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# USAID CLIMATE READY

PAPUA NEW GUINEA CLIMATE CHANGE AND  
DEVELOPMENT AUTHORITY:

JOINT ORGANIZATIONAL ASSESSMENT  
REPORT

November 2018

# USAID CLIMATE READY

## PAPUA NEW GUINEA CLIMATE CHANGE AND DEVELOPMENT AUTHORITY:

## JOINT ORGANIZATIONAL ASSESSMENT REPORT

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USAID Climate Ready Project, Contract Number AID-492-H-17-00001.

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## **Acronyms and Abbreviations**

AAF	Accreditation Application Form
ATWG	Adaptation Technical Working Group
ADB	Asia Development Bank
BCCR	Building Climate Change Resilience
BSDS	Benefit Sharing Distribution System
BUR	Biennial Update Report to the UNFCCC
CBO	Community-Based Organization
CCMA	Climate Change Management Act 2015
CCDA	Climate Change and Development Authority
CEPA	Conservation Environment and Protection Authority
CMIC	Consultative Monitoring Implementation Council
CS	Corporate Services
DAL	Department of Agriculture and Livestock
DFAT	Department of Foreign Affairs and Trade (Australia)
DLPP	Department of Lands and Physical Planning
DNPM	Department of National Planning & Monitoring
DPM	Department of Personnel Management
DPLGA	Department of Provincial & Local Government Authority
DSP	Development Strategic Plan
ELAW	Environmental Law Alliance Worldwide
ESMS	Environment and Social Management System
ESP	Environment and Social Policy
ESS	Environment & Social Safeguards
FAO	United Nations Food & Agriculture Organization
FBO	Faith Based Organization
FMC	Finance Management Committee
FMCA	Finance Management Capacity Assessment
FPIC	Free Prior and Informed Consent
FREL	Forest reference emission levels
FRL	Forest Reference Level
GCF	Green Climate Fund
GESI	Gender Equity and Social Inclusion
GGGI	Global Green Growth Institute
HR	Human Resources
ICAO	International Civil Aviation Organization
ICLIM	Pacific Climate Change Information Management Project
ICT	Information, Communications and Technology
IKM	Information Knowledge Management
INDC	Intended Nationally Determined Contribution
INGO	International Non-Government organization
JOA	Joint Organization Assessment

LCG TWG	Low Carbon Growth Technical Working Group
LLG	Local Level Government
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MRA	Mineral Resources Authority
MTDP	Medium Term Development Plan
MTWG	Mitigation Technical Working Group
NAP	National Adaptation Plan
NARI	National Agriculture Research Institute
NC	National Communications
NCCB	National Climate Change Board
NCCDMP	National Climate Compatible Development Management Policy
NDA	National Designated Authority
NDC	Nationally Determined Contribution
NEC	National Executive Council
NGO	Non-government Organization
NIE	National Implementing Entity
NOL	No Objection Letter
NRS	National REDD+ Strategy (NRS) 2017-2027
NRSC	National REDD+ Strategy Committee
NWS	National Weather Services
OCCD	Office of Climate Change Development
PAM	Project Administration Manual
PCCC	Provincial Climate Change Committee
PFMC	Provincial Forest Management Committee
PNGFA	Papua New Guinea Forest Authority
PNGNDC	National Disaster Center
REDD+	Reducing Emissions from Deforestation and Forest Degradation
RTWC	REDD+ Technical Working Committee
STaRS	Strategy for Responsible Sustainable Development
SES	Social and Environment Safeguards
SPREP	Secretariat of the Pacific Regional Environment Programme
TOR	Terms of Reference
TWC	Technical Working Committee
UNEP	United Nations Environment Program
UNDP	United Nations Development Program
UNFCCC	United Nations Framework Convention on Climate Change
UPNG	University of Papua New Guinea
USAID	United States Agency for International Development

## Executive Summary

The Climate Change and Development Authority (CCDA) was established in 2015 to coordinate Papua New Guinea's response to climate change. In 2016 CCDA was appointed the National Designated Authority (NDA) to the Green Climate Fund (GCF), which means that the agency is responsible for the coordination of all GCF activities in PNG. In 2017, CCDA, with support from USAID Climate Ready and the Global Green Growth Institute (GGGI), applied for capacity development support to the GCF's *Readiness and Preparatory Support* program and was subsequently awarded a grant of US\$667,427 to support institutional strengthening measures at CCDA, specifically with respect to its functioning as the GCF NDA. GGGI was selected as the Delivery Partner for this grant. To assist with implementation of the grant, CCDA requested USAID Climate Ready support in identifying gaps and developing specific recommendations for improving the effectiveness of CCDA as Papua New Guinea's NDA to the GCF.

To fulfill this request, USAID Climate Ready has conducted a Joint Organizational Assessment (JOA) to identify the existing strengths and weaknesses at CCDA with respect to its functioning as the NDA. The JOA procedure included a policy/institutional review, a series of facilitated workshops and discussions with CCDA staff, and interviews with key stakeholders (within and outside CCDA). Data and information collected were then analyzed based on the narrative description and logical framework of the CCDA/GGGI Readiness and Support Proposal (specifically Outcome 1: "Country Capacity Strengthened"), and compared to the roles and responsibilities of the NDA as described in relevant GCF guidance. This analysis informed several recommendations for strengthening the institutional and human resource capacity of the NDA. This analysis was conducted over the course of Q2-Q3 2018. The overall JOA process and resulting recommendations can be seen as addressing the overall strengthening of the NDA to perform its functions as required by the GCF.

The Joint Organizational Assessment procedure consisted of three primary activities. The first activity was a rapid desk review of the legal, institutional, and governance framework for climate change action in Papua New Guinea. This review included strategies and policies related to climate change and sustainable development. The second activity was a series of guided discussions and workshops with CCDA staff. These guided discussions provided insights about the strengths and weaknesses of the Authority from the perspective of the people who work there. The last activity was a series of in-depth key informant interviews with CCDA management, representatives from coordinating and line agencies, as well as private sector and INGO stakeholders. The data from these three activities was then synthesized and analyzed to inform several recommendations for enhancing the institutional and human resource capacities of the CCDA to empower the Authority to better fulfil its responsibilities as the NDA for the GCF.

Although the JOA originally intended to focus specifically on actions to strengthen the NDA, findings indicated some weaknesses in terms of enabling conditions in the host

institution (CCDA) that would likely hinder/severely limit effective functioning of the NDA. Therefore the recommendations presented in this report address not only the core functions of the NDA, but also the institutional enabling conditions that are necessary for the NDA to function effectively.

Because of this, the recommendations of the JOA have been grouped into two broad categories: 1) supporting the establishment of enabling conditions for effective functioning of the NDA; and 2) support for primary NDA functions. Key recommendations are listed below.

#### *Supporting establishment of enabling conditions*

- Provide support for the development of a corporate plan for CCDA which includes specific reference to the NDA, formalized relationships with other government agencies and non-government stakeholders, and a new organizational structure that is consistent with the responsibilities delegated to CCDA, including its role as the GCF NDA.
- Provide support for the development of implementing regulations for the Climate Change Management Act (CCMA). The CCMA of 2015, which established CCDA, delegated significant powers and responsibilities to the Authority. However, the implementing regulations for much of the CCMA have yet to be formulated. CCDA currently has limited capacity to develop these regulations and thus technical support to develop regulations and to build the capacity within CCDA to develop additional regulations in the future should be prioritized.

#### *Support for primary NDA functions*

- Institutionalize learning from the Readiness and Preparatory Support project, including establishing a core group of GCF focal points within line and coordinating agencies, developing knowledge products for NDA constituent stakeholders, and developing operational manuals for CCDA staff.
- Develop awareness raising/project facilitation tools. Technical support should be provided to develop a range of capacity development materials and tools designed to facilitate the development of a pipeline of bankable GCF projects. These materials would include general information knowledge products as well as more technically-oriented tools and support materials for direct access accreditation and project development. The design of the tools and knowledge products should give CCDA maximum control and oversight of GCF project development.
- Clarify synergies between the Readiness Support project and the UNDP National Adaptation Plan (NAP) support project. There is the potential for significant overlap between these projects, which would lead to redundant activities. However, with proper coordination, synergies could be identified and exploited, enhancing the outcomes of both projects.
- Establish capacity building partnerships. Currently CCDA does not have the resources or staff to implement capacity building activities, but both CCDA's general mission and the specific responsibilities of the NDA require these abilities. Rather than establishing these capabilities at CCDA, the Authority

should explore the possibility of partnerships with external organizations (e.g. academic institutions) that already have strong capacity development capabilities.

- Formalize and institutionalize horizontal and vertical coordination. Several of the NDA's tasks will require vertical and horizontal coordination, yet there is currently no mechanism for this. The current staffing levels make it difficult for the NDA to develop these coordination mechanisms without technical support, yet coordination is an essential prerequisite for developing a no objection procedure and a GCF country program. Technical support for establishing a coordination mechanism should be couched within a broader effort to improve coordination between CCDA, government agencies, and non-government stakeholders.
- Establish a system for proposal tracking and monitoring and evaluation in accordance with GCF guidelines. A tracking mechanism would assist NDA staff in carrying out their duties, and would also increase transparency and would be of great utility to project proponents, accredited entities, development partners, and other stakeholders.
- Formulate a plan for identifying and supporting the identification and nomination of a direct access entity(s) and develop knowledge products to support the accreditation process. It is clear that Papua New Guinea's climate change adaptation and mitigation efforts would benefit greatly from having at least one direct access accredited entity. The nomination of these entities is the responsibility of the NDA; however, it should be recognized that accreditation is a long and resource-intensive process. According to recent information from the GCF, in many early cases where countries have enthusiastically pursued direct access, it became clear later on that the direct access entities that received accreditation were not aligned to the adaptation and mitigation priorities of the countries in question, and therefore were not well-positioned to develop and implement bankable projects consistent with those priorities. Thus the process of seeking accreditation should not be targeted at organizations that would be easiest to accredit, but rather those that are most aligned with PNG's adaptation and mitigation objectives. This requires a correspondingly higher level of engagement and technical expertise on the part of the NDA.



# 1. Introduction

## 1.1. Context

Papua New Guinea (PNG) is among the most culturally diverse countries in the world. The vast majority of its more than seven million people live in customary rural communities, for the most part practicing subsistence agriculture. In addition, the country's economy is highly dependent on natural resources. Although the Human Development Index for PNG has risen steadily since the 1990s, according to the 2016 HDI report, nearly 40% of the population still lives below the poverty line, and subsistence agriculture accounts for 25% of the country's GDP, supporting more than 80% of PNG's population. These socioeconomic factors contribute to high levels of baseline vulnerability to natural hazards. PNG currently suffers from a wide range of natural disasters including tropical cyclones, droughts, flooding, earthquakes, and volcanic eruptions. Climate change is expected to increase damage to assets from chronic stressors such as sea level rise and steadily increasing average temperature as well as from extreme events which have the potential to destroy infrastructure and livelihoods.

The Government of Papua New Guinea (GoPNG) has recognized climate change as a critical issue threatening the social and economic development of the country. PNG ratified the United Nations Framework Convention on Climate Change (UNFCCC) in 1993, the Kyoto Protocol in 2002, and was one of the first countries to submit an Intended Nationally Determined Contribution (INDC) in 2014. To more effectively manage its response to the challenges posed by climate change, the GoPNG has established the Climate Change and Development Authority (CCDA) to coordinate adaptation, mitigation, and REDD+ policy formulation and project design and implementation tasks. CCDA has also been appointed as the National Designated Authority (NDA) to the Green Climate Fund (GCF). In this role the Authority is responsible for managing and coordinating PNG's interactions with the GCF, as well as any and all GCF-supported activities implemented within PNG.

CCDA has experienced the kinds of startup difficulties and growing pains that can be expected with the establishment of any new agency with the kind of sweeping remit and broad responsibilities that have been delegated to the Authority. As part of its efforts to build its own capacities and institutional competencies, CCDA partnered with the Global Green Growth Institute (GGGI) and USAID Climate Ready to apply for funding from the GCF's Readiness and Preparatory Support facility. The project, "Readiness Support to Strengthen Papua New Guinea's Engagement with the Green Climate Fund", was approved in late 2017 and US\$677,427 was awarded to CCDA to support capacity strengthening activities. As part of the grant, the project's Delivery Partner (GGGI) requested assistance from USAID Climate Ready in identifying strengths, weaknesses and gaps within CCDA specific to its role as the NDA to inform the design and implementation of specific institutional strengthening activities. To fulfil this request, USAID Climate Ready has conducted a Joint Organizational Assessment (JOA) of CCDA. The main purpose of the JOA is to support organizational development of the

Climate Change and Development Authority in its role as the National Designated Authority to the Green Climate Fund.

This report describes the JOA process and sets out assessment findings and recommendations for capacity building at CCDA. The findings of the JOA will be used to inform the design of training and institutional strengthening activities to be carried out throughout the implementation of the GCF Readiness Grant.

### **The USAID Climate Ready project**

USAID Climate Ready seeks to help Pacific Island Countries (PICs) become more resilient to climate disturbances and protect the lives and livelihoods of their citizens. Preparing for and responding to climate impacts places additional pressures on budgets and government structures in PICs. As additional climate financing becomes available for the Pacific from such international sources as the Green Climate Fund and the Adaptation Fund (AF), governments are requesting help to access these resources, and Climate Ready is positioned to assist.

Climate Ready is a five-year regional project, funded by the United States Agency for International Development (USAID) and implemented by AECOM, a United States-based institutional contractor with worldwide experience implementing environmental programs. Climate Ready works in 12 Pacific Island Nations: Federated States of Micronesia, Fiji, Kiribati, Nauru, Palau, Papua New Guinea, Republic of the Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

The project has three components: (1) Ensure that the national, sub-national and sectoral policies, regulations and legal frameworks, and institutional arrangements necessary for achieving adaptation goals as identified in national adaptation plans are in place and in practice; (2) Increase Pacific Island Countries' abilities to access international, multilateral climate change funds; and (3) Increase timely and successful implementation of climate change projects by building professional capacity and management systems to coordinate, manage, monitor and report on climate change adaptation projects. The project builds on and leverages similar work that is already underway.

The ultimate objective of the Climate Ready project is to assist Pacific Island Countries to become more resilient to climate and disaster and protect the lives and livelihoods of their citizens.

## **1.2. Overview of Readiness Support Grant**

The Readiness and Support Program to Strengthen Papua New Guinea's engagement with the GCF is a US\$677,427, 24-month grant project approved on December 18, 2017. The purpose of the grant is to support the Climate Change and Development

Authority's function as the National Designated Authority to the Green Climate Fund. The Readiness project consists of three outcomes<sup>1</sup>:

1. Country Capacity Strengthened. This outcome seeks to build the capacity of CCDA in performing its role as the NDA and to promote awareness of the NDA and the GCF.
2. Stakeholders engaged in consultative processes. This outcome seeks to engage stakeholders in the development of PNG's GCF Country Programme.
3. Private sector mobilization. This outcome aims to explore the potential of the private sector to contribute to climate resilience and climate-compatible and low carbon development in PNG.

CCDA selected the Global Green Growth Institute (GGGI) as the Delivery Partner for the Readiness Grant. CCDA then requested support from USAID Climate Ready in identifying barriers and gaps that hinder CCDA's effective functioning as the NDA, as well as strengths that can be built upon to support the project's **first outcome** ("Country Capacity Strengthened"). USAID Climate Ready's role was originally envisioned as providing evidence-based recommendations that would inform the design and implementation of GGGI's capacity building activities in support of the project's first outcome. This request was made in consideration of USAID Climate Ready's role in supporting the development of the original Readiness Grant application as well as USAID Climate Ready's expertise and programming priorities.

The Readiness and Preparatory Support proposal notes that CCDA "has limited capacity and insufficient resources to effectively coordinate climate change projects and programs for GCF" (7). It calls for support to enable the NDA to develop the necessary policies and procedures to perform its required functions as well as subsequent training and capacity development for the NDA team in areas including project and program development, international procurement, accounting, oversight, planning and monitoring and evaluation processes.

In consideration of the discussions with CCDA and GGGI, the USAID Climate Ready team decided to focus its inquiry and analysis on the first two (of four) outputs from the first outcome, as they are most relevant to strengthening the core functions of the NDA (see section 1.3, below). The first of these outputs is for the NDA to lead an effective [GCF] coordination mechanism. According to the project document, one aspect of this output is training for NDA staff and Technical Working Group members and the development of standard operating procedures so that they can effectively understand and execute tasks associated with the NDA's responsibilities. A second aspect is to develop and disseminate awareness raising materials about the NDA and the GCF to relevant stakeholders throughout PNG.

The second output is to establish and implement the NDA's no objection procedure for approving submissions to the GCF. The activities associated with this output are to

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<sup>1</sup> The logical framework for the Readiness and Preparatory Support Project has been included as Appendix B.

review and finalize the no objection procedure and processes, and to conduct a validation workshop for stakeholders to review and finalize the formalized process.

### 1.3. Overview of National Designated Authority (NDA) function and role

As one of its many roles and responsibilities, CCDA serves as Papua New Guinea's National Designated Authority to the Green Climate Fund. The NDA to the GCF is the core interface between a country and the Fund, providing broad strategic oversight on the Fund's activities in the country. In the architecture of the GCF, the NDA plays a role that is different and distinct from that of the *accredited entity* (i.e. the project proponent), and therefore the human resource capacities and institutional competencies required to effectively fulfil the role of NDA are different from those required by an accredited entity. In general, the responsibility for adhering to GCF requirements and policies is the responsibility of the accredited entity, whereas the NDA has more of a broad oversight role. The NDA has several key functions which are listed below. Though there are significant overlaps between these functions, each of them requires specific capacities, institutional competencies, and formalized standard operating procedures.

1. No Objection Procedure. Among the most important functions of the NDA is to ensure that all proposals submitted to the GCF are consistent with the relevant national, subnational, and sectoral frameworks. For the GCF, this consistency demonstrates country ownership of the proposed project. Thus, the NDA is responsible for establishing a review procedure for project proposals and the issuance of a *no objection letter* ("NOL") for satisfactory proposals. Without a no objection letter from the NDA, the GCF will not consider proposals for funding. The exact design and criteria of the NOL procedure is left up to the countries themselves, but most existing NOL review procedures include processes of interagency and technical review. Typical considerations for NOL procedures include:

- Have the consultative procedures been adequate and rigorous?
- Is the project supported by the target communities?
- Is the evidence base and climate information sufficient?
- Is the project technically and financially feasible?
- Is the project consistent with relevant legal frameworks and planning documents?

2. Strategic oversight aligned with national priorities. Strategic oversight entails maintaining regular communications with the GCF. In terms of activities, the main manifestation of this function is the formulation and ongoing monitoring of the GCF country program. The country program guides strategic engagement with the GCF and is seen as an important element in establishing and maintaining country ownership and direction over GCF-funded activities in each recipient country. According to GCF guidance, the development, review, and updating of the country program should be a gender-inclusive stakeholder driven process with inputs from a variety of line and coordinating agencies, subnational

representatives, the private sector, and civil society. Currently PNG has initiated the process of GCF country program development, but the process is stalled due to lack of resources to engage stakeholders at the national and regional levels. For this reason the NDA has decided to integrate the process into the activities of the Readiness project. The second outcome of the Readiness Proposal, 'stakeholders engaged in consultative process', will engage stakeholders in the development of the Country Programme.

GCF guidance states that the process of country program development can be divided into 3 phases, each with several key benchmarks. These steps are listed below and have functioned as indicators of the NDA's ability to shepherd the GCF country program process in this analysis (see section 2, "Methodological Overview").

- National stocktaking
  - Identify or establish a consultative body
  - Defining a climate change profile
  - Understanding links between climate change and development
- Identification of adaptation and mitigation focus areas
  - Conducting institutional, market and policy analysis
  - Mapping financial needs
  - Defining a prioritization mechanism
- Portfolio development
  - Accredited entity identification
  - Proposal development
  - Monitoring and evaluation of the country program and project implementation

3. Convening of national stakeholders. This function, though it has significant overlaps with other functions, is emphasized to underscore the role of the NDA as a *coordinating* institution with the ability to convene a wide range of stakeholders that in many cases are not accustomed to working with one another. For example, the ability to convene stakeholders is a prerequisite for establishing and implementing an effective NOL procedure. The convening function entails the ability to facilitate both horizontal (inter-agency) and vertical (multi-level) coordination. The NDA also needs to be able to bring in non-government stakeholders, including representatives of vulnerable demographic groups and communities. As a bridging entity, GCF guidance recommends that the NDA have the following competencies/features:

- Knowledge of the country's national budget, economic policies, and their interrelation with climate change-related priorities and development plans;
- A mandate that enables the NDA to work on and influence an appropriate combination of economic policy and development planning, along with climate change, energy, sustainability, and environmental resources management priorities, strategies, and plans; and

- The ability to convene representatives across key sectors related to the country's climate change strategies and plans.

4. *Nomination of potential direct access entities.* A fourth task performed by NDAs is issuance of nominations for accreditation of potential direct access entities. According to the GCF's architecture, the Fund can only be accessed by *accredited entities* that have demonstrated the ability to comply with GCF requirements covering a wide range of considerations including financial management and controls, environmental and social safeguards screening procedures, gender and social equity procedures, and a range of other safeguards and project management and oversight capabilities. Accredited entities can be domestic government, private sector, academic, or NGO institutions (*direct access entities*), but the majority of GCF projects that have been approved and implemented have been via the *multilateral access* modality, in which projects are implemented by development partners (e.g. UNDP, FAO, UNEP), regional organizations (e.g. SPREP), or development banks (e.g. World Bank, Asian Development Bank). In fact, the GCF has been critiqued by outside observers for its high reliance on multilateral entities to develop projects. In response to this critique the GCF has prioritized partnering with direct access entities and has developed special procedures (e.g. the Simplified Approval Process and Enhanced Direct Access) to increase the number of projects approved via the direct access modality. However, currently no direct access entity exists in PNG.

The existence of suitable candidate direct access entities and the NDA's engagement with these candidates varies from country to country, and GCF orthodoxy on the relationship between the NDA and direct access entities is evolving. CCDA management has said that identifying at least one direct access entity is a priority. Recent conversations between the Climate Ready assessment team and the GCF indicate that the identification of potential direct access entities should be conducted in coordination with the GCF country program so that the capabilities and expertise of the direct access entities are matched with the priorities that are in the pipeline. In addition, GCF guidance suggests that the NDA should be able to provide information and basic procedural support on GCF accreditation requirements to candidate direct access entities, but in general the role of the NDA is not to build the capacities of potential direct access entities. Thus, for the purposes of nominating potential direct access entities, the NDA needs to be able to identify and inform potential entities and oversee the process of obtaining accreditation.

5. *Approval of Readiness Support.* The last function of the NDA is the deployment of readiness and preparatory support funding in the country. According to GCF guidance, the NDA may benefit directly from GCF-funded institutional and capacity building support provided by international, regional, national, subnational, public, private, or non-governmental institutions as appropriate through GCF's Readiness and Preparatory Support grant program.

Thus, the NDA needs to be able to identify areas that need strengthening, reach agreements with implementation partners, and work with these partners to develop readiness support proposals.

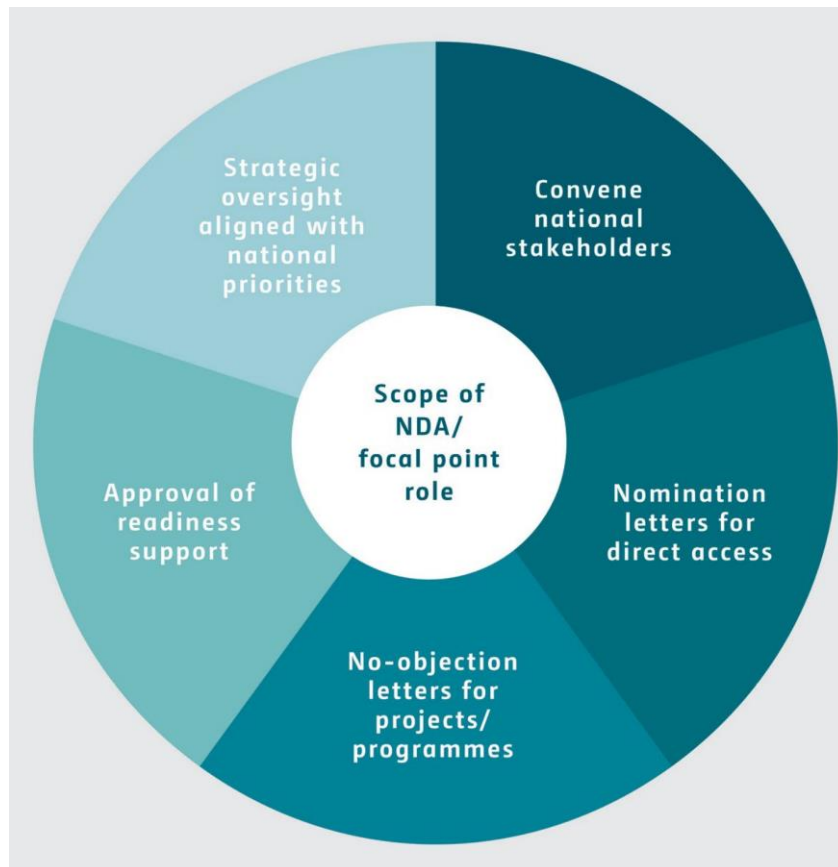


Figure 1: NDA functions according to the GCF.

Source: Engaging with the Green Climate Fund: A Resource Guide for National Designated Authorities and Focal Points of Recipient Countries (p20).

## 2. Methodological Overview

The Joint Organizational Assessment procedure was developed for the Australian Government-funded *Strongim Pipol Strongim Nesen* (“Strong People, Strong Nation”) project, implemented by AECOM in PNG from 2010 to 2016. This project was a democratic governance program that worked with civil society and Government across all levels throughout PNG. The JOA tool was developed to work primarily with larger NGOs which were being supported by the project, but it was also used with some Government agencies. The objective of the tool was to facilitate a process by which the target organization identified their own capacities and capacity development needs in a range of areas, and then subsequently develop a plan to build on strengths and address weaknesses to strengthen the overall capacity of the organization. The JOA tool was designed to involve members working in the organization, including board members, to create an overall organization-wide awareness of capacity development needs. After an initial baseline assessment, the process was repeated at two-year increments to assess the organization’s progress.

The JOA focuses on the first outcome of the approved Readiness and Preparatory Support proposal (“Country capacity strengthened”) which focuses on “strengthening the capacity of the NDA to facilitate efficient planning and administration of GCF-related responsibilities” (7). The proposal further notes that “the NDA for the Fund has limited capacity and insufficient resources to effectively coordinate climate change projects and programs for GCF” (7). The proposal calls for capacity development activities in these areas, and provides an initial list of specific competencies, including:

- Project and program development;
- International procurement;
- Accounting;
- Oversight;
- Planning and monitoring; and
- Evaluation processes.

The USAID Climate Ready team understood this list to be a starting point in identifying the human capacities and institutional competencies required of an effective NDA. However, in order to accomplish outcomes 1.1 and 1.2 (“NDA/focal point lead effective coordination mechanism” and “No objection procedure established and implemented”), it was recognized that the scope of the analysis should be broadened beyond this initial list, as the roles of the NDA extend beyond project-related tasks. Therefore, the JOA team analyzed the functions of the NDA described in GCF guidance (summarized in Section 1: Introduction) to understand the additional competencies required to execute each of the functions. The team then formulated several additional guiding questions for the JOA to supplement the initial list. These questions were organized and grouped according to NDA functional area with the exception of the final function (“approval of readiness support”), which was excluded due to the degree of overlap with other functional areas. The guiding questions are listed below.



### No objection procedure function.

- Does CCDA currently have a formalized NOL procedure?
- Are there published guidelines which explain NOL criteria to potential project proponents? These guidelines would include standardized expectations for stakeholder consultations, alignment with relevant policies and plans, sufficiency of evidence base, and other relevant criteria.
- Has CCDA developed any awareness raising materials or capacity support materials related to these guidelines?
- Is the NOL procedure being implemented on a regular basis?
- Are stakeholders aware of the NOL procedure?
- Is there coordination/consultation with other agencies as part of the NOL procedure?

### Strategic oversight function.

- Is there adequate knowledge of national priorities, strategies, and plans?
- Is there adequate understanding of the links between climate change and development and is the NDA involved in discussions related to coordinating development and climate change strategies, policies, and plans?
- Is the NDA conversant with the country's national budget, economic policies, and their interrelation with climate change-related priorities?
- What is the status of the Climate Change Board?
- Is there a mechanism for cross-sectoral and vertical coordination to support the development of a GCF country program?
- Is there a system in place to monitor and evaluate the GCF country program?
- Do the human resources (capacities and staff time) exist to implement the M&E system?

### Convening function.

- Does CCDA have a mandate that enables the institution to work on and influence an appropriate combination of economic policy and development planning with appropriate leverage over climate change, energy, sustainability, and environmental resource management priorities, strategies, and plans?
- Does the NDA have the power to ensure that all relevant sectors and actors are engaged with processes related to the GCF?
- Is there familiarity with relevant institutions and stakeholders in PNG, including contacts with multilateral and bilateral institutions, civil society organizations, sub-national, national or regional entities that may be potential candidates for accreditation as intermediaries or implementing agencies?
- Is there an understanding of activities of other multilateral, bilateral, regional and global funding mechanisms and institutions working in the country?
- Is there a system in place to facilitate and coordinate country coordination and multi-stakeholder engagement for country consultations?

- Do the human resources (capacities and staff time) exist to implement these functions?

*Nomination of direct access function.*

- Are there criteria/plans/procedures in place for identifying potential direct access entities?
- Does CCDA have guidance materials or any capacity development/support capacity to assist potential direct access entities?
- What is the level of awareness of the NDA staff with respect to GCF requirements for accredited entities (e.g. project and program development, international procurement, accounting, oversight, planning and monitoring, evaluation processes)?

The procedure for conducting this JOA consisted of three steps which are described below.

*Step 1: Policy and Institutional Review.* This step included a desk review of policies, strategies, frameworks, and laws related to climate change in Papua New Guinea. The objective of the policy and institutional review was to understand CCDA's mandate and the institutional context in which the Authority operates. In addition, because the overarching responsibility of the NDA is to ensure that GCF activities in PNG are country-owned and consistent with national priorities and policies, a solid understanding of the policy and institutional landscape is necessary to develop the appropriate recommendations for the Authority. To the extent possible, the policy and institutional review applied the guiding questions described above.

*Step 2: Assessment Workshops/Facilitated Discussions.* The second phase of the JOA employed an Appreciative Inquiry approach through workshops and guided discussions. Discussions were framed around the GCF Accreditation Application Form and the Financial Management Capacity Assessment (FMCA) form. In the absence of any specific GCF guide on NDA capacity assessment, the two forms were deemed the most relevant guide for identifying capacity areas required to effectively perform the functions of an NDA. The seven sections<sup>2</sup> of the GCF Accreditation Application Form provided the JOA with specific and relevant areas to assess policies and procedures for oversight, planning, and monitoring and evaluation processes. The FMCA focused the JOA on relevant areas of finance such as international procurement and accounting systems. Four one-day workshops were conducted with CCDA staff to solicit information about the functioning of the organization and perceptions of staff regarding the strengths and

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<sup>2</sup> The seven sections of the GCF Accreditation Application Form are: (I) Background and contact information of the applicant entity; (II) Information on the ways in which the institution and its intended projects/programmes will contribute to furthering the objectives of the Green Climate Fund; (III) Information on the scope of intended projects/programmes and estimated contribution requested for an individual project or activity within a programme; (IV) Basic fiduciary criteria; (V) Applicable specialized fiduciary criteria; (VI) Environmental and social safeguards (ESS); and (VII) Gender. Source: [https://www.greenclimate.fund/documents/20182/574712/Form\\_05\\_-\\_Accreditation\\_Application.pdf/7cef5ed0-e42e-475a-9bd7-e099d64d6231](https://www.greenclimate.fund/documents/20182/574712/Form_05_-_Accreditation_Application.pdf/7cef5ed0-e42e-475a-9bd7-e099d64d6231).

weaknesses of the organization. The workshops provided CCDA staff with the opportunity to assess its own policies and procedures. A total of 51 staff (21 female, 30 male) from CCDA participated in the workshops. The workshops and discussions were facilitated by USAID Climate Ready staff in cooperation with the GCF focal point at CCDA. The results of these workshops are presented in section IV.

<b>Workshop</b>	<b>Participating Division/Branch</b>
23 March 2018	Executive Branch; Information and Communication Technology (ICT) Branch
27 March 2018	Adaptation Branch--Adaptation and Projects Division; Projects Branch--Adaptation and Projects Division; Executive Branch; Human Resources Branch; ICT Branch
28 March 2018	Measurement, Reporting, Verification and National Communications Division; REDD+ Branch, Mitigation Division; Mitigation Branch, Mitigation Division
18 April 2018	Finance Division

*Step 3: Stakeholder Consultations/Key Informant Interviews.* Based on the findings of the policy and institutional review as well as the assessment workshops/facilitated discussions, the JOA team conducted in-depth interviews (approximately 1 hour in length) with CCDA managerial staff and external stakeholders, including representatives from coordinating and line agencies, the private sector, multilateral agencies, and INGOs with operations in PNG relevant to climate change. The consultations were conducted as semi-structured interviews in which the guiding questions were used as the starting point for discussions with follow-up questions providing the means to explore relevant issues in depth. A list of the 18 agencies and 33 interviewees is included as Appendix A.

The results of these three steps were compiled and analyzed by the JOA team (section 5). Based on this analysis, several recommendations are presented in section 6.

### 3. Policy/Legal/Institutional Review

This section presents the results of a rapid review of policies, legal instruments, and institutions with direct and indirect relevance to CCDA's functioning as the NDA. The objectives of the review include the following:

- To understand the legal mandate and responsibilities that have been delegated to CCDA. This information provides the context for ascertaining the Authority's ability to meet its legal obligations as the NDA;
- To identify strategic and planning frameworks and documents with relevance to climate change. This information helps to gauge current ability of the NDA to ensure that GCF activities in PNG are aligned with existing policies and strategies; and
- To assess CCDA's current structure with respect to its overall responsibilities and more specifically with respect to filling its role as the GCF NDA. This information is crucial for assessing CCDA's *institutional readiness* for effectively functioning as the GCF NDA.

#### 3.1. Relevant Policies and Strategies

The Government of Papua New Guinea has produced a number of strategies, plans, policies, and legal instruments that are relevant to CCDA.

*Climate Change Management Act (CCMA) of 2015.* The CCMA is the most important legal instrument with respect to climate change in PNG, and is quite ambitious in scope. The CCMA establishes and empowers and provides the mandate for the CCDA in sections 8 through 11. The Act forms CCDA as a corporate entity with legal personality with four purposes:

1. Promote and manage climate compatible development through climate change mitigation and adaptation activities;
2. Implement any relevant obligations of the State under applicable rules of international law and international agreements and to give effect to national commitments of Papua New Guinea, on a voluntary basis or otherwise, under the UNFCCC and the Kyoto Protocol together with such amendments or any new agreement that may supersede the Kyoto Protocol to which Papua New Guinea has acceded;
3. Be Papua New Guinea's Designated National Authority or equivalent entity or complementary or superseding entity and any relevant entity under the UNFCCC for the purposes of the Kyoto Protocol and any subsequent arrangement or agreement under the UNFCCC that may supersede Kyoto Protocol; and
4. Administer compensation or incentive funds, grants, donor money and other funding derived from national and international sources under the direction of the Board to assist in the development of climate compatible economic endeavors and climate adaptation and mitigation programs in Papua New Guinea.

Among the powers/responsibilities delegated to the CCDA:

- CCDA is directed to “cooperate with relevant bodies or persons in preparing and implementing plans and activities for adaptation to the impacts of climate change” (Section 11(e)).
- CCDA is empowered to “consult or collaborate where necessary with other departments, instrumentalities and agencies of the State and other agencies as the Authority determines from time to time for the implementation of laws and the making and implementation of policies in accordance with law on behalf of the state” (Section 11:2).

The CCMA also consolidates all previously established trust funds (including four named trust funds) into a single trust fund: The Climate Change and Green Growth Trust Fund. The Trust Fund is to be used to fund grant and loan activities for climate change activities and programs in PNG, administrative expenses of the Authority, contracting of services for the Authority, and the human and technological resources required by the Authority. The CCMA also grants powers to CCDA to levy fees to be paid into the Trust Fund. This includes levies on “factories, roadstead or installations at sea, or land-based operations close to sea, movement or transport of hazardous wastes into and out of Papua New Guinea or related activities which may contribute to the emission of greenhouse gases”. In addition, the Act directs CCDA to collect a 7% levy on all climate change-related activities conducted in PNG, though there is no elaboration on what constitutes climate change activities. The Act states that clarifying regulations will be forthcoming, but they have not been developed yet.

In summary, the CCMA implicitly directs CCDA to function as the GCF NDA, and likewise implicitly empowers CCDA to fulfil the functions. The CCMA also empowers CCDA to coordinate with other agencies as well as to establish a sustainable climate change financing framework. However, with respect to specific NDA functions, the Act does not explicitly describe how the CCDA should fulfil its coordination, planning, and other relevant functions. The implementation of the Act is dependent on implementing regulations, which have not been formulated.

*National Climate Compatible Development Management Policy (2014)*. The NCCDMP was developed by the Office of Climate Change and Development (the precursor to CCDA) and describes the Government’s vision for climate resilient sustainable development through a range of sectoral options and guidelines for legislative and institutional development at the national, subnational, and community levels. The Policy includes the elevation of the OCCD to authority status (to become CCDA), and also the establishment of the Climate Change Trust Fund. The policy attempts to provide a clear delineation of the roles and responsibilities for coordination, implementation and review of climate change strategies. The Policy also is intended to increase indigenous participation in climate change action at the community and ward level, encouraging District and Local Level Government (LLG) implementation of policies and projects. The NCCDMP is particularly important for the functioning of the NDA as it lays out national

priorities with respect to planning, project identification, and interaction with multilateral agencies. These considerations should be reflected in the procedures established by the NDA. These considerations include:

- The role of sub-national levels of government. The NCCDMP emphasizes the role of provincial and local level government in climate change and mandates that provincial administrations “take a lead” in discussions with NGOs and development partners on provincial priorities in terms of planning for climate change projects;
- Climate change financing. The NCCDMP calls for the creation of a Climate Change Fund in consistency with the Financial Management Act of 1995. This Fund, which was later established by the CCMA, is seen as a way to centralize financing for climate change activities; and
- Strategic directions and priorities for sectors. The NCCDMP lays out priority directions for a number of sectors including land use, transportation, energy, urban development, natural resources, DRR, health, and infrastructure. As one of the major functions of the NDA is to ensure alignment of GCF activities with national and sectoral priorities, it is critical that NDA staff are aware of these priorities and that they are incorporated into the NOL and country program procedures.

*Nationally Determined Contribution (NDC).* PNG was one of the first countries to submit its INDC to the United Nations Framework Convention on Climate Change (UNFCCC) in 2014. The NDC states that PNG’s primary mitigation efforts will be coordinated through its existing REDD+ initiative, but also sets a target of 100% renewables by 2030, contingent on external funding being made available. In addition, PNG will endeavor to reduce emissions from the transport and forestry sectors. The NDC indicates that considerable assistance will be needed in terms of human resource development and institutional support, technology transfer and capacity building in order to carry out mitigation measures.

The adaptation component of PNG’s NDC is very brief and is based on its NCCDMP which prioritizes adaptation and emphasizes the need for financial, capacity building, and technical support for adaptation planning and implementation in the sectors outlined in the NCCDMP.

*United Nations Paris Agreement Implementation Act (2016).* The Paris Agreement Implementation Act is an act of the Parliament of PNG that ratifies the Agreement and makes the provisions of the Agreement that are relevant to developing countries legally binding in PNG. The Act also states that the Paris Agreement will be implemented in accordance with the CCMA.

*National Adaptation Plan (NAP).* Climate Ready’s initial round of consultations with CCDA in 2016 identified the need for a strategic action plan for climate change adaptation that would prescribe and guide climate change adaptation planning at the sector and provincial levels. CCDA subsequently requested support from the United

Nations Development Programme to formulate a proposal for GCF Readiness Support to fund the NAP process. The NAP proposal is currently being finalized by CCDA and UNDP.

The main objective of the NAP is to develop an adaptation plan that is aligned to the medium-term development strategy. Thus the NAP is envisioned as an iterative process that will follow the medium-term (5-year) planning cycle. The NAP proposal consists of three components: institutional strengthening and enhanced horizontal and vertical coordination, integrating climate change adaptation considerations into sectoral development plans, and assessing adaptation costs and development of an investment strategy for implementation of the NAP.

*Vision 2050.* In 2009 the National Executive Council and the National Planning Committee formulated a 40-year development strategy known as “Vision 2050”. The Vision 2050 plan sets the goal of “We will be a smart, wise, fair, and happy society by 2050” and includes seven pillars<sup>3</sup> to guide economic development. The Vision 2050 plan aims at positioning PNG in the top 50 countries in terms of the UNDP Human Development Index by 2050.

*Development Strategic Plan (DSP) 2010-2030.* The DSP provides concise directions for the realization of the goals in Vision 2050. The DSP is implemented through successive 5-year Medium Term Development Plans (MTDP) which mobilize resources and dictate expenditure priorities for the purpose of reaching 5-year targets.

*National Strategy for Responsible Sustainable Development for Papua New Guinea (StaRS), 2nd Edition 2014.* StaRS was developed by the Department of National Planning and Monitoring and responds to a directive from the National Executive Council to review the PNG Development Strategic Plan (DSP) for the period 2010-2030 as well as the MTDP for the period 2011-2015. The focus of the StaRS is to integrate sustainability in medium- and long-term planning to chart a transition from an economy based on resource extraction to a more diversified and environmentally mix of activities. The StaRS “calls for a paradigm shift towards a sustainable clean energy and resource using low or zero carbon-generating ‘green’ or ‘clean’ inclusive economic growth path aimed at strengthen[ing] PNG’s strategic position and economic competitiveness in the world, while at the same time able to contribute to a high quality and better life for all Papua New Guineans now and in the future” (17).

StaRS analyzes the Vision 2050 and Development Strategic Plan 2030 and critiques them as “prescribe[ing] a traditional industrial growth model...that locks the country into a cycle of growth that continues demand for increased services, exponentially expanding population, and over reliance on the non-renewable sector whilst negating the seriousness of the finite nature of the non-renewable resources and the irreversible

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<sup>3</sup> The seven pillars are human capital development, gender, youth and people empowerment, wealth creation, institutional development and service delivery, security and international relations, environmental sustainability and climate change, spiritual, cultural and community development, strategic planning, integration and control.

damage to the environment and ecology” (21). StaRS advocates paradigm-shifting actions, is intended to inform revision of the DSP and MTDPs with sustainability principles. This is relevant to the NDA because it coincides with the mission of the GCF.

### **3.2. Climate Change and Development Authority (CCDA)**

The Climate Change and Development Authority was established by the CCMA in 2015 with the mission to “promote and manage climate compatible development through climate change mitigation and adaptation activities”. The establishment of the Authority represents a new institutional arrangement for addressing climate change in PNG. Before the establishment of CCDA as a full authority, a precursor agency, the Office of Climate Change and Development, was created by decision of the National Executive Council in 2010. Prior to this decision, climate change matters were handled by the Climate Change and Development branch under the Department of Environment and Conservation (DEC). The 2010 decision signaled an elevation of climate change as a strategic issue for the Government of PNG. At the same time, the conservation and environmental protection functions of the DEC were consolidated into a new agency, the Conservation and Environmental Protection Authority (CEPA). The mandate of the new OCCD was to manage climate change programs of the Government of Papua New Guinea.

Currently there are 80 positions at CCDA. Fifty of these are official civil service positions with specific terms of references, with 30 positions paid through operational funds (i.e. casual hires). There are 16 vacancies at the Authority, so there are currently 64 employees. CCDA is headed by a Managing Director. The Managing Director oversees all administrative matters of the Authority. Beneath the MD are four General Managers for the four divisions of CCDA: Corporate Services, Adaptation and Projects, REDD+ and Mitigation, and MRV and National Communication.

The Corporate Services (CS) Division provides administration, human resource management, finance, and information and communications technology services and is overseen by a General Manager for Corporate Services. An internal auditor (currently vacant) reports directly to the Managing Director and is responsible for auditing, investigation, and compliance. CCDA’s cash management and expenditure controls are administered by the Finance Branch. A Finance Management Committee exists on an ad-hoc basis to review the financial plans and oversee the financial matters related to the Authority and reports to the Managing Director.

The Adaptation and Projects Division theoretically handles both adaptation planning and project management of adaptation projects, each in separate sub-divisions. In addition, there is currently a project management unit to administer the ADB-funded “Building Resilience to Climate Change” (BRCC) project. The manager of the Projects Division also serves as the focal point for the Green Climate Fund<sup>4</sup>, and has a staff of four

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<sup>4</sup> In addition to the GCF focal point, four additional CCDA staff comprise an Executive Management Team for the GCF which is responsible for reviewing and screening GCF project proposals.



additional people to assist with NDA-related tasks. This includes a GCF project coordinator, who is also a member of the Executive Management Team. The GCF Project Coordinator assists the manager of the Projects Division in screening GCF proposals.

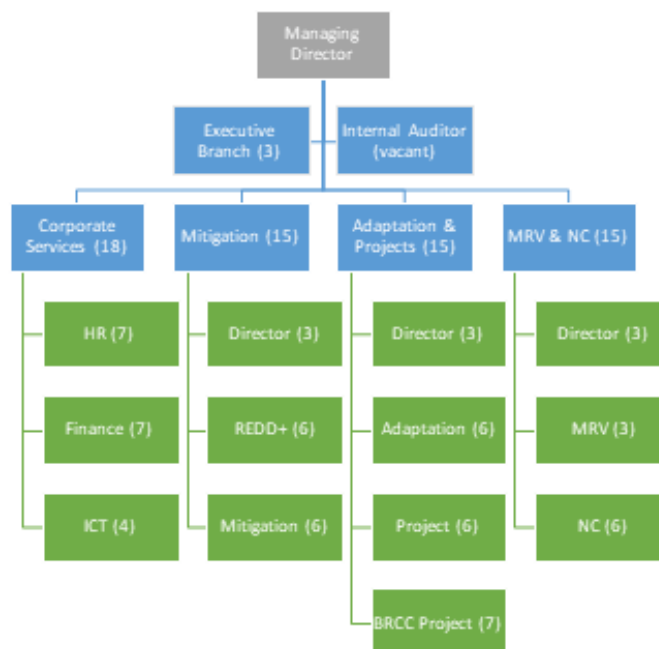


Figure 2: CCDA organizational structure and staffing levels, including casual contract employees<sup>5</sup>.

The REDD+ and Mitigation Division also consists of two sub-divisions. The MRV and National Communications Division also consists of two sub-divisions. This Division is responsible for coordinating the establishment of the national MRV system to report and verify the country's greenhouse gas emissions, as well as the Government of PNG's involvement in UNFCCC negotiations.

CCDA also coordinates three technical working groups which correspond to the technical divisions of the Authority. In theory, these technical working groups are interagency bodies which evaluate project proposals and provide other relevant input for CCDA's operations. The terms of references for these working groups indicate that they are "interim arrangements in place for the development of a climate change strategy while government reviews options for new institutional arrangements for climate change policy development and implementation". The ToRs provide a list of participating agencies along with a roster of participants from each agency:

- Adaptation Technical Working Group
- REDD+ & Mitigation Technical Working Group
- MRV and National Communication TWG

<sup>5</sup> As of October, 2018, the Executive Branch consisted of 7 staff, 5 of which are working under casual contracts.

In developing its initial annual work plan, USAID Climate Ready conducted a round of consultations with CCDA in early 2017. Recommendations from these consultations included:

- Review CCMA 2015 and develop regulations such as Fuel Standards Regulations, Building Standards Regulation, and other relevant implementation statutes;
- Strengthen human and institutional capacity of CCDA by supporting activities that CCDA is developing to improve its role; and
- Develop national strategic guidance on climate change adaptation for PNG.

In 2016, shortly after being established as an Authority, CCDA commissioned an institutional assessment to provide recommendations for the restructuring of the organization, appropriate systems and staffing, and a strategy and implementation plan that would enable an orderly transition to the new role. Some key findings from this assessment have been included here to provide additional context for the JOA:

- Limited understanding within the Government on how to use regulations to manage climate change. In addition, the consultant report observed “some consternation at the way the [CCMA] was brought into being, as well as question marks over its legal efficacy” that could eventually “be used as a basis for any resistance to regulations” (7). To address this, the report suggested that CCDA work to build its legitimacy outside the CCMA through a commitment to robust stakeholder engagement and a consistent ability to facilitate policy and regulatory development through evidence-based consultations.
- Limited funds are available from the GoPNG and so the development of a robust funding strategy is critical to the sustainability of CCDA as well as its ability to effectively manage climate change.
- Ambiguity as to the coordination role of CCDA and its relationship to other agencies. The report noted that there may be an unwillingness to collaborate with CCDA on the part of other agencies if the latter perceive that CCDA infringes on their mandates and/or claim on financial resources. The report recommends that CCDA make clear its intent to work as a catalyst and coordinator and to build effective partnerships that can help contribute to climate change management objectives. Thus CCDA needs to be perceived by other agencies as “expanding the pie” rather than cutting into the scarce resources that these agencies feel they are entitled to. The report notes that consulted stakeholders hoped that CCDA will introduce some specific policies, protocols, or other forms of guidelines that will ensure that effective coordination is consistently practiced.
- Lack of transparency in terms of financial management. The report noted that at the time of writing, CCDA was addressing some unspecified financial malfeasance. Thus the report recommends developing financial systems and procedures to improve transparency, including the ability to reliably and accurately report on what funds have been generated and how they have been used by stakeholders.

- Lack of systems and procedures for data and information management. The report noted that there are no procedures for capture, storage, retrieval, validation, analysis, and reporting of data across all organizational functions, and without these systems the staff feels inadequately supported.
- Organizational structure incompatible with Authority remit. The report indicated that the current organizational structure (which still persists) is not consistent with the remit of CCDA. For example, the report notes that there is no regulation and compliance division, which would be responsible for formulating climate change management regulations. The report also noted the need for a Partnerships Development Division. The report also notes that there was general consensus that a new structure was needed to cover expanded functions of the Authority.
- Limited staff time to focus on organizational transition. The report notes that “many important members of CCDA were preoccupied with their immediate workload and unable to pay adequate attention to the change initiative...It has often been difficult to get necessary feedback or other information required by the change process, and engagement in consultations has often been muted” (17-18).

*National Climate Change Board.* The Climate Change Management Act also calls for the establishment of a National Climate Change Board (Sections 12-34).

Prior to the establishment of the Board, the Managing Director has been responsible for the key decisions and direction of the CCDA. In this role the Managing Director has reported to the Minister, who may choose to accept or override the decisions of the Managing Director. The Minister in turn reports to the National Executive Council. The senior management team comprising general managers for each of CCDA’s divisions and branches provides recommendations to the Managing Director.

#### 4. Workshops/Guided Discussions

The second component of the JOA consisted of four workshops/guided discussions that were conducted with management and staff from CCDA (total participation was 51). These workshops were conducted during March-April 2018 and involved several activities, including:

- Group and individual assessment and review;
- Group and individual exercises: identification of existing strengths and weaknesses and priority actions;
- Review and prioritization of actions; and
- Identifying next steps and identification of priority actions for follow-up support.

The workshops/guided discussions also utilized a survey booklet which provided guided questions and an organizational rating/scoring exercise for each relevant NDA capacity area. The survey booklet was designed to facilitate and prompt discussions with participants and to collect individual responses. Group responses were derived from the flip charts and whiteboard sessions. The data collected from the individual survey booklets and the group charts were collated to provide substantive reflection of the capacity areas by the participants.

The purpose of the workshops/guided discussions was twofold. First, the objective was to understand, from the perspective of the staff, CCDA's past achievements and future goals, its governance and management structure, staff aspirations, and track record of its previous projects and programs. Secondly, the workshops/guided discussions sought to identify strengths and weaknesses at CCDA in areas relevant to the GCF and to the Authority's functions as the NDA, and to solicit recommendations from the staff regarding effective approaches to build on the strengths and address the weaknesses of the organization.

##### Existing Strengths at CCDA

In general, staff at CCDA demonstrated strong commitment to the overall mission of the Authority, enthusiasm for their work, and excitement over the establishment of the Authority and the possibilities for the future. In terms of specific accomplishments related to addressing climate change in Papua New Guinea, staff pointed to several notable milestones, including the following:

- Passage of the Climate Change Management Act in 2015;
- Transitioning from "Office" to "Authority" status;
- Development of the National Climate Compatible Development Management Policy of 2014;
- Establishment of the Paris Agreement Implementation Act of 2016;
- Formulation of the Climate Change Development Strategy;
- Establishment of the Project Management Coordination Unit in CCDA; and
- Securing projects for CCDA.

Staff expressed enthusiasm for staff meetings, climate change project development, stakeholder consultations at the national level, and drafting public relations and communications strategies. In terms of future goals for CCDA, staff indicated that improving overall staff capacity was a central priority for CCDA. In addition, staff noted that conducting regular staff meetings to iteratively reflect on and assess the strengths and capacity gaps was a high priority. An additional priority goal was to generate revenue for the operation of the Authority. Staff also prioritized accessing climate funds and seeking more funds from the Government of PNG to develop and implement climate change adaptation and mitigation projects and programs.

*“An institution in transition”*. As noted in previous section, CCDA is a relatively new entity that is still working to establish a permanent institutional structure and procedures. Staff participants in the JOA workshops confirmed that the organization has experienced some startup difficulties and that there are a number of organizational issues that have yet to be resolved. Moreover, staff indicated that external assistance would be helpful in addressing these issues. Although not specifically related to the functions of the NDA, the identified issues are nonetheless of critical importance to CCDA’s ability to function effectively as the NDA as they indicate the degree to which enabling conditions are in place:

- Absence of corporate plan. Virtually all staff participants emphasized the need to develop a simple and easy-to-understand, yet realistic, corporate plan. The corporate plan would also include a financing plan to support CCDA’s operations. The current lack of a financing strategy is the source of a significant amount of apprehension on the part of CCDA staff. In addition to the financing strategy, staff also indicate a need for strengthened financial systems with standard operating procedures for accounting and other financial procedures.
- Need for standard operating procedures. Related to the development of the corporate plan, workshop participants said that in general CCDA lacks SOPs for routine tasks including budgeting, filing, internal communications, meeting, consultations and a variety of other tasks related to the management of the Authority, as well as for carrying out the technical work of CCDA. According to staff, development of effective and formal SOPs and concomitant manuals would increase transparency, decision making efficacy, staff and institutional effectiveness, and staff morale and cohesion.
- Uncertain institutional structure. Consistent with the findings of the key informant interviews, workshop participants indicated that the current organizational structure at CCDA is not consistent with the roles and responsibilities of the agency. Participants indicated a need for professional development plans, with a significant number of staff demonstrating a desire for ongoing professional development and capacity development.
- Insufficient human resources. Participants indicated that current staffing levels and skill sets are not adequate for fulfilling the responsibilities mandated to CCDA by the CCMA, and that there are no permanent positions associated with

GCF tasks<sup>6</sup>. Part of this is related to the uncertainty surrounding the institutional structure; without a corporate plan the Authority is not able to update existing job descriptions and create new positions. Staff respondents also indicated that there is no funding currently for much-needed staff training, and that there is no “succession planning” for staff. This last comment refers to systems for institutionalizing staff knowledge in case of turnover, as well as for creating channels to promote staff from within the organization.

- Lack of implementation regulations. Also consistent with the key informant interviews was a general concern about the lack of implementing regulations for the CCMA.
- Lack of information technology and communications infrastructure. They also indicated a need to develop a general communications and outreach strategy for CCDA. Staff participants also pointed out that there is no standard filing system in place nor is there a central database for storing and filing information for the Authority.

CCDA's role as the NDA. With respect to the CCDA's role of as the NDA, workshop participants indicated a significant amount of uncertainty both at the institutional and individual levels. From an institutional perspective, all participants said that the CCDA had not yet defined the NDA role and goal. Moreover, they agreed that there is a need to improve CCDA management's understanding and knowledge of general processes, including those associated with the execution off the NDA's duties.

In addition to this, participants recognized the need to improve coordination with other agencies. With respect to the Authority's coordination role, staff suggested that improving coordination would need to begin with strengthening CCDA's management systems (the institutional structure), with subsequent financial and technical support to develop and implement divisional plans (e.g. the REDD+ plan, an adaptation plan, a mitigation plan). Specific reference was made to the following agencies:

- Department of Personnel Management (DPM). Expert advice from DPM is needed to develop the current transitional structure into a fully operational authority structure. This includes identification of staffing needs and development of the relevant ToRs, recruiting, and a revised organizational plan with clear lines of authority and delineations of responsibilities.
- Department of Finance and Treasury. Here again staff indicated that expert advice is needed to develop CCDA's transitional structure into a fully operational structure for the Authority.
- State Solicitors--Department of Justice and Attorney General. Staff indicated a strong need for assistance in developing implementing regulations for the CCMA, as well as a system for greenhouse gas emission compliance for regulated stakeholders.
- Provincial Climate Change Committees (PCCC). Staff participants acknowledged that, due to the decentralized nature of governance in PNG, much of the onus for developing and implementing climate change projects would be

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<sup>6</sup> Note that since these workshops were conducted, CCDA has hired a full time NDA assistant officer.

on the provincial governments. Therefore the Authority should improve coordination and information exchange with the PCCCs. Staff indicated the need for a plan by which CCDA would receive capacity development and training on GCF matters, and then in turn would provide training to subnational officials, including members of the PCCCs. Staff also suggested that PCCC members from each province should be included in the NDA's activities and functioning. It should also be noted here that not all provinces have PCCCs; most of the PCCCs that have been established are the result of projects that have been carried out in those projects. For example, five PCCCs were established to increase ownership over an Adaptation Fund-supported project. In the long run, CCDA envisions that PCCCs will be established in all provinces and will be a basis for establishing a presence for CCDA in all of the provinces of PNG.

- Department of Provincial and Local Government Affairs (DPLGA). Staff participants pointed to the need to integrate the requirements of multilateral funding windows such as the GCF into subnational planning processes. This would require formalized coordination with the DPLGA.

Staff participants also indicated that better coordination was needed in the technical working groups that are utilized to review project proposals as part of the due diligence and no-objection procedures. Consistent with the key informant interviews, staff findings from the guided discussions revealed that the technical working groups operate on an ad-hoc basis and are very loosely organized. Participants also commented that internal (within CCDA) coordination needs to be improved, and that the technical working group rosters should be expanded with the addition of a broader range of stakeholders.

Notably, participant feedback in the guided discussions as well as the survey results indicated that CCDA has experience in a number of areas relevant to the functions of the NDA, particularly in terms of capacity development and providing support to project proponents, but there was no plan in place yet to apply these competencies. For example, CCDA staff have experience with project safeguards covering areas such as labor and working conditions, resource efficiency and pollution prevention, land acquisitions and involuntary resettlement, biodiversity conservation and sustainable management of natural resources, and indigenous peoples. All of these areas would be relevant in assisting project proponents with understanding GCF requirements as well as helping candidate direct access entities understand safeguards requirements for accreditation. However, currently CCDA has no formalized capacity development or outreach capability, nor has the Authority developed knowledge products linking this information to GCF requirements for targeted audiences in PNG. Improving these areas would not only strengthen the NDA, but would enhance the overall capacity of CCDA to coordinate action on climate change and enhance access to external financing for PNG. For example, the NDA could potentially develop stakeholder consultation guidelines that are consistent with GCF requirements, or develop tools and guidance for improving the role of women in project design and implementation (note in a footnote that local level involvement of women in design and implementation has been identified as a major issue in PNG).

As noted above, participants pointed to a lack of vertical coordination between the CCDA and subnational levels of government as well as non-government stakeholders at the provincial, district, and local governments. Staff participants said that in the future, many project ideas will come from these subnational stakeholders, and so there is a need for greater coordination and involvement of subnational stakeholders in CCDA's activities. Improved coordination would entail not only capacity building for subnational stakeholders, but also formalized procedures for soliciting project concepts (i.e. calls for proposals) from subnational entities, evaluating and providing feedback and project design support, tracking proposals internally and providing public information about the progress of each proposal, consolidating similar subnational proposals into larger proposals, and identifying the appropriate accredited entity and financier.

*Priority recommendations from staff workshops/guided discussions.* The four workshops resulted in the identification of 79 recommendations for strengthening CCDA. The JOA team then reviewed these recommendations for relevancy to the functioning of the NDA. The result was a condensed list of recommendations which has been integrated into the general recommendations in section IV. CCDA staff suggestions included the following:

- Build capacity to improve on consultative processes;
- Develop regulations and legal framework for implementation of the CCMA;
- Establish the governing board for CCDA;
- Conduct regular management and staff meetings;
- Revise/formulate the CCDA corporate plan and regulations to engage stakeholders effectively, including fostering outreach and partnerships with the private sector and with the mainstream media for better dissemination of information on CCDA's programs and activities;
- Produce more awareness raising materials and programs targeting different stakeholder groups;
- Develop and utilize consistent communications tools;
- Review CCDA staff ToRs annually and restructure current permanent positions;
- Build capacity at the provincial level among the PCCCs;
- Develop and strengthen technical capacity for vetting GCF proposals;
- Create a staff position for an expert on social safeguards;
- Establish a process/procedure for screening proposals received from stakeholders; and
- Strengthen the capacity of staff to approach, assist and access funds.



## 5. Consultations

The third step in gathering data and information for the JOA consisted of semi-structured key informant interviews. In July 2018, the USAID Climate Ready team conducted a series of 18 consultations with CCDA managerial staff, line and coordinating agency staff, development partner representatives, and representatives of international NGOs with climate change-relevant programming in PNG (see appendix A for a list of agencies and persons consulted). This section summarizes the major findings from these consultations; individual attribution of comments has been limited at the request of some informants, and responses have been grouped according to several general themes that emerged over the course of the interviews.

*Stakeholder awareness.* Virtually all stakeholders cited a general lack of awareness concerning the function and responsibilities of CCDA, the NDA, and the GCF. The general perception is that raising awareness about the GCF is one of the most important functions of the NDA, especially in the early stages. Interviewees from line and coordination agencies had heard of the GCF, but their knowledge of the Fund and the role of the NDA varied. For the most part these informants indicated that they had learned about the Fund and the NDA from one of two workshops that had been held over the past two years, and not directly from the NDA or CCDA. These informants also indicated that their agencies do not have designated focal points or contacts for CCDA or for the NDA. Interviewees that work regularly with subnational levels of government and smaller NGOs also indicated that general awareness with respect to the GCF is quite low, but that there is a significant amount of curiosity among subnational stakeholders. Much of this curiosity focuses on how to access the GCF.

According to all informants, an important area where awareness raising efforts are needed is in helping stakeholders at all levels understand some technical and conceptual issues relevant to the GCF. In addition to general information about accessing the GCF, this includes understanding what climate change adaptation is, and how to distinguish climate change projects from run-of-the-mill development projects. One interviewee explicitly mentioned the need to help potential project proponents understand the appropriate use of data and information to develop an evidence base to demonstrate the climate change dimension of the problems to be addressed through climate change adaptation projects (additionality). In addition, the concepts of “transformative change” and “paradigm shift”, both of which are foundational in terms of complying with the requirements of the Green Climate Fund and for developing bankable GCF projects, are beguiling to many stakeholders.

However, there is currently no one on the staff of CCDA that is responsible for outreach and capacity development, and thus the Authority has no mechanism or resources for implementing capacity development programs or for developing and disseminating knowledge products. The workshops that have taken place have been conducted by external partners (e.g. DFAT and USAID Climate Ready have both sponsored awareness raising workshops). Moving forward, the GCF Readiness and Preparatory Support program has begun implementing additional training for CCDA staff and other

stakeholders, and these activities will continue throughout the life of the Readiness and Preparatory support project.

Participants also suggested that outreach and awareness raising activities were needed to ensure that private sector stakeholders are aware of the GCF (in particular opportunities relevant to the private sector) and the role of the NDA. The recommended channel for outreach was not with individual companies, but rather to engage with umbrella organizations such as the PNG Business Council and the Chamber of Mines and Petroleum, as these organizations are trusted by private sector stakeholders and have experience in dealing with multilateral agencies. However, external stakeholders doubted whether CCDA currently has this outreach capability and cautioned that private sector engagement is not a one-off activity, but is rather an ongoing endeavor which requires effort on the part of CCDA to maintain the relationship.

*Coordination/delineation of responsibilities.* Most interviewees acknowledged the complex nature of climate change, and there is widespread agreement that addressing climate change through strategies, policies, and projects/programs will require a multi-stakeholder approach with a high degree of horizontal (cross-sectoral) and vertical (across different levels of government) coordination. Moreover, stakeholders within and outside CCDA described that agency's role and remit as essentially being one of *coordination*. However, there was also widespread confusion over how coordination for climate change action would be implemented in PNG. There was unanimous agreement among all informants that there are no clear procedures for coordination on climate change issues, and that this is an area where improvement is needed. Some respondents emphasized the need for formalized cross-sectoral coordination mechanisms, while others underscored the importance of developing implementing regulations for the CCMA.

In addition to the confusion over how coordination is to be operationalized in PNG, there is also uncertainty over consultative procedures relevant to CCDA's functioning as the NDA. As noted in section 1 of the JOA, there are a number of areas where the NDA is expected to coordinate consultative processes. These include:

- Adaptation Technical Working Group. Different informants expressed different perceptions about the remit, membership, and meeting times of the ATWG. This indicates that there is a significant amount of confusion concerning the role and functioning of the ATWG.
- Mitigation Technical Working Group. Most external stakeholders were not aware of the MTWG. This may be due to the fact that most interviewees were most interested in adaptation projects. However, it was notable that some CCDA staff felt that they were not playing a large enough role in the MTWG. They also felt that they were not adequately informed about the proceedings of the MTWG.
- REDD+ Technical Working Committee Group. Several informants indicated that these three working groups are not well defined and do not meet regularly.

- National Climate Change Board. Many informants understood that the CCMA calls for the establishment of a National Climate Change Board (NCCB), but they were unaware of the current status of the Board.
- No Objection Letter (NOL) procedure. Related to the Technical Working Committees, the no objection letter procedure was universally perceived as an area in which improvement is needed at CCDA. Currently CCDA is issuing no objection letters on an ad-hoc basis<sup>7</sup>, but there is no set procedure for reviewing proposals to the Fund. Within CCDA there is acknowledgement that a formalized procedure needs to be developed to improve coordination and streamline/speed up the process of reviewing projects and issuing NOLs. There was also agreement within CCDA that the current NOL procedure takes too long. For example, according to CCDA NDA staff, the current practice is to distribute incoming proposals to relevant members of the appropriate Technical Working Committee. However, CCDA informants indicated instances in which the specifically required technical expertise was not available for one reason or another (e.g. the relevant technical expert was on study leave). CCDA personnel also noted that there should be a higher level of coordination across the divisions of CCDA with respect to reviewing projects. Outside of CCDA, and especially among coordinating and line agencies, respondents indicated low levels of both satisfaction and awareness with the current ad-hoc review of project proposals, arguing that there should be greater involvement of non-CCDA stakeholders in the review of proposals destined for the Fund. These officials noted the importance of ensuring that GCF proposals are aligned with national and sectoral priorities. Representatives from the Department of National Planning and Monitoring (DNPM) elaborated further, noting that their involvement in the review process would help to minimize the risk of redundant expenditures (i.e. project expenditures duplicating national budget expenditures or vice-versa). They also noted that involvement of the Planning Agency would be critical with respect to the sustainability of the outputs of the project, since the Planning Agency is responsible for identifying budget space for any outputs that require ongoing maintenance and operational expenditures.

Interviewees from line and coordinating agencies indicate that improvements in coordination were urgently needed. DNPM in particular expressed dissatisfaction at the level of coordination between CCDA and their agency. Some of this dissatisfaction stems from the perception that the CCMA is ambiguous and too wide ranging. Interviewees from the Department of Treasury also expressed the opinion that Treasury should be involved in the planning processes at CCDA and in particular in the NOL process. CCDA interviewees confirmed that there had been some friction with Planning, suggesting that there is some confusion and pushback with respect to the mandate to coordinate with the GCF and oversee GCF funds. CCDA informants suggested that this may result from a misunderstanding of the mandate on the part of

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<sup>7</sup> No objection letters have been issued for four projects: 1) An IUCN-SPREP coastal ecosystem based adaptation project; 2) a Korean Development Bank-sponsored biomass project; 3) a European Investment Bank-sponsored Global Energy Efficiency and Renewable Energy Fund project; and 4) an addition biomass project.

Planning and Treasury; the CCDA informants argue that while these agencies are responsible for tracking and overseeing development finance, the “new and additional” characteristic of climate finance means that it is different from development finance and therefore CCDA has responsibility for it. Consultations with GCF staff also indicated the importance of good coordination with the Department of National Planning and Monitoring as well as the Department of Treasury<sup>8</sup>.

*Corporate plan and institutional structure deficiencies.* Comments on the institutional structure and internal workings of CCDA came mainly from CCDA interviewees, as might be expected. For all of these informants, the lack of a corporate plan was seen to be a major weakness of the organization which hindered effective functioning, including of the NDA. Interviewees suggested that significant progress towards building CCDA’s institutional and human resource capacity would be difficult to achieve in the absence of an updated corporate plan, and managers that were interviewed emphasized the need for external assistance in developing the corporate plan.

Related to this, there was also a unanimous consensus among CCDA interviewees that the organizational structure of CCDA needed to be restructured. The current institutional structure of CCDA was developed without consideration of the role of CCDA as PNG’s NDA. When asked about the 2016 institutional analysis and the organizational options it suggested, interviewees indicated that the recommendations were developed prior to CCDA taking on the role as NDA, and thus the suggestions would need to be revisited and partially revised. CCDA management asserted that the new organizational structure should institutionalize the NDA as a branch, unit, or office, and should provide for dedicated staff to fulfill the NDA functions. All interviewees from CCDA agreed on this point and were willing to discuss it openly. Specific issues that were identified included:

- Casual hires. Four of the five staff tasked with NDA-related responsibilities are casual hires that have been recruited outside the normal procedure for hiring civil servants. These specialists have no terms of references (ToRs) and are non-permanent. The procedure to create and staff new positions specifically geared towards the functioning of the NDA would require CCDA to work with the Department of Personnel Management, the Government agency responsible for determining respective agencies’ human resource requirements. Establishment of new positions would also require developing specific ToRs, however, CCDA personnel acknowledge that they do not yet have a clear idea of what competencies and skills are required to best equip the NDA.

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<sup>8</sup> It should be noted here that as of October, 2018, the Pacific Island Forum Secretariat (PIFS) was providing assistance to the DNPM and other central line agencies, including the Department of Transportation in understanding the dynamics of climate finance. PIFS is also developing an options paper on how climate finance may be coordinated among the central agencies. This options paper will ideally provide recommendations for the form and scope of a National Coordination Body on Climate Finance, which is yet to be established.

- Double duty. Related to this issue is the fact that the GCF focal point also serves as an adaptation officer, and so he is filling two positions<sup>9</sup>.
- Interdivisional coordination. Several interviewees noted that some of the technical expertise required to fulfill the roles of the NDA exists within CCDA, but there is currently no formal way for the NDA to request support from other divisions, in particular the Corporate Services Division.

Some staff interviewees within CCDA also indicated that internal coordination with respect to the GCF and the NDA should be improved. For example, technical staff in the Mitigation Branch indicated that there are not clear lines of communication with the NDA, especially with respect to the functioning of the technical working groups and the progress of project proposals. Another informant pointed out that the REDD+ Division is currently developing a Finance and Investment Plan for the REDD+ strategy, but there had been no consideration of the GCF as a potential financier, even though the GCF can be involved in REDD+ financing. However, it must be noted that in **all** cases, when pointing out internal coordination difficulties, interviewees attributed the difficulties to insufficient resources (overworked staff; insufficient people power), technology shortcomings (no internet, no internal bulletins, emails, listservs, etc.), and related issues, and **not** to the individuals working in the NDA division.

Two interviewees suggested establishing an NDA/GCF working group that would include CCDA staff from outside the NDA branch/division. This working group would help to track projects and make sure that the other divisions are aware of proposals being assessed by the NDA. The suggested working group could also help to ensure that the NDA functioning was integrated into the ever-evolving direction of CCDA as a whole.

*Proliferation of strategies.* Another area in which consulted stakeholders described some confusion concerned the strategies, policies, action plans, and roadmaps relevant to climate change in PNG. It emerged from the interviews that different stakeholders from different agencies and organizations have different perceptions and visions about how climate change planning currently happens in PNG, and how it should happen in the future. This confusion was expressed not only by external stakeholders, but by CCDA staff as well. These existing or planned strategies include:

- Nationally Determined Contribution implementation roadmap;
- Green Climate Fund Country Program;
- National Adaptation Plan;
- National mitigation strategy;
- Sectoral adaptation and mitigation plans;
- National REDD+ Strategy; and
- REDD+ finance and investment plan.

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<sup>9</sup> The GCF focal point is a temporary position that was created by CCDA to assist stakeholders with assistance on the processes and procedures of the GCF, and to assist with the implementation of the GCF Readiness Grant. The formal NDA for the GCF is the Managing Director of CCDA. However, the temporary position has no terms-of-reference.

Generation of operating revenue. The question of how CCDA is going to pay for its operations is a central concern to CCDA staff, and especially to the management. CCDA has experienced fiscal difficulties over the past few months which have required the physical premises to shut down for a short period of time due to the agency's inability to pay its utility bills. In addition, CCDA does not have internet connectivity, and staff are forced to pay for their own internet if they use it in connection to their duties. This is problematic, as one of the requirements of the NDA is to be able to maintain regular communication with the GCF Secretariat through internet-based correspondence. In addition, CCDA's website is currently unmonitored, so any general requests for information about the GCF and NDA are unanswered.

While the new Managing Director has taken steps towards putting the Authority on sound financial footing, and while the impending move to a new facility is expected to bring with it internet connectivity, there is a great deal of uncertainty with respect to funding for CCDA. Recent Government reforms have decreased operating revenue for most Government agencies. In addition, with the elevation of status from Office to Authority came the expectation that CCDA would be able to generate its own revenue.

In an effort to fill the funding gap, CCDA is working to figure out how to implement the requirements of the CCMA to charge a 7% levy on all climate change projects that are implemented in PNG. This fee would be charged above and beyond project overhead and any development partner fee. Currently there are no implementing regulations to operationalize this fee and so it has not gone into effect. While this levy could potentially generate a significant amount of revenue for CCDA, it is problematic because it is likely incompatible with the policies of many financiers, including the GCF. This current lack of revenue streams and future expectation that CCDA will generate its own funding is potentially problematic for the effective functioning of the NDA, as it is not a revenue-generating activity. Furthermore, the levy approach to financing operations directly links the financing of CCDA with the number/size of projects that are actually implemented, which may put pressure on the NDA to approve projects without adequate due diligence, or may create a bias towards a certain type of project proposal. Some stakeholders, particular among development partners, expressed the concern that the 7% levy would serve as a disincentive for implementing climate change projects in PNG, and that such a levy might be incompatible with their agency policies.

Accredited entities and project bottlenecks. Interviewees at CCDA and within the line agencies indicated a need for at least one direct access accredited entity within PNG. For some line agencies, this was due to difficulties in finding multilateral partners to develop and implement projects. In at least one instance, a project proposal has been delayed significantly due to perceived inaction on the part of the accredited entity. Line agency interviewees expressed some frustration with the difficulty of accessing the GCF as well as uncertainty concerning how to understand the priorities of and how best to attract and negotiate with multilateral accredited entities. One CCDA informant suggested that the NDA could develop and maintain an inventory of the current

accredited entities, their priorities, expertise and competencies, and use this as the basis for a sort of “matchmaker” function that would evolve over time.

Along these lines, there was general agreement, especially within CCDA and among the line agencies, as to the need for direct access entities. However, there was a general lack of awareness as to the requirements for gaining accredited to the Fund as a direct access entity. In addition to this, interviewees both within and outside CCDA indicated that an important role of the NDA is to assist potential project proponents in identifying and negotiating with a qualified accredited entity. This was seen as particularly important for the line agencies, several of which are interested in developing sectoral priorities into project concepts. Accredited development partner agencies suggested that the NDA could play a larger role in project identification and facilitating contacts between in-country stakeholders and AEs, and could also play a sort of aggregation role, helping to identify potential projects at the subnational level that could be clubbed or combined into larger, national-scale initiatives that could then be marketed to development partner AEs. One interviewee suggested that the NDA do a stocktaking exercise of the current development partner AEs and their programming priorities.

Informants that discussed the matter of accredited entities also agreed in general that the NDA should provide some degree of support for organizations interested in becoming accredited. One informant indicated that the NDA should be able to provide advice to potential AEs concerning the fiscal requirements of the GCF, but pointed out that currently the NDA does not have that sort of expertise, though it may exist in other divisions at CCDA. Interviewees from the Corporate Services Branch, with the requisite experience and expertise, expressed willingness and even enthusiasm to help the NDA provide advice and potential basic capacity to develop candidate AEs. However, they also indicated that, with the current organizational structure, actually operationalizing this sort of advice or experience would be difficult because it would mean an additional workload for employees that are already very busy. Thus the suggestion was made that a new position be created with responsibilities in both the Corporate Services Branch and the NDA.

## 6. Analysis

In this section, findings from the three parts of the JOA are consolidated and analyzed according to the four functions of the NDA described in section 1 (the fifth function, “approval of readiness support”, has been excluded for the reasons described in section 2 of the JOA. The discussion of each function refers back to the diagnostic questions described in the Methodological Overview. However, the findings from the JOA demonstrate that there are some fundamental institutional gaps within CCDA that hamper the effective execution of tasks associated with the Authority’s role as the NDA to the GCF. These gaps are not related to any single functional area of the NDA and thus have been grouped separately.

### 6.1. No objection procedure

There is currently no set or formalized no objection letter (NOL) procedure in place and project proposals are approved on an ad-hoc basis. Though the Adaptation and Mitigation Technical Working Groups appear to be consulting during this process, there is some confusion over the role of these bodies, and there are indications that the Groups need to be formalized with more inclusive representation that includes coordinating agencies, provincial governments, and other stakeholders. There is no indication that there is a system of established criteria in place for evaluating and prioritizing proposals. Furthermore, the ad-hoc nature by which NOLs are issued means that project proponents are not aware of the specific criteria that are used in evaluating project proposals. There are no published guidelines with standardized expectations for stakeholder consultations, alignment with relevant national/subnational/sectoral policies and plans, sufficiency of evidence base, or any other relevant criteria. Some stakeholders are vaguely aware that a NOL procedure exists, but they are not aware of any details.

Moreover, CCDA has not developed any awareness raising materials or capacity support materials related to the NOL procedure, nor does it have the capacity to do so. Outside of the technical working groups, CCDA has not coordinated or consulted with other agencies as part of the NOL procedure<sup>10</sup>.

The current Readiness and Preparatory Support project includes an outcome (1.2) focusing on establishing and implementing the NOL procedure. Two respective activities are to review and finalize the NOL procedure and to conduct a 1-day NOL procedure workshop for regional stakeholders. There is no elaboration as to how the NOL procedure will be reviewed or finalized, or who will be involved in this process. It will be important to ensure that there is broad stakeholder engagement in this process, in particular with the Department of Treasury and the Department of Planning and Monitoring. This activity should also include a review and formalization of the technical working groups. Lastly, according to the findings from the JOA, strengthening and formalizing the NOL procedure should also include the development of written

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<sup>10</sup> Note: as of October, 2018, CCDA staff were developing a general information brochure on the GCF as well as guidance materials on the Simplified Approval Process (SAP) procedure for GCF projects. At the time of writing this report, these knowledge products were still under development.



guidelines for potential project proponents and AEs. The Readiness and Preparatory Support project includes development and publication of awareness raising materials about the NDA and GCF; these should include general and technical publications about the functioning of the NDA.

## **6.2. Strategic oversight aligned with national priorities**

Currently there is some understanding of national priorities, strategies, and plans on the part of the NDA staff, however it must be emphasized that among the staff of five currently working on NDA matters, only one focuses only on NDA-related tasks; the others, including the NDA focal point, have other duties as well. This means that they may be too overburdened to keep track of revisions and new versions of national development plans, sector plans, and subnational plans. There is currently no database or system to track these plans, and no formal mechanism of coordination or procedure for regularly consulting with counterparts at the line and coordinating agencies. The current ability of the NDA to contribute to the development of national policies, plans, and strategies related to development and climate change is limited. Presumably this contribution would be through the broader functioning of CCDA (i.e. the NDA would provide input to CCDA on GCF-relevant matters, and CCDA would in turn incorporate that information into its discussions with other agencies and departments in national planning processes), but because CCDA has not put in place the relevant internal and external coordination mechanism, no channel currently exists for the NDA to influence national priorities.

There is no cross-sectoral or vertical coordination mechanism in place to support the development of a GCF country program. Nor is there any system in place to monitor and evaluate the GCF country program. The GCF focal point does not have the human resources (capacity and staff time) to implement an M&E system for a GCF country program.

In addition, the National Climate Change Board is currently not in place as two seats (private sector and National Council of Women representatives) have not yet been filled. The Board's membership includes Secretaries and Managing Directors for several departments and authorities and is intended to oversee the general functioning of CCDA and provide direction; its tasks do not specifically relate to the NDA. However, there is clearly a need for some sort of mechanism to ensure that the NDA is aware of national development priorities and to make sure that the GCF country program is aligned with PNG's overall development priorities. Moreover, while the NDA focal point has a general understanding of budgetary processes, economic policies, and their interrelation with climate change-related priorities, as noted elsewhere there is no formalized relationship between the NDA and the relevant agencies (e.g. Department of Treasury) that would facilitate this kind of engagement. It should be noted here that in many countries the NDA is located within the Ministry of Finance or the Ministry of Planning, as these ministries do have the requisite competencies and capabilities with respect to multisectoral coordination and budgetary coordination.

### 6.3. Convening of national stakeholders

CCDA currently has a general mandate from the CCMA that enables it to “consult or collaborate where necessary with other departments, instrumentalities and agencies of the State and other agencies as the Authority determines from time to time for the implementation of laws and the making and implementation of policies in accordance with laws on behalf of the State”. It should be noted here that this provision of the CCMA does not compel other agencies to consult with CCDA, and so the NDA’s power to ensure that relevant sectors are engaged with the GCF is limited.

### 6.4. Nomination of potential direct access entities

There are currently no direct access accredited entities in PNG. There is general agreement that at least one direct access entity is needed in PNG, and several candidate entities have been discussed at high levels within CCDA. However there have been no efforts to advance accreditation procedures for any entity. Moreover, there is no process in place to identify candidate direct access entities on the basis of alignment with country priorities. Moreover, there are no outreach materials or knowledge products aimed at potential direct access entities, and currently the NDA staff has neither the expertise nor the time to fully engage with the process of accreditation.

### 6.5. Baseline Enabling conditions

There are multiple issues relating to the enabling conditions that would empower the NDA to effectively fulfill its responsibilities.

*Specificity of Mandate.* The current mandate for the CCDA is provided by the Climate Change Management Act of 2015, which implicitly designates CCDA as the GCF NDA. However, there are no implementing or clarifying regulations for the CCMA, and therefore the scope of the mandate, along with its undefined powers, creates a significant amount of institutional confusion for both CCDA and other Government stakeholders. With specific reference to the Authority’s responsibilities as the NDA, as noted above, this entails *convening*, *oversight* and *strategic planning* functions, all of which require multi-sectoral coordination which necessitates participation and cooperation from other agencies. The CCDA is not able to effectively fulfill this mandate under the current status quo.

*Institutional Fit.* CCDA’s new corporate plan provides elaboration and has clarified how the Authority has interpreted its mandate with respect to providing inputs into national planning processes, and climate change considerations have been incorporated into the most recent iteration of the Medium-Term Development Plan (MTDP). However, there is still some lack of clarity regarding the procedural details of CCDA’s interactions with the coordinating departments (e.g. Department of Planning and Monitoring, Department of Treasury) with regards to national planning processes. This will need to be further clarified in the future through the development of implementing regulations for the CCMA. The overall aim should be to improve coordination between CCDA and these

coordinating agencies. The figure below provides an overview of development planning in PNG; The Department of National Planning and Monitoring is responsible for the coordination of this process and for compiling the medium-term development plan based on inputs from sector agencies and subnational levels of government. The Department of Treasury is responsible for the Annual Development Budget. CCDA's role in these processes is yet to be elaborated. This situation will need to be rectified for the CCDA and NDA to fulfill their respective mandates.

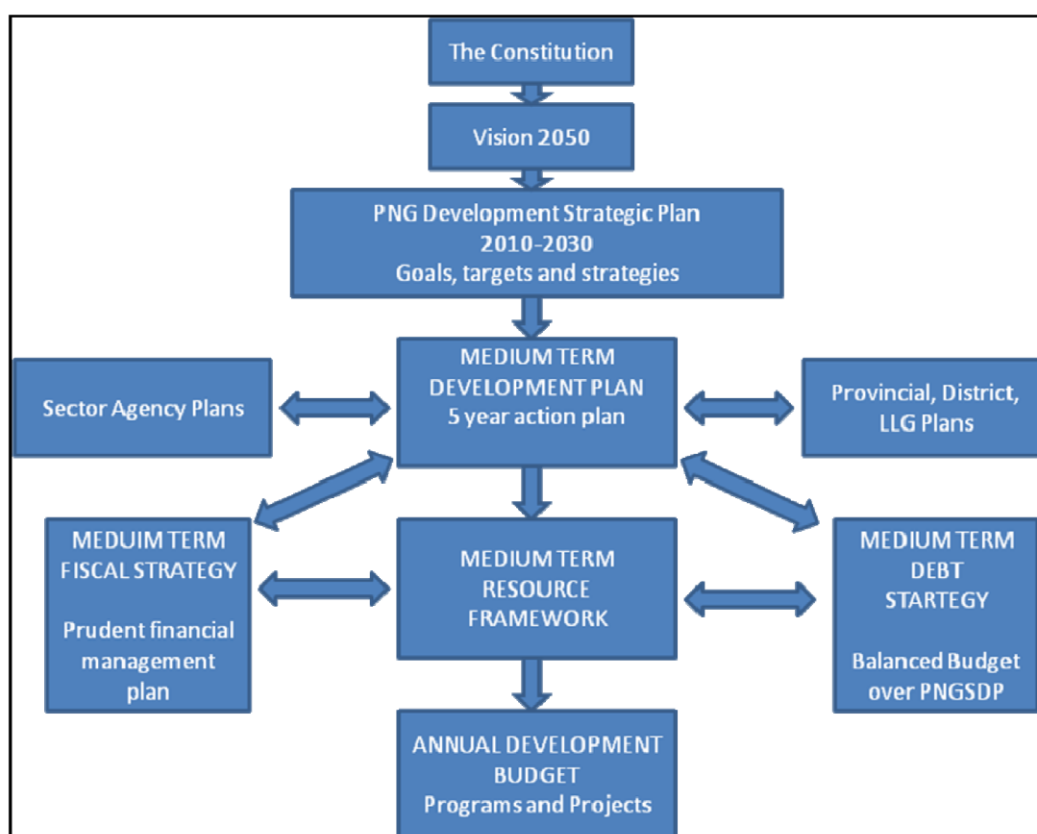


Figure 3: Papua New Guinea Development Strategic Plan mechanism.  
Source: National Climate Compatible Development Management Policy, p31.

**Funding of CCDA and Project Levy.** One of the most important considerations that emerged from all phases of the JOA was the financing of CCDA's operations. The current strategy to fund CCDA's activities is potentially extremely problematic and may pose a major threat to CCDA's effective functioning as the NDA. The current arrangement is that CCDA will be supported by a 7% levy on climate change activities that is mandated in the Climate Change Management Act. This levy applies to "all funds received from donors or persons or entities nationally and internationally, except from the Government of Papua New Guinea, by any person or entity for the purposes of climate change related activities". The fee is paid to the Climate Change Trust Fund as a "climate administration fee". The law further stipulates that any person or entity that does not pay is guilty of an offense and subject to a fine not exceeding K1,000,000 (approximately US\$300,000).

As noted above, a number of interviewees expressed concern about the levy, suggesting that it would serve as a disincentive to investments in climate change adaptation and mitigation. More specific to the GCF, there is major concern that if the 7% levy were to be applied to GCF proposals, they would immediately become ineligible for GCF financing, thus rendering the NDA powerless to facilitate the flow of GCF funds to PNG. The GCF has not yet commented definitively on the levy, but did indicate to the JOA team that the 7% levy would have to be perceived by the GCF as an essential cost of project implementation.

## 7. Recommendations

### 7.1. Support establishment of enabling conditions

As noted in the analysis section, findings from the JOA indicated that many of the institutional prerequisites needed to support the effective functioning of the NDA in PNG are currently not in place. Without these institutional enabling factors in place, support directed at strengthening the five primary functional areas of the NDA will likely achieve suboptimal results. Therefore, this JOA recommends that CCDA and its partners prioritize several institutional strengthening measures that will empower the NDA while also enhancing the general capacities and effectiveness of CCDA as a whole. It should also be noted that CCDA has engaged with development partners (e.g. UNDP) and domestic institutions with relevance technical expertise (e.g. University of Papua New Guinea) to strengthen some of these areas (e.g. the corporate plan and implementing regulations).

Providing support for the development of a corporate plan. All stakeholders within CCDA highlighted the importance of developing a corporate plan for the Authority, and the Managing Director explicitly stated that this is an area in which external assistance would be most needed and useful. Thus there is a need for technical expertise to facilitate the process of developing a corporate plan. The JOA team conducted a review of corporate plans for other agencies and authorities in PNG<sup>11</sup> to determine the typical scope and contents of these plans. Based on this review and input from CCDA stakeholders, the Authority's corporate plan should include the following elements:

- Vision, mission, mandate, and values;
- Corporate strategy and strategic directions;
- Planning framework for the authority;
- Organizational structure with staffing levels;
- Roles and functions of divisions;
- Strategic management processes;
- Key results areas including activities linked to outcomes, benchmarks, indicators, and performance targets; and
- Monitoring and evaluation framework.

In addition, the corporate plan should be linked to the specific mandate and provisos within the CCMA and should directly reference the relevant strategies and policies (e.g. Vision 2050, StaRS, National Climate Compatible Development Management Policy, Development Strategic Plan, the Nationally Determined Contribution, and the Medium-Term Development Plan):

- Linkages to StaRS could include specific articulation of paradigm shift/transformational change targets that are consistent with the recommendations in StaRS.

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<sup>11</sup> These included the PNG Accident Investigation Commission, the Department of Transport, and the National Agricultural Research Institute.

- The corporate plan should describe the relationship between CCDA and other agencies, including the Department of Treasury and the Department of Planning and Monitoring, and should clearly explain the connection between CCDA activities and national planning and budgeting processes.
- The corporate plan should describe the role of subnational entities, including the Provincial Climate Change Committees.

An important element of the corporate plan that deserves special attention is the organizational structure of CCDA, which will need to be revised. This is a need that was articulated by virtually all stakeholders, and which was also described in the 2016 institutional assessment. So far, little if any progress has been made, despite the fact that a new organizational structure is seen as an essential prerequisite for getting CCDA on solid institutional footing. The 2016 institutional assessment noted that CCDA “must propose to DPM/SCMC an organizational structure that can demonstrably deliver on the mandate set by the CCMA at a cost that the government was willing to support at the outset” (23). The report further describes difficulties with an earlier attempt to define a new organizational structure, and notes that “transformation from a government department to a regulatory authority.... requires a more careful analysis of aspects of culture...as well as the harder elements of functional configuration and work processes” (23). The assessment also outlines a potential revised organizational structure, but discussions with CCDA management suggest that these initial recommendations are no longer relevant because they do not consider the NDA role. However, it is clear from discussions with CCDA staff, as well as from the experiences of other NDAs, that dedicated staff who focus specifically on NDA tasks are required in order for the NDA to function effectively. Technical assistance aimed at formalizing the institutional niche of the NDA should be couched within a broader effort to develop a new organizational structure for CCDA.

In addition to clarifying current roles and responsibilities of the NDA, determining an appropriate structure for the NDA branch/division requires careful deliberation concerning the roles the NDA will play in the future. Currently PNG’s NDA staff, including the focal point, do not have a clear idea of human resource needs. An expert should be engaged to work with CCDA to envision a structure that is appropriate for PNG. This should be supported by a desk review of structures of NDAs from other countries augmented by Skype interviews with other NDAs to understand their experiences and lessons learned. The organizational plan should include the development of a medium- to long-term plan that anticipates increased demand for the NDA’s services and describes how the NDA will grow in the future; in other words, it is likely that all of the new positions will not be added immediately but will instead be phased in over time (see GIZ analysis of Bangladesh’s NDA for an example). The medium- and long-term plan would also describe entry points for additional Readiness and Preparatory Support grants, as well as potential areas in which other support programs and partners could support the buildout of the NDA (e.g. GIZ). The expert should work in close coordination with the new GCF regional representative to build on lessons learned from other countries. Useful examples include the experience of the NDAs from Nepal and Bangladesh. All of this information should be compiled into a

statement of the roles and responsibilities of the NDA (footnote: see Subedi 2017 in references). Eventually the experience in organizing and strengthening PNG's NDA could be compiled into a knowledge product that could benefit other Pacific Island Countries.

Along with a revised organizational structure, new job profiles/terms of references which are consistent with the responsibilities of CCDA (including the NDA) should be formulated. The 2016 institutional assessment developed 46 "job profiles" (though none explicitly mention NDA functioning); these should serve as a starting point for the new ToRs. Additional examples of ToRs are included in the assessment report for Bangladesh's NDA. The ToRs would then serve as the basis for negotiations with the Department of Personnel Management.

Lastly, based on the findings of the JOA and the overall remit of CCDA according to the Climate Change Management Act, the JOA team has concluded that CCDA should explore a range of other organizational options. This would include considering integrating the functions of the NDA into a broader climate change finance unit which could be overseen by a multisectoral board. This is a model that has been applied in other countries (e.g. Kiribati Climate Finance Division) and could potentially improve coordination with respect to developing a broader climate change financing plan. Note that the Pacific Islands Forum Secretariat is currently working with CCDA to explore the possibility of framing some sort of climate finance coordinating mechanism. Moreover, many of the functions that may eventually be required by the NDA (e.g. financial expert) would also be relevant to non-GCF projects, and establishing a climate change finance unit may be more cost effective than having a stand-alone NDA unit. In addition, both the NDA and CCDA in general would benefit from having some expertise in capacity development, as this does not currently exist. Thus if CCDA is going to create a position(s) for a capacity development specialist or a team, the new staff should be able to work on both general CCDA tasks and NDA-specific tasks.

Providing support for the development of implementing regulations for the Climate Change Management Act. In general, establishment of implementing regulations will empower CCDA to effectively fulfill its mandate. More specifically, it will be difficult if not impossible for the NDA to establish and institutionalize formal procedures in the absence of a well-developed statutory foundation. Implementing regulations will need to be compatible with the Environment Act of 2000 as well as the National Climate Compatible Development Management Policy, as both of these instruments include elements that are relevant to how CCDA executes its responsibilities. To support the development of implementing regulations, CCDA may partner with an NGO such as the Environmental Law Alliance Worldwide (ELAW) or a similar organization that has a track record and expertise in empowering agencies and other beneficiaries in the global South in formulating implementing regulations and developing the requisite capacities<sup>12</sup>.

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<sup>12</sup> Initial exploratory consultations with ELAW confirm that an activity such as this would be consistent with their organizational focus.

Moving forward, identifying a sustainable source of financing for CCDA and the NDA is a major priority. The CCMA establishes a 7% levy on climate change projects in PNG, but there are strong concerns that this levy will not be compatible with GCF regulations governing allowable costs in projects. CCDA needs to identify options for financing and develop a plan so that there will be a relatively predictable stream of funds to support its activities. This plan should include an estimated budget to support the NDA. At the same time, the NDA needs to reach an agreement with GCF about the feasibility of applying the 7% levy to GCF projects. An external partner should be identified to provide technical support with each of these issues, beginning with a review of how other NDAs finance themselves, and in facilitating and supporting discussions with the GCF to explore the possibility of creating some procedure or exceptionality that allows the NDA to recover its operating costs from approved GCF projects.

## **7.2. Support for primary NDA functions**

Based on the findings of the JOA, there are a number of areas where CCDA would benefit from external technical assistance to directly support the Readiness and Preparatory Support project by strengthening the core functions of the NDA. Note that this section is organized slightly differently from the previous sections of the JOA, which addressed each of the core functions of the NDA separately. The recommendations have not been grouped in this manner because most of the recommendations, if addressed, will strengthen several of the core functions simultaneously. It should be noted that currently the NDA has very limited resources and most likely would not be able to implement any of these recommendations on its own.

*Institutionalize learning from Readiness Support project.* Institutionalizing the lessons learned from the Readiness and Preparatory Support project should be a high priority because the project has been initiated in the absence of a formal organizational structure for the NDA. As noted, 60% of the NDA staff are casual hires, and so there is no way to tell how long they will be working at CCDA. In addition, there are no designated focal points in the line and coordinating agencies, and so there is no guarantee that the same people will attend each of the GGGI-sponsored Readiness training workshops. There is a real risk that the capacities that are developed through the periodic trainings will be lost as people are reassigned or move on to different organizations.

To address this, technical expertise and support is needed for the development of manuals and tools for the NDA staff and the technical working groups. NDA manuals should include standard operating procedures for each of the NDA tasks and should be reviewed periodically. There should also be staff references dealing with accreditation, communication with the GCF, procedures for facilitating development and review of the country program, and so forth. In addition, the NDA needs self-guiding instructional materials to be developed based on the Readiness project capacity building activities. This will help mitigate the possibility of losing institutional knowledge through staff turnover. Additional tools and manuals should be developed for the technical working groups. For example, Ghana's NDA (see references) has developed a prioritization tool for its technical working groups to increase transparency, filter proposal submissions,



and streamline the technical review process. The Ghana tool includes priority adaptation and mitigation areas as articulated in the policy and strategy framework, as well as a prioritization methodology for projects which includes criteria, weightings, scoring formulae, and decision rules.

Lastly, technical support is needed to assist the NDA in reaching out to other stakeholders, including line and coordinating agencies, to request the designation of specific focal points within each agency. This would help to ensure that the same people attend the capacity development workshops.

*Develop awareness raising/project facilitation tools.* In addition to the aforementioned internal-use guides and tools, the NDA also should develop guides, knowledge products, capacity support tools, and other information products for various stakeholders within PNG. To be consistent with GCF guidance, these materials need to be made available in key local languages (English, Tok-Pisin, and Motu). The Readiness and Preparatory Support project specifies that some awareness raising materials will be produced, but there is no elaboration. Moreover, a range of materials is needed, and it is likely beyond the budget of the Readiness project to address all the needs, and so there will be opportunities for other development partners to provide technical support in one of the areas described below. As noted above, the NDA likely does not have the capacity to develop these materials.

Two of the major goals of awareness raising should be to provide answers to frequently asked questions and to cut down the number or completely eliminate unsolicited and poor-quality proposals. Ideally, knowledge products could be developed in both hard and soft copy and would be posted on the website. Well-designed information products could potentially greatly decrease demands on staff time to address basic questions. These could include the following:

- General awareness raising knowledge products describing the GCF, role of the NDA, and role of CCDA in general. General information could be provided via CCDA's website and would include information on how to access the GCF, links to self-assessment accreditation tools from the GCF, and guidelines, manuals, standards and regulations that can guide potential project proponents. An important feature of the general GCF guidance would be a roadmap or flowchart clearly illustrating the steps and prerequisites required to move from a project idea to a funded GCF project.
- An overview brochure describing PNG's priorities for the GCF and the types of projects that the NDA is looking for.
- Updated information on current GCF funding opportunities. Examples include the Micro-, Small-, and Medium-Sized Enterprises Pilot Program (2016), the Mobilizing Funding at Scale Pilot Program, and other non-permanent initiatives.
- Explanations of GCF concepts such as "low carbon development pathways", "paradigm shift", and "transformative change" that are understandable and accessible to subnational actors and stakeholders. Examples and the

relationship of these concepts to PNG's climate change policies should be included.

- GCF manual/handbook. Several countries (e.g. Ghana, Kenya, Nepal) have already developed GCF Country Manuals or Guidebooks, which typically include:
  - Key terms and definitions;
  - An overview of the GCF including strategic impact areas and potential investment options;
  - The role of the NDA and a description of the NDA governance mechanism
  - An overview of stakeholder engagement processes with roles and responsibilities of the NDA, project proponent, and other stakeholders;
  - A description of country-specific accreditation processes for national implementing entities;
  - Tips for developing funding proposals and an overview of country strategies and policy frameworks relevant to project identification and design;
  - Templates for letters (e.g. NIE nomination, no-objection, expressions of interest); and
  - NDA evaluation criteria for proposals.

Additional tools and products could be developed that would focus on supporting the development of bankable climate change projects. These tools may include:

- An inventory, to be updated periodically, of accredited entities currently operating in PNG along with their programming priorities and internal procedures for project development.
- Project preparation training and support. USAID Climate Ready's initial national consultation with CCDA in 2017 also identified the need to develop skills among potential project proponents in areas of proposal and report writing, financial management, environmental and social safeguards, and gender sensitization to ensure that proposals and concepts are consistent with financier guidelines. Technical support could provide training materials specifically geared for the PNG context and support a training of trainers program to teach focal points in the four regions of PNG to further disseminate the capacity building materials.
- Social and environmental impact assessment guidelines, tools, and capacity development knowledge products that comply with the environmental and social policies for the GCF. This is consistent with a recommendation from the national consultation between CCDA and USAID Climate Ready, which took place in early 2017. The development of these products would not only enhance the functioning of the NDA unit, but would benefit the broader functioning of CCDA as well as the CEPA.

The NDA could incorporate these activities into a process for identifying projects. The first step of this process would be to disseminate the general awareness raising materials. The NDA could then issue a request for expressions of interest. Subnational entities would then provide short concepts, which the NDA would evaluate. From the initial submissions the NDA could select several concepts for further development. The project proponents could then be provided with project preparation trainings and

mentoring support. This would enable the NDA to effectively target its efforts and resources. After the initial process, these calls could be repeated annually or semi-annually.

*Clarify synergies between Readiness Support project and UNDP NAP support project.*

Currently UNDP is supporting CCDA in the development of a Readiness and Preparatory Support project aimed at advancing the National Adaptation Plan (NAP) process in PNG. While the project is still being developed, there has been limited coordination with the GGGI team, and so there exists the possibility that elements of these two projects will overlap, or in the worst case, operate at cross purposes. In addition, consultations with the GCF reveal that the GCF at this point does not have a position or any formalized guidance on how GCF country programs and other activities should be coordinated or integrated into the NAP. In other words, there are currently two parallel streams of institution strengthening happening at CCDA.

With this in mind, the implementing partner should work to ensure coordination between the NAP project preparation team and the eventual implementation of the NAP project and its own efforts. For example, the draft NAP proposal includes activities to build capacity among ATWG members, while at the same time the GGGI project calls for formalizing the NOL procedure and building the capacities of those involved in the NOL procedures, which would presumably include ATWG members. These efforts should be coordinated to eliminate possible redundancies and to avoid training fatigue on the part of participants. In addition, the NAP proposal currently calls for the development of a financing and investment strategy for the NAP, which would almost certainly have overlaps with GGGI's efforts to mobilize the private sector (output 3).

*Establish Capacity Building Partnership.* Currently CCDA has no personnel with expertise in capacity development and training either for general CCDA functions or for the NDA though, the responsibilities of the NDA do entail some capacity building activities. However, putting this capacity in place would require establishment of new staff positions and ToRs and recruitment or training current staff members. Supporting capacity development capability would also require dedicated staff time and budgetary resources for tasks that are outside of CCDA's core competencies at a time when budgetary resources are *extremely limited* and there are questions as to how the Authority will generate a sustainable flow of money. Thus it is likely not realistic to consider adding new staff, especially for activities that don't obviously lend themselves to charging a fee.

Therefore, there is scope for development partners to assist the NDA in establishing capacity building partnerships and formulating a capacity development plan for the NDA. For example, the University of Papua New Guinea (UPNG) has expressed interest in exploring partnerships for offering and conducting courses in project management and other areas. This could be done in collaboration with the University of the South Pacific (USP) Pacific TAFE certificate IV course in Project Management Practice, for which USP and USAID Climate Ready are executing a Letter of Agreement (LoA). Additional technical support could include engaging a capacity building

specialist to develop the appropriate materials and identify entry points in UPNG's existing curricula. Such a partnership would enable each of the institutions to focus on what it does best.

*Formalize and institutionalize horizontal and vertical coordination.* The current logical framework for the Readiness and Preparatory Support project includes several outcomes and activities focusing on stakeholder consultations in its second outcome, but there is no explicit mention of developing formalized policies, procedures, for **horizontal** coordination. Indeed, the current approach to horizontal coordination in the Readiness and Preparatory Support project suggests that the stakeholder mapping and consultations will be a one-time activity. However, questions and trust issues on the part of other agencies will likely not be resolved until clear and formalized procedures are in place, and therefore it will be very difficult for the NDA to fulfill its coordination mandate. A development partner may have an opportunity to build on the stakeholder mapping exercise conducted by the GGGI team to develop formalized coordination procedures that are agreed to and endorsed by all stakeholders. This would improve the effectiveness of the NOL procedure and also the planning of the GCF country program.

In addition, CCDA should establish formalized coordination with the Department of Provincial and Local Level Government and the Department for Community Development and Religion to leverage existing strengths of these organizations and inform the establishment of formal **vertical** coordination mechanisms. External technical expertise would be useful in facilitating this coordination by reviewing models of vertical coordination mechanisms that have been established in other countries.

*Establish system for proposal tracking and monitoring and evaluation in accordance with GCF guidelines.* Another very clear need that emerged from the JOA is for a data and information management system that would enable the NDA to organize and track proposals. There is an opportunity for a development partner to provide technical support to design such a system. This system should also provide information to project proponents as to the status of their submissions. In addition, an information and data management system could eventually be used to facilitate and streamline the no-objection procedure, providing a way for technical experts to review proposals online and provide comments.

*Formulate plan for identifying and supporting direct access entity(s) and develop knowledge products.* USAID Climate Ready's national consultation with CCDA in 2017 identified the need to explore potential candidates for direct access accreditation to the GCF in Government, private sector, and non-government organizations. At that time the NDA expressed willingness to support potential candidates interested in gaining accreditation to the GCF. The findings from the JOA confirm that there is a need for at least one accredited entity in Papua New Guinea. However, experience from USAID Climate Ready and other USAID projects has demonstrated that gaining accreditation for direct access entities is a challenging endeavor. If PNG is to have an accredited entity, the NDA will need to be involved in the process. Currently the NDA's staffing

levels and expertise are not sufficient to effectively fulfill functions related to accredited entities. Thus there is an opportunity for a development partner to provide technical support in several areas. This support could include developing a coherent strategy to transition PNG away from complete reliance on multilateral access entities. To this end, technical assistance would empower the NDA to play an *active* rather than *passive* role in the establishment of an accredited entity in PNG. The strategy would be linked to the GCF country program as well as any climate finance strategies that are developed in the future (e.g. REDD+ financing strategy) and would identify institutions for potential accreditation that are consistent with the types of projects and financing requirements that are contained in the various strategies. This approach has the benefit of avoiding wasting resources on gaining accreditation for agencies that are not well positioned to advance PNG's GCF country program.

In addition, a development partner could support the NDA in developing tools and guidance materials for potential direct access applicants. Possible tools might include a roadmap to accreditation, a country-specific self-assessment tool based on existing GCF tools, and an inventory of existing resources for supporting aspiring direct access entities. Other possibilities include the establishment of twinning/mentoring relationships between potential direct access entities in PNG and institutions that have been accredited elsewhere, including Micronesian Conservation Trust (FSM), Fiji Development Bank, and the Environmental Investment Fund (Namibia), conducting a regional forum for potential direct access entities, or assisting the NDA with designing and implementing a call for expressions of interest for candidate direct access entities.

## **8. Conclusions**

The Government of Papua New Guinea has made significant strides in terms of establishing and empowering the institutional mechanism to coordinate the country's response to climate change. Moving forward, the Climate Change and Development Authority will be expected to lead the country's response to climate change. Part of CCDA's roles will be to encourage and coordinate the activities of the Green Climate Fund through its function as the National Designated Authority.

CCDA has delegated some staff to handle tasks associated with the NDA functioning, however, no formalized structure has been established, and there is a general lack of policies and procedures with respect to the functions of the NDA. In the coming years, significant steps will need to be taken to enhance the capacity of the NDA and to increase the flow of funds from the GCF to priority projects in PNG.

This Joint Organizational Assessment has analyzed the current strengths and weaknesses of CCDA with respect to its functioning as the NDA. The JOA consisted of a desk review, facilitated discussions and workshops, and key informant interviews. The data and information gathered has informed a number of recommendations for improving the overall effectiveness of the NDA.

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## Appendix A: List of Consultations

<b>Climate Change and Development Authority Joint Organizational Assessment Stakeholder Consultation Meeting with Keith Bettinger Participants Lists from 16-20 July 2018</b>				
No	Name	Gender	Job Title	Agency
1	Ruel YAMUNA.	M	Managing Director	Climate Change and Development Authority
2	Jimmy FRANK	M	Acting Finance Manager	Climate Change and Development Authority
4	Johnson KILIS	M	Mitigation Officer	Climate Change and Development Authority
5	Terence BARAMBI	M	REDD+ Officer	Climate Change and Development Authority
6	Jacob EKINYE	M	Director Adaptation and Projects	Climate Change and Development Authority
7	Alex GINET	M	Acting Assistant Secretary	Department of National Planning and Monitoring
8	Jeremiah PAUA	M	Senior Economic Policy Officer	Department of National Planning and Monitoring
9	Marlene PHILIPS	F	Assistant Secretary - Trust	Department of Finance
10	John MAIRAGEN	M	Senior Accountant -Trust	Department of Finance
11	Samson DEKA	M	Graduate Accountant - Trust	Department of Finance
12	Vanessa WEK	F	Graduate Treasury Budget	Department of Treasury
13	Larry LASIGAU	M	Assistant Secretary Budget Coordination	Department of Treasury
14	Ila MEA	F	Acting Principal Budget Officer	Department of Treasury
15	Josie BAIG	F	CCDA NDA Program Manager	Global Green Growth Institute
16	Jacob MANASE	M	Assistant Secretary Policy and Planning	Department for Community Development and Religion
17	Elma MICHAEL	F	Policy Officer	Department for Community Development and Religion
18	Miriam MONDIA	F	Technical Officer	Food and Agriculture Organization
19	Seniorl ANZU	M	Technical Advisor E-Agriculture	Food and Agriculture Organization
20	Helmtrude SIKAS-IHA	F	Food Security & Agriculture Cluster	Food and Agriculture Organization
21	Alvin CHANDRA	M	GCF Regional Advisor	Green Climate Fund



22	Diane MCFADZIEN	F	GCF CDS Specialist	Green Climate Fund
23	Jennifer EL-SIBAI	F	Pacific Regional Director	Save The Children Australia
24	Smith SAPAKA	M	Area Program Manager	World Vision
25	Jonah AUKA	M	GCF Focal Point & Projects Manager	Climate Change and Development Authority
26	Ricks TANDA	M	GGGI Country Program Lead	Global Green Growth Institute
27	Jin Young KIM	F	General Manager -GGGI Asia Pacific	Global Green Growth Institute
28	Gwen MARU	F	Program Officer	United Nations Development Programme
29	Lucinda GULLUMAN-KISIP	F	Senior Advisor, Sustainable Development	Oil Search Limited
30	Ian ONAGA	M	Director -Science & Technology Branch	Department of Agriculture and Livestock
31	Francis WOMBON	M	Taro Program Manager	Department of Agriculture and Livestock
32	Theresa WAMBON	F	Taro Program Officer	Department of Agriculture and Livestock
33	Keith BETTINGER	M	Institutional Strengthening Specialist	Consultant -USAID Climate Ready
34	Julie HULAMA	F	Development Assistance Specialist	US Embassy in Port Moresby
	USAID CLIMATE READY TEAM			
35	Peniamina LEAVAI	M	Senior Finance and Policy Advisor	USAID Climate Ready
36	Harry GUBALA	M	Regional Coordinator	USAID Climate Ready

## Appendix B: Readiness and Preparatory Support Project Logical Framework

OUTCOMES <sup>13</sup>	BASELINE	TARGET	ACTIVITIES (including key outputs or deliverables where applicable)
<b>1. Country capacity strengthened</b>	<b>3-8</b>	<b>8-8</b>	
1.1 NDA/focal point lead effective coordination mechanism	<input type="checkbox"/> 0 <input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2	<input type="checkbox"/> 0 <input type="checkbox"/> 1 <input checked="" type="checkbox"/> 2	<p>1.1.1 NDA and relevant members of CCDAs Technical Working Groups receive training and support to effectively understand and execute GCF policies and procedures. Development of standard operating procedures for project and programme development, planning, monitoring and evaluation processes. Training workshops (2) to provide training for finance and corporate services and technical staff.</p> <p>1.1.2 Develop, translate, publish and distribute awareness raising materials about NDA and GCF in English, Tok-Pisin and Motu. Target audience will include public sector at regional level, industry and trade associations, relevant NGOs and private sector.</p> <p><b>Deliverables:</b></p> <p>1.1.1 Capacity in NDA strengthened and dedicated to performing functions expected of NDA. Operating manual and 2 workshop reports.</p> <p>1.1.2 Published materials (printed and online), distributed and shared.</p>
1.2 No objection procedure established and implemented	<input checked="" type="checkbox"/> 0 <input type="checkbox"/> 1 <input type="checkbox"/> 2	<input type="checkbox"/> 0 <input type="checkbox"/> 1 <input checked="" type="checkbox"/> 2	<p>1.2.1 Review and finalize the no-objection procedure and processes.</p> <p>1.2.2 Conduct a 1-day NOL Procedure &amp; Process Awareness and Validation Workshop and secure stakeholder input and agreement for finalization of procedure. This will be held back-to-back in the same workshop event of activity 2.2.2, bringing the total number of days of one event to 2. Participants to include CCDA staff, and key staff from national government, provincial government, development partners, NGOs and private sector.</p> <p><b>Deliverables:</b></p> <p>1.2.1 Final draft NOL procedure developed.</p> <p>1.2.2 NOL procedure finalized and endorsed by the Management of the CCDA with clear recommendations from the National Adaptation &amp; Mitigation Technical Working Groups in fully consultative manner and workshop report.</p> <p>1.3.1 Prepare Cabinet submission to the National Executive Council to approve ratification of the P&amp;I Agreement at the Parliament Session in 2018.</p> <p><b>Deliverable:</b> GCF &amp; PNG P&amp;I Agreement approved and ratified.</p>
1.3 Bilateral agreements between the country and the GCF executed	<input type="checkbox"/> 0 <input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2	<input type="checkbox"/> 0 <input type="checkbox"/> 1 <input checked="" type="checkbox"/> 2	
1.4 Monitoring, oversight and	<input type="checkbox"/> 0 <input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2	<input type="checkbox"/> 0 <input type="checkbox"/> 1 <input checked="" type="checkbox"/> 2	1.4.1 Identify and provide required capacity development training to strengthen NDA team and

<sup>13</sup> Based on decisions: B.08/10, annexes XII, XIII & XIV; B.08/11; B.11/10, annex I; B.12/20, annex I

*streamlining of climate finance*

other stakeholders in monitoring, oversight and streamlining of climate finance. A 2-day training workshop where approximately 35 people trained on the use of the process for monitoring climate financing within NDA, CCDA Finance Management Committee and relevant stakeholders (DoF, DNPM, Provincial Climate Change Committees).

**Deliverable:** Capacity of NDA and other stakeholders on climate finance monitoring, oversight and streamlining improved and workshop report.

2. Stakeholders engaged in consultative processes	1-8	8-8	
2.1 Stakeholders engaged in consultative processes	<input type="checkbox"/> 0 <input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2	<input type="checkbox"/> 0 <input type="checkbox"/> 1 <input checked="" type="checkbox"/> 2	<p>2.1.1. Conduct climate change policy analysis and relevant stakeholder analysis and mapping in PNG.</p> <p>2.1.2. Develop a GCF awareness and training package for relevant climate change stakeholders, with stakeholder consultations in 4 regions.</p> <p>2.1.3 Conduct 4 sector (Agriculture and Forestry, Transport and Energy, Health, and Oil, Gas and Mining) trainings at the national and provincial levels to increase understanding of stakeholders on GCF.</p> <p>2.1.4. Establish and strengthen Provincial Climate Change Committees (PCCCs).</p> <p><b>Deliverables:</b></p> <p>2.1.1 Policy and stakeholder analysis reports.</p> <p>2.1.2 GCF training package developed for the 4 regions of PNG.</p> <p>2.1.3 Workshop reports from 4 trainings</p> <p>2.1.4 Provincial Climate Change Committees trained with GCF training packages, supporting Committee engagement in sub-national planning.</p>
2.2 Country programmes, including adaptation priorities, developed and continuously updated	<input checked="" type="checkbox"/> 0 <input type="checkbox"/> 1 <input type="checkbox"/> 2	<input type="checkbox"/> 0 <input type="checkbox"/> 1 <input checked="" type="checkbox"/> 2	<p>2.2.1 Develop PNG's Country Programme, incorporating climate change and development programmes that reflect PNG's existing strategies, policies, and strategic investment priorities. The Country Programme will consider guidelines developed under 2.3 on integrating gender perspectives and participation on climate change.</p> <p>2.2.2 Conduct an inter-ministerial workshop to assist in the development of PNG's Country Programme. This workshop will be held in 1 day, and back-to-back with the workshop in activity 1.2.2.</p> <p>2.2.3. Conduct a national validation workshop on PNG's Country Programme.</p> <p><b>Deliverables:</b></p> <p>2.2.1 Country Programme for PNG developed.</p> <p>2.2.2 Workshop proceedings reports for inter-ministerial workshops for PNG's Country</p>

			Programme. 2.2.3 PNG's Country Programme is validated by the National Adaptation and Mitigation Technical Working Groups and endorsed by the Management of CCDA (minutes of validation workshop).
2.3 Stakeholder consultations conducted with equal representation of women	✓0 <input type="checkbox"/> 1 <input type="checkbox"/> 2	<input type="checkbox"/> 0 <input type="checkbox"/> 1 ✓2	2.3.1. Develop guidelines to integrate gender perspectives and participation on climate change in PNG. 2.3.2. Conduct two workshops at the national and regional levels to discuss and validate the Guidelines to integrate gender perspectives and participation on climate change in PNG.  <b>Deliverables:</b> 2.3.1. Guidelines on integrating gender perspectives and participation on climate change in PNG. 2.3.2. Workshop proceedings and above guidelines to consider input from the workshops.
2.4 GCF Country portfolio reviewed and organised	✓0 <input type="checkbox"/> 1 <input type="checkbox"/> 2	0 <input type="checkbox"/> 1 ✓2	2.4.1 Establish a mechanism for a participatory review of the GCF portfolio for local stakeholders, including project affected-people and communities, women and civil society. Link review mechanism to no-objection procedure to ensure local stakeholders are involved in the project and programme development at an early stage.  <b>Deliverable:</b> Mechanism for participatory review established and initial GCF portfolio assessed.
<b>5.Private sector mobilisation</b>	<b>0-2</b>	<b>2-2</b>	
5.1 Enabling environment for crowding-in private sector investments at national, regional and international levels exists	✓0 <input type="checkbox"/> 1 <input type="checkbox"/> 2	<input type="checkbox"/> 0 <input type="checkbox"/> 1 ✓2	5.1.1 Conduct a feasibility study to identify potential for crowding-in private sector investments at national, regional and international levels and recommend incentives and enabling environment necessary to engage them.  <b>Deliverable:</b> Feasibility study report on private sector mobilisation.
5.2 Private sector engaged in country consultative processes			5.2.1 Conduct a 2-day forum to promote the role of the private sector in climate change consultative processes in PNG, exploring recommendations for implementing potential private sector investments identified in the feasibility study report, with private sector and government stakeholders. Solicit views from the private sector and community for establishing a private sector advisory committee to the CCDA Board.  <b>Deliverable:</b> Forum report with recommendations for engaging the private sector in climate change consultative processes in PNG, plans for implementing potential private sector investments, and recommendations for establishing a private sector advisory committee to the CCDA Board.

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