



Pacific  
Community  
Communauté  
du Pacifique

# Global Climate Change Alliance: Pacific Small Island States Case Study

- Palau's Climate Change Policy – The importance of teamwork.



PREPARED FOR  
Pacific Community  
22 May 2016

REPORT PREPARED BY

PACIFIC RESEARCH AND EVALUATION ASSOCIATES

Martin Pritchard [martin@prea.com.au](mailto:martin@prea.com.au)  
Damien Sweeney [damien@prea.com.au](mailto:damien@prea.com.au)  
[www.prea.com.au](http://www.prea.com.au)



## 1. INTRODUCTION

This case study is one of three produced as part of the Global Climate Change Alliance: Pacific Small Island States post-project evaluation<sup>1</sup>.

The Global Climate Change Alliance: Pacific Small Island States (GCCA: PSIS) Project is a European Union (EU) funded initiative to assist nine smaller Pacific Island states (Cook Islands, Federated States of Micronesia, Kiribati, Marshall Islands, Nauru, Niue, Palau, Tonga and Tuvalu ) to adapt to climate change. The project was implemented by the Pacific Community (SPC), with an implementation period from July 2011 through to November 2016<sup>2</sup>.

The overall objective of the project was to support the governments of nine small island states of the Pacific in their efforts to tackle the adverse effects of climate change.

The GCCA: PSIS project consisted of on-ground climate change adaptation activities in specific sectors – coastal protection, marine resources, health, agriculture, and freshwater; supported by mainstreaming of climate change into national and sectoral policies, plans, budgets and procedures. The project also provided technical assistance, capacity building and supported regional collaboration.

The four components and key result areas (KRA) of the project were:

1. Climate change mainstreamed into national and/or sector response strategies.
2. Well-articulated sectoral adaptation strategies that address budget support criteria.
3. National climate change adaptation projects implemented.
4. Streamlined technical assistance that supports national adaptation responses delivered by regional organisations in a collaborative manner.

The case study presented below capture key best practices found by the evaluation consultants during their field trip to Palau.

---

<sup>1</sup> The evaluation report is presented as a full report containing all sections, as well as separate executive summary, individual country evaluation summaries and case studies.

<sup>2</sup> The project was granted a one-year extension.

## 2. PALAU'S CLIMATE CHANGE POLICY – THE IMPORTANCE OF TEAMWORK

Palau's *Climate Change Policy for Climate and Disaster Resilient Low Emissions Development, 2015*, was noted as a key achievement by local stakeholders, and it "stands out because it came at the right time".

This case study reviews the policy development process, and in particular the importance of establishing a cohesive team approach within consultant teams, between different consultancies, and between stakeholders. The case study also looks at the sustainability of the policy, in terms of its implementation.

### 2.1 Background

Based on the House Joint Resolution No. 8-68-13 (June 2012) to create a Ministerial Climate Change Committee to establish a clear policy and framework of action regarding climate change issues, SPC, with agreement of Palau's Office for Environmental Response and Coordination (OERC), the Environmental Consortium and the Pacific Adaptation to Climate Change (PACC) Core Group Members, outlined a four-step participatory process in July 2012 to develop the policy:

1. Community engagement strategy
2. Gaps and needs analysis
3. Development of a climate change framework
4. Preparation of a climate change plan of action (reframed as 'Sector analysis and preparation of an action plan for the Palau climate change policy framework' in 2014)<sup>3</sup>

Following discussion, SPC received a formal request from the President of Palau on 24 December 2012 to commence with a project to develop the policy, in partnership with GIZ and USAID.

All consultancies were internationally tendered by SPC with full inclusion including voting rights of Palau Government representatives on the Bid Review Committee. The contracts were awarded as follows:

1. Community engagement strategy – Palauan NGO
2. Gaps and needs analysis – Palauan consultancy company
3. Development of a climate change framework – Consultancy team involving international and Palauan consultants
4. Sector analysis and preparation of an action plan for the Palau climate change policy framework – Palauan consultancy company

Steps 3 and 4 were run in parallel.

### 2.2 Policy development process

There were different viewpoints as to the effectiveness of the policy development process but there was general agreement that the final product was valuable and had a high level of ownership by key national stakeholders.

A key issue raised during the evaluation was the cohesiveness within and between consultancies and stakeholders, which affected the perceived usefulness and quality of some deliverables.

---

<sup>3</sup> Sector action plans were brought forward, in part since the risk assessment approach proposed by the consultants developing the framework was understood to give the required outputs for the action plan.

### **Different consultants for different steps**

The four steps outlined to develop the policy were awarded to four different consultancy providers, three local and one a mix of international and local. The use of local consultancies has benefits as it builds on local knowledge and experience, however, an outside perspective and the international experience that comes with international consultants can also help bring in fresh ideas or best practices approaches. Palau is fortunate in that there are a few consultants (private) and NGOs that have the capacity and capability to deliver on projects.

The community engagement tender (RFP13/01) and gaps and needs analysis tender (RFP13/02) were advertised in January 2013. The tender to develop the climate change policy framework (RFP14/13) was advertised in March 2014, and the tender to conduct the sector analysis and preparation of an action plan for the policy framework (RFP14/73) was advertised in October 2014.

This sequential process allowed the first two steps (community engagement and gaps and needs analysis) to inform the development of the policy framework. The last step was originally planned to be undertaken following the development of the policy framework, but was brought forward to run in parallel so that the ten national sectors were able to have input into the policy framework, thereby building greater ownership of the overall policy.

There were differing viewpoints as to the usefulness and quality of some of the steps (e.g. whether the community engagement step was required, and the quality of the gaps and needs analysis). The differing viewpoints may be due to the sequential nature of the consultancies, and the lack of cohesiveness between the different consultancy providers undertaking the different steps.

There is no easy remedy for this, apart from maximising the clarity of the Terms of Reference for each step, and ensuring several feedback rounds are incorporated into contracts so that client and contractor can work collectively towards a useful and good quality deliverable.

### **Different people brought together in a team**

The third step, to develop the policy framework, was tendered to a consultancy of international and Palauan consultants that included two climate change policy specialists and one project manager/environmental specialist. A criticism raised of the consultant team was that they did not appear to have worked as a team prior to this contract. The consultants were reported to be mostly subcontractors brought together for this project, with limited cohesiveness. Contracts awarded to a team of consultants should demonstrate previous experience of working as a team.

### **Getting national stakeholders on board**

A highlight of the policy development process was the consultations with different sectors<sup>4</sup>. The sector consultation was brought forward to run in parallel with the policy development framework. The sector consultation was undertaken by a Palauan consultancy, using tools provided by the policy development consultancy. The sector consultation process was reported to have raised the level of knowledge and awareness of climate change in the different sectors, which led the sectors to consider how climate change impacted them. Overall, the sector consultation led to a high level of support and ownership of the Climate Change Policy. Having a local consultancy undertaking this

---

<sup>4</sup> Agriculture and fisheries; health, biodiversity conservation and natural resources; society and culture; tourism; critical infrastructure; utilities; finance, commerce, and economic development; education

step is likely to have facilitated the positive outcome, due to the understanding of the national context and language.

If there was a major gap in consultation, it is that the States were not consulted separately. This is likely due to budget and time constraints. Whilst not all States need to be consulted, States with large populations (e.g. Koror) and some smaller States could have been engaged as States have considerable control over what happens on the ground in federated countries. A longer period for engaging sectors and developing the action plan (4<sup>th</sup> step) could have been provided had there not been the objective of the Government of Palau to complete the Policy before COP21.

### **Delivering on the Policy**

The final policy is widely accepted as a valuable product that reflects the national context, and has a high level of ownership. It is important that sectors remain engaged to deliver on the prioritised actions. Some stakeholders noted that the action plan was more aspirational than something concrete for agencies to work on. To implement the plan, sector agencies need to develop grants to raise necessary funding. To date, only the food security sector has mainstreamed climate change into sector plans (through PACC funding).

### **Getting the institutional framework to deliver the Policy**

One indirect benefit of the policy development process was that it was recognised that the OERC was not effective when situated in the President's Office as it did not effectively reach out across government. The climate change responsibilities of the OERC have been moved to the new Climate Change Office, which sits within the Ministry of Finance<sup>5</sup>. Situating the Climate Change Office within the Ministry of Finance helps engage Finance on climate change initiatives<sup>6</sup>. The Ministry of Finance is in the best position at a national level to demonstrate the required fiduciary standards to be eligible to receive climate change financing under the Adaptation Fund and Green Climate Fund. The new Climate Change Office has an important role to play in supporting sectors to implement their actions in the Palau Climate Change Policy. The National Environment Protection Council (NEPC) will have an important oversight role, making sure different sectors fulfil their responsibilities. The proposed Project Management Unit (PMU), within Ministry of Finance, does not yet have a budget allocated. However, it will have an important role to play in supporting sectors develop funding proposals that contribute to meeting prioritised actions, as well as reporting against targets.

### **Maintaining the momentum**

There is a risk, as noted by several stakeholders, that national and sector interest in the climate change policy loses momentum. Whilst the policy was endorsed by Congress in November 2015, and there have been several media releases as well as promotions at regional and international events, there has not been an official launch in-country. Some stakeholders indicated that it was important to re-engage the sectors in the near future to build on their interest during the sector consultation

---

<sup>5</sup> The OERC no longer exists, with other functions of the OERC moved to the Office of the Palau Automated Land and Resources Information System (PALARIS)

<sup>6</sup> A December 2014 report by the Overseas Development Institute states (p17): "*Working arrangements that create space for ministries with responsibility for economic and financial decision-making to partner with Ministries with requisite expertise and mandate to address climate change and environmental issues are needed*" Nakhoda, S & Jha, V, 2014. Getting it together: Institutional arrangements for coordination and stakeholder engagement in climate finance. <http://www.odi.org/publications/8765-getting-together-institutional-arrangements-coordination-stakeholder-engagement-climate-finance>

step. The Climate Change Office is likely to play a key role in raising the Policy's profile and maintaining momentum. This could start by an official launch of the Climate Change Policy.

### 2.3 Conclusion

The funding support provided by the EU-SPC GCCA: PSIS project, jointly with GIZ CCCPIR, and USAID, and the technical support provided by the SPC team, were critical in helping Palau develop a climate change policy. Stakeholders consulted provided positive feedback about SPC's role, including the flexibility they showed in re-defining steps (sector consultation) and the ability for open communication and feedback that led to what was widely agreed to be a great product.

The policy was effective in engaging different sectors to think about climate change and identify priority actions relevant to their sector. The policy development process also contributed to the restructuring of the OERC and the establishment of the Climate Change Office.

A key lesson from the policy development process is the importance of teamwork within consultant teams, between different consultancies, and between stakeholders. This lesson is relevant for future policy development supported by SPC and for Palau.

#### 2.3.1 Best practices and recommendations

##### Best practices

1. Good level of sector consultation and engagement undertaken in parallel to the framework development led to a high level of ownership for the final policy.
2. Institutional restructuring leading to the establishment of a Climate Change Office will support the implementation of the framework.

##### Recommendations

1. (SPC) Ensure that a consultancy 'team' has had experience in working as a team.
2. (Government) Maintain engagement with stakeholders following the endorsement of the policy so that momentum is not lost.
3. (Government) Ensure that the institutional framework is in place to deliver on policy actions.