



PACIFIC ISLANDS
FORUM SECRETARIAT



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Amplifying Climate Finance Readiness and Raising Resilience in the Blue Pacific.

When Many Collaborate, Countries Bear Fruits of Climate Finance Readiness



For Pacific Forum Countries, the UNFCCC Paris Climate Agreement remains the barometer for which national and regional climate change effort is needed. Thus, climate change mitigation and adaptation efforts within our Blue Pacific will continue to require enormous financial resources in the years to come.

While the uncertainties and disruption brought on by the COVID-19 pandemic stun all facets of global development into stillness, the Pacific region cannot be left exposed to climate insecurity, even as it fends off the contagion of global infectious diseases.

The *Climate Finance Readiness for the Pacific* (CFRP) Project at the Pacific Islands Forum Secretariat, funded by the Australian Department of Foreign Affairs and Trade (DFAT), and implemented by the German Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), was established in 2016 to boost Pacific public finance management readiness capabilities of targeted institutions, in order to directly access global climate finance.

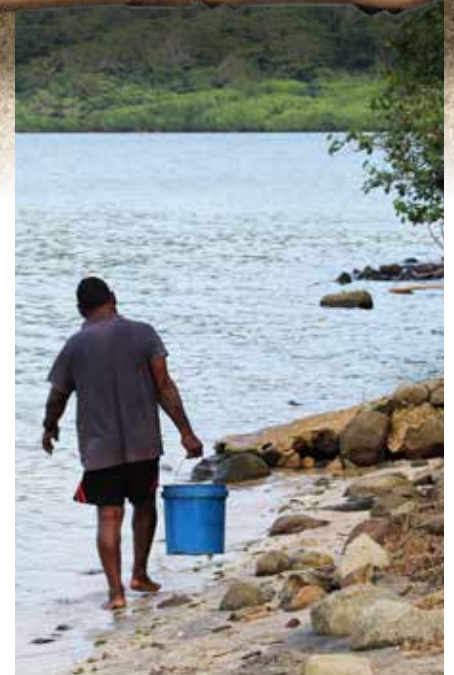
The CFRP project has confronted the climate finance challenges faced by Pacific Forum Countries firmly by their side with remarkable outcomes to-date. But there is more space available at the table for those willing to enhance capacities of the Pacific to access global climate finance, and thereby scale up resilience.

To illustrate, with the Green Climate Fund's pool of \$10 Billion in pledges, Pacific Forum Countries have only been able to procure approximately \$365M of these funds through regional or multilateral institutions.

To date, no Pacific Forum Country has been able to directly access the Green Climate Fund, due to the fiduciary requirements that need to be implemented in order to become a National Implementing Entity (NIE). Despite the strong pace set, there is still much work to be done.



The *Climate Finance Readiness for the Pacific* (CFRP) project provides strategic support to five members of Pacific Forum Countries namely: Kiribati, Samoa, Solomon Islands, Tuvalu and Vanuatu.



As a result of the ground-breaking strides undertaken by the CFRP project with the initial five Pacific Forum Countries, the table has been extended to welcome three additional members of the Pacific Forum family. Furthermore, the insights and challenges gleaned from the project, were escalated upwards in real-time to the global Public Expenditure and Financial Accountability¹ (PEFA) program, which initiated advantageous additions to the framework, resulting in a climate change finance module.

Fiji, the Republic of the Marshall Islands and Tonga are now at the table of the CFRP project to bolster their Public Finance Management systems for climate finance readiness.

¹ <https://www.pefa.org/about>

Fiji: Regional Learning And Sharing At The Table For Climate Finance Readiness

Recognising the Government of Fiji's efforts to address the impacts of climate change, the CFRP project supported the Government by identifying key areas within the Public Financial Management system needing strengthening, in order to access global climate finance sources. By 2017, its national development bank gained National Implementing Entity (NIE) accreditation with the Green Climate Fund. The Government is presently in the process of seeking accreditation as a NIE for the Adaptation Fund.

As a regional hub, the Ministry of Economy graciously offered its experiences for others to learn from, and a peer-to-peer learning platform was offered to the CFRP project countries to study the processes that Fiji had undertaken as it sought accreditation with the Green Climate Fund. In February 2020, a peer-to-peer learning programme ran for 2-weeks, with the intent of

enhancing practical and collaborative knowledge sharing of the techniques and processes, that were critical during the integration of climate finance into Fiji's Public Financial Management system.

The Government of Fiji's guidance in the regional peer-to-peer learning platform for the Pacific Forum Countries is a compelling precedent of how a national need, upon being invested upon, was able to then re-invest through experiential learning to other CFRP project countries at the table. These kinds of bonds exemplify the philosophy of the Blue Pacific, which can only nurture, strengthen and consolidate climate change finance knowledge and expertise across the Pacific Forum region.

The Government of Tuvalu was able to benefit from this experience, and thus has attained NIE accreditation with the Adaptation Fund.

Tomasi Raqina Ministry of Economy

"We are proud that Fiji has been able to do its bit to help embed the spirit of the Blue Pacific, and because we were welcomed at the table we were able to share our experiences with other CFRP project countries.

It was even more exciting to know that Tuvalu has gained their accreditation with the Adaptation Fund having learned from our experiences, and the roles may reverse now as we seek the same accreditation. This is regional solidarity in action.

The CFRP is a two way learning experience, whereby Fiji also benefited from the collaborative sharing of knowledge and the opportunity provided by the programme to share techniques and process in a Pacific Way which is critical for the integration of climate finance."

Tonga: Building Resilience From The Centre

Climate change impacts spurred the Government of Tonga to adopt a national climate change policy focused on resilience in 2015. The national *Climate Change Policy 2016* is borne out of the overarching resilience guidance, provided in the *Tonga Strategic Development Framework (TSDF) II 2015-2025*.

From August 2019, the CFRP project partnered with the United Nations Development Programme (UNDP) Governance for Resilience Programme, and the World Bank's Pacific Resilience Program (PREP) to support the Ministry of Finance and other central agencies to step up their leadership and involvement, in national resilience building efforts. In January 2020, the partners hosted a workshop entitled "Strengthening Central Agency Resilient Development Leadership

Capacity" with representatives of the central agencies in Tonga. The workshop identified several key themes to guide future capacity building such as, building resilience beyond financial capability, and the need for a more structured approach to mainstreaming resilience in planning, budgeting and oversight mechanisms.

To reinforce resilience leadership by central agencies, the Ministry of Finance immediately established a new Resilient Development Finance Division within, to lead the resilience agenda with respect to climate finance, from the centre of Government so that this priority diffuses outwards.

Saane Lolo Ministry of Finance

"It has been encouraging to witness how prioritisation setting from the very top of our national objectives will ensure that building resilience in Tonga is no longer just words. Building our resilience is like constructing a house. Once the foundation is prepared to be able to carry all the weight and objectives of the planned structure, all the other pieces will fall into place.

I am inspired that collaboration with partner agencies like the CFRP project, has refined our thinking around building resilience from the heart of the central agencies, as we want this to translate to meaningful impact for our people."

Republic of the Marshall Islands: Striving Towards Climate Finance Readiness and Resilience

The Government of the Republic of the Marshall Islands is no stranger to taking bold steps to thwart climate change impacts. It is thus unsurprising that it has taken dedicated steps to holistically and cooperatively address risks in the Republic of the Marshall Islands (RMI), as articulated in its national *Til Eo 2050 Climate Strategy*. The execution of the *Til Eo 2050 Strategy* through RMI's existing internal coordination mechanism on climate and resilience also calls for the pursuit of additional financial resources,

particularly from global climate finance sources.

The CFRP project supported the Government by identifying key weaknesses within its Public Financial Management machinery and presented recommendations for improvement so as to meet the required fiduciary criteria, for direct access to the climate finance. The CFRP project's advice has been taken into consideration by the Government, as it intrepidly strives towards its accreditation process as a National Implementing Entity (NIE) for the Green Climate Fund.

Clarence Samuel Climate Change Directorate

"We are striving towards our National Implementing Entity (NIE) accreditation process for the Green Climate Fund. We recognize that it will not be easy, nor quick but it is one of the necessary steps towards achieving climate finance readiness and resilience.

We have no doubt that regional connections, such as that within the CFRP project will be beneficial to the Republic of the Marshall Islands in this journey."

In spite of the extension of the table that welcomed these three (3) additional Pacific Forum Country family members to scale up climate finance readiness and resilience, steady progress continues within the five (5) original CFRP project countries Kiribati, Samoa, Solomon Islands, Tuvalu and Vanuatu.



Kiribati: Intensifying Climate Finance Readiness To Access Climate Finance

The CFRP project maintains its support to the Government of Kiribati's steady efforts to reduce vulnerability and bolster its climate Public Financial Management system to transform treasury functionalities, and consolidate it all into a Manual. This Manual helps to guide the implementation of key preparatory and execution of activities.

The progress made so far is envisioned to greatly escalate the readiness capability of the Government to meet the fiduciary requirements for the National Implementing Entity (NIE) accreditation, for both the Green Climate Fund and the Adaptation Fund, and thus enhance Kiribati's capacity to access global climate finance.

In addition to the efforts of making climate finance more accessible, the project provided targeted technical support to the National Economic Planning Office (NEPO) to develop a budget manual that sets out rules and instructions, for the preparation and formulation of the national budget that is citizen focussed.

This document summarizes and demystifies basic budget information that is easily understandable. This helps to embed national governance by fostering the principles of good governance namely, accountability, transparency and inclusivity in national budget formulation. All of this will be included in the Treasury Operation Manual currently drafted.

Samoa: Widening Oversight Capabilities For Climate Finance Readiness

To access financial resources to address climate change impacts, the CFRP project provided strategic guidance to the Government of Samoa as part of a Public Expenditure Financial Accountability (PEFA) assessment. From this assessment, the project introduced climate finance fiduciary criteria to be included in their climate Public Financial Management reform package.

The CFRP project also supported the Internal Audit Division within the Ministry of Finance by procuring a new system for internal auditing (*Team-Mate* system), that is set to augment the Government's risk auditing performance. With this support, Samoa moves closer to completing its National Implementing Entity (NIE) accreditation requirement for the Green Climate Fund.

Solomon Islands: Does LDC Graduation Mean Access To More Funding?

Solomon Islands, a Small Island Developing State (SIDS) and the Least Developed Country (LDC) within the Pacific Forum Country membership, requires scaled-up financial resources to effectively respond to the adverse effects of climate change and disasters. It is due to graduate from its LDC status within the next two years.

As part of the Government of Solomon Islands efforts, the CFRP project provided specific policy advice on its climate Public Financial Management system needing enhancement through its national climate finance assessment of 2017, and the national Climate Change Seminar held in 2018.

The CFRP project was invited to share experiences of Pacific Forum Countries' access to climate finance, noting the concern that the imminent LDC graduation of the Solomon Islands may dilute global financial benefits. The CFRP project advised the Government that climate finance was a new mechanism for climate change funding, but it requires adjustments to key climate Public Financial Management areas so as to align with the National Implementing Entity (NIE) accreditation criteria of the Green Climate Fund and the Adaptation Fund.



Photo: UNDP Pacific Office in Fiji



Tuvalu: Elation At NIE Accreditation With The Adaptation Fund

Tuvalu has taken a genuinely proactive role to address climate Public Financial Management system gaps, resulting in the Ministry of Finance securing accreditation as a National Implementing Entity (NIE) to the Adaptation Fund.

The CFRP project supported the Government's Ministry of Finance's aims by supporting improvements to account consolidation and reporting of the Tuvalu Development Fund under the Official Development Assistance (ODA) Framework, in accordance with the partners' requirements.

The ability to link up the ODA improvement, was the result of the peer-to-peer learning platform hosted by Fiji's Ministry of Economy, which was attended by two officials from the Government of Tuvalu.

Vanuatu: Enhancing Transparency Within Procurement Processes

The CFRP project partnered with the Government of Vanuatu to address climate change impacts, by supporting the inaugural Vanuatu Climate Finance Forum that was aimed at unpacking the complexities of the global architecture of climate finance, and identified national gaps that required reforms.

The inaugural gathering also considered key challenges that hindered the attainment of national climate finance aspirations, including programming and prioritisation; coordination; and monitoring and evaluation. The outcome of the national forum led to an Action Plan document for upcoming climate finance projects, that the Government intended to seek support for, from the Green Climate Fund.

The development of an e-portal procurement platform supported by the CFRP project, is envisioned to improve the transparency of procurement processes within the Government of Vanuatu, and to raise awareness within the private sector of the Government's procurement needs.



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