

Twenty Fourth SPREP Meeting of Officials

17-19 September 2013
Apia, Samoa

Agenda Item 9.4.4 : Facilitating Resilient Development in the Pacific: Strengthening Capacity in the Use of Cost-Benefit Analysis (P-CBA Initiative)

Purpose of Paper

1. To seek expressions of interest (EOI) to participate in a capacity building program in cost-benefit analysis - entitled the Pacific Cost-Benefit Analysis Initiative (P-CBA Initiative) - to strengthen decision making processes within SPREP members.

Background

2. Over the past decade, the use of Cost-Benefit Analysis (CBA) to inform the design of environment and natural resource management projects in the Pacific region has increased including considerations of climate change and disaster risks, together with their environmental and socio-economic impacts. The adoption of such economic analysis is contributing to the effectiveness of project and policy design and their implementation in the region.

3. Most economic analyses conducted have been delivered through non-national entities (CROP organizations, development partners, consultants and so on). This reflects the fact that many Members - particularly those with smaller administrations - have limited expertise in CBA.

4. Recently, a CBA capacity building programme was delivered through the Pacific Adaptation to Climate Change (PACC) project. An evaluation report of this capacity building programme is available at <http://www.pacificclimatechange.net/index.php/eresources/documents?task=view&id=737&catid=121>.

5. This PACC CBA capacity building program has generated broader interest in capacity building assistance in CBA. For example, since the PACC CBA trainings, Fiji, Tuvalu, Kiribati and Vanuatu have specifically sought out capacity building assistance in CBA.

6. The demand for capacity building in CBA has also been driven in part by donor requirements that new projects are economically efficient, environmentally acceptable and equitable in order to ensure that climate change and other funds are assigned to the projects that are demonstratively the most beneficial and sustainable. The lack of expertise to address these requirements can hamper access to or implementation of nationally and externally financed development projects.

7. The proposed P-CBA Initiative has been presented at the July FEMM, the 2013 Pacific Climate Change Roundtable, and also the Climate Change Finance Workshop in June 2013.
8. Several CROP and international development agencies have now formed a Working Group to jointly address capacity building in CBA in a collaborative, consistent and strategic manner. For the last 15 months, the Working Group (SPREP, SPC, GIZ, PIFS) has been collaborating on the design and delivery of training courses in-country, development of a guide to cost benefit analysis and this current proposal for strategic capacity building in economic analysis, with the assistance of the UNDP.
9. The basic structure of the P-CBA Initiative has been developed. A summary outline of the concept is provided at **Attachment 1**.
10. There are very strong links between this proposed P-CBA Initiative and the work currently being carried out through the Environmental Monitoring and Governance Division on environmental impact assessment at all levels - project, policy and strategic level. The two initiatives are complementary and IA and thus integration at an early stage will ensure the two initiatives reinforce each other.
11. Formal input from Members' on the level and type of capacity building assistance in CBA is now being sought through submissions of Expression of Interest (EOI) letters. This input will help to further develop the P-CBA proposal.
12. **Attachment 2** outlines the basic information to be included in any EOI letters.

Recommendation

- 13 We seek the Meetings:
 - **Guidance on and endorsement** of the proposed P-CBA Initiative; and
 - **Request** that Pacific Members submit an Expression of Interest (EOI) letter to the P-CBA Working Group through their national SPREP focal points, who together with the Ministries of Finance will be the lead co-ordinating agency for this initiative.