

Twenty Eighth SPREP Meeting of Officials

Apia, Samoa
19 – 21st September 2017

Agenda Item 6.2: Access to Climate Finance - Adaptation Fund (AF) Green Climate Fund (GCF) and GEF Accreditation Updates

Purpose

1. To provide the SM with an update on the Secretariat's support for Pacific Island Country access to climate finance
2. To provide the SM with an update on the Secretariat's support for access to finance through the Global Environment Facility

Background

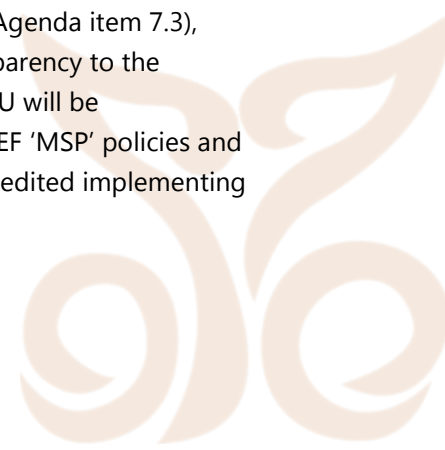
Green Climate Fund (GCF) and Adaptation Fund (AF)

3. The Secretariat is accredited to the AF) and the GCF. Accreditation to the funds allows SPREP to access climate finance for the delivery of projects which address PICs' climate change priorities and align with the funds' objectives. In summary SPREP is currently engaging with 12 PICs on various project opportunities.
 - a. Since its accreditation to the GCF in 2015 the Secretariat has had very positive engagement with the GCF. In 2016 the GCF Board meeting approved the project *Climate Information Services for Resilient Development* for Vanuatu. The USD 23 million¹ grant will support Vanuatu integrate climate information into 5 key development sectors (tourism, infrastructure, agriculture, fisheries and water. The development of the proposal was based on successful delivery of a GCF supported project preparation grant.
 - b. In March 2017 the Adaptation Fund Board approved the *Enhancing the Climate Change Resilience of Vulnerable Island Communities in Federated States of Micronesia*. The USD 9 million grant will support FSM to deliver water security initiatives in 6 atoll communities, and support the Kosrae Inland Road Relocation Initiative.
 - c. The Secretariat is now progressing project implementation arrangements to allow for the commencement of these projects. It is anticipated that both projects will be able to commence with project inception workshops by the end of 2017.

¹ This approved grant amount is subject to change pending a budget revision process.

4. SPREP also provides support for Members' access to climate finance through the USAID Institutional Strengthening for Adaptation to Climate Change (ISACC) project. SPC as grant beneficiary, manages the project partnership with SPREP and PIFs. The ISSAC Project is currently being implemented in 8 member countries to support strengthened institutional, human and technical capacity that will enhance the countries' access to climate finance. Recognising that strong partnerships are critical to the success of implementation in countries, the ISSAC project and the GIZ/DFAT funded Climate Finance Readiness in the Pacific (CFRP) project work in collaboration to ensure coordinated and efficient delivery. The Pilot Programme on Pacific Resilience (see WP 12.2.3) has also supported access to climate finance.
5. The Secretariat has continued to develop its project pipeline for the AF and GCF based on country requests.
 - a. Following discussions at the 2016 GCF Pacific Structured Dialogue, the Secretariat has partnered with IUCN (with input from other partners including SPC, and SPTO) to develop a multi-country Coastal and Marine Ecosystem Resilience Programme. The Secretariat and IUCN are seeking a project preparation grant from the GCF to undertake an extensive programme design process². Nine Member countries have expressed interest in being involved in the Programme.
 - b. The Secretariat is also progressing GCF Readiness proposals with 4 countries. GCF Readiness proposals support countries' access to climate finance through a variety of capacity support and technical assistance activities.
 - c. The Secretariat is also progressing a number of other proposals in early stages of development. The full SPREP AF / GCF Pipeline is attached for information
6. The Secretariat will continue to seek opportunities to support Members' access to the AF and GCF through a variety of avenues. For example the Secretariat will:
 - a. facilitate discussion at the August 2017 Pacific Meteorological Council Meeting towards a regional climate information services project through the GCF. Similar opportunities will be explored in other regional fora with key SPREP stakeholders.
 - b. work with other partners to progress PICT's priorities such as working with UNDP to support development of a GCF proposal on coastal protection in Tonga.
 - c. SPREP is also in the process of seeking an upgrade to its GCF accreditation to allow for delivery of 'Category B' Environmental and Social Safeguard projects, as well as to allow for on-granting financial modalities.
7. The Secretariat continues to build its capacity to support access to climate finance, including as an accredited entity to the AF and GCF:
 - a. The Secretariat has established a Project Coordination Unit (see Agenda item 7.3), which will bring greater focus, coordination, structure, and transparency to the Secretariat's management of its overall project portfolio. The PCU will be instrumental in supporting the application of many of the new GEF 'MSP' policies and procedures (see below), and will coordinate the Secretariat's accredited implementing entity responsibilities.

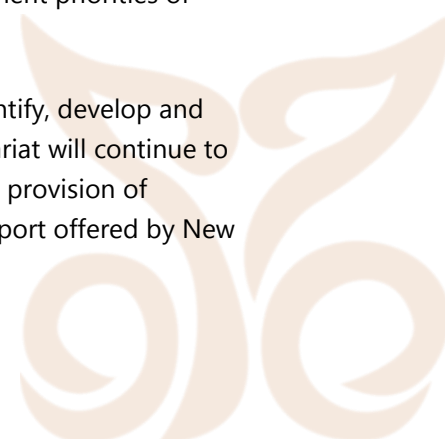
² At time of writing this grant request proposal is being finalized for submission.



- b. The Secretariat has also been successful in leveraging other sources of support and technical assistance for supporting PIC access to climate finance including through New Zealand MFAT, which has supported project development process in several countries, USAID which has supported development of the approved Adaptation Fund project for FSM, as well as the Regional Technical Support Mechanism (RTSM).
 - c. The Secretariat will continue to seek additional resourcing support to fill remaining and emerging capacity gaps.
8. SPREP's support for access to climate finance also extends to the Secretariat's support for Members engagement through the UNFCCC CoP process, through support for the SIDS representative to the GCF Board, to PICT delegations to international and regional climate finance negotiations and meetings, and supporting calls for targeted capacity building and supplementation, using the RTSM as a model.
9. The Secretariat continues to provide support for access to Global Environment Facility (GEF) finance, via the GEF Support Adviser, which has now been relocated to the PCU to ensure coordinated management of SPREPs access to major multilateral funds (the AF and GCF).

GEF Accreditation

- a. The GEF 'MSP' project was delivered successfully and is now closed. The project supported the development and strengthening of several project and financial management policies and procedures to fill key gaps in alignment with GEF accreditation requirements. Features include the institutionalisation of the Project Information Management Systems (PMIS), which will support more accountable, efficient and effective project cycle processes.
 - b. The Secretariat is now positioned to seek accreditation to the GEF at the next available opportunity, noting that the future of the accreditation process is currently been discussed in the context of the GEF-7 replenishment. It is expected additional information on this will be made available after the second GEF-7 replenishment meeting in Brazil in October.
 - c. With the completion of the GEF MSP project, the GEF Support Adviser will continue to provide support to the GEF Pacific Constituency with a focus on supporting the effective engagement of Pacific Island Countries in the on GEF 7 replenishment, assistance in GEF-6 project formulation, and access to the Capacity Building Initiative for Transparency (CBIT) as part of the Secretariat's overall support for implementation of the Paris Agreement.
10. The Secretariat will continue to enhance its support for access to climate finance, and more broadly access to funds that support resilient and low-carbon development priorities of Members, including with a focus on:
 - a. Further building its capacity to support Pacific island countries identify, develop and implement new projects through the AF, GCF and GEF. The Secretariat will continue to enhance the capacity and functionality of the PCU, and increase its provision of technical project development capacity, including via targeted support offered by New Zealand MFAT and USPC.



- b. Supporting country capacity and coordination for enhanced country-led access to climate finance, including via GCF 'readiness' resources, in coordination with the ongoing support and delivery of the ISACC project.
- c. On-going support and advocacy for the Pacific in the context of UNFCCC CoP negotiations, GCF Board policy deliberations, and other initiatives and general support (such as the iCLIM Climate Finance Tool; Adaptation Project Planning Tools and others developed under the PPCR – see WP 12.2.3)
- d. Integration of these and other priorities with the design and development of the Pacific Climate Change Centre.

Recommendations

11. The Meeting is invited to:

- **note** the progress made, and pipeline initiatives, towards securing climate finance as an accredited entity to the GCF and AF resources;
- **note** the establishment of the Project Coordination Unit and its role in supporting the development and management of the SPREP project pipeline, including for AF and GCF projects;
- **note** completion of the GEF 'MSP' project, and ongoing focus on supporting GEF 7 replenishment and access to Capacity Building Initiative for Transparency; and
- **provide** advice on Members' priorities for enhanced and/or additional Secretariat support for access to climate finance.

15 August, 2017

