

# CLIMATE INVESTMENT FUNDS

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## **LESSONS FROM PHASE 1 FOR DEVELOPING STRATEGIC INVESTMENT FRAMEWORKS FOR CLIMATE-RESILIENT DEVELOPMENT**

### **CASE STUDY: SAMOA'S PPCR PHASE I**

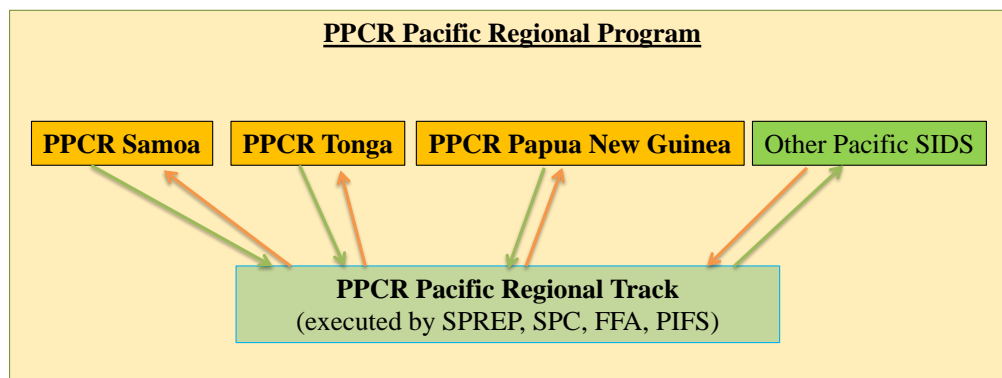
## **Background**

1. This case study is part of the broader effort by the Climate Investment Funds (CIF) to distill lessons on the effectiveness of the Pilot Program for Climate Resilience (PPCR) Phase 1 as a modality for enhancing country preparedness to absorb and deploy scaled-up financing for climate resilience. These broader lessons are presented in document PPCR/SC.14/Inf.3, *Lessons from Phase 1 for Developing Strategic Investment Frameworks for Climate-Resilient Development*.
2. The case study for Samoa, a country participating in the PPCR Pacific regional program, was prepared by Andrea Kutter, Senior Program Coordinator for the PPCR in the CIF Administrative Unit, on the basis of a desk review and interviews conducted during a field visit to Apia, Samoa in February 2014.



## Introduction

Samoa was selected to join the PPCR in 2009 as a pilot country participating in the PPCR Pacific regional program. The Pacific regional program consists of three PPCR country programs in Papua New Guinea, Samoa, and Tonga and a regional component which provides coherence and opportunity for learning and knowledge sharing across the Pacific small island developing states (SIDS) (see chart).

Linkages between country and regional levels in the PPCR Pacific regional program



**Key:**

-  Lessons and good practice information
-  Information and TA needs

Funding for the PPCR country programs is channeled through and technical support provided by two multilateral development banks (MDBs)—the Asian Development Bank (ADB) in Papua New Guinea and Tonga and the World Bank Group in Samoa. The regional component is supported by the two MDBs with activities carried out by several regional organizations: the Secretariat of the Pacific Regional Environment Program (SPREP), the Secretariat of the Pacific Community (SPC), the Pacific Islands Forum Fisheries Agency (FFA) and the Pacific Islands Forum Secretariat (PIFS).

Samoa's PPCR investment plan, or Climate Resilience Investment Plan (CRIP), was endorsed in April 2011 and includes two projects with \$15 million in PPCR grant funding: one to enhance the climate resilience of the West Coast Road and the other to enhance the climate resilience of coastal resources and communities.

## Summary of Phase 1 Financing

Samoa went through an intense programming process for prioritizing and agreeing on resilience and adaptation actions to be supported through the PPCR. Stakeholder consultations and dialogues with and between line ministries (e.g. Ministry of Agriculture and Fisheries, Ministry of Environment and Natural resources, Ministry of Women, Community and Social Development and Ministry of Health), civil society organizations (CSOs) (e.g. Samoa Umbrella of Non-Governmental Organizations, Samoa Women's Committee Development Organization), community representatives, the private sector (e.g. Electric Power Corporation, Samoa Chamber of Commerce and the Women in Business Development Inc.) and development partners active in

Samoa and the region (e.g. UNDP, AusAID, NZAID, European Union and JICA) provided the analysis, data and prioritization needed to design Samoa's PPCR investment plan. A Phase I grant of \$500,000 approved in October 2010 provided the necessary resources to finance studies and assessments, stakeholder consultations and initial capacity building activities in support of designing the investment plan and the future PPCR investments. The Ministry of Finance led the process and was supported by the World Bank.

Five key outputs were achieved during Phase 1:

1. New or updated situation analyses, including risk profiles, institutional analysis, analysis of the extent to which climate change adaptation and disaster risk reduction considerations were integrated into plans and policies and public participation plans; and plans for scaling up community- and ecosystem-based adaptation prepared;
2. PPCR Climate Resilience Investment Coordination Unit (CRICU) established and operational with a mandate for mainstreaming climate change considerations in policy, planning and budgetary processes and undertaking capacity development for climate risk management;
3. National Climate Change Programme and Plan (NCCPP) and CRIP were developed, including strategic environmental and social assessment and preparations for implementation;
4. Design of the National Climate Change Trust Fund completed; and
5. Monitoring and evaluation framework for the CRIP developed.

Some of these achievements overlapped with activities to be supported under Samoa's PPCR investment plan. Such overlaps were intentional to bridge the gap and ensure continuity between the investment plan endorsement and the start of project implementation, which has just recently commenced.

### *Regional Component*

The PPCR Pacific regional program supports the effective integration of climate change adaptation and related disaster risk reduction for Pacific island countries into development plans and policies. While activities supported through the regional program will complement and build on the PPCR country programs in Papua New Guinea, Samoa, and Tonga, the focus of the regional program is on building capacity in the 11 Pacific island countries that are not otherwise supported through the PPCR, and on scaling up good practices and sharing lessons learned across the Pacific. The regional program was endorsed in April 2012 and includes two projects that will address the identified regional priorities: (i) increase of the capacity of Pacific SIDS to respond to climate change risks, and (ii) integration of climate change adaptation and disaster risk reduction into national development planning. To date one of these projects has been approved and is under implementation.

## Lessons learned from PPCR Phase 1 process

The core lessons gathered from Samoa's PPCR Phase 1 process and its outcomes are grouped around three themes:

- (a) country ownership;
- (b) programmatic approach; and
- (c) building partnerships.

These three themes reflect core principles in programming and implementing CIF-funded activities and investments.

### *Country Ownership*

#### **Lesson 1: Samoa demonstrates that for successfully absorbing large-scale climate finance an enabling environment needs to be put into place by the government.**

In the late 1990s, the Government of Samoa conducted a public expenditure review and recognized that the incoming stream of development finance had become unmanageable (Samoa receives the 9<sup>th</sup> highest aid amount per capita in the world<sup>1</sup>). The Ministry of Finance decided to organize financing flows so as to match identified needs and prospects for scaling up existing good practices with available finance, avoid duplication and close funding gaps. In 2001, the Government of Samoa enacted legislation that all grants and loans coming from the international community must be channeled through the Ministry of Finance. Subsequently, the Aid Coordination Division was moved from Ministry of Foreign Affairs to the Ministry of Finance in 2003-2004.

In 2005, Samoa's National Adaptation Programme of Action (NAPA) was approved. The NAPA was prepared through an inclusive and highly consultative process led by the Ministry of Natural Resources and Environment and fostered agreement on priorities for action on adaptation. In 2009 when Samoa was invited to participate in the PPCR, the country was ready for the deployment of large-scale climate finance to address the identified priorities.

#### **Lesson 2: In addition to getting “ready” for climate finance, the strong and sustained leadership by the Government of Samoa has been essential in launching the PPCR on a strong foundation.**

In its efforts to improve aid effectiveness, the Government of Samoa emphasized early on the need for a programmatic approach to national resources planning instead of supporting isolated projects through sector ministries<sup>2</sup>. It was recognized, however, that a programmatic approach could only succeed if sector ministries had an incentive to collaborate. This incentive was created in the early 2000s through the pooling of resources from the international community in the Ministry of Finance and joint budget programming exercises involving all ministries. When

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<sup>1</sup> World Development Indicators: Aid Dependency (World Bank, 2013)

<sup>2</sup> Strategic Program for Climate Resilience for Samoa (2010)

Samoa was invited to participate in the PPCR, the government had already established capacity, procedures and legislation to implement the programmatic approach supported through the PPCR.

**Lesson 3: Placing the PPCR coordination unit in the Ministry of Finance has proved highly effective because it has reinforced the importance of climate change in the national development agenda.**

The PPCR coordination unit (CRICU) was established in 2011 in the Ministry of Finance reporting directly to the Chief Executive Officer (CEO) of the Ministry. The CEO had identified coordination and needs-based allocation of resources as a key issue for managing access to resources more effectively based on the country's past experience with aid effectiveness having been hampered due to lack of coordination and collaboration among sector ministries and technical agencies. The experience with CRICU has been so positive that the CEO of the Ministry of Finance will soon extend the mandate of the unit to coordinate all incoming climate finance for Samoa. This achievement will greatly bolster Samoa's ability to match available financial resources with climate action identified by other stakeholders, including the Ministry of Natural Resources and Environment, the Ministry of Women, Community and Social Development and the Ministry of Works, Transport and Infrastructure. CRICU now maintains an established leadership role for the PPCR and provides guidance and regular communication to all stakeholders.

*Programmatic Approach*

**Lesson 1: Mainstreaming climate finance into core development planning requires the leadership of a ministry with a cross-sectoral mandate (e.g. Ministry of Finance or Planning).**

Samoa's Ministry of Finance is headed by a CEO who is the primary economic and financial adviser to the cabinet and government. The activities that fall under the mandate of the Ministry of Finance include:

- Produce, implement and monitor the annual budget of the government;
- Monitor all state owned enterprises (such as the Water Authority and the Electric Power Corporation) as well as sit on the boards of organizations where the government has a vested interest;
- Develop national economic strategies and plans;
- Manage all government procurement and payments;
- Manage interactions with international financial institutions such as the International Monetary Fund and the World Bank; and
- Coordinate aid and manage debt.

Samoa's Ministry of Finance was identified as the focal point agency for the PPCR because of its lead role in sustaining a financially sound, socially stable and strong economy.

Some stakeholders reported that, early on, other ministries were wary of the role of the Ministry of Finance in the PPCR process. Until then, many ministries had their own accounts for supporting technical projects. The decision to locate the PPCR coordination unit in the Ministry of Finance instead of a sector ministry such as the Ministry of Environment and Natural Resources created some confusion at the start. Roles and responsibilities needed to be clarified and agreed upon. Through several discussions, government leaders recognized that the Ministry of Finance would allocate resources to sector budgets where mainstreaming of climate change could be efficiently handled.

**Lesson 2: The government’s decision to conduct a thorough review of policies and plans combined with consultations during Phase 1, proved critical in identifying priorities of investments for the PPCR.**

Mainstreaming climate change considerations into a country’s core development agenda is a process that takes time. The shift ushered in by the Ministry of Finance from a funding-based to a needs-based approach and the establishment of the PPCR coordination unit in the ministry facilitated better coordination with other ministries and institutions. The PPCR Phase 1 allowed the Government of Samoa to balance the allocation of resources for adaptation and disaster risk reduction and management with the needs for investment and capacity development.

PPCR resources supported activities under Phase 1 that led to analysis of the current state of institutional capacity and collaboration and the extent to which climate change adaptation and disaster risk reduction considerations were integrated into sector plans and policies. Phase 1 also allowed government agencies to identify where mainstreaming climate change adaptation and resilience into the development agenda still needed additional attention.

**Lesson 3: Prior work to develop the NAPA proved critical for framing the national adaptation and resilience context for Samoa. The deliberate review of the NAPA and consultations enabled the identification of the most pressing priorities for PPCR support.**

Samoa was one of the first countries to receive funding from the Global Environment Facility (GEF) under the Least Developed Countries Fund (LDCF) to develop its NAPA. After two years of comprehensive information and data collection, as well as countrywide consultations, Samoa’s NAPA preparation was completed in 2005. The NAPA identified 12 sectors for adaptation needs and activities:

- Agriculture and food security
- Forestry
- Water
- Fisheries
- Health
- Urban settlements
- Coastal environment
- Biodiversity
- Tourism
- Communities
- Trade and industry

- Works, transport and infrastructure

Samoa's consultations on the PPCR started in 2009 with the first MDB joint mission. Building on the NAPA process and identified priorities, MDBs and the government held consultations with several sectors, including tourism, health and energy to agree on which NAPA priorities would be addressed through the PPCR. These consultations resulted in identification of two investment priorities for the PPCR to support that align with the priority activities identified in Samoa's NAPA: climate-proofing the island infrastructure and supporting highly vulnerable communities in the coastal zones to integrate climate change considerations and disaster risk management in existing coastal zone management plans.

### *Building Partnerships*

**Lesson 1: By having the Ministry of Finance coordinate the PPCR, it was possible to collect, organize and discuss the priority needs of each stakeholder group in the country. The subsequent evolving partnership has allowed Samoa to draw on the diverse resources of involved stakeholders to respond to the new challenge.**

As PPCR focal point, the Ministry of Finance has the convening power to bring sector ministries together. Because of its mandate, it has a broad view of needs and available resources. Early on in the PPCR process, it was agreed that while the Ministry of Finance would coordinate the finance flow, sector ministries would focus on technical work and receive funding from the Ministry of Finance based on identified needs. This early agreement on roles and responsibilities allowed all involved stakeholders to develop a strong partnership to steer the PPCR resources to the identified priorities. Following are a few examples of strengthened partnerships fostered through the PPCR.

The Ministry of Natural Resources and Environment maintains the Samoa Meteorology Division, which provides meteorological and geo-science services in support of sustainable development of natural resources in Samoa, including advice on weather services and climate information products. It was agreed during the PPCR investment plan preparation that the Samoa Meteorology Division would provide information and data to the planned PPCR investments and technical advice to CRICU. The Meteorology Division had benefitted from a GEF/United Nations Development Program (UNDP) project to build its capacity to develop climate projections for early warning and provide specific advice for economic sectors, especially agriculture, health, forestry, tourism, water and finance. However, it was recognized that the current data generation serves higher sector level purposes only. Weather and climate information needs to be better tailored to end users of the information within sectors such as local farmers, fishermen and business owners. Recognizing this need, two new positions have been included into the next budget for the Meteorology Division.

The collaboration between CRICU and the Ministry of Women, Community and Social Development (MWCSD) has allowed for a community-focused and gender-sensitive approach in programming PPCR resources. For its part, the ministry now has a better understanding of climate risks and is using its own communication channels--village mayors, women, and youth representatives involved in the delivery of village programs--to communicate climate risks to



local communities and vulnerable groups. Challenges, such as translation of materials into the local language and the need for better communication skills, have been identified which could be addressed by updating Samoa's public policy and through the delegation of certain activities to competent local groups. The PPCR will also be able to build on the existing conflict resolution and grievance redress mechanism established in the MWCSD. This mechanism fully reflects Samoa's social structures and cultural history.

The Ministry of Finance also reached out to the Samoa Umbrella for NGOs (SUNGO) for consultations with local communities. SUNGO, which is a member of the PPCR steering committee, brings together 143 CSOs and offers a dialogue platform for civil society to engage. An ongoing test for the collaboration between the government and SUNGO is the sense of "consultation fatigue." It remains a challenge to find the right balance between consultations and actions on addressing the impacts of climate variability and change.

The PPCR will also work with the Samoa Civil Society Support Program (CSSP), a program funded by the European Union and Australia focusing on capacity building and community-based action. CSSP seeks to achieve measurable social and economic benefits from well-managed projects, where CSOs play a more active role in national and community affairs. It provides a range of support to CSOs to improve their project implementation and to help make their impact more lasting and sustainable. PPCR is the first program that uses the CSSP structure to reach local communities in coastal zones targeted by PPCR investments.

Other partnerships include the collaboration with the University of the South Pacific on its masters and post-graduate programs on climate change and with an LDCF-funded GEF/UNDP project working with women in local communities. Regional collaboration opportunities will be pursued through the PPCR Pacific regional track.

## **Lesson 2: Communicating solutions to key stakeholders can shift the dynamics of collaboration and strengthen long-term outcomes.**

Until 2006, communications about climate change and its impacts on Samoa's economy focused mainly on the problems and blaming the culprits for changing the global climate. Earlier requests were made to the international community for allocating resources to cover the costs of loss and damage and rebuild compromised infrastructure. From 2006 onwards, the communication from the government changed from blaming culprits to finding local solutions that would help Samoa cope with the increased risks associated with climate change. This shift led to a constructive and solution-oriented NAPA process which has continued during the PPCR programming process.

PPCR recognizes the role of civil society in making a climate-resilient sustainable development path a reality. In Samoa, however, capacity of local communities to understand and deal with the challenge of climate change is a real issue. The solution-oriented approach helped address this issue. For example, by 2007, all 41 districts had action-oriented coastal infrastructure management (CIM) plans covering 283 villages. These CIM plans build on the CIM Strategy adopted by Cabinet in 2001 and updated in 2006 to address the increased risks to coastal communities and infrastructure from natural disasters. However, the CIM plans will need updating as well, including the integration of local solutions to the risks associated with climate

variability and change. The PPCR will support the revision and implementation of 16 CIM plans, including climate proofing the 30km long road from Apia to the airport and enhancing the coastal communities' resilience by fostering an integrated watershed management approach.

*Link to the PPCR Pacific Regional Program Track*

**Lesson 1: Defining a clear scope for the PPCR Pacific Regional Program track needs strong regional leadership and guidance by the MDBs. Tangible benefits to the three PPCR countries receiving country funding will still need to be clarified.**

Ranging vulnerabilities and limited capacities and resources in the Pacific region require a systematic and integrated approach toward a climate resilient development path, rather than a series of reactive, uncoordinated, near-term interventions.

Despite country commitment to a more integrated approach to climate change adaptation and disaster risk management, there are still many challenges and barriers specific to SIDS. Convergence of adaptation and disaster risk reduction and their integration in development strategies and plans are compromised by poor interaction and institutional coordination among stakeholders involved with disasters, climate change, and development.

The PPCR Pacific regional track intends to provide lessons and good practice from the three PPCR Pacific countries to other SIDS in the region. Hence, the link to the three PPCR country programs will be vital to extract and share such lessons and experiences.

The implementation of the PPCR Pacific regional track was launched in January 2014 with three components:

- (i) Mainstreaming of climate change considerations and associated risks into national plans and policies;
- (ii) Establishment of a Regional Technical Support Mechanism and rapid response fund; and
- (iii) Technical assistance

Phase 1 of the Pacific Regional track has brought the four involved regional institutions together using a collaborative approach. The PPCR is supporting these institutions to shift from a historically competitive to a partnership-oriented relationship building on comparative advantages, coordination and collaboration. The Pacific regional institutions have limited capacity when it comes to a holistic approach to addressing the impacts of climate variability and change: their focus is mainly on the environment and less on strengthening national systems in a socio-economic context. Hence, the collaboration with the three PPCR country programs needs to inform regional institutions on experiences and lessons with strengthening their country systems.

Moving into implementation of the regional track and the three country components, all involved parties will need to agree on how PPCR country programs link to the regional program component and vice-versa. Other SIDS in the region may benefit from the regional track

through its regional technical support mechanism, which will deploy experts to support national capacity development to address the challenges associated with climate variability and change. Annual monitoring exercises as well as stock-taking meetings with all involved stakeholders will identify successes but also areas that need further adjustments and improvements.

**Lesson 2: Samoa's status as a champion in the region provides opportunities for sharing lessons with other Pacific island countries. However, a neutral mechanism for disseminating these lessons needs to be established.**

Samoa is considered a leader in the region and has been instrumental in the design of the PPCR regional track. In the late 1990s, Samoa conducted a public expenditure review of climate finance that led to a series of actions that will allow Samoa to be more effective in using financial resources for agreed priority areas of action related to climate change. So far, none of the other SIDS has made such fundamental changes in managing the incoming flow of assistance from the international community.

Despite Samoa being seen as a champion in the region, political sensitivities make it necessary to provide a neutral platform for sharing experiences and good practices with other Pacific island countries. This type of clearinghouse mechanism will be offered and enhanced by the Pacific regional institutions through the PPCR Pacific regional track.

### Annex 1: List of people interviewed in Samoa

| <b>NAME</b>                        | <b>MINISTRY</b>   | <b>DESIGNATION</b>  |
|------------------------------------|---|---|
| Lavea Tupaimatuna<br>Iulai Lavea   | Ministry of Finance                                       | CEO and PPCR Focal Point                                      |
| Litara Taulealo                    | Ministry of Finance                                       | CRICU (PPCR Coordinator)                                      |
| Jean Viliamu                       | Ministry of Finance                                       | CRICU   |
| IloaUILa Aumua                     | Ministry of Finance                                       | CRICU   |
| Mulipola Ausetalia<br>Titimaea     | Ministry of Natural<br>Resources and Environment          | ACEO- Meteorology Division                                    |
| Filomena Nelson                    | Ministry of Natural<br>Resources and Environment          | ACEO- Disaster Management<br>Division                         |
| Kirisimasi<br>Seumanutafa          | Ministry of Natural<br>Resources and Environment          | Principal, Planning and Urban<br>Management Agency            |
| Perise Kerslake                    | Ministry of Natural<br>Resources and Environment          | Planning and Urban<br>Management Agency                       |
| Lagomauitumua Fata<br>Sunny Seuseu | Ministry of Natural<br>Resources and Environment          | Meteorology Division  |
| Faafetai Korla                     | Ministry of Women,<br>Community and Social<br>Development | ACEO- Research, Policy/<br>Planning and Information           |
| Fiu Mataese Elisara                | O le Siosiomaga Society                                   | PPCR & FIP CSO Observer                                       |
| Seumanuula Moana<br>Clarke         | Samoa Umbrella for NGOs                                   | President   |
| Vaito'a Toelupe                    | Civil Society Support<br>Program (CSSP)                   | Program Manager   |
| Taeaone Mu'a-<br>Tamaseu           | Civil Society Support<br>Program (CSSP)                   | Finance Manager   |
| Satui Bentin                       | Regional PPCR- SPREP                                      | Regional Technical Support<br>Mechanism (RTSM)<br>Coordinator |
| Andrea Volentras                   | SPREP   | Consultant- Program Manager<br>PPCR Regional Track            |