

CLIMATE CHANGE LEGISLATION IN
Federated States of Micronesia

AN EXCERPT FROM

The 2015 Global Climate Legislation Study
A Review of Climate Change Legislation in 99 Countries



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Federated States of Micronesia

Legislative Process

The Federated States of Micronesia (“FSM”) is a constitutional government in free association with the US. Its four states are Chuuk, Kosrae, Pohnpei and Yap. The FSM has a unicameral congress, which has 14 members elected by popular vote. Four senators, representing the four states, serve for a four-year term. Ten senators, who are elected for two-year terms, represent single-member districts based on population. The congress elects the president and vice-president from among the four state-based senators, for a four-year executive term. Special elections are held in order to fill their congressional seats. The cabinet is appointed. The president and vice-president are supported by an appointed cabinet. There are no formal political parties.

The Constitution states that in order to become a law, a bill must pass two readings on separate days. The first reading must pass with two thirds of all members. On the final vote, each state delegation must cast one vote, and the bill will pass if it gains two thirds of the votes of the delegations. The bill is then presented to the president for approval. If the president does not return the bill with any objections to Congress within 10 days, the bill becomes a law. Bills may have but one subject, and provisions outside the title of the law are void.

Approach to Climate Change

The FSM is a non-annex-1 party to the Kyoto Protocol, having submitted its first communication to the UNFCCC in 1997. It is also a member of the Alliance of Small Island States (AOSIS) to address global climate change. In February 2014 the FSM accepted the Doha amendment to the Kyoto Protocol, which formalises commitments for the period 2013-2020.

In 2004 the government formulated the Strategic Development Plan 2004-2024, which calls for a 50% cut in imported petroleum fuels by 2020 through improved energy efficiency, energy conservation, elimination of energy subsidies and public education. It sets a renewable energy target of 10% of electricity in urban centres and 50% in rural areas by 2020, through incentives and public education, whilst upgrading local capacity to operate and maintain all renewable energy hardware. It also sets a target of meeting US standards for energy efficiency in 100% of new public buildings and 50% of private buildings by 2006.

In 2013 Congress passed the Nationwide Integrated Disaster Risk Management and Climate Change Policy (‘the Climate Change Policy’). The policy sets out in its guiding principles a ‘multi-hazard’ risk management approach that integrates

disaster risk management, climate change adaptation and GHG emissions reduction.

In order to implement The Nationwide Integrated Disaster Risk Management and Climate Change Policy, The Climate Change Act was passed in Congress in late 2013, and signed by the President in January 2014. The Act instructs government offices and departments to prepare plans and policies consistent with the Climate Change Policy by October 2015; it also includes an obligation on the President to report to Congress on the progress of implementation of the Act, and for the budget request to include one or more lines on the implementation of the Climate Change Policy. The Asian Development Bank's Country Operations Business Plan (COBP) 2011-2013 and the COPBP 2012-2014 are focused on infrastructure and the energy sector, namely implementing renewable energy projects in Yap and Pohnpei in the form of hydropower, solar energy and wind energy. Emphasis has been placed on the need for institutional and tariff reforms supported by full cost recovery at utility and state levels.

The FSM has also been supported under the REP-5 Programme, which is the 9th European Development Fund (9th EDF, 2000-2007) multi-country initiative to reduce dependency on fossil fuel in five Pacific countries, both to reach fiscal balance and to increase the availability of electricity to outer island communities. Most funds have been allocated to solar PV installations across four states – focusing on electrification of outer islands in Yap, Chuuk and Pohnpei, and on connection to the main grid on the single-island state of Kosrae. Renewable energy and reducing dependency on fossil fuels remained the focus for the 10th EDF (2008-2013).

Energy demand

The Nationwide Energy Policy calls for a 50% increase in energy efficiency by 2020, via a government facility conservation plan; regulation on building and construction; an awareness campaign on energy efficiency and conservation; and training and capacity building programme.

Energy supply

The main fuel used in the FSM is locally produced biomass – especially wood, charcoal and coconut husk products. Fuels for electricity generation and transportation are mainly a mix coconut oil and diesel. Solar energy is approximately 1% of the energy mix. A small hydro-electric plant operates in Pohnpei, and is being restored, with the aid of European Union EDF grants of nearly USD15 million over a 10-year period. Other projects include a 180kw solar energy pilot project funded by Japan International Co-operation Agency (JICA), a USD800,000 grant for a PV grid connection system in Chuuk.

Under the FSM federal system, the utilities are owned and regulated by the constituent states. There is no national-level legislation and standards. The governance of the utilities at the state level varies. Although some states like Pohnpei State have regulatory legislation, in practice the utilities are self-

regulating. The FSM Petroleum Corporation was established in 2008 as a wholly government-owned enterprise, which aims to achieve greater economies of scale in the import of fuel to all four states.

REDD+ and LULUCF

The 1997 national communication to the UNFCCC lists, among its adaptation goals, reforestation of mangroves, upland forests and other forests in need of restoration.

The US Forest Service and the FSM collaborated on a forest management plan, Federated States of Micronesia State-Wide Assessment and Resource Strategy 2010–2015+ (2010), a strategic plan to harvest timber and manage forest resources in a way that preserves the soils and resource. The plan integrates climate adaptation considerations.

In March 2014, a land protection deal ('conservation easement') was declared in Kosrae, protecting 78 acres of forested wetland. The conservation easement, allowing the land owners to retain title to the land but not to exercise development and other rights, is the first of its kind outside the Americas, and is hoped to be the first of many similar deals in the area. It is co-funded by the US Forest Service and a private charity, and held by the Kosrae Island Resource Management Authority (KIRMA).

Adaptation

The FSM, a coastal nation comprised of 607 islands, is highly vulnerable to climate change. As outlined in its first National Communication to the UNFCCC in 1997, the FSM's major concerns as a coastal nation are vulnerability to sea level rise and to more frequent, intense, or long lasting El-Niño droughts and La Niña floods and storms. It identifies six sectors and four cross-sectoral areas in which effect-oriented adaptation and source-oriented mitigation measures need to be adopted to address the known and potential impacts of climate change. The six sectors are: coral reef ecosystems; coastal zone ecosystems; waste management; upland forest ecosystems; agriculture/agroforestry; water supply. The cross- sectoral areas are: public awareness programmes; research programmes; technology development and transfer; interagency strengthening. The Climate Change Policy is the most recent and most significant development with regards to adaptation efforts. The policy, adopted by Congress in 2013, aims to achieve economic growth and self-reliance within a framework of sustainable development that seeks to maximise opportunities presented by climate change, while minimising the risks associated with all slow and rapid-onset natural and human-induced hazards, including those associated with climate change.

Micronesia: Legislative Portfolio

Name of law	Federated States of Micronesia Climate Change Act
Date	27 November, 2013
Summary	The Climate Change Act, adopted by the FSM congress in late November 2013 implements the recently adopted Nationwide Integrated Disaster Risk Management and Climate Change Policy. It instructs government offices and departments to prepare plans and policies consistent with the Climate Change Policy by October 2015; it also includes an obligation on the President to report to Congress on the progress of implementation of the Climate Change, and for the budget request to include one or more lines on the implementation of the Climate Change Policy.

Micronesia: Executive Portfolio

Name of policy	Nationwide Integrated Disaster Risk Management and Climate Change Policy
Date	20 September, 2013
Summary	The Policy aims to achieve economic growth and self-reliance within a framework of sustainable development that seeks to maximize opportunities presented by climate change and minimise the risks associated with all slow and rapid-onset natural and human-induced hazards, including those associated with climate change.

It will assist in meeting regional and international treaty obligations and objectives that the Government of FSM has agreed are worth pursuing such as the Pacific Disaster Risk Reduction and Disaster Management Framework for Action 2005 – 2015 (RFA), the Pacific Islands Framework for Action on Climate Change 2006 – 2015 (PIFACC), the international Hyogo Framework for Action: Building the Resilience of Nations and Communities to Disasters 2005 – 2015, and the United Nations Framework Convention on Climate Change (UNFCCC).

The guiding principles of the policy include:

- A ‘multi-hazard’ risk management approach that integrates disaster risk management, climate change adaptation and GHG emissions reduction
- Recognition that the assessment and treatment of existing risks is the starting point for reducing and managing future risks
- Innovative and creative thinking to seek approaches that simultaneously reduce threats and identify possible opportunities arising from climate change
- Strong horizontal and vertical coordination between sectors, national, state and community levels using an ‘all-of-government’, ‘all-of-country’ co-ordinated approach that emphasizes partnerships between the public sector, private sector and civil society
- Knowledge-based decision-making with an emphasis on understanding and addressing root causes of hazards and vulnerabilities and using a science-based, no regrets and precautionary approach
- Holistic, integrated community- and ecosystem-based ‘ridge to reef’ approach to risk reduction and natural resources management to ensure that adaptation measures are socially and ecologically sound
- Special attention to gender issues and the needs of marginalised groups, such as small atoll communities, the disabled and the elderly
- Recognising the rights of island communities to their ancestral lands, while acknowledging the role that migration has played, and will continue to play, as an adaptation strategy to a changing environment

The strategic outcomes, in support of the FSM Development Plan 2004-2023, include:

- Economic resilience – among others through robust agriculture, forestry, fisheries, green economy, reduced reliance on imported commodities, and an environmentally responsible tourism sector
- Food, water and energy security – with safe, consistent access to water and clean, affordable energy
- Infrastructure and settlements – with resilience towards climate change effects, especially sea level rise
- Waste Management and Sanitation
- Health and Social Protection
- Education – including public awareness to enable best practice in adaptation and risk management

The strategic objectives of the plan, to which the government is committed to invest in, include:

- Capacity Building and Public Awareness
- Disaster Risk Management – using existing and new policy and planning instruments, resources and capacities
- Climate Change Adaptation - through the allowing of adjustment of natural and human systems, development and economic activities to the gradual changes in climate and its impacts (sea level, air and sea temperature, precipitation etc.); reducing and managing the risks associated with more frequent, severe and unpredictable extreme weather events
- Prevent environmental migration through adaptation strategies, while addressing human mobility associated with natural disasters and climate change through durable solutions
- Ensure environmental migration is managed to the extent possible in a humane and orderly manner, including the protection of displaced populations
- Reduce GHG Emissions – through reducing dependence on, and use of, fossil fuels; Increased investment in the development of renewable energy sources; energy efficiency and conservation
- Establish sustainable funding for Disaster Risk Management, Climate Change Adaptation and GHG Emissions Reduction through participation in international financing programmes, the establishment and use of national funding mechanisms (including the Calamity Trust Fund), and the mainstreaming of Disaster Risk Management, Climate Change Adaptation and GHG Emissions Reduction into national, sectoral, state and municipal-level budgetary processes
- Develop and implement national, state and community-level Integrated Disaster Risk Management and Climate Change Action Plans
- Strengthen governance and management arrangements for Disaster Risk Management, Climate Change Adaptation and GHG Emissions Reduction including policy, compliance, legislative and regulatory frameworks, data management, performance monitoring and reporting frameworks that enable the ongoing assessment and management of disaster and climate risks and impacts

Implementation should be sought through a combination of dedicated initiatives and through mainstreaming of associated issues into all existing and future development programmes.

Name of policy	Energy Policy
Date	October 2012
Summary	<p>The Energy Policy aims to reduce the dependence on imported sources of energy and on fluctuating energy prices, by increasing share of renewable energy in the energy mix, cross-sectoral energy conservation and energy efficiency standards. .</p> <p>The stated targets of the policy are:</p> <ul style="list-style-type: none"> • 30% of energy produced by renewables by 2020 • 50% increase in energy efficiency by 2020 <p>Policy intermediate goals are:</p> <ul style="list-style-type: none"> • Provision of affordable and safe electricity to all the households in the main island centres by 2015 • Electrification of 80% of rural public facilities by 2015 • Electrification of 90% of rural households by 2020 • Enhance the supply-side energy efficiency of the FSM utilities by 20% by 2015 <p>The policy includes action plans on four main components:</p> <p>Institutional</p> <p>A National Energy Workgroup has been established, co-ordinated by the Energy Division in the Department of R&D, which is responsible for:</p> <ul style="list-style-type: none"> • Overseeing all national efforts in the energy sector • Co-ordinating overseas development assistance that will be used for implementing the Action Plans • Developing timely a nationwide energy statistic database for effective and fact-finding planning, monitoring and evaluation. • Assisting in implementing the action plans by the State Energy Workgroup (SEW) • Providing technical assistance to the State Energy Workgroup, as requested • Annually reviewing the Energy Policy and revising this Energy Policy as needed in consultation with the SEW <p>Conventional Energy</p> <ul style="list-style-type: none"> • Effectively co-ordinate with regional/sub-regional organisations for stable and affordable energy supply • Energy Division (R&D) to act as a centre for implementation of Energy Policy <p>Renewable Energy</p> <ul style="list-style-type: none"> • Effectively co-ordinate with donors and regional/sub-regional organisations to support • Technical/financial source of states' investment plans • Conduct nationwide study for renewable energy assessment <p>The action plan includes a renewable energy target across all four states, focusing on solar, and also on wind, hydro, biofuel and bio-gas.</p> <p>Energy Efficiency and Conservation</p> <ul style="list-style-type: none"> • Implement government facility conservation plan • Advance regulation on building and construction • Conduct awareness campaign on energy efficiency and conservation • Conduct training and capacity building programme

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