept Notes and full funding proposals. This lesson can also apply to national DAEs. With SPC, USAID Climate Ready provided technical support (GESI and ESS expertise) to prepare a GCF EDA proposal in FSM to provide funding to sub-national government projects that address CCA, while with SPREP, USAID Climate Ready funded a technical expert to assist in the preparation of climate change/resilience project proposals to strengthen SPREP's CCA project pipeline and its capacity in the area of ESS.

- f) **NDA and their supporting staff should be adequately resourced and integrated into the Government bureaucracy.**

Countries and NDAs need to be clear and deliberate about what institutions/organizations are advanced for accreditation and what they want to achieve from accreditation. This deliberation should consider how accredited entities can work together and complement each other in achieving national climate change goals. The NDA must be well resourced to undertake its work and it must transition from readiness funding to core Government funding and institutionalize the function within Government.

2.3 PROJECT PROPOSAL PREPARATION

Issue

USAID Climate Ready has adopted a dual-track approach to accessing international climate finance in the Pacific Region. The first track centers on *accreditation of national and regional direct access entities*, while the second (this chapter) focuses on *building the capacity of national government institutions to package projects to access international climate finance*.

The Project has encountered the following specific issues that have influenced the implementation of its approach to project preparation:

- Accredited entities (AE), particularly Pacific Region accredited government institutions and regional organizations, often do not have sufficient capacity nor project design resources to properly undertake a project design initiative on their own.
- The international climate finance architecture is employed to deliver finance in packages in the millions and tens of millions, but in the Pacific, especially for community-led adaptation (which is

most effective and which most easily allows for the leveraging of communities' social capital resources), the need is in the tens of thousands, many orders of magnitude smaller than what is normally available from the GCF and other climate finance sources.

- International climate finance agencies have ever-expanding and oft-changing requirements and numerous layers to their review processes. As well, the sheer number of project concepts and project proposals under review has increased, meaning that it can take up to several years from initiation of project concept development to start-up of on-ground implementation of activities. These issues and delays are also straining the project development budgets of AEs, where work plan timelines often stall, delaying the projected submission dates to the funding agencies for review and approval.
- Line government department/ministry officials delegated with the responsibility for working with AEs on project concept and proposal development often do not have the skills, expertise or time to adequately carry out this role, often delaying the project development process. As a result, at project closure, government counterpart departments/ministries have not built up the necessary capacity to serve as repositories for the tools and systems created for the better management of the design and implementation of climate adaptation projects.
- The growth of climate financing coming into the Pacific Region over the last 10 years has underscored the dearth of qualified national consultants and Pacific Islanders working regionally with sufficient technical skills and expertise to form part of accredited entity project design teams, which has only been aggravated over the past several years with the advent of covid-related travel restrictions on international-based consultants.

Lessons Learned

a) *Successful project proposal preparation involves collaboration and leveraging of limited resources.*

The Project developed a model to leverage its own limited resources and, at the same time, address the needs of Pacific-based national, regional, and international accredited entities by partnering in the provision of technical expertise to fill personnel and resource gaps in project design teams. Over the life of the Project, USAID Climate Ready partnered in the development and approval of 13 large-scale climate adaptation projects that helped mobilize over US\$500 million in international climate finance and in the process greatly improved the quality of these projects. The key to achieving these results begins with building a solid track record of contributing high-quality technical expertise on a timely basis that supports accredited entities develop approved concept notes and project feasibility studies, including through climate-related analyses of gender, environment and social safeguards, biodiversity, and health. The ongoing provision of these high-quality resources over the last seven years has allowed the Project to establish and maintain very close working relationships with accredited entities working in the Pacific Region in coordinating, gaining trust, and staying abreast of collaboration opportunities in project preparation. A good example is the excellent partnership established with the Pacific Community (SPC). Building on Project support to SPC during 2017-2018 to achieve GCF direct access accreditation, USAID Climate Ready has continued its collaboration with SPC in supporting the development of four approved project proposals and four in its pipeline of projects for GCF and other climate financing sources.

Example:

The Project partnered with the MCT to develop a Simplified Approval Process (SAP) project proposal for *Enhancing Food and Water Security in the Federated States of Micronesia* for GCF funding. The project – which is expected to have approximately 63,000 direct beneficiaries –

was approved for US\$9.4million, including co-financing. The USAID Climate Ready contribution was the provision of a GCF Project Preparation Advisor to work with MCT through the process of developing the project concept and full SAP funding proposal for submission to the GCF Board at a cost to the Project of US\$52,000.

b) *Small grant support provides a faster, cost-effective pathway to on-ground implementation.*

To balance the lengthy timeframe from project initiation to implementation of project activities for large-scale projects being developed for international climate financing, the Project entered into partnerships with UNDP's GEF-funded Small Grants Programme in the North Pacific (FSM, Palau, and RMI) and PNG and with UNDP's Adaptation Fund Climate Innovation Accelerator to work closely with community-based organizations on the development of small-scale climate change adaptation projects. This pathway proved a faster way to show visible results on the ground with a conception-to-implementation timeframe of generally around six-to-nine months. In this capacity, USAID Climate Ready supported small grant proponents in the development of over 60 community-based, small-scale projects in the range of US\$25,000-75,000. In addition, USAID Climate Ready has assisted accredited entities in accessing international funds for on-granting to smaller organizations (e.g. through GCF's Enhanced Direct Access mechanism). This mechanism builds a bridge between smaller entities and international climate finance, and allows for the large funding amounts available at the international level to be "repackaged" as smaller grants that are more consistent with the funding needs of small organizations, while being within their management capabilities.

Example:

USAID Climate Ready partnered with the UNDP PNG Country Office to support more than 20 NGO and CBO proponents in the development of climate adaptation project proposals for funding under UNDP's GEF-funded SGP. One such project was the *Community Adaptation and Empowerment Project* for which USAID Climate Ready supported the Lufa Community Development Agency to develop the project proposal. The project was approved for US\$48,320, including co-financing, and works to improve food security for approximately 5,600 direct beneficiaries in PNG's Eastern Highlands Province.

c) *To effectively participate in the project development process, counterpart institutions need capacity strengthening.*

It is not the role of government counterpart staff to know all the ins and outs of designing a project concept or proposal – that is the responsibility of the accredited entity. However, it is very worthwhile if government counterparts do have sufficient knowledge to actively participate in the management of the project development process and be able to institutionalize at project closure the experience and lessons learned from preparing the project. To address this need, the Project developed a guide which walks the reader through the process of compiling information into the successful design of a small grant proposal. The guide can also serve for larger types of projects for international climate finance.

Example:

The guide, prepared in partnership with the East-West Center at the University of Hawaii, focuses on the key aspects of developing a project proposal. The guide was designed to help government officials, community groups and other organizations in the Pacific gain the knowledge and capacity to participate in the preparation of a successful project proposal and institutionalize the project development experience. The guide includes practical, step-by-step guidance with chapters on:

- Identifying and addressing the problem,
- Developing a logical framework,
- Making the “climate case” for a project,
- Linking a project to existing policies and frameworks,
- Incorporating gender equity, disability, and social inclusion issues,
- Risk management, and
- Monitoring, evaluation, reporting, and learning.

d) Effective technical assistance understands the Pacific context.

Working in the Pacific region has distinct requirements and needs for contextual knowledge, particularly with respect to community-based GESI assessments and Pacific government policies and procedures. There must also be careful attention to using technical assistance as a way of building the capacity of Pacific technical specialists. Therefore, USAID Climate Ready has made it a practice to engage qualified national consultants or regionally-based Pacific Islanders to fill project design and/or other Project activities, such as policy development and accreditation support. Through this support, USAID Climate Ready continues to develop local talent in line with the Project’s emphasis on localization.

Example:

Over the life of USAID Climate Ready, the Project managed 172 separate consultancies with 77 (45%) of these performed by PIC-based consultants. In doing these 172 consultancies, the Project engaged 81 unique consultants and 39 (48%) of these were PIC-based.

2.4 CAPACITY BUILDING

Issue

In the Pacific, climate change is a reality that is seen, felt and lived on a daily basis. USAID Climate Ready has been supporting PICs to strengthen their capacity to adapt and respond to the adverse impacts of climate change. However, within PICs, local technical capacity to implement high-quality climate change adaptation projects is low. The concern is that when climate finance starts flowing, the capacity to manage and implement quality CCA projects may not be adequate or locally available.

Lesson Learned

Effective and appropriate training partnerships are essential for strengthening local capacity to manage adaptation projects.

At national consultations with target country governments and other stakeholders at the beginning of the Project, partners made it clear that they required accredited, professional upskilling opportunities, not one-off trainings or short workshops that often fall short for building sustainable technical capacities. The desire for courses delivered by reputable local or regional training providers was expressed as these institutions would be more appropriate and understand the local context better. Through effective training collaborations, USAID Climate Ready has been able to train 2,500 people across the Pacific, 52% of them women. At least one third of people trained received a Certificate IV credential (i.e. a professional development certification).

Example:

One of the most effective and long-standing collaborations has been USAID Climate Ready’s partnership with the University of the South Pacific’s Pacific Technical and Further Education college (USP Pacific TAFE). Together, the Project and USP Pacific TAFE rolled out accredited professional development courses (known in the Pacific as a “Certificate IV”) lasting four to six months in Project Management

Practice, Resilience, Procurement and Supply, and Climate Finance and Project Preparation across all of the Project's 11 target countries through online and blended modes. Some of the main characteristics of this partnership that made for successful training delivery include the following:

- *Targeted participants.* USAID Climate Ready, in consultation with target country focal points, carefully selected participants from organizations throughout the Pacific responsible for the management and implementation of climate change projects. Participants also included people from the implementing organizations that USAID Climate Ready assisted to prepare successful climate change adaptation project proposals, as well as participants from institutions that USAID Climate Ready provided GCF accreditation support to with the goal of strengthening direct access to climate finance. Special care was taken to think about capacity development not just for the individual participant, but also in terms of the individual's role within his/her organization and how that person could strengthen that organization. Once these participants were identified, USAID Climate Ready worked closely with USP Pacific TAFE to register them formally.
- *Attention to GESI.* Women in the Pacific possess invaluable climate action knowledge and perspectives, however professional development opportunities and the CCA project management space tends to be a largely male-dominated. To strengthen women's ability to contribute to effective climate change adaptation projects in the Pacific, USAID Climate Ready worked to ensure that they were well represented in capacity building activities – and this sometimes meant offering training courses for women only. With the support and encouragement of USP Pacific TAFE, USAID Climate Ready sponsored several female-only cohorts of the Certificate IV Project Management Practice course in Fiji and PNG. Pass rates for these courses were among the highest of all USAID Climate Ready sponsored cohorts, and participants expressed feeling more confident in the roles after – some even received promotions within their organizations.
- *Attention to sustainability.* The USP Pacific TAFE partnership not only benefitted course participants, but also assisted USP Pacific TAFE to design new courses and hone existing courses which will be accessible to the broader Pacific population long after the Project ends. Private students (not sponsored by USAID Climate Ready) have been enrolling in these courses (particularly Project Management) and some formerly Project-sponsored participants have gone on to privately pay for enrollment in USP Pacific TAFE's Project Management diploma-level program.
- *Pacific approach to learner support.* For success, it was essential to identify an institutional partner with good trainers who understand the Pacific context and would go the extra mile to get knowledge across and support participants to get to the end of the course. USP Pacific TAFE has a cadre of course facilitators that has been able to do just that. In particular, during the Covid-19 pandemic when all courses had to be shifted to online modes, course facilitators had to levy extra patience and attention to ensure that learners did not feel isolated by creating virtual spaces for learning and team collaboration. Course facilitators also had to assist participants on how to use the online learning platform (Moodle). This ongoing support engendered not only a class experience, but a community feel to learning. In course evaluations, it was seen that understanding Pacific trainers made all the difference to a lot of learners and kept them engaged and enrolled.

2.5 GENDER EQUITY AND SOCIAL INCLUSION (GESI)

Issue

The negative impacts of climate change are not gender-neutral. Women and vulnerable groups are disproportionately affected. They already have limited access to resources, opportunities and decision-making power and climate change multiplies those inequities, risks and hardships, driving their vulnerability increasingly upward. Further, the capacity to mainstream GESI considerations into areas where a difference can be made – for example policies and operations, project design, and project management – is low.

Lesson Learned

A two-pronged approach to GESI mainstreaming – i.e. embedding GESI into individual activities as well as across overall Project implementation – can produce more effective results.

This lesson essentially states that if we want to see greater gender equity and social inclusion, we need to actively and deliberately build it into programming, operations and activities as GESI does not come about by accident. Further, if GESI is not built in, it tends to be treated as an add-on that is not well integrated and hence less effective. An example of how USAID Climate Ready built in GESI through a two-pronged approach is provided below.

Example:

The main features of the USAID Climate Ready two-pronged approach are outlined below.

I. Individual Activity Level: Support to High Impact GESI Activities

Without USAID Climate Ready support in these areas, GESI may not have been covered off as well.

- *Policy* – We assisted in mainstreaming GESI into partner policy and operations through the development and socialization of GESI action/implementation plans and mainstreaming checklists (e.g. Fiji Development Bank example presented in Section 2.1 Policy Development).
- *Accreditation* – We supported the development of GESI and Environment and Social Safeguards (ESS) policies required of accreditation by climate finance organizations, as well as GESI screening tools which help to ensure GESI considerations are integrated into projects from the earliest stages of development.
- *Project Proposal Preparation* –
 - We have taken the lead on the GESI components of project proposal preparation by providing trusted technical consultants who understand the Pacific context and cultural sensitivities and draw on this knowledge to embed GESI. The assessments, policies and action plans produced will guide implementation.
 - We supported local women's groups, youth groups and rural organizations to prepare adaptation project proposals for UNDP's GEF Small Grants Programmes in FSM, Palau, PNG and RMI. Though this was not necessarily the level of organizations the Project usually targets, we learned that these groups would not otherwise be able to access these climate funds.
- *Capacity Building* – We have been strengthening women's climate change adaptation and disaster resilience capacity through courses delivered in partnership with USP Pacific TAFE and RedR Australia, among others. We made the gender balance we wanted to see – we stipulated 50% gender balance in our participant sponsorship. Where we fell short, we ran

subsequent female-only cohorts to rebalance. This is how of the 2,500 people trained, 52% are female.

2. Project Implementation Level: *Understanding, Reporting and Knowledge Sharing*

- We have a set of GESI indicators (not a contractual requirement, but for our own performance tracking) that we report on in every quarterly and annual report.
- We regularly (quarterly) reflect on our GESI actions and achievements in GESI as a team to learn where to improve and what to celebrate.
- All staff participate in sessions on the concept and importance of GESI in our work (e.g. GESI guest speakers, sessions on Sexual Orientation, Gender Identity and Expression and Sex Characteristics – SOGIESC).
- We feature GESI actions and achievements in Project communications (e.g. social media posts, larger blog-form stories).
- We package up key GESI information into knowledge products for broader sharing (e.g. “*GESI Mainstreaming Checklist for Screening Climate Finance Projects*” and “*GESI in Project Management*” online training module and workbook – all on Climatelinks at www.climatelinks.org).

2.6 PROJECT COMMUNICATIONS

Issue

Climate change in the Pacific is a crowded space so it is imperative for USAID to show and tell what it is doing regularly. Not only is it important for USAID to be visible in showcasing its work in the region, it needs also to be seen as supporting relevant exchanges of knowledge and information that benefit Pacific people. As well, it is important to highlight good initiatives so that other partners working in the space can learn from it and build on it and avoid duplication. Further, effective communication is a challenge – whatever content goes out needs to be meaningful and appropriate.

Lessons Learned

a) *There is an appetite for regular Pacific content.*

USAID Climate Ready has learned that Pacific people are keen to see one another in action and hear about each other’s achievements. Stories that show what local capacity and ambition abounds in the Pacific are eagerly consumed and celebrated. It is important that such stories are accessible, visual and distinctly Pacific, not generic or repackaged content from other geographies.

Example:

USAID Climate Ready has communicated largely via Facebook which continues to be the most widely-used social media platform in the Pacific with millions of subscribers. The posts that have resulted in the most views, impressions and interactions have been short, avoiding most technical jargon and including photographs of people and places from the region. Compelling content showcases the way of life, culture and unique challenges faced by individuals, communities and organizations in a way that also informs audiences. Including specific location information such as village names and provinces so that the audience can gauge their degree of connection is also effective.

Further, to try to curb the increasing tendency of users to scroll quickly, USAID Climate Ready began to produce short-form videos (under two-minute clips) to accompany posts and longer stories. These videos have retained user attention for longer than photos and infographics. USAID

Climate Ready is one of the few Pacific projects to use short-form video in Facebook posts. For example, a post with a video clip on its partnership with the Fiji Development Bank garnered close to 10,000 views on the USAID Pacific Islands Facebook page.

b) USAID needs to be regularly showing what it is doing in the Pacific.

For USAID to be recognized as an ally and actor in climate change adaptation in the Pacific, it needs to be regularly showcasing what it is doing with organizations and communities.

Example:

Since moving to weekly social media posts in the latter half of the Project, USAID Climate Ready has experienced a noticeable increase in stakeholder awareness of the Project as evidenced by a rise in people telling Project team members that they have read about the Project's activities and its achievements. Thus far, USAID Climate Ready has published almost 300 social media posts on the USAID Pacific Islands Facebook page and a number of knowledge products and longer stories on Climatelinks, USAID's global portal for climate-related information.

2.7 MONITORING, EVALUATION & LEARNING (MEL) AND ADAPTIVE MANAGEMENT

Issue

USAID Climate Ready's implementation period from 2016 to 2023 was marked by significant, rapid global changes and uncertainties. Administrative changes in the early years of the Project affected programming priorities, budget allocation and relationships with some target countries. The covid-19 pandemic that followed shut down the region for up to three years; some borders remained closed until mid-2022. Indeed, implementation was not a simple matter of enacting plans and ways were needed to help the Project adapt and respond to the constantly changing circumstances.

Lesson Learned

MEL can support adaptive management by promoting understanding during changing times and improving subsequent decision making and activities.

In order to ensure that the Project was learning from actions and making improvements as needed, the USAID Climate Ready team regularly and systematically documented targets achieved and conducted quarterly progress reflections together (e.g. How we are tracking? How much further do we have to go? Is this the best way to get there?). The Project also maintained regular communication and engagement with Pacific stakeholders. As well, USAID Climate Ready actively applied a "Collaboration, Learning and Adaptation" approach whereby it developed and implemented activities/sub-activities closely with partners and conducted follow-up research (i.e. "Deliverables Research" as below) with partners to glean the outcomes of Project support as opposed to waiting for outside evaluations. In these ways, the team was able to gather and utilize learning for improved implementation.

Examples:

Two examples of MEL processes supporting adaptive management are outlined below.

- Project Management Course Tracer Studies

USAID Climate Ready employed tracer studies (i.e. follow-up surveys) to assess the effectiveness of USAID Climate Ready's project management courses delivered in partnership with USP Pacific TAFE and to also measure the achievements against project indicators. The tracer studies also helped to bring to light the additional support needed by learners, for example, when covid-19 forced all courses online. The tracer studies identified that learners required: extra assistance in navigating Moodle (the online platform); lectures to be recorded in

case learners' connectivity dropped out; and more time to submit and upload assignments because many only had internet at work, not home. These matters were discussed with USP Pacific TAFE and strategies were developed together with the Project to improve the delivery of subsequent courses.

- Deliverables (Outcomes) Research

USAID Climate Ready has 13 Deliverables, or “outcome” areas. To document the achievement of the Deliverables, a set of data collection tools were developed as well as an associated data storage/analysis system. The USAID Climate Ready team used the tools to collect data from partner organizations and consultants across the region. These data provided useful insights into partner perceptions on USAID Climate Ready support, what the Project was doing well and what needed improvement. Because the data collection and analyses were undertaken by the Project team itself, lessons could be learned quickly and improvements readily actioned. One such improvement identified was the need for follow-on support in policy work whereby partners reported that they needed more assistance operationalizing policies (see Section 2.1 Policy Development).

2.8 TRUSTED PARTNER

Issue

Like many organizations, USAID Climate Ready's successes are heavily reliant on the effectiveness and achievements of its partnerships. Partnership was difficult during the early years when USAID was not well-known in the Pacific and the governing Administration did not prioritize the climate crisis. Significant time (the first 12 months) was required to establish contact and relationships with host Pacific Island governments and key focal agencies as there were some initial doubts about the Project and its ability to mobilize climate finance. Soon after, the covid-19 pandemic created challenges to relationship building and maintaining as in-person staff and technical consultant visits had to be replaced with new and remote approaches to service delivery.

Lesson Learned

Trusted partnerships are based on mutual understanding, responsiveness, flexibility, openness and demonstrated value.

During the seven years of presence in the Pacific, USAID Climate Ready fostered its “trusted partner” status with Pacific Island Governments, development partners and Civil Society Organizations in the following ways:

- *Build mutual understanding.* USAID Climate Ready kick-started its collaboration in the Pacific with initially organizing national consultations with numerous government institutions, regional organizations and development partners in each of the Project's target countries to better understand needs and goals and to identify priority activities which were subsequently implemented and supplemented through further consultations throughout the following seven years.
- *Be responsive.* USAID Climate Ready was able to respond quickly and positively to the self-identified needs of the government partners, stakeholders, and individuals through design and implementation of a wide range of activities in climate change policy and strategy development, access to international climate finance, and strengthening the capacities of Pacific Islands government institutions and citizens. Further, with offices and staff in PNG, FSM and Fiji, USAID Climate Ready was well positioned to facilitate communication with local government agencies

across the region and ensure the Project's interventions were appropriate, adequate and relevant to a country's needs and priorities.

- *Be flexible to changing context.* For example, covid-19 was an opportunity to show how nimble the Project could be by adapting the way it delivered support, such as providing remote mentorship to local/in-country consultants to keep activities going and taking face-to-face trainings online or into blended modes.
- *Be open.* Through honest and open communication with stakeholders and governments across the region, USAID Climate Ready was able to strengthen its relationships and share the Project's vision, goal and objectives openly and transparently. USAID Climate Ready's approach has been to discuss issues openly and respectfully and identify areas of support in a participatory and consultative manner. The Project was always willing to listen to feedback and deliver better.
- *Demonstrate value.* One big advantage of USAID Climate Ready as a trusted partner was the Project's ability to pull together and organize resources, such as technical specialists, to leverage and mobilize climate finance beyond what was required under USAID Project targets. The Project became well-known for adding value through the provision of complementary skills and high quality local and international expertise that also led to local capacity development. This support was provided with respect to existing laws, policies, practices, plans and customs of partner countries and integrated into the existing systems and processes of Pacific agencies.

Example:

An example of the Project's trusted, responsive and sustained engagement with the Government of PNG, the Climate Change and Development Authority (CCDA), the Department of National Planning and Monitoring (DNPM), and the Department of Works and Highways (DoWH) to identify Direct Access Entities (DAEs) for GCF accreditation is outlined below.

In 2020, USAID Climate Ready established a collaborative working relationship with PNG's CCDA to support the Government of PNG to strengthen its access to existing global multilateral climate funds. USAID Climate Ready assisted a CCDA initiative to conduct a virtual information session for potential national DAEs in PNG to understand GCF's accreditation requirements and to learn from other Pacific institutions about their accreditation experiences. During the session, CCDA agreed to a USAID Climate Ready suggestion that emphasized the importance of pre-screening potential candidates to ensure they understood the rigor of the process and to reconfirm their commitment. The session identified seven interested institutional candidates.

CCDA and USAID Climate Ready worked together on the pre-screening process, holding one-on-one meetings with each candidate to ensure they understood and that any queries were addressed. It was mutually agreed that the DNPM and DoWH were the highest ranked candidates to proceed.

Upon request, USAID Climate Ready engaged a consultant to work closely with DNPM and DoWH to carry out a rapid assessment to determine the institutions' ability to address GCF accreditation requirements. USAID Climate Ready organized introductory virtual meetings with the consultant, DoWH, DNPM and CCDA to discuss the steps and the key information/documentation that would be required from both institutions. USAID Climate Ready maintained openness and communication by organizing periodic virtual calls with CCDA to provide status updates on the assessment process. The Project was also in regular contact with the DNPM and DoWH to discuss preliminary findings and recommendations, and to ensure that they continued to be satisfied with the process. The final assessment reports and action plans that identified areas for continued accreditation support were endorsed by the DNPM and DoWH.

DNPM and DoWH requested further accreditation support from USAID Climate Ready to address gaps identified in their action plans. For DNPM, that support was the development of GESI and

environmental and social policies and associated implementation plans. For DoWH, the support was the development of procedures and competencies to screen and categorize projects in compliance with GCF Environmental and Social Safeguards Performance Standards, as well as a process to integrate, measure and record gender considerations into project development. The Project also assisted DoWH to define and document processes for preparing, documenting and reviewing corporate strategic plans and annual budgets/work plans. This ongoing support has assisted DNPM and DoWH to move further down the accreditation pathway.

3.0 CONCLUSIONS & FUTURE DIRECTIONS

The future directions will follow United States guidance for the region and what is currently in place and planned for the region, including the following:

- Indo-Pacific Strategy of the United States;
- Pacific Partnership Strategy of the United States (2022);
- USAID Strategic Framework for the Pacific Islands (2022);
- USAID Climate Strategy 2022-2030 (2022);
- USAID Regional Mission in Fiji and USAID Country Office in PNG (2023); and
- New U.S. Embassies in Solomon Islands (January 2023), Tonga (May 2023), Kiribati and Vanuatu (planned).

The above indicate an increased U.S. involvement in the Pacific region.

USAID is also currently preparing for a new climate-related project for the Pacific region that is expected to commence in 2024.

Based on the USAID Climate Ready lessons learned, the following are potential opportunities for future programming.

- Continue to provide technical assistance and capacity development for DAE accreditation:
 - Support access to readiness grants;
 - Support the development of accreditation strategies, gap assessments and addressing Identified gaps; and
 - Assist in CCA and GESI mainstreaming across policy and operations.
- Continue to support accredited entities with technical assistance to prepare project proposals:
 - Support the development of funding proposals/project pipelines that address adaptation priorities;
 - Improve availability and use of climate data and information; and
 - Support community-based organizations and small non-governmental organizations with the preparation of project proposals for small grant programs.
- Support PICs to action their climate change adaptation priorities:
 - Finance strategies for implementing National Adaptation Plans and Nationally Determined Contribution plans; and
 - Funding aspects of country National Adaptation Plans and Strategies.
- Continue to strengthen implementation capacity through regional training institutions – as climate finance begins to flow, local capacity to manage high quality adaptation projects will be required.
- Assist the private sector to support country climate change priorities.
- Support and promote regional cooperation and learning:
 - Identify climate finance leaders across the Pacific in Government, private sector (e.g. development bank networks) and civil society and support learning exchanges and collaboration.

3.1 USAID Climate Ready Lessons Learned Summary

1. Policy Development:

- *Adopt a lifecycle approach and provide program support along the whole policy cycle.*
- *Effective operationalization of a policy/plan needs to be supported and driven by senior managers.*
- *It is important for donors to be patient and respectful of how things are done in the Pacific and allow the CROPs and PICs to lead.*
- *Both donors and organizations need to accept and appreciate that the process will take longer than expected and allowances will need to be made for this.*

2. Accreditation:

- *Countries and National Designated Authorities (NDAs) need an accreditation strategy.*
- *Entities considering accreditation should develop a strategy on how to approach the process.*
- *Entities seeking accreditation must devote appropriate resources to the process and have it as a key part of their core activities and strategic direction.*
- *Autonomous agencies have greater ability to implement changes to meet GCF requirements.*
- *Accredited Entities (AEs) and potential AEs must have a clear pipeline of projects in mind and be mindful of the resources needed to prepare projects once accreditation is achieved.*
- *NDAs and their supporting staff should be adequately resourced and integrated into the Government bureaucracy.*

3. Project Proposal Preparation:

- *Successful project proposal preparation involves collaboration and leveraging of limited resources.*
- *Small grant support provides a faster, cost-effective pathway to on-ground implementation.*
- *To effectively participate in the project development process, counterpart institutions need capacity strengthening.*
- *Effective technical assistance understands the Pacific context.*

4. Capacity Building:

- *Effective and appropriate training partnerships are essential for strengthening local capacity to manage adaptation projects.*

5. Gender Equity and Social Inclusion (GESI):

- *A two-pronged approach to GESI mainstreaming – i.e. embedding GESI into individual activities as well as across overall Project implementation – can produce more effective results.*

6. Project Communications:

- *There is an appetite for regular Pacific content.*
- *USAID needs to be regularly showing what it is doing in the Pacific.*

7. Monitoring, Evaluation and Learning (MEL):

- *MEL can support adaptive management by promoting understanding during changing times and improving subsequent decision making and activities.*

8. Being a Trusted Partner:

- *Trusted partnerships are based on mutual understanding, responsiveness, flexibility, openness and demonstrated value.*

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