

**Technical Report**

**Implementation of the  
Pacific Adaptation to Climate Change (PACC) Project:  
Process, Status and Assessment**



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**For**

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# Executive Summary

This report presents an overview of the Pacific Adaptation to Climate Change (PACC) Project, from inception to the present day. In addition to providing a baseline, the report also describes and comments on the arrangements, plans and ways forward for the Project.

The PACC Project is the first adaptation project to be implemented in the Pacific islands region that addresses directly the call to improve the effectiveness of the response to climate change in the Pacific, while enhancing the systemic and institutional capacity to undertake adaptation across the region. The Project is the de-facto regional adaptation programme, considering its size, comprehensiveness and regional scope. It is now the main means to share practical adaptation experience, as well as to pool related expertise and leverage other initiatives. It is the first United Nations Development Programme (UNDP) project in the region to draw on resources from the Special Climate Change Fund (SCCF), managed by the Global Environment Facility (GEF).

The Pacific region lacks examples and practical experience of climate change adaptation, particularly in the context of national development initiatives. This is a key issue. Development initiatives have tended to be handled in isolation and designed in the context of immediate needs and short-term government and donor imperatives. There is little appreciation of the practical implementation of adaptation measures as an integral component of development activities. This results in limited adoption of adaptation measures, increases the likelihood of mal-adaptation, and promotes inefficient use of development resources through projects that may not be designed to cope with even medium-term changes in the climate.

The goal of the PACC Project is consistent with the overall goal of the GEF's Pacific Alliance for Sustainability (GEF-PAS), namely to contribute to sustainable development in the Pacific islands region through improvements in natural resource and environmental management. The GEF allocation to the PACC Project represents 43% of the regional allocation for adaptation, 42% of the GEF-PAS projects under implementation (as of April, 2009) and 13% of the total GEF financing available under GEF-PAS.

The PACC objective, to "enhance the capacity of the participating countries to adapt to climate change, including variability, in selected key development sectors", is also consistent with the Pacific Islands Framework for Action on Climate Change (PIFACC). It is an outcome of national consultations with experts on climate change impacts in the 13 participating countries. These national consultations confirmed that coastal management, food production and food and water security are priority sectors due to their vulnerability to climate change. This finding was consistent with the position recorded by Pacific island countries (PICs) in their Initial Communications to the United Nations Framework Convention on Climate Change (UNFCCC). The PACC activities undertaken at national level are being carried out by national project teams. Specific measures to reduce vulnerabilities of key investments are being implemented in the form of demonstrations. The Project implements a framework of action that fuses the top-down (mainstreaming) and bottom-up approaches to climate change vulnerability assessments and action. This is an important development, regionally as well as globally. Most other adaptation projects have pursued only one or other of these two approaches. The dual approach of PACC encourages and facilitates new modes of action that are consistent with both community and national priorities and plans. The design of PACC is also innovative in many other ways.

The Project is closely linked to national level sustainable development and poverty reduction strategies, though the means to address poverty are not identified explicitly in either the Project design or work plans. Current baseline development policies, programmes and

activities are not sustainable due to the threats posed by future, long-term climate change, including changes in climate variability and extremes. PACC provides additional resources for national governments to address climate change issues in the design and delivery of their development programmes, in order to ensure increased resilience to current and anticipated changes in climate.

The design of the PACC Project gives priority to activities that will reduce the risks to the sustainability of national and sectoral development initiatives arising from climate change. For the remainder of the Project the emphasis should not only be on implementing the activities themselves, but also on monitoring and evaluating their effectiveness. The linkages and synergies are not simply something to be identified during project preparation, and then cast to one side. Rather, it is important that PACC can show the extent to which the adaptation interventions have indeed reduced the risks to the sustainability of national and other development initiatives

Regional support is being provided for backstopping countries in relation to technical capacity building, financial administration and meeting other support requirements. In terms of project sustainability, the adaptation demonstrations will provide guidance to post-PACC interventions, which may be required at a larger scale, both in terms of the amount invested and scope. Technical assistance for developing capacities for integrating risks into management decision-making processes at the national, sub-national and project levels is being undertaken. As a result of both these initiatives, and capacity developed through related GEF enabling activities, interventions undertaken in the future will have a much stronger capacity base on which to build.

The regional component envisaged in the PACC includes strengthening coordination among regional organizations to support participating countries. A draft proposal for a PACC Regional Backstopping Facility (RBF) in support of the countries participating in the Project has been prepared, but is incomplete and now outdated. The PACC Technical Meeting noted that this proposal for the RBF did not gain traction on the ground, but it was hoped that the idea could be revisited. In the interim an informal group of “like minded” officers from the relevant Council of Regional Organizations of the Pacific (CROP) agencies is providing technical back stopping to countries.

Despite this laudable effort, there is an urgent need to address the current shortfalls in technical assistance. This would include formalizing and operationalizing those collaborative partnerships which were recognized as being critical to providing countries with the targeted technical assistance they require to implement the Project in a successful manner. Priority should be given to ensuring the full and effective involvement of the relevant CROP agencies, on not only an individual basis but also working collaboratively in ways that synergize their individual comparative advantages. Extreme care should be taken to ensure that assistance from organizations based outside the region is provided only when they have a compelling comparative advantage. Any such assistance should address the specific and well-documented needs of the countries and be of immediate practical value in helping countries deliver the outputs and achieve the outcomes for which they are responsible. Any assistance must also be delivered in a timely and cost effective manner.

An important issue faced by SCCF-funded projects, such as PACC, is the difficulty of retaining co-financing if there is a delay in the project being approved. Co-financing is provided by the baseline development activities. It is difficult if not impossible to put these activities on hold if there is a delay in the project approval process. It is likely that if such a delay does occur critical project activities will have to be changed in order to reflect completion of the baseline development activities while project approval has been awaited.

The baselines for the Project outputs, initially as presented in the Project Document (ProDoc) but subsequently revised, are very rudimentary at best. Generally they describe the absence or lack of the planned output, rather than describing what does exist, albeit inadequate in terms of good practice and what might be a desirable situation. A similar situation exists for the baseline descriptions related to the Project objective and four outcomes. It is recommended that the baseline descriptions be strengthened so they are more indicative of the situation that prevailed prior to project inception.

SPREP, through PACC, will be working closely with the University of the South Pacific (USP) to implement the vulnerability and adaptation (V&A) programme of PACC, including preparation of guidelines related to specific adaptation interventions in coastal areas and in the agriculture and water sectors. The PACC Project has decided to use the Pacific Centre for Environment and Sustainable Development (PACE-SD) Integrated Assessment and Action Methodology for Climate Change, Disaster Risk Management and Sustainable Development. The PACC country-level projects will thus enhance and build on existing frameworks, rather than wasting time to develop a new framework. However, further development of this methodology will be required due to the diversity of specific situations in which it will be used.

One of the major challenges for the PACC Project is to develop a methodology and associated tools to assist participating countries to mainstream climate change into their current national development plans and priorities as well as develop economic tools for evaluation of adaptation options. The current approach to mainstreaming lacks consistency and a clear methodology. A gender-sensitive mainstreaming methodology will be used to integrate climate change considerations into national development plans, policies or strategies. It will be a major challenge for the PACC Project to identify, adapt and facilitate use of the methods and tools the participating countries will need when planning and undertaking their adaptation interventions and the mainstreaming initiatives. If the mainstreaming efforts under PACC are to be worthy of replication within the participating countries, let alone outside the region, considerable effort will be required to develop, test and apply the methodology and related guidance materials. It remains unclear how this will be achieved. Even recent PACC documentation is short on the details.

Development, testing and practical application are especially important for economic evaluation, or cost benefit analysis, of the potential adaptation interventions. Such information is critical to the decision making process, as it plays a key role in the advice provided by officials to the community and governmental leaders who ultimately decide which, if any, adaptation option is implemented. PACC represents a major opportunity to ensure that well informed decision making takes place for adaptation in the region. If this opportunity is to be taken, urgent, informed and concerted action is required.

The final output of the PACC Project will be a practical "How to Guide". It will be a synthesis of the guides prepared by individual countries based on their adaptation initiatives for specific sectors and areas. This important initiative will make it possible to share with other countries many of the good practices, experiences and lessons learned regarding mainstreaming climate risk and resilience in sectoral and development policies and implementing climate change adaptation measures. The Guide will also help ensure that the PACC experiences inform future adaptation efforts, not only in the participating countries but also in other countries undertaking similar adaptation work. In order to meet these needs the Guide will must be very practical and user friendly. This is a significant challenge. Success will require that countries have a good understanding of relevant methodologies and apply and report on them in a sound manner. This is of course a major part of the PACC work programme, not only in terms of activities in-country, but also providing them with targeted technical assistance through regional and other relevant organisations. The latter should

include well organised and targetted assistance to ensure the individual guides produced by countries are such that they will be useful to many countries, in the Pacific and beyond.

Fittingly, planning for preparing the Guide has already commenced. It is appropriate that the Guide cover mainstreaming climate risk and resilience in both sectoral and development policies as well as implementing climate change specific adaptation measures. The Guide should also consider the existence of mal-adaptation in the region and show how the PACC Project has taken specific steps to avoid mal-adaptation. This suggestion applies equally to the first and second sections of the Guide. But unless methodologies and tools are made available early in the project cycle they will not play a critical role in the adaptation work and thus will lack credibility and impact when they are included in the "How to Guide".

Despite the project being underway for nine months there has been little substantive progress in many of the countries. This is of great concern. Even though the Project runs for five years, it has a very ambitious work programme and cannot afford any slippage in meeting project milestones. It is therefore recommended that that monitoring, evaluation and reporting be stepped up. In this respect concern must be expressed that neither the Second Quarter 2009 Progress Report (for the period April 1 – June 30, 2009) nor the report of the second meeting of the Project Executive Group (PEG) (held on August 17, 2009) recorded any concerns being expressed about progress of the Project. Clearly the PEG should be taking more responsibility for assessing progress and recommending remedial actions where shortcomings in implementation are identified. A case can be made for the PEG to be strengthened.

The PACC Project is an excellent opportunity to demonstrate adaptive management of an adaptation project. It is apparent that the PEG is keen to increase its active oversight of the Project. For example, at the second meeting of the PEG UNDP requested that for future meetings discussion would be enriched if future activities as well as some indication of targets were also mentioned, not only for every quarter but also on an annual scale.

Absence of an overall implementation plan may well be contributing to the slow progress of the Project. Moreover, the work plan for the first year of the Project was not approved until the Project had been underway for almost seven months. The Inception Report lays out a finalized Monitoring and Evaluation Work Plan. This should be integrated into the Annual Work Plans so that the activities and outputs are completed in a timely and complete manner.

## **Recommendations**

1. Urgency should be given to not only filling the Technical/Administrative Support position in the Project Management Unit, but to also ensuring that the responsibilities of this project officer are consistent with providing additional technical support to the participating countries, including coordination of the support provided by CROP agencies and other partners;
2. Annual Work Plans should be developed within the framework on an overall implementation plan of work;
3. The comments on the PACC Annual Work Plan for 2009 that are provided in this report should be considered when developing subsequent Annual Work Plans;
4. The Annual Work Plan for 2010 should, as a matter of urgency and priority, include activities that will enhance the capacities of the national players in PACC, in terms of the knowledge and skills required to manage and implement a complex and demanding project;

5. There is an urgent need to formalize and operationalize the collaborative partnerships which are recognized as being critical to providing countries with the targeted technical assistance they require to implement the Project in a successful manner; priority should be given to ensuring the full and effective involvement of the relevant CROP agencies, on not only an individual basis but also working collaboratively in ways that synergize their individual comparative advantages;
6. Extreme care should be taken to ensure that assistance from organizations based outside the region is called upon only when they have a compelling comparative advantage; any such assistance should address the specific and well-documented needs of the countries and be of immediate practical value in helping countries deliver the outputs and achieve the outcomes for which they are responsible; any such assistance must also be delivered in a timely and cost effective manner;
7. Members of the PACC teams at national level should engage fully with their counterparts who are involved in preparing the Second National Communication, and especially those undertaking the technical studies related to V&A as well as looking at policy implications; this is a highly practical way to improve the linkages with national and sectoral development initiatives, including being an excellent opportunity to increase PACC's relevance to, and impact on, poverty alleviation;
8. All methods and tools should be developed on a needs basis, as determined by the participating countries; currently there appear to be numerous ideas and options, without a clear plan as to how priorities will be set and the necessary preparatory work undertaken in a effective and timely manner; this recommendation also extends to the decision made at the Inception Meeting that regional and national adaptation financing instruments will be developed, in order to ensure sustainability of the project;
9. The methodologies and tools related to both mainstreaming and adaptation interventions on the ground must be adapted for PIC application, tested and then rolled out for use by countries during the planned PACC activities; currently it is unclear how this will be achieved; if the mainstreaming efforts under PACC are to be worthy of replication within the participating countries, let alone outside the region, considerable effort will be required; moreover, unless these methodologies and tools are made available early in the project cycle they will not play a critical role in the adaptation work and thus will lack credibility and impact when they are included in the planned "How to Guide" to be produced at the end of the Project;
10. The planned "How to Guide" should consider the existence of mal-adaptation in the region and show how the PACC Project has taken specific steps to avoid mal-adaptation;
11. It is important to clarify the specific efforts PACC will be making to ensure that such techniques and tools as assessing environmental and socio-economic feasibility, cost-benefit analysis, GIS mapping, and participatory risk assessment are available to the national teams and are used wisely and effectively in the adaptation work; the current status of proposals related to these activities is unclear;
12. The performance indicators, targets, benchmarks and means of verification should be strengthened and better aligned;
13. The baseline descriptions should be strengthened so they are more indicative of the situation that prevailed prior to project inception; currently they tend to describe the absence or lack of the planned output, rather than describing what does exist, albeit inadequate in terms of good practice and what might be a desirable;
14. The finalized Monitoring and Evaluation Work Plan should be integrated into the Annual Work Plans so that the activities and outputs are completed in a timely and complete manner;

15. The Project Executive Group should play a more active role in ongoing monitoring and evaluation; consideration should be given to including in the Group an independent expert in climate change adaptation and disaster risk reduction;
16. Monitoring, evaluation and reporting should be stepped up; even though the Project runs for five years, it has a very ambitious work programme and cannot afford any slippage in meeting project milestones; PACC represents a major opportunity to ensure that informed decision making takes place for adaptation in the region; if this opportunity is to be taken, urgent, informed and concerted action is required;
17. PACC should demonstrate good practices in results-based management - for the remainder of the Project emphasis should not only be on implementing the activities themselves but also on monitoring and evaluating their effectiveness in terms of reducing the risks to the sustainability of national, sectoral and other development initiatives arising from climate change; it is important that PACC can show the extent to which the adaptation interventions have indeed reduced the risks to the sustainability of national and sectoral development initiatives;
18. It is important to ensure that there is no slippage in the level of co-financing – The ProDoc indicates that the SCCF will finance 23% of the total project costs; any likelihood of changes in the level of co-financing needs to be assessed on an ongoing basis, as part of project monitoring and evaluation;
19. The elements of a communication strategy developed at the PACC Technical Meeting should be used as the foundation for functional communications and media plans; the work required to develop and implement these plans should be reflected in the Annual Work Plans;
20. A conscious effort should be made to ensure that the PACC website is kept up to date and provides access to all relevant documentation and other information;
21. All PACC reports should carry a publication (or release) date and every reasonable effort should be made to ensure that draft reports are finalized in a timely manner.

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## Lists of Abbreviations

|         |  |
|---------|--|
| AWP     | Annual Work Plan   |
| CHARM   | Community Hazard and Risk Management                             |
| CCE     | Climate Change Explorer  |
| CRiSTAL | Community-based Risk Screening Tool – Adaptation and Livelihoods |
| CROP    | Council of Regional Organizations of the Pacific                 |
| FSM     | Fiji School of Medicine  |
| GDP     | Gross Domestic Product   |
| GEF     | Global Environment Facility                                      |
| GEFPAS  | GEF's Pacific Alliance for Sustainability                        |
| IISD    | International Institute for Sustainable Development              |
| IPCC    | Intergovernmental Panel on Climate Change                        |
| IWRM    | Integrated Water Resources Management                            |
| LMMA    | Local Management of Marine Areas                                 |
| NAPA    | National Adaptation Programme of Action                          |
| NCCCT   | National Climate Change Country Team                             |
| NCSA    | National Capacity Self Assessment                                |
| NEX     | Nationally Executed  |
| NGO     | Non-governmental Organization                                    |
| NPC     | National Project Coordinator                                     |
| NPM     | National Project Manager   |
| NPIA    | National PACC Implementing Agency                                |
| NSDS    | National Sustainable Development Strategy                        |
| PACC    | Pacific Adaptation to Climate Change                             |
| PACE-SD | Pacific Centre for Environment and Sustainable Development       |
| PEG     | Project Executive Group  |
| PIC     | Pacific Island Country   |
| PIFACC  | Pacific Islands Framework for Action on Climate Change           |
| PIFS    | Pacific Islands Forum Secretariat                                |
| PMU     | Project Management Unit  |
| ProDoc  | Project Document   |
| PRSM    | Pacific Region Support Mechanism                                 |
| RBF     | Regional Backstopping Facility                                   |
| RMG     | Results Management Guide   |
| RPM     | Regional Project Manager   |
| SCCF    | Special Climate Change Fund                                      |
| SEI     | Stockholm Environment Institute                                  |
| SOPAC   | South Pacific Applied Geosciences Commission                     |
| SPC     | Secretariat of the Pacific Community                             |
| SPREP   | Pacific Regional Environment Programme                           |
| UNDP    | United Nations Development Programme                             |
| UNDP-CO | Country Office, UNDP   |
| UNFCCC  | United Nations Framework Convention on Climate Change            |
| UNITAR  | United Nations Institute for Training and Research               |
| UNU     | United Nations University  |
| USP     | University of the South Pacific                                  |
| V&A     | Vulnerability and adaptation                                     |

# Introduction

The purpose of this report is to provide a clear and comprehensive assessment of how the Pacific Adaptation to Climate Change (PACC) Project is being developed and implemented at the technical level. It has been prepared under guidance of the Terms of Reference provided in Annex 1. The target audience for this report includes policy makers working at national and regional levels in the Pacific islands region, the Global Environment Facility (GEF), GEF Implementing Agencies, as well as ambassadors of Pacific island countries (PICs) based in New York.

While a summary of and commentary on the Project formulation, design, implementation and its current status is useful in its own right, arguably the main value of this report is the highlighting of best practices and lessons that are already apparent, and presenting recommendations as to how existing gaps and challenges in the implementation of activities related to the PACC outcome and output areas might best be addressed.

## Background to and Context of the PACC Project

The aim of the PACC Project is to significantly improve the effectiveness of the response to the consequences of climate change in the Pacific. The project has been designed to improve technical capacities to support appropriate adaptation-focussed policies, demonstrate cost-effective adaptation techniques in key sectors, and promote regional cooperation. It is also intended to lay the framework for effective and efficient future investment in climate change adaptation in the Pacific.

PICs are already experiencing the impacts of climate change. The potential magnitude of the problem threatens the very existence of some Pacific island countries and territories. However, vulnerabilities and risks associated with climate change have not previously been addressed in any systematic and substantive way across the region. Climate change risks and opportunities have generally not been reflected in national- and community-level planning and governance processes. Demonstrations of adaptation pilots in key development sectors have not been implemented in a comprehensive manner. As a result, few are available to be replicated and scaled-up. The PACC Project was therefore formulated to address these shortcomings and thus ensure more effective responses to the consequences of climate change in the Pacific.

Climate change poses many risks for PICs in terms of land resources and coastal structures, water supply and food security. There are also many non climate-related threats that seriously affect the sustainable development efforts of governments, including the smallness and remoteness of islands, inappropriate land use, overexploitation of scarce resources, and overpopulation (with associated pressures on waste management and food/water/energy supply). The high percentage of population and infrastructure near coastlines makes Pacific populations and infrastructure highly vulnerable to gradual sea-level rise as well as to extreme weather events such as cyclones and storm surges.

Climate change is more than just an environmental issue in the Pacific region. It also presents economic, social and political challenges. It poses serious political and financial management issues for PICs. These adversely affect gross domestic product (GDP), balance of payments, budget deficits, foreign debt, unemployment and living standards.

Prior to the PACC, the PICs had already ratified most of the key international environmental conventions, including the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol. All PICs had a National Sustainable Development

Strategy (NSDS), or equivalent. This policy and planning instrument describes the vision, goals, and targets for sustainable development, and processes for implementation and review at the national level. However, only Fiji had a specific climate change policy, approved by its Cabinet in November 2007.

The PACC Project is the first adaptation project to be implemented in the region by responding directly to the call to improve the effectiveness of the response to the consequences of climate change in the Pacific, while supporting the systemic and institutional capacity to address adaptation across the Pacific islands region. The project has been designed to address these key issues on three fronts:

- Improving the capacity of Pacific island governments to mainstream climate change<sup>1</sup> adaptation into government policies and plans;
- Addressing the urgent need for adaptation measures through developing systematic guidelines for adaptation and demonstrating their use at a pilot scale in the coastal management, food security and water resources sectors; and
- Laying the foundation for a comprehensive approach to address adaptation over the medium-long term at the regional level.

## **History of PACC – a Brief Overview**

In April 2004 the meeting of the Pacific Leaders held in Auckland reaffirmed the importance of strengthening and broadening regional cooperation to address climate change in the overall regional effort to achieve sustainable development. This would be achieved through the Pacific Plan. Since then Pacific Leaders have continued their call for urgent assistance to address the adverse effects of climate change already facing the countries and people of the region.

However, several barriers have been identified that constrain the integration of climate change into the activities of Pacific island governments. These include:

- Limited national commitment and capacity to address climate change adaptation and disaster management due to insufficient awareness of the issue and the appropriate responses;
- Research on adaptation processes in the Pacific has demonstrated that few adaptation measures have been, or are likely to be initiated solely as a response to climate change;
- In many PICs there is limited understanding of what mainstreaming climate change involves at national as well as community levels;
- Governments have limited access to the financial resources for adaptation;
- A lack of tangible examples and practical experience of climate change adaptation, particularly in the context of national development initiatives;
- Many of the isolated adaptation activities carried out to date have been instigated without a systematic assessment of how, and the extent to which, the potential risks of climate change impacts have been reduced as a result of the adaptation interventions; and
- The limited capacity of Pacific island governments is also a barrier to cooperation and implementation at the regional level.

The PACC project started its design process in March 2006 when funds were received by the Pacific Regional Environment Programme (SPREP) to carry out an inception workshop in Nadi, Fiji (see Box 1 for the key milestones for the PACC Project). Specifically, this was the Phase 1 PDF-B exercise, to determine, design and develop the components of a Full

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<sup>1</sup> Mainstreaming in this context means ensuring that climate change response initiatives are implemented as part of a broader suite of measures within existing development processes and decision cycles.

Sized Project, in consultation with the participating countries. Initially, eleven countries were part of the PACC preparatory phase: Cook Islands; Federated States of Micronesia; Fiji; Nauru; Niue; Papua New Guinea; Samoa; Solomon Islands; Tonga; Tuvalu; and Vanuatu.

#### **Key Milestones for the Preparation and Implementation of the PACC Project**

- Submission of PDF Request – February, 2006
- PDF Approved – March, 2006
- Submission of the PACC Executive Summary / Pipeline Entry – May 2006
- PACC Preparatory Phase Inception Meeting – June, 2006
- Project Formulation and Endorsement Workshop – November 2006
- Project Review by STAP – June 2007
- Submission of the PACC Project Brief – December 2007
- Approval of the PACC Project Brief by the GEF Council – April 2008
- Submission of the PACC ProDoc – September 2008
- Approval of the Project Document (ProDoc) by the GEF Chief Executive Officer (CEO) – October 2008
- ProDoc signed by the GEF CEO – January 2009
- Inception Phase – 23/01/09 - 30/06/09
- PACC Inception Workshop – June/July, 2009
- PACC Technical Meeting – October, 2009

The intention was to submit the final PACC documents to the GEF in July 2007. However, there was a delay due to the introduction of the GEF-initiated Global Environment Facility Pacific Alliance for Sustainability (GEF-PAS). Fortunately, this delay provided an opportunity for the Marshall Islands and Palau to be included in the PACC Project. While inclusion of these two countries necessitated modification and further strengthening of project document (ProDoc), budgets and other aspects of project preparation, it was an important development as it meant all sovereign nations of the Pacific islands region (except Kiribati) became active participants in the PACC Project. Kiribati did not join as it was already implementing a bilateral adaptation project funded by the GEF through the World Bank.

The PACC Project is the first United Nations Development Programme (UNDP) project in the Pacific islands region to draw on resources from the Special Climate Change Fund (SCCF), managed by the GEF. The Project is a response to country-driven priorities for adaptation identified in the National Communications to the UNFCCC, and is consistent with National Adaptation Programmes for Action (NAPAs), or similar<sup>2</sup>, as well as the regionally endorsed Pacific Islands Framework for Action on Climate Change (PIFACC) and other regional frameworks.

## **Project Preparation**

Consultation with the 13 PICs in the development of the PACC Project was undertaken in three phases:

- A regional inception workshop for the PACC Project preparatory phase process in Nadi, Fiji in 2006;
- Individual country consultations to further define the focal areas and specific activities to

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<sup>2</sup> Formally, NAPAs are prepared only by least developed countries, of which there are four in the Pacific – Samoa, Kiribati, Tuvalu and Vanuatu. However, many other PICs have seen the value of a NAPA and are developing similar adaptation programmes and plans.

- be addressed by the PACC Project; and
- Development of country specific implementation arrangements.

The regional inception workshop included key government officers from both Environment and Planning departments. The workshop systematically reviewed the regional, national and institutional context for climate change adaptation, providing insights on the threats, root causes, barriers and potential responses that needed to be reflected in the design of the Project. Participants were also consulted on the current focus of the PACC Project, future processes of consultation and criteria to be used in determining a country's demonstration focal area. The workshop agreed on three principals for developing the Project, namely:

- A strong alignment with the existing programmes and priorities of governments;
- Completion of necessary baseline assessments; and
- Ability to co-finance and deliver.

PACC national consultations confirmed that coastal management, food production and food and water security are priority sectors due to their vulnerability to climate change. This finding was consistent with the position recorded by PICs in their Initial Communications to the UNFCCC. Reviews of reports, observations and personal discussions/interviews undertaken during the consultation process pointed to the fact that most PICs are already confronted by coastal erosion problems, loss of land from inundation, decline in crop yields, increased pest problems, increasing salinity of underground water lenses, water storage issues, and the need for alternative water sources to provide backup to current supplies.

The PACC Team<sup>3</sup> then travelled to the 13 participating countries to assist in further defining the focal areas and specific activities to be addressed by the Project. These meetings with the participating countries used a three-tiered approach:

- Information gathering, including legislation, plans and policy documents related to the activities, programmes and projects of relevant government ministries, departments and agencies;
- Consultative meetings and workshops with representatives of relevant ministries, agencies and institutions of government, and with non-governmental organizations (NGOs); and
- Presenting feedback on the consultations and obtaining official endorsement to progress the Project.

Finally, the PACC Team assisted the 13 countries to develop and agree on national level implementation arrangements for the PACC Project. This included analysis of regional stakeholders, covering existing organizations in the region, and documenting the mandates and programmes of relevance to the Project. These institutions included the University of the South Pacific (USP), Secretariat of the Pacific Community (SPC), South Pacific Applied Geosciences Commission (SOPAC), Pacific Islands Forum Secretariat (PIFS), and the Fiji School of Medicine (FSM). The purpose of the visits and consultations was to:

- Ensure duplication of work is avoided;
- Ensure the Project is better synergised with other initiatives that are being implemented; and
- Determine a common modus operandi for working together to implement the Project.

These consultations produced a comprehensive, integrated and fully country-driven PACC Project.

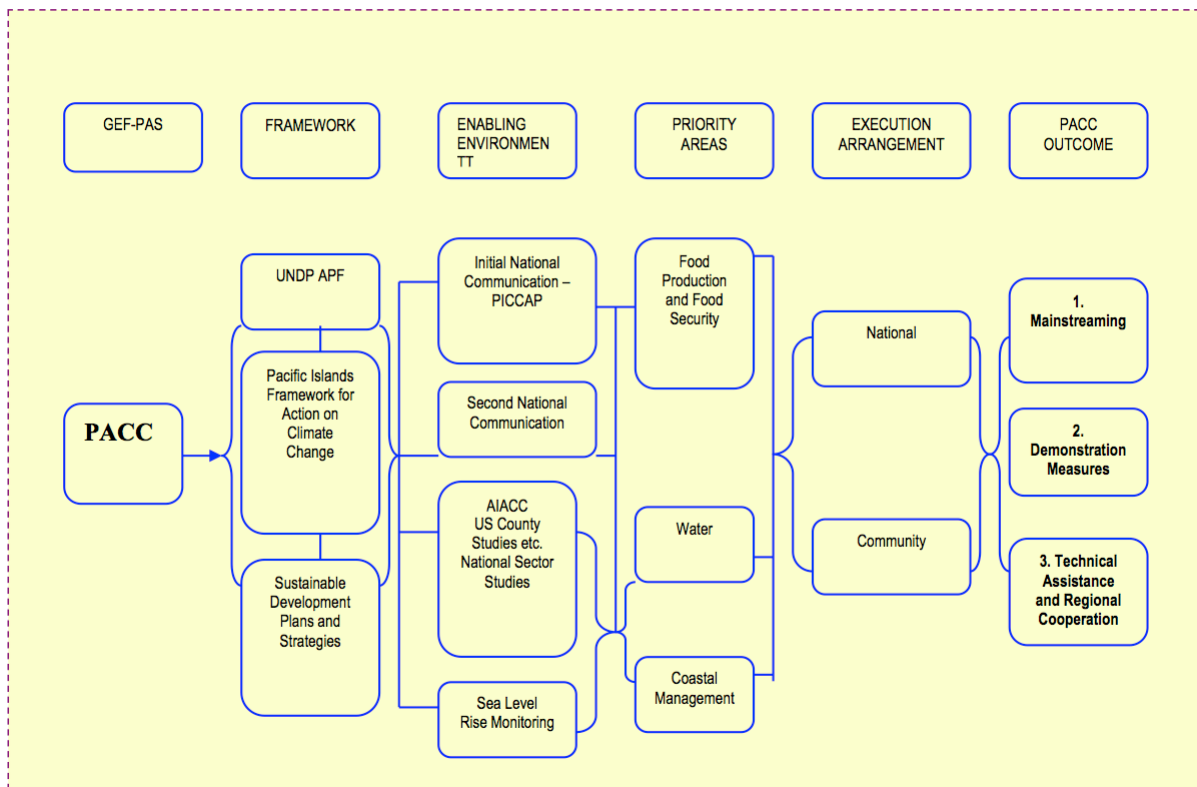
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<sup>3</sup> PACC Chief Technical Advisor, UNDP representative and PACC Consultant.

# Project Design and other Key Features of the PACC

The objective of the PACC is consistent with the PIFACC and is an outcome of national consultations with experts on climate change impacts in the 13 participating countries. The PACC objective is to “enhance the capacity of the participating countries to adapt to climate change, including variability, in selected key development sectors”.

The PACC project framework is shown in the schematic diagram below:



The PACC Project implements a framework of action that fuses the top-down (mainstreaming) and bottom-up approaches to climate change vulnerability assessments and action. This was an important development, regionally as well as globally. Most other adaptation projects have pursued only one or other of these two approaches. The dual approach of PACC encourages and facilitates new modes of action that are consistent with both community and national priorities and plans.

The PACC Project, by both design and necessity, is deliberately and closely linked to national level sustainable development and poverty reduction strategies. It provides additional resources for national governments to address climate change issues in the design of their development programmes, in order to ensure increased resilience to current and future changes in climate. The activities undertaken at national level are being carried out by national project teams. Specific measures to reduce vulnerabilities of key investments are being implemented in the form of demonstrations. Regional support is being provided for backstopping countries in relation to technical capacity building, financial administration and meeting other support requirements. The regional also includes strengthening coordination among regional organizations to support participating countries.

The design of PACC approach is innovative in many other ways, including:

- The PACC was the first GEF SCCF project in the Pacific islands region focusing

specifically on adaptation in thirteen countries simultaneously - as such, the PACC was designed to contribute to the achievement of target results in the PIFACC, while also being consistent with strategic priorities in the NAPAs (or similar), and other relevant national policies, strategies and plans;

- GEF managed funds are intended to play a catalytic role in leveraging national level investments towards meeting the additional costs of adaptation to climate change;
- The project represents an important opportunity for the UNDP and GEF to take the lead on piloting approaches to adaptation - lessons from this initiative have the potential to be widely disseminated for replication; and
- The PACC builds on lessons learnt from previous GEF projects in the Pacific, and beyond.

The PACC project has three main outcomes and 18 outputs<sup>4</sup> that deliver benefits to the 13 PICs that are participating in the PACC project. These are elaborated in Annex 2.

In terms of project sustainability, the adaptation demonstrations will provide guidance to post-PACC interventions, which may be required at a larger scale, both in terms of the amount invested and scope. Technical assistance for developing capacities for integrating risks into management decision-making processes at the national, sub-national and project levels is being undertaken. As a result of both these initiatives and capacity developed through GEF enabling activities, interventions undertaken in the future will have a much stronger capacity base on which to build.

Through the integration of climate change concerns into policies and programmes, the project will sensitise policy makers on the risks posed by climate change and the necessary conditions for adaptation. This will be in addition to the contribution the project will have in reducing the likelihood of maladaptive practices that exacerbate vulnerability of social, ecological and geomorphological systems to climate change, coastal erosion and sea-level rise in the name of short-term economic development. Communication between departments and agencies, and between policy makers and community leaders, will be improved. The PACC Project will result in greater stakeholder involvement in policy development and implementation.

PACC activities, by their design, build on existing programmes and activities in the participating countries in the areas of coastal zone management and associated infrastructure, management of water resources, and food production and food security. In this way the Project is designed to contribute to sustainability in a substantial way. Importantly, the PACC Project will further contribute to sustainable development when the adaptation concepts and activities promoted and facilitated by the Project are integrated into national, sector and community development planning processes, and these processes are institutionalized.

All relevant stakeholders, including policymakers, managers, and representatives of local and/or rural communities are fully involved in the design, planning and implementation of the adaptation and related activities that are part of the Project. The PACC Project also includes regular dialogue with stakeholders by way of workshops, meetings, training sessions, newsletters and e-mail lists, to facilitate interaction between and among the various stakeholders.

The Pacific Climate Change Roundtable, an annual meeting of PIC representatives, donors, NGOs, and other parties with an interest or involvement in climate change, is also providing a forum for sharing information, progress and lessons on the PACC Project. It will also be used for building new partnerships. The Roundtable is coordinated by SPREP.

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<sup>4</sup> This was reduced from the 20 outputs in the PACC Project Document.



Replication of adaptation initiatives evaluated and proven by the PACC Project is being achieved by:

- Building on existing political goodwill;
- Building and promoting adaptation integration processes that are already underway;
- Building on and reinforcing the lessons learnt from other adaptation pilot activities;
- Promoting financing for adaptation beyond the life of PACC;
- Enhancing the capacity of the project implementers to address adaptation in key development sectors, through training and knowledge tools which can be used in future development projects;
- Enhancing regional cooperation through such initiatives as technical support from regional organizations to countries and the exchange of information between countries; and
- Preparing a regional adaptation framework - lessons learned will be used to formulate a framework for future regional approaches to adaptation in the Pacific.

***Commentary:***

The framework for PACC that fuses the top-down and bottom-up approaches to climate change vulnerability assessments and adaptation is a well overdue and important development, not only for the region but also internationally. The fact that the benefits and experiences relate to 13 countries means there will be significant impact. But the new and modified methods that are required represent a challenge that should not be underestimated. While five years is a realistic timeframe for achieving the results, almost one year has already passed, with little tangible progress. However, a good foundation has been laid in the past few months. This needs to be followed quickly by some major progress in the three substantive components of the project.

The close links to national level sustainable development and poverty reduction strategies is an important feature of the Project's design, but it will be challenging to show the benefits. The design does not address poverty reduction in an explicit and substantive manner. Considerable effort will be required if there are to be demonstrable impacts in poverty alleviation, whether they be direct or indirect.

The mix of activities undertaken at national level and regional support and coordination is an effective and efficient approach. The technical assistance for developing capacities for integrating risks into management decision-making processes at the national, sub-national and project levels will help ensure that adaptation interventions undertaken in the future have a much stronger capacity base on which to build.

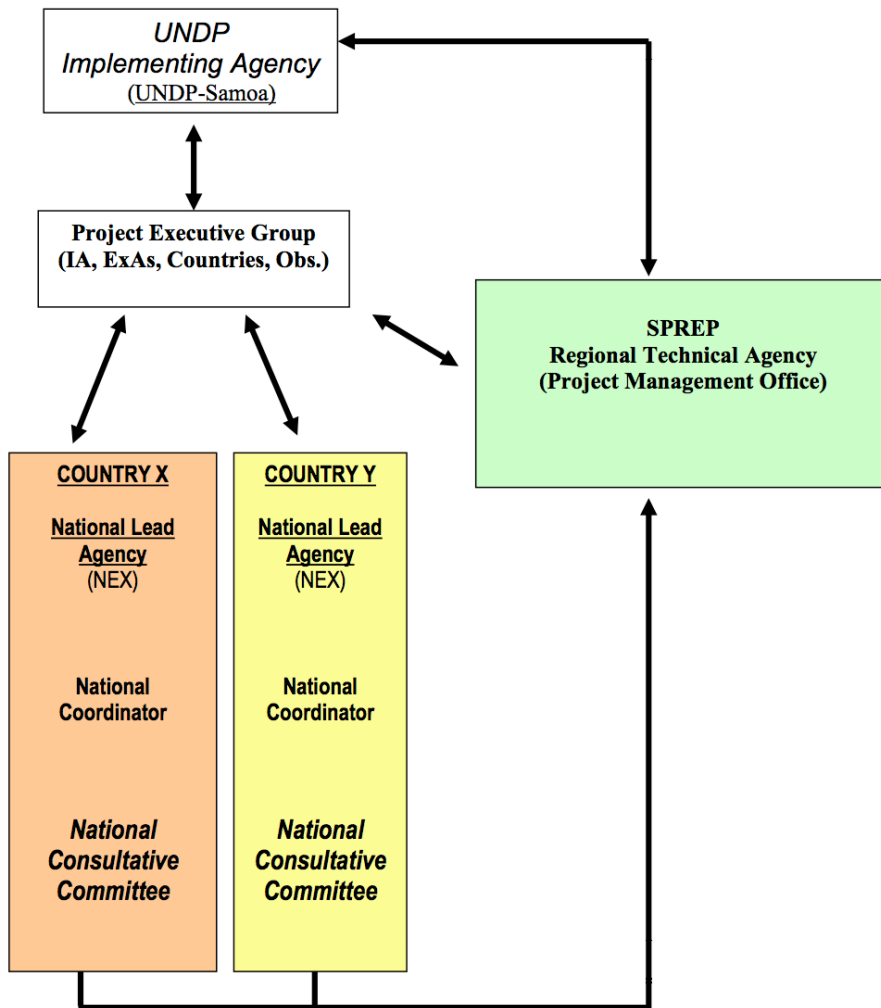
The Pacific Climate Change Roundtable is one of many mechanisms for sharing information, progress and lessons on the PACC Project as well as for building new partnerships. But its usefulness to the Project would be improved greatly if the recommendations of a recent review<sup>5</sup> are implemented.

## **Project Implementation and Oversight**

A schematic view of programme management arrangements is provided in the figure below.

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<sup>5</sup> Hay, J.E., 2009. Assessment of Implementation of the Pacific Islands Framework for Action on Climate Change (PIFACC). Prepared for SPREP and the Pacific Climate Change Roundtable, 20pp.



As the Implementing Agency, UNDP is providing overall guidance on approval of key project activities, including fund commitments and co-financing arrangements. This is the responsibility of the UNDP Country Office in Samoa (UNDP-CO). Together with UNDP-GEF it carries out all oversight functions as required by the GEF.

In line with UNDP’s Results Management Guide (RMG), a Project Executive Group (PEG) has been established at the regional level. The PEG has responsibility for all management decisions, including approving implementation work plans and budget revisions, identifying problems, and suggesting actions to improve project performance. The PEG is chaired by UNDP Samoa. Also In accordance with the RMG, and as an Implementing Partner, SPREP is responsible and accountable to UNDP Samoa for coordinating the PACC, achieving its outputs, achieving results and for the effective use of UNDP resources.

A PACC Project Management Unit (PMU) has been established. It is located in SPREP, as part of its Pacific Futures Programme. SPREP will provide administrative, logistical and technical support for the Regional Project Manager (RPM) in order to effectively establish a PACC PMU. The PMU is responsible for the overall project operation and financial management and reporting, in accordance with the rules and regulations for UNDP nationally executed (NEX) projects. Regional and international experts will be contracted to support the PMU as and when needed, to assist with undertaking various project activities. The PMU coordinates with all project partners, at both the national and regional levels.

The RPM is primarily responsible for the day-to-day operation of the PMU, including coordination, provision of technical, scientific and policy guidance and advice and ensuring that project activities at the national and regional levels are carried out efficiently and effectively. The RPM is also responsible for liaising with the relevant CROP agencies as well as NGOs, civil society and co-financing partners. The RPM is also responsible to UNDP for achievement of the project objectives and for all reporting requirements as envisioned in the ProDoc, including periodic reporting of progress of project implementation and financial reporting. The RPM also ensures that the Project is executed in line with the NEX procedures.

Implementation of project activities at the national level will be based on the “country team” approach, which is now a standard practice in many PICs. While some countries are very progressive in this regard, others need strengthening in this regard. Existing country teams are being utilised where appropriate, but their membership is being reviewed to ensure representation of all appropriate stakeholders that can contribute effectively to the implementation or monitoring of the Project. In effect, in each of the participating countries a multi-sectoral National Climate Change Country Team (NCCCT) is now providing oversight and approving work programmes and budgets for the implementation of project activities at the national level.

In addition to the NCCCTs, a PMU will be established within each of the National PACC Implementing Agencies (NPIAs). In all cases the NPIA will be physically located in a government department i.e. the Ministry of Environment, Meteorology, Public Works or Utilities and Infrastructure. Each national PMU comprises a National Project Manager (NPM) or National Project Coordinator (NPC) for PACC. They will work full time on the Project and will be fully paid by the Project. The NPM or NPC, among others, will be responsible for the day-to-day management and implementation of all national project activities. The PMU will serve as a secretariat to the NCCCT on matters relating to PACC project implementation.

***Commentary:***

Most of the project activities will be conducted at the national level, implementing on-the-ground activities, utilizing national experts and involving as much as possible the communities in which the project activities will be implemented. This will enable the project to have greater impacts and heightened visibility not only within the specific communities/villages but also at the national and regional levels. Additionally, use of local/national expertise and local communities in project implementation will ensure national ownership of the project to maintain the impetus for long-term sustainability.

This requires that NPM or NPC, the NCCCT (or equivalent) members and the national expertise have the capacity to effectively coordinate and manage the PACC activities at national level. While these are highly qualified, experienced and committed individuals they may well need to have their capacity strengthened so they can fulfil the innovative and demanding responsibilities related to the PACC Project. For example, most of the NPMs and NPCs are formally qualified in terms of university degrees, but many lack specific climate change knowledge and experience. Most do not have experience related to the management of projects that cut across government ministries, sectors, disciplines and technical and policy dimensions. Thus some technical, policy and management back stopping will be required, especially in the initial stages of the Project. Thus it is recommended that the Annual Work Plan for 2010 includes activities that will enhance the capacities of these national players in terms of the knowledge and skills required to manage and implement a complex and demanding project like PACC.

Initially there is no specific outcome dealing with project management in the PACC logframe. This serious oversight has since been rectified. The PACC PMU is now operational, following appointment of the RPM on 6th April 2009. The appointment process was

undertaken jointly by SPREP and UNDP. The ProDoc allows for another project officer position to be recruited as part of the PMU. This Technical/Administrative Support position has direct responsibility for the RPM, whilst also working closely with other UNDP/GEF and SPREP staff. The person would be appointed by SPREP, funded by the project and based as a contracted staff member at SPREP.

This position has yet to be filled. Given the enormity of the responsibilities of the RPM it is recommended that urgency be given to not only filling this vacancy but to also ensuring that their responsibilities are consistent with providing additional technical support to the participating countries, including coordination of the support provided by CROP agencies and other partners.

## Partnerships

The PACC Project is intended to have a regional component that would strengthen coordination among regional organizations to support the participating countries. In addition, the component would not only strengthen the joint effort of the Council of Regional Organizations of the Pacific (CROP) agencies to implement the Pacific Plan, the PIFACC, Pacific Islands Disaster Risk Reduction and Disaster Management Framework and the Pacific Regional Action Plan on Sustainable Water Management but it was also to support the effort of regional and other agencies (e.g. UN agencies) through the sharing of information, data, experiences, expertise and resources (i.e. know-how, skills, technology). These activities are operationalized in Output 3.1 Technical guidance provided for implementation of national adaptation. It is designed to ensure that technical assistance is available to the 13 participating PICs to support the direct implementation of the project.

The support is to meet the following requirements:

- Be based on the needs of the PACC countries for technical backstopping support;
- Respond to country driven requirements and needs;
- Contribute to the implementation of PACC;
- Build on, learn from, and complement other activities/initiatives at national and/or community levels in the water, food production and security and coastal resources sectors; and
- Avoid duplication of activities, programmes and projects in development sectors.

Specific activities are to include:

- Coordinating a regional mechanism for technical backstopping;
- Preparing country specific briefing materials;
- Organizing workshops for policy makers and senior decision-makers;
- Preparation of country-specific newsletters and other dissemination materials; and
- Conducting side events on project progress at high level international and regional events including the Pacific Islands Forum Leaders Meeting and the SPREP Council/Ministerial Meeting.

Under Output 3.1 technical assistance will be sourced from the various organizations around the region that deal with the three main sectors covered by the PACC Project. Partners that have been requested to support the PACC under this Outcome include; the Coastal Management and the Sustainable Development programme at SPREP, SPC and USP. Several other partner institutions will also be assisting SPREP to provide technical support on the various components of the project. Under the United Nations Institute for Training and Research (UNITAR) Capacity Development Platform, three additional institutions will provide

technical support to the PACC project. They are the Stockholm Environment Institute (SEI) Oxford, the International Institute for Sustainable Development and the Munasinghe Institute for Sustainable Development.

The backstopping support can provide further scientific, technical, policy and management guidance to countries upon request by the National Climate Change Country Teams and/or the national PMUs, in consultation with the PACC RPM. The need for further technical support will be advertised widely, with independent consultants, CROP agencies and others being urged to apply. Selection will be carried out through a competitive and transparent process.

***Commentary:***

A draft proposal for a PACC Regional Backstopping Facility (RBF) in support of the 13 countries participating in the Project has been prepared, but it is undated, incomplete and refers to 11 rather than 13 countries. Partners in the RBF were to be the relevant CROP agencies, namely SPREP, SPC, SOPAC, USP and PIFS. The main objective of the RBF was to operationalize the mechanism established in the PACC PDF phase by providing technical backstopping to the countries to implement the PACC Project at the national level. Since the PACC Project focuses on water resources management, food production and food security, and coastal zone management the work cuts across the mandates of several CROP agencies and their expertise base. Hence the relevant CROP agencies have been encouraged to actively engage in the PACC through the RBF, with the following emphasis, based on their comparative advantages:

- Food Production and Food Security – SPC;
- Water – SOPAC;
- Coastal Management – SOPAC and USP;
- Mainstreaming and overview of Pacific Plan projects and their relation to PACC – PIFS; and
- Capacity Building – USP and SPREP

Funding for RBF activities was to be provided for under the PACC budget, though members of the RBF were encouraged to solicit further financial support from potential donors. SPREP would house the RBF and operationalize it through arrangements with RBF partners that were agreed to during the PACC Inception Workshop. However, the report for that meeting (available only in draft) does not discuss the RBF, merely documenting where the various CROP agencies and the East-West Center might contribute. On the other hand, and according to the report, nearly all the PACC countries expressed interest in the seeking assistance through UNITAR's Capacity Development Platform.

In the more recent PACC Technical Meeting (report available in draft) most countries reaffirmed their interest in the Platform, but SPREP was unclear how many countries could participate given the limited resources available. There was no discussion of the RBF at the meeting. The report merely notes that the proposal for the RBF did not get traction on the ground, but it was hoped that the idea could be revisited. On the other hand, the report highlights the important role played by USP's Pacific Centre for Environment and Sustainable Development (PACE-SD) in preparing for the PACC Technical Meeting. It notes that this and other collaboration is helping to ensure that the work of both the PMU and PACE-SD are more closely aligned, for the benefit of member countries. PACE-SD has an excellent track record in relation to work on climate change and related issues, including development and application of a community-centred approach to vulnerability assessment and adaptation.

In the interim an informal group of “like minded” officers from the relevant Council of Regional Organizations of the Pacific (CROP) agencies is providing technical back stopping to countries. Despite this laudable effort, there is an urgent need to address the current shortfalls in technical assistance. This would include formalizing and operationalizing those collaborative partnerships which were recognized as being critical to providing countries with the targetted technical assistance they require to implement the Project in a successful manner. Priority should be given to ensuring the full and effective involvement of the relevant CROP agencies, on not only an individual basis but also working collaboratively in ways that synergize their individual comparative advantages. Extreme care should be taken to ensure that assistance from organizations based outside the region is provided only when they have a compelling comparative advantage. Any such assistance should address the specific and well-documented needs of the countries and be of immediate practical value in helping countries deliver the outputs and achieve the outcomes for which they are responsible. Any assistance must also be delivered in a timely and cost effective manner.

There are opportunities to learn from the Pacific Region Support Mechanism (PRSM) for the National Capacity Self Assessment (NCSA) Project. It was formed in 2004, to deliver assistance to the NCSA teams in the 14 eligible PICs. Founding members of PRSM were SPREP, UNDP, the United Nations University (UNU) and Australia’s Department of Environment and Heritage. SPREP coordinated the PRSM activities. Under PRSM three sub-regional workshops were implemented to help countries with the inception of the NCSA. They used the self-assessment methodology, with advice and training provided during two in-country national workshops, as well as through e-mail communications. This assistance and collaboration were reasonably successful, despite no funding being provided by the NCSA Project to the PRSM and despite limited leadership and coordination by the NCSA Project staff. The PRSM not only increased the immediate impact of the NCSA outreach activities in the region, but also helped to ensure that technical support capacity is maintained in the region.

## Consistency of PACC with the GEF SCCF Guidelines

The PACC design is very closely aligned with GEF/C.24/12, *Programming to Implement the Guidance for the Special Climate Change Fund*. The document details the operational basis for funding of activities under the SCCF. The consistency of the PACC Project with guidance on how adaptation should be carried out is shown in the following table.

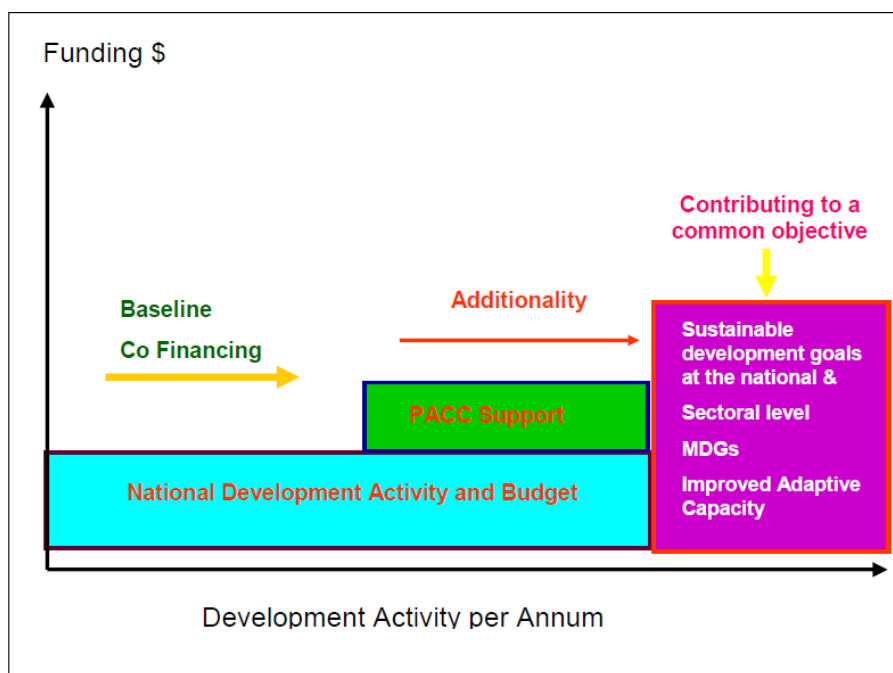
**Consistency of PACC with the GEF SCCF Guidelines**

| Guideline   | PACC Alignment   |
|---|--|
| Area: adaptation, in accordance with paragraph 8 of decision 5/CP.7 | Calls for adaptation activities to be implemented promptly where sufficient information is available to warrant such activities – National Communications and other documents prepared by the participating countries and organizations such as the Intergovernmental Panel on Climate Change (IPCC) provide adequate information on which to plan and implement the adaptation initiatives in the PACC Project  |
| Eligibility: developing country Parties to the UNFCCC               | All thirteen PICs participating in this project are developing country states that are Parties to the UNFCCC. The ratification dates are as follows: Cook Islands 20/04/93; Federated States of Micronesia 18/11/93; Fiji 25/02/93; Marshall Islands 08/10/92; Nauru 11/11/93; Niue 28/02/96; Palau 10/12/99; Papua New Guinea 16/03/93; Samoa 29/11/94; Solomon Islands 28/12/94; Tonga 01/07/98; Tuvalu 26/10/93; and Vanuatu 25/03/93. All participating countries had submitted their Initial National |

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|---|--|
|   | Communications under the UNFCCC and are in the implementation phase of their Second National Communications  |
| The SCCF should serve as a catalyst to leverage additional resources from bilateral and other multilaterals sources; i.e. co-financing from sources other than the SCCF should be maximized   | The GEF funding of USD13,125,000 catalyzed co-financing of USD44,284,480   |
| Activities to be funded should be country-driven, cost-effective and integrated into national sustainable development and poverty-reduction strategies  | The proposed adaptation interventions have all been proposed by the participating countries after extensive consultations and following reference to National Communications and other relevant documentation; the project design links the interventions to reducing climate-related risks to sustainable development as well as contributing to improving livelihoods and alleviating poverty; however, as the Project evolves, it should give more attention to delivering this outcome |
| Adaptation activities to address the adverse impacts of climate change have top priority for funding  | All adaptation interventions reduce the adverse impacts of climate change by enhancing the resilience of the targetted sectors and communities   |
| Adaptation activities supported through the SCCF should take into account National Communications, NAPAs and other relevant information   | National Communications and similar documentation have been critical to setting the priorities for adaptation interventions to be undertaken in each country under the PACC Project  |
| Activities will be implemented, <i>inter alia</i> , in the following areas: (a) Water resources management; (b) Land management; (c) Agriculture; (d) Health; (e) Infrastructure development; (f) Fragile ecosystems; (g) improve Human disease control and prevention; and (h) Integrated coastal zone management. | The demonstration measures aim to reduce vulnerability to climate change in: (a) coastal areas (Cook Islands, FSM, Samoa and Vanuatu); (b) crop production (in Fiji, Palau, Papua New Guinea and Solomon Islands); and in (c) water management (in Marshall Islands, Nauru, Niue, Tonga and Tuvalu). All these activities therefore fall within the listed areas of focus  |
| The Fund will support capacity building   | SCCF funding will be used to improve adaptive capacity to address climate change concerns at the national level  |
| Adaptation activities financed under the SCCF will seek to assist the most vulnerable countries and those within a country with the greatest need - activities will therefore seek to recognize the link between adaptation and poverty reduction   | The participating countries are recognized by IPCC and other authorities as being among the countries most vulnerable to climate change; project managers at regional and national levels should give appropriate attention to demonstrating that the adaptation interventions in the coastal areas and in the agriculture and water sectors do result in tangible improvements in livelihoods and alleviation of poverty  |
| Activities will focus more on prevention than on reaction   | All the adaptation interventions in the coastal areas and in the agriculture and water sectors are proactive initiatives to reduce the adverse consequences of climate change  |
| Where possible, activities that prevent additional impacts from climate change will be identified   | The specific adaptation interventions are designed to enhance resilience to climate change and hence prevent, or at least reduce, additional impacts   |
| The SCCF will finance activities to promote the transfer of technologies related to adaptation, where appropriate   | All the adaptation interventions involve the transfer of appropriate technologies – in most cases these are “soft” rather than “hard” technologies   |
| The GEF will seek to coordinate with international and regional organizations whose expertise and experience is relevant to measures to address adaptation  | As the Implementing Partner, SPREP will play a key role in coordinating the technical support that regional and international organizations will provide to the participating countries; as noted in the previous section, this aspect of project implementation needs strengthening urgently  |
| Apply a presumptive co-financing  | The ProDoc indicates that the SCCF will finance 23% of the   |

|   |   |
|---|---|
| <p>sliding proportional scale - the larger the total cost of the project, the greater the required percentage of co-financing (for projects requesting more than \$5m, the SCCF will finance up to one quarter of the total project costs)</p>  | <p>total project costs; it will be important to ensure that there is no slippage in the level of co-financing – this needs to be assessed on an ongoing basis, as part of project monitoring and evaluation</p>   |
| <p>The SCCF will finance the additional costs of achieving sustainable development imposed on vulnerable countries by the impacts of climate change, but no need to determine the additional costs of adaptation if the requested SCCF financing and proposed co-financing fall within the agreed scale (see above)</p> | <p>Since the co-financing is over 75% (see above) there is no requirement to determine the additional costs of the adaptation interventions. However, these additional costs have been determined, as discussed below.</p>  |
| <p>Choice of the GEF Trust Fund or the SCCF for funding the project is guided by the primary objectives of the project and whether the majority of benefits to be generated will be related to global environmental goals or national sustainable development goals of the participating country/ies</p>                | <p>The choice of the SCCF to fund the adaptation interventions is appropriate since the majority of the resulting benefits will be related to reducing the climate-related barriers to achieving the sustainable development goals of the participating countries</p> |

As shown in the following diagram, the design of the PACC Project established a close link between the adaptation interventions and national level sustainable development. This includes poverty reduction, though this is not shown explicitly in the diagram. Thus the Project provides additional resources for national governments to address climate change issues in the design of their development programmes, thereby helping to enhance resilience to current and future changes in climate. As shown in the diagram, co-financing activities from governments provide the baseline activity aimed at achieving sustainable development. These existing baseline policies and programmes are not sustainable due to the threats posed by future, long-term climate change, including changes in climate variability and extremes. The PACC Project activities provide the additional inputs to ensure the development activities and the resulting outcomes are not at risk from climate change and hence are more resilient and sustainable.





The GEF-funded alternative to the baseline scenario focuses on:

- Implementing specific measures to address anticipated climate change risk for priority development areas through policy interventions and capacity support;
- Building awareness and acceptance of the risks of climate change and the necessary conditions for adaptation at the policy level;
- Developing mainstreaming methodologies to integrate key thematic issues into national development strategies; and
- Increasing the adaptive capacity of human and biophysical systems through measures designed to reduce the adverse effects of climate change on key development sectors of government.

An important issue faced by SCCF-funded projects, such as PACC, is the difficulty of retaining co-financing if there is a delay in the project being approved. Much of the PACC co-financing is provided by the baseline development activities. It is difficult if not impossible to place these on hold if there is a delay in the project approval process. Under such circumstances it is likely that critical project activities will have to be changed in order to reflect completion of the baseline development activities while project approval has been awaited. This was the case for the Cook Islands component of the PACC – the intention to climate proof the upgraded Manihiki airport was not possible as work commenced prior to the Project being approved. As a result, the Cook Islands component had to be redesigned. The adaptation activities now relate to the improvement of the harbour in Mangaia.

## The PACC Project Baseline

The overall project baseline is that the economic and social development objectives of the participating countries are achieved through business as usual policies, plans and activities. Often these do not deliver sustainable outputs and outcomes as the threats posed by future, long-term climate change, including changes in climate variability and extremes, are not taken into account in the design and implementation of the development activities.

The baselines for the Project objective and the three outcomes are shown in the following table, along with commentary as appropriate. The baselines for the Project outputs, as presented in the ProDoc, are very rudimentary at best. Generally they describe the absence or lack of the planned output. They should describe what does exist, albeit inadequate in terms of good practice and what might be desirable. A similar situation exists for the baseline descriptions relevant to the Project objective and three outcomes. It is recommended that the baseline descriptions be strengthened so they are more indicative of the situation that prevailed prior to project inception.

| <b>PACC Project</b>   | <b>Baseline</b>   | <b>Comments</b>   |
|---|---|---|
| Objective:<br>To enhance the capacity of the participating countries to adapt to climate change, including variability, in selected key development sectors | Climate change risks in the coastal, crop production and water sector are not acknowledged in relevant policies, plans and projects both at the national and local level. | This is a very sweeping generalization; the description should be improved, to be more accurate as to what does exist, rather than what does not (e.g. in many policies and plans climate change is acknowledged, but more as an environmental than a development issue; even when climate change is seen as just an environmental issue, little or nothing is done about it in terms of policy, planning etc |

|  |  |   |
|--|--|---|
| Outcome 1:<br>Policy changes to deliver immediate vulnerability-reduction benefits in context of emerging climate risks implemented  | Relevant development and risk management plans do not include climate change risks on the coastal, crop production and water sector. | Above comments are also applicable here; in addition, the reference to “climate change risks” is rather limiting – relevant vulnerability reduction efforts can be couched in other terms |
| Outcome 2:<br>Demonstration measures to reduce vulnerability in coastal areas (Cook Islands, FSM, Samoa and Vanuatu) and crop production (in Fiji, Palau, Papua New Guinea and Solomon Islands) and in water management (in Marshall Islands, Nauru, Niue, Tonga and Tuvalu) implemented | No long-term climate change adaptation measures implemented  | This is a sweeping generalization; there are many exceptions in the countries listed  |
| Outcome 3:<br>Capacity to plan for and respond to changes in climate-related risks improved  | Carried out in ad hoc arrangements.  | Again this is a sweeping generalization which ignores responses to, for example, National Communications and National Capacity Self Assessments   |
| Outcome 4:<br>Project Management Implemented.  | No PMUs existing at present.   | Project management involves more than just PMUs. This should be reflected in the baseline   |

## Methodologies to be Applied by the Project

### ***Vulnerability and Adaptation Assessment:***

SPREP, through PACC, will be working closely with USP to operationalize the vulnerability and adaptation (V&A) programme of PACC, including preparation of guidelines related to specific adaptation interventions in coastal areas and in the agriculture and water sectors. The PACC Project has decided to use the PACE-SD Integrated Assessment and Action Methodology for Climate Change, Disaster Risk Management and Sustainable Development. This methodology has evolved from the Community Vulnerability and Adaptation Assessment and Action Methodology developed under the Canadian-funded CBDAMPIC project. It also draws on other guides and tools such as the WWF Climate Witness Toolkit, the Local Management of Marine Areas (LMMA) methodology, and SOPAC’s Community Hazard and Risk Management (CHARM) methodology. The approach taken in the PACC Project will ensure that PACE-SD and SPREP talk the same language and synergize their activities for the benefit of countries, meaning less confusion at the national level. Another advantage is harmonization between what is taught at USP through the V&A courses and the practical action on the ground. The PACC country-level projects will thus enhance and build on existing frameworks, rather than wasting time to develop a new framework.

### ***Mainstreaming Climate Change:***

One of the major challenges for the PACC Project is to develop a methodology and associated tools to assist countries participating to mainstream climate change into their current national development plans and priorities as well as develop economic tools for evaluation of adaptation options. The current approach to mainstreaming lacks consistency

and a clear methodology. An appraisal of past efforts suggests that in all PICs, mainstreaming has not been approached in a consistent manner. No serious effort has also gone into developing guidelines to appraise plans or existing projects in a methodical way. More effort is concentrated at the national planning level without due consideration given to other levels.

A gender-sensitive mainstreaming methodology will be developed and used by PACC to integrate climate change considerations into national and sectoral development plans, policies or strategies. The methodology will be prepared in collaboration with technical experts and domestic partners, including economic planners, institutional analysts, budget specialists, technical/ scientific experts, policy analysts, sectoral and cross sectoral managers, and community stakeholders. A guide will be developed for use by the 13 PICs participating in the PACC. It will detail how climate change adaptation issues will be mainstreamed at different levels, including national, sectoral and community levels. In each country the process will focus on:

- Reviewing the National Sustainable Development Strategy (NSDS) and their role in national development;
- Identifying the strengths, weaknesses, gaps, and responses to strengthen specific sectoral management in the coastal, food security and production and water sector, using problem tree analysis and objective/solution identification;
- Reviewing linkages between sectoral plans and the NSDS, and the relationship between sectoral medium term budget and the medium term national fiscal expenditure and revenue budget;
- Strengthening sector level budgeting to reflect outcomes focused on priorities and national development goals; and
- Reviewing and identifying how climate change can be mainstreamed into current and future community programmes and plans at the pilot level.

#### ***How to Guide:***

The final output of the PACC Project will be a practical “how to” guide. This will share with other countries the good practices, experiences and lessons learned regarding mainstreaming climate risk and resilience in sectoral and development policies and implementing climate change adaptation measures. A draft outline of the guide was developed at the recent Technical Meeting (see Annex 3).

#### ***Commentary:***

It will be a major challenge for the PACC Project to identify, adapt and facilitate use of the methods and tools the participating countries will need when planning and undertaking their adaptation interventions and the mainstreaming initiatives. It is an excellent plan to partner with PACE-SD and focus on using the Community Vulnerability and Adaptation Assessment and Action Methodology that has developed and applied over the years. Some further development of this methodology will be required due to the diversity of situations in which it will be used. Appropriately, this work relates to one of the two outputs arising from national activities under Component 2 (see Annex 2).

The planned “How to Guide” is also an important initiative. It will be a synthesis of the guides prepared by individual countries based on their adaptation initiatives for specific sectors and areas. As a result, it will not only serve to document the good practices and lessons learned from the PACC activities, but ensure these experiences inform future adaptation efforts, not only in the participating countries but also in other countries undertaking similar adaptation work. In order to meet these needs the Guide will need to be very practical and user friendly.

This is a significant challenge. It is therefore pleasing to see that planning for preparing the Guide has already commenced (see Annex 3).

Success with this initiative will require that countries have a good understanding of relevant methodologies and apply and report on them in a sound manner. This is of course a major part of the PACC work programme, not only in terms of activities in-country, but also providing them with targeted technical assistance through regional and other relevant organisations. The latter should include strong assistance to ensure the individual guides produced by countries are such that they will be useful to many countries, in the Pacific and beyond.

It is appropriate that the Guide cover mainstreaming climate risk and resilience in both sectoral and development policies as well as implementing specific climate change adaptation measures. The Guide should also consider the existence of maladaptation in the region and show how the PACC Project has taken specific steps to avoid maladaptation. This suggestion applies equally to the first and second sections of the Guide. There would be value in ensuring that in the next draft of the outline the points which relate to both sections are integrated into relevant parts of the descriptions of the two sections, rather than them standing alone. At present they look more like headings for a final report.

It may also be appropriate to change the title of the mainstreaming section. At present the title does not indicate the focus of the work. The task is not to mainstream climate change risk and resilience. Rather, the objective is to mainstream procedures and initiatives that reduce risk and enhance resilience. There is a significant difference.

There should also be explicit reference to mainstreaming and adaptation at community level. While the key mainstreaming activities are identified in the outline, consideration might be given to the activities described in the following diagram. It is based on mainstreaming guidance prepared for the UN Development Group and the UNDP/UNEP/GEF National Communications Support Programme<sup>6</sup>. Both sets of guidance are highly relevant to PACC.

| <b>Mainstreaming<br/>Climate Change</b>  |
|--|
| Ongoing – capacity assessment and strengthening, including awareness raising, education and training   |
| Ongoing - strengthening governmental and other support for adaptation, including disaster risk reduction   |
| Ongoing – monitoring, evaluation and learning  |
| Identifying and engaging key national, sectoral and community actors   |
| Reviewing existing understanding (including climate-development linkages) and current processes and activities   |
| Improving quality and accessibility of climate and related information   |
| Organising government and non-governmental structures to better address adaptation, including through disaster risk reduction  |
| Building on and reinforcing existing national, sectoral and community mechanisms for adaptation and disaster risk reduction, including integration where appropriate |
| Modifying policies, plans, regulations and standards to reflect current and anticipated climate risks  |
| Enhancing linkages between multilateral/regional commitments and actions to address climate change   |

<sup>6</sup> Hay, J.E, 2009. Including Climate Change Considerations in Country Analysis and the UNDAF: A Guidance Note for United Nations Country Teams and Implementing Partners. Prepared for the UN Development Group.  
 Hay, J. E., 2009. Guidance on use of the National Communication to Facilitate Integration of Climate Change into National Development Planning and Related Processes. Prepared for the UNDP/UNEP/GEF National Communications Support Programme.

As noted above, if the mainstreaming efforts under PACC are to be worthy of replication within the participating countries, let alone outside the region, considerable effort will be required to develop, test and apply the methodology and related guidance materials. It is unclear how this will be achieved. The above summary of the need to assist participating to undertake mainstreaming activities highlights the challenges, but it and the PACC documentation are short on the details as to how this will be achieved. Reference has been made to partnering with the Munashinge Institute for Sustainable Development. It has previously developed a practical and broad generic approach for making development more sustainable by better integrating climate change response options into a national sustainable development strategy. The suggestion was to use this as the basis for a specific methodology and set of training tools and materials that will assist PICs to mainstream climate change into their current national development plans and priorities. The activity will help to map out linkages between climate change vulnerabilities, adaptation measures, and major national goals and policies, taking into account social, economic and environmental considerations. It will help produce a comprehensive training module with supporting materials and test it through pilot workshops and fieldwork.

The current status of the above proposal is unclear. While it has much to commend it, two serious shortcomings can be identified, namely: (i) the focus of the planned work is on the broader macro national sustainable development strategy and national policies, whereas PACC is more focussed on sector and community levels; and (ii) partnering with an institution with experience from outside the region has some advantages but these are likely to be seriously outweighed by the lack of knowledge and experience with mainstreaming in PICS, as well as the additional costs.

It may be useful to revise the outline of the second section, on implementation of on-the-ground adaptation measures, so that it is more consistent with the content of a “how to” guide. It is unclear where and how the PACE-SD Community Vulnerability and Adaptation Assessment and Action Methodology will be integrated into this section of the Guide. It is very relevant to the proposed in-country activities, and should be highlighted and integrated in an appropriate manner. The references to such techniques and tools as assessing environmental and socio-economic feasibility, cost-benefit analysis, GIS mapping, and participatory risk assessment beg the question as to what specific efforts PACC will be making to ensure that these are available to the national teams and are used wisely and effectively in the adaptation work. Some PACC reports do identify assistance and work which is under consideration (e.g. socio-economic assessment with the assistance of the East-West Center; adapting and applying the Community-based Risk Screening Tool – Adaptation and Livelihoods (CRiSTAL) with the assistance of SEI; and the Climate Change Explorer (CCE) with the assistance of the International Institute for Sustainable Development (IISD), but the current status of these proposals is again unclear.

It is important that methodologies and tools related to both mainstreaming and adaptation interventions on the ground are adapted for PIC application, tested and then rolled out for use by countries during the planned PACC activities. Unless the methodologies and tools are made available early in the project cycle they will not play a critical role in the adaptation work and thus will lack credibility and impact when they are included in the “How to Guide” which is to be produced at the end of the Project. This is especially important for economic evaluation, or cost benefit analysis, of the potential adaptation interventions. Such information is critical to the decision making process, as it plays a key role in the advice provided by officials to the community and governmental leaders who ultimately decide which, if any, adaptation option is implemented. PACC represents a major opportunity to ensure that informed decision making takes place for adaptation in the region. If this opportunity is to be taken, urgent, informed and concerted action is required.

The PACC Project also provides an important opportunity to highlight the linkages with climate change related enabling activities such as preparation and use of the Second National Communication to the UNFCCC and the NSCA. Linkages exist at technical, policy and institutional levels. For examples, there are major synergies between the work of the PACC's national teams and those involved in preparing the Second National Communication, especially members of the V&A thematic working groups. PACC could be the first to make substantive use of the new guidance on use of the National Communication to facilitate integration of climate change into development planning and related processes<sup>7</sup>.

## **Linkages and Synergies with National Sustainable Development Initiatives**

The Pacific region lacks examples and practical experience of climate change adaptation, particularly in the context of national development initiatives. This is a key issue. Development initiatives have tended to be handled in isolation and designed in the context of immediate needs and short-term government and donor imperatives. There is little appreciation of the practical implementation of adaptation measures as an integral component of development activities. This results in limited adoption of adaptation techniques, and promotes inefficient use of development resources through projects that may not be designed to cope with even medium-term changes in the climate.

PACC will implement specific measures which demonstrate ways to address the anticipated climate change risks for priority development areas. This will be through policy interventions and capacity support. These include developing, testing and applying mainstreaming methodologies to integrate climate change considerations issues into national and sectoral development strategies as well as building awareness and empowering key players to reduce the risks of climate change through adaptation interventions at policy and planning levels.

### ***Commentary:***

The design of the PACC Project gives priority to activities that will reduce the risks to the sustainability of national development initiatives arising from climate change. For the remaining four years of the Project emphasis should not only be on implementing the activities themselves but also on monitoring and evaluating their effectiveness. The linkages and synergies are not simply something to be identified during project preparation, and then cast to one side. Rather, it is important that PACC can show the extent to which the adaptation interventions have indeed reduced the risks to the sustainability of national development initiatives.

As mentioned above, a practical way to improve the linkages is for members of the PACC teams at national level to engage fully with their counterparts who are involved in preparing the Second National Communication, and especially those undertaking the technical studies related to V&A as well as looking at policy implications. This is an excellent opportunity to increase PACC's relevance to, and impact on, poverty alleviation.

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<sup>7</sup> Hay, J.E., 2009. Guidance on use of the National Communication to Facilitate Integration of Climate Change into National Development Planning and Related Processes. Prepared for the National Communications Support Programme, UNDP/ UNEP/GEF.

## Linkages and Synergies with Relevant Regional Frameworks

The most relevant regional frameworks and initiatives are the Pacific Plan, the PIFACC, the Pacific Islands Disaster Risk Reduction and Disaster Management Framework, the Pacific Regional Action Plan on Sustainable Water Management and Regionalizing the Commitments of the Declaration of the High-level Conference on World Food Security<sup>8</sup>.

### **Commentary:**

The PACC Project is the first adaptation project to be implemented in the region that responds directly to the need expressed in the Pacific Plan for urgent action to undertake adaptation initiatives across the Pacific islands region. The Project addresses this need on three important fronts:

- Improving the capacity of Pacific island governments to mainstream climate change adaptation into government policies and plans;
- Addressing the urgent need for adaptation measures by developing systematic guidelines for adaptation and demonstrating their use at a pilot scale in coastal management and the food security and water resources sectors; and
- Laying the foundation for a comprehensive approach to address adaptation over the medium-long term at the regional level.

The PACC Project also addresses several of the key objectives of the PIFACC, including those related to:

- Implementing adaptation measures;
- Governance and decision-making;
- Improving our understanding of climate change; and
- Education, training and awareness.

Importantly, the Project addresses the need for implementation of adaptation on the ground, as highlighted in the PIFACC. This contrasts with the focus of earlier national and regional studies on assessments and planning for adaptation. The Project also represents a significant contribution to the need for a more programmatic approach, as well as to the trend in regional and national projects towards greater thematic diversity, synergistic approaches to adaptation and disaster risk reduction and a move away from multi-sectoral adaptation projects to those with a sector focus<sup>9</sup>. Consistent with the Pacific Islands Disaster Risk Reduction and Disaster Management Framework, the PACC Project will demonstrate good practice in reducing the likelihood and consequences of climate-related disasters in key development sectors and locations, while also building capacity for disaster risk reduction at national, sectoral and community levels.

PACC's demonstration of measures to reduce vulnerability in water management in Marshall Islands, Nauru, Niue, Tuvalu and Tonga is consistent with the needs and actions identified in the Regional Action Plan on Sustainable Water Management. These five countries selected the water sector for climate change adaptation. All are highly dependent on groundwater and/or rainwater. The methods that will be prepared to plan and implement the adaptation measures will provide the foundation for guidance documents which can be used within the

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<sup>8</sup> Food and Agriculture Organization, 2008. Climate Change and Food Security in Pacific Island Countries. Food and Agriculture Organization (FAO), Rome, 280pp.

<sup>9</sup> Hay, J.E., 2009. Assessment of Implementation of the Pacific Islands Framework for Action on Climate Change (PIFACC). Prepared for SPREP and the Pacific Climate Change Roundtable, 20pp.

region. This also represents a major contribution to implementing the Regional Action Plan. Moreover, the PACC project has specific linkages with the Integrated Water Resources Management (IWRM) Project. There is a strong 'thematic' synergy between the PACC and IWRM Projects in the area of climate change adaptation in the water sector. Within the PACC this is specific to the climate change adaptation demonstration projects in the five participating countries named above.

Finally, Regionalizing the Commitments of the Declaration of the High-level Conference on World Food Security identified the need for urgent action to increase the resilience of Pacific island food production systems to climate change. PACC's demonstration of measures to reduce vulnerability in crop production in Fiji, Palau, Papua New Guinea and Solomon Islands is a timely response to this priority.

**Commentary:**

The linkages and synergies with regional frameworks identified above highlight the need for close coordination with other relevant regional and national projects, as well as related processes implemented by both the CROP agencies and development partners in terms of technical and policy support and demonstration activities. Such linkages were mapped out during the PACC Inception Workshop linkages. The resulting matrix should be used to identify where these linkages can be exploited by PACC, for the mutual benefit of the partners. The Pacific Climate Change Roundtable is an important forum for strengthening linkages, especially in the context of the Integrated Water Resources Management Project, UNDP's Community Based Adaptation initiative and GEF's Small Grants Programme.

## Role of PACC in GEF-PAS

The goal of the PACC Project is consistent with the overall goal of the GEF's Pacific Alliance for Sustainability (GEF-PAS), namely to contribute to sustainable development in the Pacific islands region through improvements in natural resource and environmental management. The GEF-PAS Programme Framework, along with some of the projects developed at that stage, was approved by the GEF Council at its meeting in April, 2008. The GEF-PAS programme is funded from the Fourth Replenishment of the GEF, which ends in the latter half of 2010. The approved GEF-PAS Programme Framework contained indicative project allocations in the following focal areas:

| Focal Area                 | GEF Financing (US\$) |
|----------------------------|----------------------|
| Biodiversity               | 37,715,220           |
| Climate Change Adaptation* | 30,392,000           |
| Climate Change Mitigation  | 14,700,000           |
| International Waters       | 10,722,950           |
| POPs                       | 5,307,750            |
| Total                      | 98,837,920           |
| * LDCF and SCCF Projects   |                      |

The allocation of funding under GEF-PAS, as of April, 2009, was as follows:

| Project Status           | GEF Finance (\$US) |
|--------------------------|--------------------|
| Under Implementation (8) | 31,153,200         |
| PIF/PPG approved (7)     | 33,175,000         |
| Under Development (10)   | 34,509,720         |
| Total                    | 98,837,920         |



The PACC Project represents 43% of the regional allocation for adaptation, 42% of the GEF-PAS projects under implementation (as of April, 2009) and 13% of the total GEF financing under GEF-PAS. For comparison, as of December 1, 2009, the other GEF-PAS regional full-sized projects (and their GEF financing in USD) were:

- Implementing Sustainable Integrated Water Resource and Wastewater Management in the Pacific Island Countries (9,025,186);
- Pacific POPs Release Reduction Through Improved Management of Solid and Hazardous Wastes (3,275,000);
- Promoting Energy Efficiency in the Pacific (5,254,545);
- Forestry and Protected Area Management Biodiversity (6,286,000);
- The Micronesia Challenge: Sustainable Finance Systems for Island Protected Area Management (5,454,545);
- Energizing the Pacific (3,600,000);
- Prevention, Control and Management of Invasive Alien Species in the Pacific Islands (3,031,815)
- Low Carbon-Energy Islands - Accelerating the Use of Energy Efficient and Renewable Energy Technologies in Tuvalu, Niue and Nauru (1,298,636); and
- Coastal and Marine Resources Management in the Coral Triangle of the Pacific (8,336,450).

## Current Status of the Project

The following table shows the status of PACC Project implementation at national level as of October, 2009. Despite the project being underway for nine months it is clear that progress has not been great in many of the countries. This is of concern. Even though the Project runs for five years, it has a very ambitious work programme and cannot afford any slippage in meeting project milestones. It is therefore recommended that that monitoring, evaluation and reporting be stepped up. In this respect concern must be expressed that neither the Second Quarter 2009 Progress Report (for the period April 1 – June 30, 2009) nor the report of the second meeting of the Project Executive Group (held on August 17, 2009) recorded any concerns being expressed about progress of the Project. Clearly the PEG should be taking more responsibility for assessing progress and recommending remedial actions where shortcomings in implementation are identified.

| Country                        | Current Status   |
|--------------------------------|--|
| Cook Islands                   | <ul style="list-style-type: none"> <li>▪ No PACC NC has been recruited</li> <li>▪ Necessary to change location of pilot as development that would provide the baseline for PACC had begun and is close to completion - Pilot site now confirmed as Mangaia harbour</li> <li>▪ MoU has been signed</li> </ul>   |
| Federated States of Micronesia | <ul style="list-style-type: none"> <li>▪ MoU signed</li> <li>▪ PACC project to facilitate 'climate-proofing' of to be constructed northern section of the Kosrae circumferential road, allowing the infrastructure to cope with heavy rainfall events, and also protecting valued ecosystems</li> <li>▪ No PACC NC has been recruited</li> <li>▪ FSM Environment Department, which is part of National government and also the PACC Focal Point based in Phonpei, is now spearheading discussions with Kosrae State government, the demonstration site of PACC for the FSM</li> <li>▪ PACC PMU and NC will be based at Kosrae</li> </ul> |
| Fiji                           | <ul style="list-style-type: none"> <li>▪ Several meetings have take place between the Environment Department and the Land and Water Resources Management (LWRM) Division of the Ministry of Primary Industries on the setting up of the PACC PMU at the Land and Water Resources Management Division</li> </ul>  |

|                  |   |
|------------------|---|
|                  | <ul style="list-style-type: none"> <li>▪ MoU has been signed</li> <li>▪ No PACC NC has been recruited</li> </ul>  |
| Marshall Islands | <ul style="list-style-type: none"> <li>▪ MoU signed</li> <li>▪ Discussion is underway on the setting up of PACC PMU</li> <li>▪ Coordinator to be appointed</li> </ul>   |
| Nauru            | <ul style="list-style-type: none"> <li>▪ Inception Workshop carried out, very positive</li> <li>▪ Focus is on water supply (potable and non-potable)</li> <li>▪ Project site currently being surveyed and researched</li> <li>▪ PACC NC has been advertised and a potential candidate identified</li> <li>▪ MoU has been signed</li> </ul>  |
| Niue             | <ul style="list-style-type: none"> <li>▪ Inception Workshop carried out.</li> <li>▪ Steering Committee endorsed by cabinet</li> <li>▪ PACC NC has been advertised and a potential candidate identified</li> <li>▪ MoU has been signed</li> </ul>  |
| Palau            | <ul style="list-style-type: none"> <li>▪ Project has not progressed at the desired pace</li> <li>▪ Inception Workshop not held, informal talks only</li> <li>▪ Informal Inception Workshop scheduled for October, 2009</li> <li>▪ PACC NC has been advertised and a potential candidate identified</li> <li>▪ MoU has been signed</li> </ul>  |
| Papua New Guinea | <ul style="list-style-type: none"> <li>▪ MoU not yet signed - discussion in progress with regional PACC PMU and national government</li> <li>▪ No PACC NC has been recruited but the Land Use division has been instrumental in progressing the PACC discussion at the national level</li> <li>▪ Discussion is underway on the setting up of PACC PMU</li> </ul>  |
| Samoa            | <ul style="list-style-type: none"> <li>▪ Steering Committee established</li> <li>▪ MoU signed</li> <li>▪ Start-up funding received</li> <li>▪ Preliminary list of sites compiled, but tsunami has possibly changed the list of sites</li> <li>▪ No PACC NC has been recruited but all PACC correspondence is being handled by the Manager Climate Change</li> <li>▪ Discussion is underway on the setting up of PACC PMU with the Meteorology Division</li> </ul> |
| Solomon Islands  | <ul style="list-style-type: none"> <li>▪ No PACC NC has been recruited</li> <li>▪ Discussion is underway on the setting up of PACC PMU with the Department of Agriculture</li> <li>▪ MoU signed</li> <li>▪ Inception Workshop delayed due to funding not arriving</li> <li>▪ Project Coordinator yet to be appointed</li> </ul>   |
| Tonga            | <ul style="list-style-type: none"> <li>▪ MoU signed</li> <li>▪ Start-up funding received</li> <li>▪ Project Coordinator recruitment underway</li> <li>▪ Discussion is underway on the setting up of PACC PMU within the Environment Department</li> </ul>   |
| Tuvalu           | <ul style="list-style-type: none"> <li>▪ MoU signed</li> <li>▪ Start-up funds yet to be received</li> <li>▪ Project Coordinator has been appointed</li> <li>▪ Discussion is underway on the setting up of PACC PMU with Public Works</li> </ul>   |
| Vanuatu          | <ul style="list-style-type: none"> <li>▪ MoU signed</li> <li>▪ Start-up funds received</li> <li>▪ Project coordinator and assistant have been appointed</li> </ul>  |

This report has already highlighted the need for methodologies and tools to be made available early in the project cycle so they can play their intended role in the adaptation work. Currently there appears to be numerous ideas and options, without a clear plan as to how priorities will be set and the necessary preparatory work undertaken in a effective and timely manner. This would include ensuring that all methods and tools are developed on a needs basis, as determined by the participating countries. The same suggestions apply to

the decision made at the Inception Meeting that regional and national adaptation financing instruments will also be developed, in order to ensure sustainability of the project.

## Commentary of Implementation Plan and Timetable

The ProDoc does not contain an implementation work plan, despite one being referred to in the Table of Contents. Only a PACC Financing Table is presented in the section titled “Total Budget and Workplan”. This seems to be a major oversight. Absence of an overall implementation plan may well be contributing to the slow implementation of the Project. Annual Work Plans should be developed within the framework on an over implementation plan of work.

One of the major tasks scheduled for the Inception Workshop was to agree on the first Annual Work Plan (AWP), including measurable performance indicators. That meeting was held on June 29 to July 3, 2009. A Project Inception Report was also to be prepared immediately following the Inception Workshop. It would include a detailed first year AWP. The PACC Project Inception Report (currently in draft) simply records that a work plan for the first year of the Project was developed and submitted to UNDP in August, 2009 and that it was subsequently discussed at the August 17 meeting of the PEG. This was for the purpose of approving the work programme. Thus the work plan for the first year of the Project was not approved until the Project had been underway for almost seven months.

The comments below relate to the PACC Annual Work Plan for 2009 which appears as Annex IV in the Second Quarter 2009 Progress Report. An Annual Work Plan Summary also exists, but in the column headed “Activity Description from AWP with Duration” only inputs are listed (e.g. International Consultants; Local Consultants). This provides little basis for assessing the Summary from an operational and results perspective.

The following comments are provided in the hope that the quality and relevance of future work plans will be improved:

- Only some of the monitoring and evaluation activities are included in the Annual Work Plan; a separate monitoring and evaluation work plan is presented in the Inception Report; this should be integrated into the Annual Work Plans;
- the ProDoc indicated that USD2.6 million would be expended in the first year, while the Annual Work Plan indicates the expenditure will be less than USD1 million; are sufficient resources being allocated to ensure that project start up is adequate, or better?
- As noted below, too few activities are specified for Components 2 and 3; this is of concern given the importance of these components, not only to the Project but also to the longer-term sustainability of its outcomes; is the small number of activities one reason for the planned under expenditure?
- The budget allocations for each component in the Annual Work Plan are often inconsistent with those in the ProDoc; while there should not be total consistency, the differences are substantial and might should therefore be explained;
- The inputs are differentiated by component and not linked to specific activities – this makes it very difficult to assess the work plan;
- The output descriptions should be consistent with other documentation;
- Only brief descriptions of the activities are provided; in addition, there is no mention of the resulting outputs, the associated performance targets or performance indicators;
- The timeframes for activities should be better differentiated – and many seem rather excessive; for example, all Component 1 activities require the same three quarters to be completed; this includes drafting the TORs for 13 National Steering Groups;

- The descriptions of activities could be more explicit – as a result, it is not always apparent how the activity relates to the output; thus, for example, “Review activities at the national level” could contribute to Component 1 “Policy Changes”, but the review could refer to monitoring the effectiveness of the project management, and hence belong in Component 4 as for all the other activities listed under Component 1;
- All the activities listed under Component 1 “Policy Changes”, except perhaps for “Review activities at the national level”, relate to project management and should therefore be under Component 4 “Project Management”;
- The two activities listed under Component 2 would seem incapable of ensuring there is adequate progress in the first year of the project; this is a very demanding and important outcome, which requires that a strong foundation be laid in the first year of the project;
- The sole activity under Component 3 is to develop and operationalize a web page; again, this would seem a totally inadequate start for such an important component; there will be serious detrimental consequences if this component is allowed to run behind schedule, as many of the outputs and outcomes for this component are fundamental to the success of the Project as a whole;
- Under Component 4 “Project Management” the sole activity is described as “Local Consultants”; this is an input, not an activity; project management in this context refers to National Coordinators and not to regional project management, with details being provided in the country AWP; however, the overall AWP should make this distinction clear as well as ensuring that descriptions are of activities rather than inputs; and
- None of the project management activities currently listed in Components 1 and 4 appears to relate to establishing and operating the regional PMU; in practical terms, regional PMU costs are distributed to Components 1, 2 and 3, the rationale being that the regional PMU supports implementation of these Components; it is important that there be greater clarity than at present, especially given the Component 4 covers project management; if activities related to project management are still included in the other Components they should be identified and adequate descriptions provided.

## Monitoring and Evaluating PACC Outcomes

Monitoring and evaluation is an ongoing process, from project inception to closure. The monitoring and evaluation carried out during implementation can identify those interventions which as delivering the planned reductions in climate-related risks. Good practice in adaptive project management would suggest that a decision be made to reinforce these efforts while at the same time modifying or halting those interventions which are not reducing the risks to the extent that had been anticipated. The PACC Project is an excellent opportunity to demonstrate adaptive management of a major adaptation project.

The Inception Report lays out a finalized Monitoring and Evaluation Work Plan. This should be integrated into the Annual Work Plans so that the activities and outputs are completed in a timely and complete manner. The need for the PEG to play a more active role in ongoing monitoring and evaluation has already been highlighted. It is apparent that the PEG is keen to do so. For example, at its second meeting UNDP requested that for future meetings discussion would be enriched if future activities as well as some indication of targets were also mentioned not only for every quarter but also on an annual scale. The RPM agreed to do this.

The following table provides comments on other aspects of monitoring, evaluation and reporting.

| PACC Monitoring, Evaluation and Reporting   | Comments   |
|---|--|
| Inception Report  | Available only as a draft; much of the content of the Inception Report was subsequently incorporated into the Workshop Report; be this as it may, it is important from a project evaluation and other perspectives that the Inception Report be completed; given that much of the planned content is now in the Workshop report, this could be a short report, and hence not an onerous task |
| Performance indicators, targets, benchmarks and means of verification   | Updated as part of the Logical Framework in the Inception Report; as already noted, alignment between these and the baseline need to be improved; alignment with the Annual Work Plan should also be improved  |
| APR, PIR and TPR  | Activities and costs related to preparation and implementation should be reflected in Annual Work Plans  |
| Co-financing  | The ProDoc indicates that the SCCF will finance 23% of the total project costs; it will be important to ensure that there is no slippage in the level of co-financing – this needs to be assessed on an ongoing basis, as part of project monitoring and evaluation  |
| Objective Indicator: Number of references to vulnerability of the coastal, crop production and water sector to climate risks in policies, plans and projects.   | Just counting references is not an adequate measure of the impact of the project; there should also be some assessment of the extent to which the references focus on actions to reduce vulnerability  |
| Objective Target: By the end of the project, 100% of national and regional relevant plans in all participating countries include climate change risk considerations for the coastal, crop production and water sector.  | If the indicator is changes, as suggested above, the target should be revised accordingly  |
| Outcome 1 Indicator: Number of references to coastal, crop production and water sector climate change risks in relevant plans and programmes.   | References in themselves are not a measure of the outcome; the indicator should also consider whether the references are action and results oriented   |
| Outcome 1 Target: By the end of the project, climate change risks in the coastal, crop production and water sector are addressed in three (3) national plans and at least two (2) provincial development plans  | This seems to be a very modest target given that 13 countries are participating; to make the target more outcome oriented suggest revising the target to read “.....sector are substantially reduced as a result of adaptation responses being reflected in three.....”  |
| Outcome 2 Indicator: <ul style="list-style-type: none"> <li>▪ Number of adaptation measures implemented at the national level</li> <li>▪ Number of adaptation measures implemented at the sub-national level</li> <li>▪ Number of adaptation measures implemented at the local (community) level.</li> </ul>  | Indicator should be more action and results oriented   |
| Outcome 2 Target: By the end of the project, adaptation measures to address climate change risks are adopted in the corresponding target sectors (coastal, crop production or water sector) by: <ul style="list-style-type: none"> <li>▪ All countries (100%) at the national level.</li> <li>▪ 50% of countries at the sub-national level.</li> <li>▪ At least one (1) community in each country.</li> </ul> | This target should also be more outcome oriented – suggest text similar to above   |
| Outcome 3 Indicator: Technical capacity at the national level to support the work in 13 PICs  | This is an appropriate indicator given that the outcome is “Capacity to plan for and respond   |

|  |  |
|--|--|
| enhanced.  | to changes in climate related risks improved”  |
| Outcome 3 Target: By the end of the project, the 13 PICs rate that the quality of support received as a 1 (out of 4, with 1 being excellent and 4 being poor). | This target relates to inputs rather than to the resulting outcome; target should be consistent with the indicator, which measures improvement in capacity |
| Outcome 4 Indicator: Number of PMUs operating successfully at the national level.  | The outcome “Project Management Implemented” might be modified to “Project Managed to High Standards” and the indicator revised accordingly                |
| Outcome 4 Target: By the end of year one, 13 PACC national PMUs are operating and reporting regularly to the PACC PMO based at SPREP.                          | The target should include reference to other standards of performance, in terms of quality of outputs and soundness of financial management                |

## Communicating PACC

The PACC Technical Meeting included multiple sessions on communications strategies and related topics. This is appropriate given that the PACC Project is the de-facto regional adaptation programme, considering its size, comprehensiveness and regional scope. It is now the main means to share practical adaptation experience, as well as pool expertise and leverage other initiatives.

Hence the elements of the strategy developed during the workshop should be used as the foundation for a functional communications and media plans. The work required to develop and implement these plans should be reflected in the Annual Work Plans. This is not the case for the 2009 Work Plan, except for the Project web site. This site is now operational, informative and relatively user friendly. However, a conscious effort needs to be made to ensure it is kept up to date and provides access to all relevant documentation and other information. Currently this is not the case. Downloading documents involves a two step process. This should not be necessary and is a major impediment for those working in PICs where Internet access is usually both slow and expensive.

Despite not being included in the 2009 Work Plan, there have already been some commendable communications efforts, not the least of which is the PACC Snapshot: Building Resilience to Climate Change. This is being released on a semi-regular basis – eight have been published since April 2009. The communication is used to update PACC team members and other stakeholders on Project plans and activities. This means of communication will become increasingly important as the Project evolves. A recent regional NCSP workshop highlighted the fact that many individuals now engaged in national climate change activities are not well informed on existing communications channels. The PACC website could do much to address this situation. The link to SPREP’s Climate Change Portal is a good start, but that site is very limited in its usefulness. Project partners should be encouraged to help increase the visibility of the PACC Project, through electronic and other communication channels. The content and links for each of the PACC countries are very limited. The latter should at least include links to relevant content on the government website.

## Summary and Recommendations

This report presents an overview of the PACC Project, from inception to the present day. It therefore provides a baseline and also describes and comments on the arrangements, plans and ways forward for the Project.

The PACC Project is the first adaptation project to be implemented in the region by responding directly to the call to improve the effectiveness of the response to climate change in the Pacific, while supporting the systemic and institutional capacity to address adaptation across the Pacific islands region. The Project is the de-facto regional adaptation programme, considering its size, comprehensiveness and regional scope. It is now the main means to share practical adaptation experience, as well as to pool expertise and leverage other initiatives. It is the first UNDP project in the Pacific islands region to draw on resources from the SCCF, managed by the GEF.

The goal of the PACC Project is consistent with the overall goal of GEF-PAS, namely to contribute to sustainable development in the Pacific islands region through improvements in natural resource and environmental management. The PACC Project represents 43% of the regional allocation for adaptation, 42% of the GEF-PAS projects under implementation (as of April, 2009) and 13% of the total GEF financing under GEF-PAS.

The Pacific region lacks examples and practical experience of climate change adaptation, particularly in the context of national development initiatives. This is a key issue. Development initiatives have tended to be handled in isolation and designed in the context of immediate needs and short-term government and donor imperatives. There is little appreciation of the practical implementation of adaptation measures as an integral component of development activities. This results in limited adoption of adaptation techniques, and promotes inefficient use of development resources through projects that may not be designed to cope with even medium-term changes in the climate.

The PACC objective, to “enhance the capacity of the participating countries to adapt to climate change, including variability, in selected key development sectors”, is consistent with the PIFACC and is an outcome of national consultations with experts on climate change impacts in the 13 participating countries. PACC national consultations confirmed that coastal management, food production and food and water security are priority sectors due to their vulnerability to climate change. The PACC Project demonstrates a framework of action that fuses the top-down (mainstreaming) and bottom-up approaches to climate change vulnerability assessments and action. This is an important development, regionally as well as globally. Most other adaptation projects have pursued only one or other of these two approaches. The dual approach of PACC encourages and facilitates new modes of action that are consistent with both community and national priorities and plans. The design of PACC approach is also innovative in many other ways.

The Project is closely linked to national level sustainable development and poverty reduction strategies though the means to address poverty are not addressed explicitly in either the Project design or work plans. Current baseline development policies, programmes and activities are not sustainable due to the threats posed by future, long-term climate change, including changes in climate variability and extremes. PACC provides additional resources for national governments to address climate change issues in the design and delivery of their development programmes, in order to ensure increased resilience to current and future changes in climate. The PACC activities undertaken at national level are being carried out by national project teams. Specific measures to reduce vulnerabilities of key investments are being implemented in the form of demonstrations.

Regional support is being provided for backstopping countries in relation to technical capacity building, financial administration and meeting other support requirements. In terms of project sustainability, the adaptation demonstrations will provide guidance to post-PACC interventions, which may be required at a larger scale, both in terms of the amount invested and scope. Technical assistance for developing capacities for integrating risks into management decision-making processes at the national, sub-national and project levels is being undertaken. As a result of both these initiatives, and capacity developed through GEF

enabling activities, interventions undertaken in the future will have a much stronger capacity base on which to build.

The regional component envisaged in the PACC includes strengthening coordination among regional organizations to support participating countries. A draft proposal for a PACC RBF in support of the countries participating in the Project has been prepared, but is incomplete and outdated. The PACC Technical Meeting notes that this proposal for the RBF did not get traction on the ground, but it was hoped that the idea could be revisited. There is an urgent need to address the current technical assistance vacuum by formalizing and operationalizing those collaborative partnerships which were recognized as being critical to providing countries with the targetted technical assistance they require to implement the Project in a successful manner. Priority should be given to ensuring the full and effective involvement of the relevant CROP agencies, on not only an individual basis but also working collaboratively in ways that synergize their individual comparative advantages. Extreme care should be taken to ensure that assistance from organizations based outside the region is provided only when they have a compelling comparative advantage. Any such assistance should address the specific and well-documented needs of the countries and be of immediate practical value in helping countries deliver the outputs and achieve the outcomes for which they are responsible. Any assistance must also be delivered in a timely and cost effective manner.

An important issue faced by SCCF-funded projects such as PACC is the difficulty of retaining co-financing if there is a delay in the project being approved. Co-financing is provided by the baseline development activities. It is difficult if not impossible to place these on hold if there is a delay in the project approval process. Under such circumstances it is likely that critical project activities will have to be changed in order to reflect completion of the baseline development activities while project approval has been awaited.

The baselines for the Project outputs, as presented in the ProDoc, are very rudimentary at best. Generally they describe the absence or lack of the planned output, rather than describing what does exist, albeit inadequate in terms of good practice and what might be a desirable situation. A similar situation exists for the baseline descriptions relevant to the Project objective and three outcomes. It is recommended that the baseline descriptions be strengthened so they are more indicative of the situation that prevailed prior to project inception.

SPREP, through PACC, will be working closely with USP to implement the V&A programme of PACC, including preparation of guidelines related to specific adaptation interventions in coastal areas and in the agriculture and water sectors. The PACC Project has decided to use the PACE-SD Integrated Assessment and Action Methodology for Climate Change, Disaster Risk Management and Sustainable Development. The PACC country-level projects will thus enhance and build on existing frameworks, rather than wasting time to develop a new framework.

One of the major challenges for the PACC Project is to develop a methodology and associated tools to assist countries participating to mainstream climate change into their current national development plans and priorities as well as develop economic tools for evaluation of adaptation options. The current approach to mainstreaming lacks consistency and a clear methodology. An appraisal of past efforts suggests that in all PICs, mainstreaming has not been approached in a consistent manner. No serious effort has also gone into developing guidelines to appraise plans or existing projects in a methodical way. More effort is concentrated at the national planning level without due consideration given to other levels. A gender-sensitive mainstreaming methodology will be used by PACC to integrate climate change considerations into national development plans, policies or strategies.



It will be a major challenge for the PACC Project to identify, adapt and facilitate use of the methods and tools the participating countries will need when planning and undertaking their adaptation interventions and the mainstreaming initiatives. It is an excellent plan to partner with PACE-SD and focus on using the Community Vulnerability and Adaptation Assessment and Action Methodology it has developed and applied over the years. Some further development of this methodology will be required due to the diversity of situations in which it will be used.

If the mainstreaming efforts under PACC are to be worthy of replication within the participating countries, let alone outside the region, considerable effort will be required to develop, test and apply the methodology and related guidance materials. It is unclear how this will be achieved. The above summary of the need to assist participating to undertake mainstreaming activities highlights the challenges, but it and the PACC documentation are short on the details as to how this will be achieved.

It is important that methodologies and tools related to both mainstreaming and adaptation interventions on the ground are adapted for PIC application, tested and then rolled out for use by countries during the planned PACC activities. Unless the methodologies and tools are made available early in the project cycle they will not play a critical role in the adaptation work and thus will lack credibility and impact when they are included in the “How to Guide” which is to be produced at the end of the Project. This is especially important for economic evaluation, or cost benefit analysis, of the potential adaptation interventions. Such information is critical to the decision making process, as it plays a key role in the advice provided by officials to the community and governmental leaders who ultimately decide which, if any, adaptation option is implemented. PACC represents a major opportunity to ensure that informed decision making takes place for adaptation in the region. If this opportunity is to be taken, urgent, informed and concerted action is required.

The final output of the PACC Project will be a practical “How to Guide”. This will share with other countries the good practices, experiences and lessons learned regarding mainstreaming climate risk and resilience in sectoral and development policies and implementing climate change adaptation measures. The planned “How to Guide” is an important initiative. It will not only serve to document the good practices and lessons learned from the PACC activities, but ensure these experiences inform future adaptation efforts, not only in the participating countries but also in other countries undertaking similar adaptation work. In order to meet these needs the Guide will need to be very practical and user friendly. This is a significant challenge. Fittingly, planning for preparing the Guide has already commenced. It is appropriate that the Guide cover mainstreaming climate risk and resilience in both sectoral and development policies as well as implementing climate change adaptation measures. The Guide should also consider the existence of maladaptation in the region and show how the PACC Project has taken specific steps to avoid maladaptation. This suggestion applies equally to the first and second sections of the Guide.

PACC will implement specific measures which demonstrate ways to address the anticipated climate change risks for priority development areas. This will be through policy interventions and capacity support. This includes developing, testing and applying mainstreaming methodologies to integrate climate change considerations issues into national development strategies as well as building awareness and empowering key players to reduce the risks of climate change through adaptation interventions at policy and planning levels.

The design of the PACC Project gives priority to activities that will reduce the risks to the sustainability of national development initiatives arising from climate change. For the remainder of the Project the emphasis should not only be on implementing the activities themselves but also on monitoring and evaluating their effectiveness. The linkages and synergies are not simply something to be identified during project preparation, and then

cast to one side. Rather, it is important that PACC can show the extent to which the adaptation interventions have indeed reduced the risks to the sustainability of national development initiatives. The PACC Project is an excellent opportunity to demonstrate adaptive management of an adaptation project.

Despite the project being underway for nine months there has been little substantive progress in many of the countries. This is of great concern. Even though the Project runs for five years, it has a very ambitious work programme and cannot afford any slippage in meeting project milestones. It is therefore recommended that that monitoring, evaluation and reporting be stepped up. In this respect concern must be expressed that neither the Second Quarter 2009 Progress Report (for the period April 1 – June 30, 2009) nor the report of the second meeting of the PEG (held on August 17, 2009) recorded any concerns being expressed about progress of the Project. Clearly the PEG should be taking more responsibility for assessing progress and recommending remedial actions where shortcomings in implementation are identified.

This report has highlighted the need for methodologies and tools to be made available early in the project cycle so they can play their intended role in the adaptation work. Currently there appears to be numerous ideas and options, without a clear plan as to how priorities will be set and the necessary preparatory work undertaken in a effective and timely manner. This would include ensuring that all methods and tools are developed on a needs basis, as determined by the participating countries. The same suggestions apply to the decision made at the Inception Meeting that regional and national adaptation financing instruments will also be developed, in order to ensure sustainability of the project,

The ProDoc does not contain an implementation work plan despite one being referred to in the Table of Contents. Only a PACC Financing Table is presented in the section titled “Total Budget and Workplan”. This seems to be a major oversight. Absence of an overall implementation plan may well be contributing to the slow implementation of the Project. Moreover, the work plan for the first year of the Project was not approved until the Project had been underway for almost seven months.

The Inception Report lays out a finalized Monitoring and Evaluation Work Plan. This should be integrated into the Annual Work Plans so that the activities and outputs are completed in a timely and complete manner. The need for the Project Executive Group to play a more active role in ongoing monitoring and evaluation has already been highlighted. It is apparent that the Group is keen to do so. For example, at its second meeting UNDP requested that for future meetings discussion would be enriched if future activities as well as some indication of targets were also mentioned not only for every quarter but also on an annual scale. The Regional Programme Manager agreed to do this.

## **Recommendations**

1. Urgency should be given to not only filling the Technical/Administrative Support position in the Project Management Unit, but to also ensuring that the responsibilities of this project officer are consistent with providing additional technical support to the participating countries, including coordination of the support provided by CROP agencies and other partners;
2. Annual Work Plans should be developed within the framework on an overall implementation plan of work;
3. The comments made on the PACC Annual Work Plan for 2009 should be considered when developing subsequent Annual Work Plans;

4. The Annual Work Plan for 2010 should, as a matter of urgency and priority, include activities that will enhance the capacities of the national players in PACC, in terms of the knowledge and skills required to manage and implement a complex and demanding project;
5. There is an urgent need to formalize and operationalize the collaborative partnerships which are recognized as being critical to providing countries with the targetted technical assistance they require to implement the Project in a successful manner; priority should be given to ensuring the full and effective involvement of the relevant CROP agencies, on not only an individual basis but also working collaboratively in ways that synergize their individual comparative advantages;
6. Extreme care should be taken to ensure that assistance from organizations based outside the region is called upon only when they have a compelling comparative advantage; any such assistance should address the specific and well-documented needs of the countries and be of immediate practical value in helping countries deliver the outputs and achieve the outcomes for which they are responsible; any such assistance must also be delivered in a timely and cost effective manner;
7. Members of the PACC teams at national level should engage fully with their counterparts who are involved in preparing the Second National Communication, and especially those undertaking the technical studies related to V&A as well as looking at policy implications; this is a highly practical way to improve the linkages with national and sectoral development initiatives, including being an excellent opportunity to increase PACC's relevance to, and impact on, poverty alleviation;
8. All methods and tools should be developed on a needs basis, as determined by the participating countries; currently there appear to be numerous ideas and options, without a clear plan as to how priorities will be set and the necessary preparatory work undertaken in a effective and timely manner; this recommendation also extends to the decision made at the Inception Meeting that regional and national adaptation financing instruments will be developed, in order to ensure sustainability of the project;
9. The methodologies and tools related to both mainstreaming and adaptation interventions on the ground must be adapted for PIC application, tested and then rolled out for use by countries during the planned PACC activities; currently it is unclear how this will be achieved; if the mainstreaming efforts under PACC are to be worthy of replication within the participating countries, let alone outside the region, considerable effort will be required; moreover, unless these methodologies and tools are made available early in the project cycle they will not play a critical role in the adaptation work and thus will lack credibility and impact when they are included in the planned "How to Guide" to be produced at the end of the Project;
10. The planned "How to Guide" should consider the existence of maladaptation in the region and show how the PACC Project has taken specific steps to avoid maladaptation;
11. It is important to clarify the specific efforts PACC will be making to ensure that such techniques and tools as assessing environmental and socio-economic feasibility, cost-benefit analysis, GIS mapping, and participatory risk assessment are available to the national teams and are used wisely and effectively in the adaptation work; the current status of proposals related to these activities is unclear;
12. The performance indicators, targets, benchmarks and means of verification should be strengthened and better aligned;
13. The baseline descriptions should be strengthened so they are more indicative of the situation that prevailed prior to project inception; currently they tend to describe the absence or lack of the planned output, rather than describing what does exist, albeit inadequate in terms of good practice and what might be a desirable;

14. The finalized Monitoring and Evaluation Work Plan should be integrated into the Annual Work Plans so that the activities and outputs are completed in a timely and complete manner;
15. The Project Executive Group should play a more active role in ongoing monitoring and evaluation; consideration should be given to including in the Group an independent expert in climate change adaptation and disaster risk reduction;
16. Monitoring, evaluation and reporting should be stepped up; even though the Project runs for five years, it has a very ambitious work programme and cannot afford any slippage in meeting project milestones; PACC represents a major opportunity to ensure that informed decision making takes place for adaptation in the region; if this opportunity is to be taken, urgent, informed and concerted action is required;
17. PACC should demonstrate good practices in results-based management - for the remainder of the Project emphasis should not only be on implementing the activities themselves but also on monitoring and evaluating their effectiveness in terms of reducing the risks to the sustainability of national, sectoral and other development initiatives arising from climate change; it is important that PACC can show the extent to which the adaptation interventions have indeed reduced the risks to the sustainability of national and sectoral development initiatives;
18. It is important to ensure that there is no slippage in the level of co-financing – The ProDoc indicates that the SCCF will finance 23% of the total project costs; any likelihood of changes in the level of co-financing needs to be assessed on an ongoing basis, as part of project monitoring and evaluation;
19. The elements of a communication strategy developed the PACC Technical Meeting should be used as the foundation for a functional communications and media plans; the work required to develop and implement these plans should be reflected in the Annual Work Plans;
20. A conscious effort should be made to ensure that the PACC website is kept up to date and provides access to all relevant documentation and other information;
21. All PACC reports should carry a publication (or release) date and every reasonable effort should be made to ensure that draft reports are finalized in a timely manner.

# Annex 1

## Terms of Reference

### CONSULTANCY TO DEVELOP A TECHNICAL REPORT ON THE STATUS OF THE PACC PROJECT

#### Background and Context:

The PACC project is now on its eighth month of implementation. The regional Project Management Unit (PMU) based at SPREP is already operating and efforts are progressing in setting up PMUs at the national level.

Two regional meetings have been conducted. These are the PACC Inception Meeting held at the SPREP Training Centre on the 29<sup>th</sup> to the 3<sup>rd</sup> of July 2009, and the Technical Meeting held at the University of the South Pacific, Fiji on the 3<sup>rd</sup> to the 9<sup>th</sup> of October 2009.

Whilst progress is now made towards on the ground implementation, it is important at this juncture of the project to take stock of the progress to date and the design of the project, particularly the technical requirements and planning on ways forward in terms of the technical work that needs to be carried out in the 13 Pacific Island countries. This assessment should ensure that the PACC project is consistent with the GEF and UNDP programming guidelines.

#### Objective:

Develop a technical report on implementation of the PACC project, from Inception to the present, based on materials presented at the Inception and Technical Meetings linked to the Project Document. The report should provide the baseline on the status of the project and detail the concrete plans and ways forward for the PACC project.

#### Tasks:

- Provide a stock take of the status of PACC at its inception to date;
- Document the PACC project design and show how it links to the national sustainable development strategies and regional initiatives (e.g. Pacific Plan, PIFACC) currently being implemented in the region;
- Determine how the PACC project satisfies the GEF SCCF guidelines as set-out in programming paper GEF/C.24/12;
- Document and comment on the concrete plans in place after Inception and the technical meeting and offer commentary, as appropriate, on existing implementation plans and schedules;
- Comment on progress of PACC in relation to the GEF-PAS of which the PACC forms a part.

#### Deliverables:

1. A proposed Structure and Table of Contents for consideration and approval by SPREP;
2. Draft Final PACC technical report to be submitted to SPREP that should address the objective and tasks outlined above; and
3. Final PACC technical report to be submitted to SPREP.

## Annex 2

### PACC Project: Outcomes and Outputs

The PACC Project has three main outcomes and 18 outputs<sup>10</sup> that deliver benefits to the 13 PICs that are participating in the PACC project.

Outcome 1:

Policy changes to deliver immediate vulnerability-reduction benefits in context of emerging climate risks implemented.

Outputs:

- 1.1 Develop methodology and tools to assist Pacific Island countries mainstream climate change into their current national development plans and priorities.
- 1.2 Climate change economic tools for evaluation of adaptation options developed and utilized.

Outcome 2:

Demonstration measures to reduce vulnerability in coastal areas (Cook Islands, FSM, Samoa and Vanuatu) and crop production (in Fiji, Palau, Papua New Guinea and Solomon Islands) and in water management (in Marshall Islands, Nauru, Niue, Tonga and Tuvalu) implemented.

- 2.1.1a Guidelines to integrate coastal climate risks into an integrated coastal management programme. (Cook Islands)
- 2.1.1b Demonstrating risk reduction practices in Manihiki Communities (with co-financing support). (Cook Islands)
- 2.2.1a Guidelines to integrate climate risks (eg intense rainfall and storm surges) into coastal road designs. (Federated States of Micronesia)
- 2.2.1b Demonstrating integration of climate change risks in road designs in Walung community, Kosrae (with co-financing support). (Federated States of Micronesia)
- 2.3.1a Guidelines to incorporate climate risks into an integrated community based coastal management model. (Samoa)
- 2.3.1b Demonstrating climate change risk reduction through community interventions in Vaa o Fonoti to Gagaifomaunga district (with co-financing support). (Samoa)
- 2.4.1a Guidelines that incorporate multistakeholder decision-making in the redesign and relocation of roads due to the impacts of climate risk. (Vanuatu)
- 2.4.1b Demonstrating integration of climate change risk reduction in road design in Epi, Shefa Province (with co-financing support). (Vanuatu)
- 2.5.1a Guidelines for design of drains and drainage networks to adapt to future rainfall regimes. (Fiji)
- 2.5.1b Demonstrating integration of climate change risk reduction in drains and drainage networks in Tailevu/Rewa and Serua Namosi Province (with co-

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<sup>10</sup> Note that the PACC Project Document states there are 20 outputs, in error.

- financing support). (Fiji)
- 2.6.1a Guidelines to improve resilience of coastal food production systems to the impacts of climate change. (Palau)
  - 2.6.1b Demonstrating integration of climate change risk reduction in coastal food production systems in Ngatpang State/Community (with co-financing support). (Palau)
  - 2.7.1a Guidelines for design of underground irrigation networks to adapt to future rainfall regimes. (Papua New Guinea)
  - 2.7.1b Demonstrating integration of climate change risk reduction through irrigation networks in Kivori Poe, Kairuku district, Central Province (with co-financing support). (Papua New Guinea)
  - 2.8.1a Guidelines for reducing vulnerability of small isolated island communities' to the effects of climate change in the food production and food security sector. (Solomon Islands)
  - 2.8.1b Demonstrating community based management of climate change risks in agriculture in Ontong Java Island (with co-financing support). (Solomon Islands)
  - 2.9.1a Guidelines for improving water retention through redesign and retrofit of existing water-holding tanks to enhance resilience to drought events. (Marshall Islands)
  - 2.9.1b Demonstrating climate change risk management in water holding tanks in Majuro town (with co-financing support). (Marshall Islands)
  - 2.10.1a Guidelines for design of hybrid water supply systems to enhance resilience to drought events. (Nauru)
  - 2.10.1b Demonstrating a hybrid water supply system in Anabar district (with co-financing support). (Nauru)
  - 2.11.1a Guidelines for design of water storage systems on a raised atoll island to enhance resilience to drought events. (Niue)
  - 2.11.1b Demonstrating a water storage system that will overcome water pressures during a normal drought in Liku to Avatele district (with co-financing support) (Niue)
  - 2.12.1a Guidelines for water resource use and management response to increased ENSO frequency. (Tonga)
  - 2.12.1b Demonstrating climate change risk management practices for water in Hihifo district (with co-financing support). (Tonga)
  - 2.13.1a Guidelines for climate proofing integrated water management plans. (Tuvalu)
  - 2.13.1b Demonstrating the enforcement of a integrated water management plan in Fogafale village (with co-financing support). (Tuvalu)

### Outcome 3:

Capacity to plan for and respond to changes in climate-related risks improved.

- 3.1 Technical advice for implementation of national adaptation
- 3.2 Best practices and lessons exchanged among countries through SPREP
- 3.3 Project website established at SPREP

## Annex 3

# Good Practices, Lessons Learnt and Experiences from PACC

*DRAFT OUTLINE (Oct 2009)*

### 1. Mainstreaming CC risk and resilience

- Institutional set-up, coordination, consultation and communication processes (inter-ministerial, ppp, national to provincial and local)
- Assessing sectoral CC risks vulnerabilities, integrating climate information in to policy and planning processes (coordination with Met services)
- Reviewing overall and sectoral policies and plans
- Review institutional capacities, capacity building activities
- Modifying policy tools with climate risk integrated (assessment, information, legislative, financial, monitoring tools, etc.)
- Modifying development and sectoral budget plans to support long-term adaptation measures
- Support and implementation mechanisms for the application of tools

### 2. Implementation of on-the ground adaptation measures (pilot)

- Assessment of climate risk, impact and resilience at demonstration site
- Local, regional institutional set up, coordination, consultation, communication processes
- Assessing local capacities, capacity building and awareness raising activities
- Identification and assessment of adaptation measures (environmental and socio-economic feasibility, cost-benefit analysis)
- Use of assessment and monitoring tools (e.g. GIS mapping, aerial photo, participatory risk assessment, interviews, indicators, etc.)
- Techniques to implement and maintain adaptation measures

### Describe for Sections 1 and 2:

- Baseline situation at project start (including gaps and needs considering above points)
- Plans established to overcome them
- Results achieved (interim, final), monitoring activities
- Problems encountered and solutions found
- Lessons learnt
- Recommendations for further actions (further improving sectoral policies and policy tools and suggestions to mainstream CC in other sectors and overall policies, further improvements in the implementation of adaptation measures locally)
- Plan for replication and upscaling (implementing in other regions and areas)