



PACIFIC ISLANDS FORUM SECRETARIAT

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PACIFIC ISLANDS FORUM

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Financing NDC Implementation in the Pacific: Setting the scene from a regional perspective

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Role of Finance in NDC Implementation

- NDC commitments by PICs are **ambitious** (compared to collective negligible emissions).
- A large portion of Pacific NDC commitments are “conditional” to the provision of **external finance** and technology.
- Around 69% of the global climate finance mobilized in 2015 was ‘**private finance**’ – **role of private sector engagement** in the 2020 target of USD100bn/year (to be mobilized from a wide variety of sources).
- **With access to international climate change finance, PICs could achieve even ‘higher ambition’.**
 - ✓ Solomon Islands – with external support commitments could move from 12% to 27% GHG reduction by 2025 below 2015 levels. And 30% to 45% GHG reduction by 2030.
 - ✓ Fiji – 10% GHG reduction by 2030 through Green Growth Framework to 30% GHG reduction by 2030 compared to BAU.

How much finance do we need?

Review of current NDCs

Cost of implementing conditional NDCs for selected PICs:

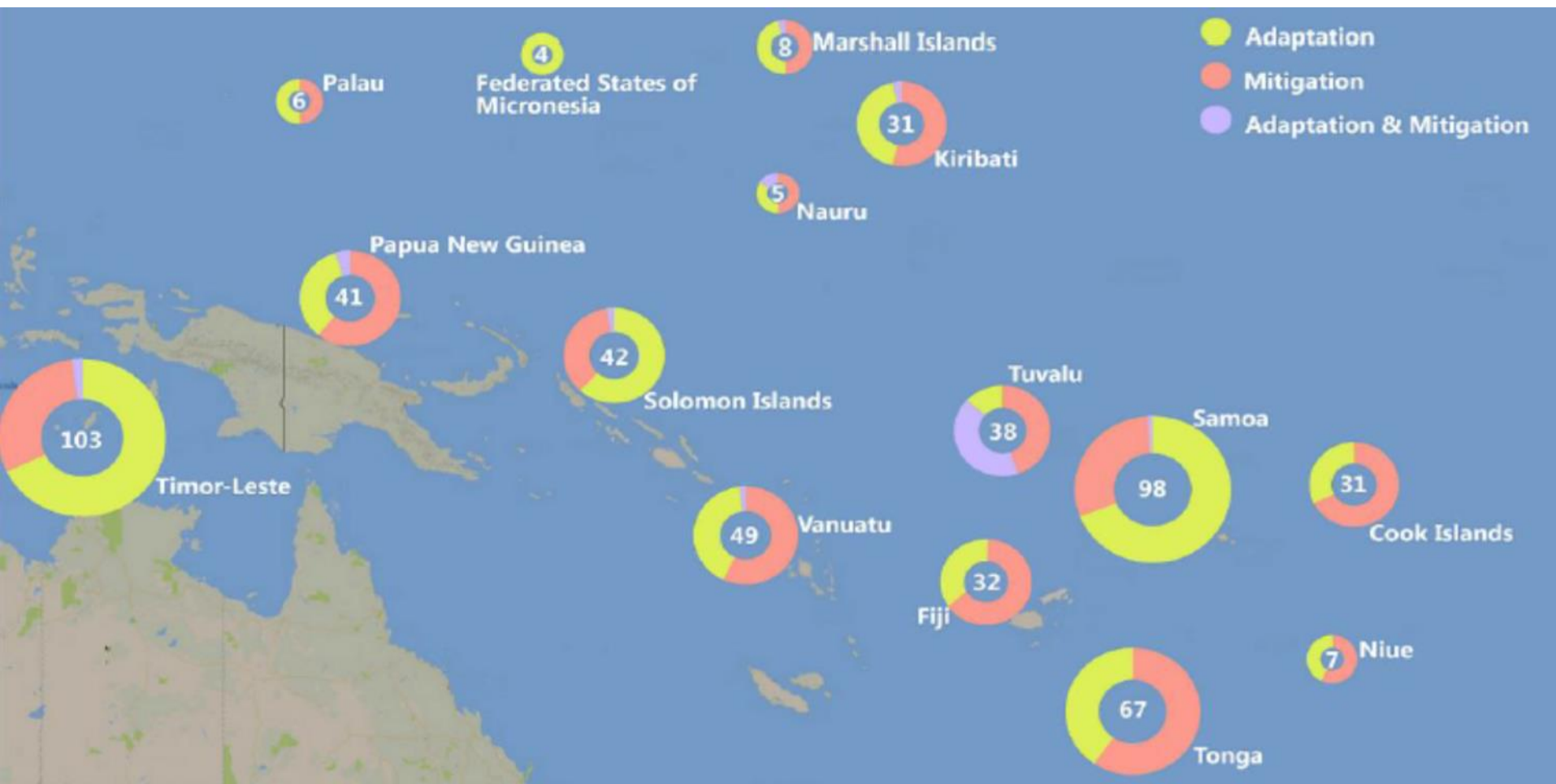
- Fiji – At least US\$500 million
- Vanuatu – At least US\$400 million
- Solomon Islands – At least US\$200 million
- Nauru – At least US\$50 million

Context of NDC enhancement to include Adaptation

Adaptation cost for coastal protection in PICs (World Bank Pacific Possible 2017 Report):

- *Best case scenario* - PICs will require up to US\$234m/year by 2020 and US\$285m/year by 2040.
- *Worst case scenario* – US\$796m/year by 2020 and US\$1.044bn/year by 2040.

Where are we in terms of Accessibility?



- USD645 million (2010-2014), 14 PICs
- Adaptation 59%
- Bilateral 54%
- Mostly grants
- Largely project-based funding

Source: SEI 2017

The region's access to the GCF

- Between Nov 2015 and present, a total of 9 PICs have had projects approved, amounting to around USD297 million (~8% of the total GCF approved projects).

Country	Project focus	GCF funding	Accredited Entity
Fiji	Water Supply & Sanitation	USD31m grant	ADB
Tuvalu	Coastal Protection	USD36m grant	UNDP
Samoa	Flood Management	USD57.7m grant	UNDP
Vanuatu	Climate Info Services	USD23m grant	SPREP
Cook Islands	Renewable Energy	USD17m grant	ADB
Solomon Islands	Tina River Hydropower	USD86m (70m loan & 16m grant)	World Bank
PNG (part of global multi-country)	Energy generation & access	USD250m equity (global) & USD15m grant (global)	EIB
Nauru	Climate Resilient Port	USD26.91m grant	ADB
RMI	PREP Phase II - Resilience	USD25m grant	World Bank

- 10 PICs have accessed readiness grants. Fiji FDB is an NIE. SPREP and MCT are RIEs. MIEs – WB, ADB, UNDP, UNEP, CI, IUCN, FAO, WMO, EIB etc.

Key Observations



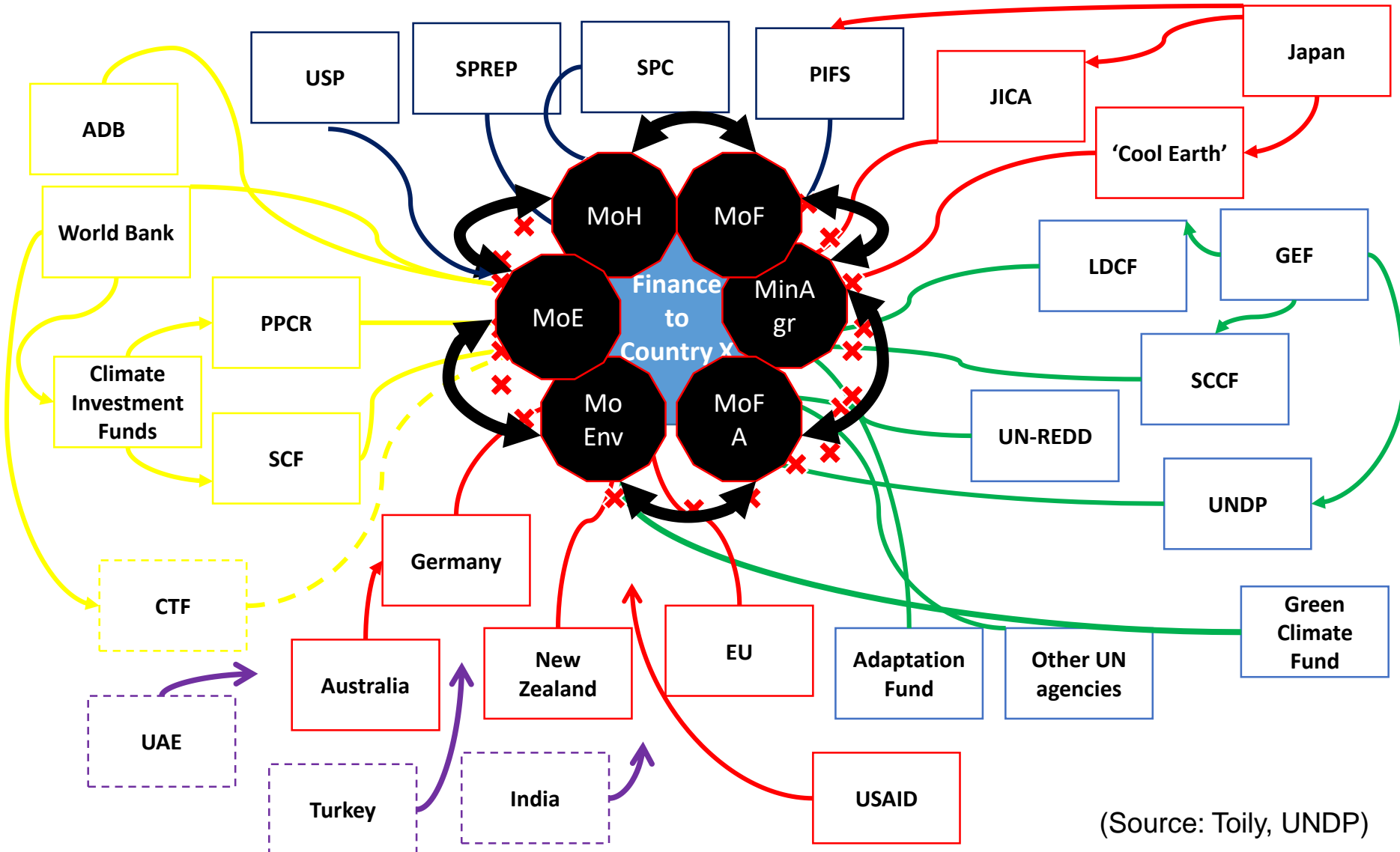
CAUTION:
TREES
OBSCURING
VIEW OF
FOREST
NEXT 5 MILES

Flows are not tributaries



Credit: Thomas Beloe, UNDP

Coordination and Information Sharing is important



(Source: Toily, UNDP)

Public-Private Partnerships



Guiding Questions for Panelists

Funds and MDBs (GCF, GEF, World Bank & ADB):

1. What are some examples of existing financing modalities/approaches/products that PICs could pursue to support NDC implementation? Any support for private sector engagement?
2. What is your perspective on financing options for NDC enhancement and achievement of the broader resilient development goals?

Country (Tuvalu):

1. What is your country experience in accessing climate finance (GCF project)?
2. Provide a brief on the Tuvalu Survival Fund as an example of innovative financing?