COP 23 Side Event: Accessing and Managing Climate Change Finance: Experiences from the Pacific Region
Monday 13th November 2017
4:45pm – 6:15pm, Rm 6, Davos 332

Brief and talking points for Dr Melchior Mataki, Permanent Secretary, MECDM, Solomon Islands

Background

1. The Pacific Climate Finance side event is a joint initiative between SPC, PIFS, SPREP, GIZ and Pacific island country governments; Fiji, Palau, Solomon Islands and Vanuatu. The event aims to: (i) share experiences from the Pacific region on the successes and challenges of implementing key recommendations from the national climate change finance assessments; (ii) foster information exchange on approaches and best practices to progress the implementation of climate change finance assessment recommendations that lead to countries' readiness; (iii) build awareness and support for the national climate finance assessments in particular for non-state actors such as the private sector and civil society.

2. The format of the side event will be a panel discussion which will run for 1 ½ hours. The session will start with an overview of the programme and introduction of speakers. The panel will include senior officials from Pacific island country governments and regional intergovernmental agencies from the Pacific. The list of speakers and moderator is outlined below:

   - ***Moderator:*** *Dr Audrey Aumua, Deputy Director General, Pacific Community (SPC)*
   - ***Opening Remarks****: Meg Taylor, Secretary General, Pacific Islands Forum Secretariat (PIFS)*
   - ***Speaker 1:*** *Aiyaz Sayed-Khaiyum, Minister of Economy & Attorney General, Ministry of Economy, Government of Fiji*
   - ***Speaker 2:*** *Dr Melchior Mataki,* Permanent Secretary, Ministry of Environment, Climate Change, Disaster Management & Meteorology, Government of the Solomon Islands
   - ***Speaker 3:*** *Jesse Benjamin,* Director General, Ministry of Climate Change Adaptation, Meteorology, Geo-hazards, Environment, Energy and Disaster Management, Government of Vanuatu
   - ***Speaker 4:*** *Joe Aitaro,* Climate Change Finance Coordinator & Adviser to the GCF Board for SIDS, Government of Palau
   - **Wrap up and Concluding Remarks**: Kosi Latu, *Director General, Secretariat of the Pacific Regional Environment Programme (SPREP)*

3. Following the Fiji government's representatives remarks, the Solomon Islands will be invited to speak. Each panelist will be given 10minutes to highlight their country experiences and lessons learned in undertaking and implementing climate change and disaster risk finance assessments.

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You may wish to use the key points outlined below in your presentation and discussion.

Overview of the Climate Change and Disaster Risk Finance Assessment

4. Solomon Islands undertook a climate change and disaster risk finance assessment from 28 November to 09 December 2016 by a joint team representing the Pacific Islands Forum Secretariat (PIFS), the Pacific Community (SPC) and Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ) in collaboration with the UNDP Pacific Risk Resilience Programme (PRRP), the Secretariat of the Pacific Regional Environment Programme (SPREP) and the Pacific Financial Technical Assistance Centre (PFTAC). The national focal point of the assessment was the Ministry of Environment, Climate Change, Disaster Management and Meteorology (MECDM) in partnership with the Ministry of Finance and Treasury (MoFT) and the Ministry of Development Planning and Aid Coordination (MDPAC).

5. Guided by the Pacific Climate Change Finance Assessment Framework (PCCFAF), the assessment looked at the climate change and disaster risk finance programmes of the Solomon Islands against seven (7) key pillars: (i) Policies and Plans; (ii) Funding Sources;(iii) Public Financial Management and Expenditure; (iv) Institutions; (v) Human Capacity; (vi) Gender and Social inclusion; and (vii) Development Effectiveness. The other key output was an assessment of potential agencies that could serve as the National Implementing Entity (NIE) to the Green Climate Fund (GCF), which will promote 'direct access' for the Solomon Islands.

6. The assessment included reviewing of existing policies and plans and conducting face-to-face consultations with national stakeholders in Honiara (government ministries, development partners/donors, NGOs, private sector, churches and tertiary institutes) as well as government and stakeholders in two provinces – Temotu and Choiseul.

Assessment Objectives

7. The Climate Change and disaster risk finance assessment was undertaken to help government's efforts to:

   - Identify and document the range of bilateral and multilateral funds currently available to, and accessed by Solomon Islands;
   - Provide clarity on potential entities in Solomon Islands that could be nominated for NIE accreditation to the GCF, based on an assessment of capacity requirements for an effective NIE;
   - Provide a practical assessment of the feasibility of applying options (specific instruments and initiatives) to improve access to, and management of climate change and disaster risk finance; and

- Provide information and wider understanding that would inform discussions and decisions at the national and regional level in relation to improving and streamlining the access to climate change and disaster risk finance.

Summary findings of the Solomon Islands climate change and disaster risk finance assessment

8. Climate change and disaster risk reduction has been mainstreamed into national policies and plans. Although policy development and planning has transitioned in line with a resilient agenda, strengthening national CCDRM policies and elevating the responsibilities of these issues to 'core' or 'upstream' ministries like finance and planning needed to take place, to enable sufficient embedding of climate change concerns within the planning and budgeting of different government agencies.

9. Solomon Islands has accessed a significant amount of funds (~ USD 112m) from various sources with funds largely going towards the energy, transport, water, disaster risk reduction/management, agriculture and food security and forestry sectors. Majority of funding came from multilateral sources (54%) and the remaining 46% came from bilateral sources. While SI experience of engaging with various multilateral sources could be capitalized on, having a focused dialogue with bilateral partners may increase access to more bilateral support. Establishing a climate change finance unit in a central agency such as MoFT was deemed essential to support a more coordinated effort to addressing climate change and disaster risk reduction.

10. Significant improvements have been achieved with recent PFM reforms that has led to increased access of other funding sources and partners using national country systems through budget support. Direct access to global climate change funds such as the Green Climate Fund (GCF) and other international funding sources require robust PFM systems to meet necessary fiduciary standards. Serious reforms are still required, particularly in the pursuit for accreditation.

11. While a number of government and non-government agencies are implementing climate change and disaster related activities, they are operating in silos and greater coordination is needed. Further improvements in vertical and horizontal engagement and coordination with line ministries would augment institutional strengthening. The National Transport Fund was found to be best placed as a potential NIE to the GCF, specific to the transport sector, while the Ministry of Finance and Treasury potentially could be strengthened as a candidate for multi-sector projects.

12. While there is sufficient capacity to access and manage international climate change and disaster risk financing at the national level, serious limitations exist at the sub-national/provincial level. Coordinating and capitalizing on the different expertise that exist in

different agencies is also challenging. An opportunity exists in capitalizing on the NGO networks and presence in communities to complement government's capacity.

13. While there is intent and a basis in the Government policies to develop integrated CCDRR programmes, measuring gender and social inclusion outcomes remains a weakness that could be further enhanced by supporting policy commitments towards gender equality, youth and disability in order to strengthen multi-sectoral coordination and resource allocation for implementation.

14. Significant improvements to strengthen institutional arrangements and capacities to effectively manage development assistance has been made but ensuring leadership and ownership by government to drive development, and improving coordination, delegation, reporting and harmonization by development partners remain as key areas for strengthening.

Lessons learned

15. Owing to the cross cutting nature of climate change and disaster risk reduction, a large component of climate change and disaster risk related expenditure is embedded in sector expenditures with other primary objectives, and not necessarily or predominantly within the expenditure and budget of the Ministry responsible for climate change and disaster risk reduction (MECDM). As such, there is no single agency that is a natural champion for climate change and disaster risk reduction. Having an effective high level, multi-agency/multi-stakeholder committee/body responsible for oversight and monitoring of the national climate change and disaster risk reduction agenda with an effective secretariat to support its work is necessary. Having a functional marker applied to climate expenditure across all sectors would also enable it to be tracked over time.

16. Planning and Finance institutions have a leading role to play in facilitating the incorporation of climate change and disaster risk issues into policy development and public investment planning at sector and local levels. Elevating the climate change and disaster risk reduction agenda and tagging it to the core mandates of central agencies such as finance and planning is therefore important. Additionally, ensuring that appraisal criteria for investment projects do screen for 'the climate change and disaster risk reduction sensitivity'' of investment projects would contribute to an effective mainstreaming and integration of climate change and disaster risk reduction.

17. The level of financing accessed is significantly influenced by having strong PFM systems and not necessarily by a country's level of vulnerability. Ensuring a credible and robust PFM system is essential to increased access to CCDRM finance.

18. Private Sector and Civil Society have a clear role in climate change and disaster risk reduction. Ensuring a streamlined, inclusive and integrated approach to addressing climate change and

disaster risk would include strengthening engagement and improving coordination with the private sector and civil society.

19. Strengthening coordination at the provincial level and capacitating provincial governments both in terms of financing and human capacity at the sub national level is necessary to ensure that support reaches the most vulnerable and penetrates down to community level.

20. A common message emerging from the recommendations of the finance assessment was that effectively addressing climate change and disaster did not require government to establish new systems and mechanisms but rather to strengthen and build upon already established systems and mechanisms.

Conclusion

21. The CC and DRM finance assessment helped government and stakeholders to review how climate change and disaster risk reduction policy aims were being reflected in public expenditures and how institutions might be strengthened and adjusted to ensure that financing a response to climate change and disaster risk is being delivered in a coherent way across Government.

22. The finance assessment also provided a starting point for longer term government-led stakeholder dialogue on how the Government might utilize increased financing and the support that partners can provide as part of a coordinated and integrated national response to climate change and disaster risk reduction.