

Pacific I2I Regional Project: Ocean Health for Ocean Wealth - The Voyage to a Blue Economy for the Blue Pacific Continent

Part I: Project Information

GEF ID

10783

Project Type

FSP

Type of Trust Fund

GET

CBIT/NGI

CBIT No

NGI No

Project Title

Pacific I2I Regional Project: Ocean Health for Ocean Wealth - The Voyage to a Blue Economy for the Blue Pacific Continent

Countries

Regional, Cook Islands, Fiji, Kiribati, Marshall Islands, Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu

Agency(ies)

UNEP, ADB

Other Executing Partner(s)

SPREP

Executing Partner Type

Others

GEF Focal Area

International Waters

Taxonomy

Gender Mainstreaming, Gender Equality, Sex-disaggregated indicators, Beneficiaries, Women groups, Gender-sensitive indicators, Gender results areas, Participation and leadership, Awareness Raising, Access and control over natural resources, Knowledge Generation and Exchange, Capacity Development, Climate Change, Focal Areas, Climate Change Mitigation, Climate Change Adaptation, Private sector, Climate finance, Community-based adaptation, Climate information, Ecosystem-based Adaptation, Sea-level rise, Small Island Developing States, Climate resilience, International Waters, Fisheries, Aquaculture, Constructed Wetlands, Biomes, Coral Reefs, Mangrove, SIDS : Small Island Dev States, Ship, Coastal, Marine Protected Area, Learning, Large Marine Ecosystems, Pollution, Nutrient pollution from Wastewater, Nutrient pollution from all sectors except wastewater, Biodiversity, Payment for Ecosystem Services, Financial and Accounting, Conservation Finance, Natural Capital Assessment and Accounting, Mainstreaming, Tourism, Community Based Natural Resource Mngt, Protected Areas and Landscapes, Coastal and Marine Protected Areas, Productive Seascapes, Sea Grasses, Mangroves, Land Degradation, Sustainable Land Management, Ecosystem Approach, Community-Based Natural Resource Management, Sustainable Livelihoods, Food Security, Influencing models, Stakeholders, Capacity, Knowledge and Research

Rio Markers**Climate Change Mitigation**

Climate Change Mitigation 1

Climate Change Adaptation

Climate Change Adaptation 1

Duration

60 In Months

Agency Fee(\$)

1,350,000.00

Submission Date

3/24/2021

A. Indicative Focal/Non-Focal Area Elements

Programming Directions	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
IW-1-1	GET	9,248,741.00	78,029,795.00
IW-1-3	GET	5,751,259.00	51,546,438.00
	Total Project Cost (\$)	15,000,000.00	129,576,233.00

B. Indicative Project description summary

Project Objective

To preserve and safeguard the health of ocean ecosystems while catalyzing the development and growth of sustainable blue economies (SBE) in Pacific Island Countries.

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
Component 1: Enabling Environment for Sustainable Blue Economy	Technical Assistance	<p>Outcome 1: National (14) and regional (1) Sustainable Blue Economy (SBE) Frameworks and Implementation Plans incorporated into government planning and budgetary processes (e.g., National Medium-Term Development Plans).</p>	<p>Output 1.1: 14 National and one (1) regional blue economy assessments conducted, and SBE Frameworks and Implementation Plans developed and endorsed to national governments for adoption (including updated or new MSPs, ICZM plans, adaptive ocean management plans, EbA plans or integrated ocean management plans as relevant and considered appropriate by countries).</p> <p>USD 1,500,000</p> <p>Output 1.2: Advocacy and capacity enhancement activities conducted, focusing on national policies, regulations, financing mechanisms, and economic instruments supporting SBE development and growth.</p> <p>USD 1,500,000</p>	GET	3,000,000.00	19,505,550.00

Component 2: Sustainable Blue Economy Investments	Technical Assistance	<p>Outcome 2: National sustainable blue economy pilot projects developed and implemented, resulting in “success templates” for replication and upscaling of blue economy growth across the Pacific region.</p>	<p>Output 2.1: Scoping studies (14) conducted for potential SBE pilot projects/ sustainable financing mechanisms among participating countries.</p> <p>USD 464,286</p> <p>Output 2.2 At least six (6) national SBE pilot project proposals developed and submitted to national governments for approval.</p> <p>USD 4,178,571</p> <p>Output 2.3: At least six (6) national SBE pilot projects and supporting partnership arrangements implemented, evaluated, and promoted for replication and upscaling.</p> <p>USD 4,047,619</p>	GET	8,690,476.00	82,707,989.00
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Component 3: Regional Knowledge Platform for Sustainable Blue Economy	Technical Assistance	Outcome 3: Upscaling of SBE enabled through SBE knowledge products and support services, and an SBE Regional Knowledge Platform and Decision Support Framework.	<p>Output 3.1: Tested and proven partnerships, financing and operating templates, and other relevant knowledge products and technologies from national SBE pilot projects prepared and disseminated.</p> <p>USD 882,978</p> <p>Output 3.2: Regional Knowledge Platform and Decision-Support Framework enabled and incorporated into existing national and regional communication and knowledge platforms.</p> <p>USD 582,381</p> <p>Output 3.3: Knowledge sharing and networking linkages and events developed and implemented with other national, regional and global organizations, programs and projects, including IW Learn (1%).</p> <p>USD 148,571</p>	GET	1,613,930.00	12,791,262.00
Component 4: Regional Project Coordination	Technical Assistance	Outcome 4: Effective coordination of regional project planning and implementation, including monitoring, evaluating and reporting program outcomes, outputs, benefits and impacts.	Output 4.1: Program coordination effectively employed to guide and harmonize project planning and implementation, including monitoring and evaluation of project outcomes and outputs, assessment of lessons learned, and identification of best practices.	GET	981,308.00	8,285,716.00

	Sub Total (\$)	14,285,714.00	123,290,517.00
Project Management Cost (PMC)			
	GET	714,286.00	6,285,716.00
	Sub Total(\$)	714,286.00	6,285,716.00
	Total Project Cost(\$)	15,000,000.00	129,576,233.00

C. Indicative sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
Recipient Country Government	Cook Islands*, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue*, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga*, Tuvalu, Vanuatu	In-kind	Recurrent expenditures	29,961,939.00
Recipient Country Government	Cook Islands*, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue*, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga*, Tuvalu, Vanuatu	In-kind	Investment mobilized	60,114,294.00
GEF Agency	UNEP	In-kind	Investment mobilized	5,500,000.00
GEF Agency	ADB	Grant	Investment mobilized	15,000,000.00
Donor Agency	SPREP	In-kind	Investment mobilized	19,000,000.00
			Total Project Cost(\$)	129,576,233.00

Describe how any "Investment Mobilized" was identified

*The in-kind investment mobilised is from Tonga, Cook Islands and Niue. The efforts of the Regional Pacific I2I project will build upon on-going national and regional parallel initiatives mobilised through (1) participating countries namely Niue [through their Niue GCCA+SUPA, PacWaste Plus Project, Niue Hanan International Airport Runway Upgrade project, and Niue Waste Management Project and Enhancing Climate Information and Knowledge Services for Resilience in the Small Islands project], the Cook Islands [through their Sustainable Fisheries Partnership Agreement (SFPA) project, Disaster Resilience for Small Pacific Islands (RESPAC Cook Islands) project, US Fisheries Treaty project, Green Climate Fund Readiness projects, Cook Islands Geoportal (within ICI Hydrography department) project, Accurately Positioning Cook Islands (modernising Cook Islands positioning infrastructure) project, Strengthening water security of vulnerable islands states project, GCCA+ SUPA (Global climate change alliance plus - scaling up pacific adaptation) project, Communications support of Marae Moana marine park project, and National Environment Policy and revised Environment Act development project] and Tonga [Strengthening Protected Area Management in Tonga 2017-2020, Vava'u Ocean Initiative (2019-2022), PEUMP - Bycatch and integrated ecosystem management (2020-2021), GIZ ACSE Project 2016-2020: Coastal Protection Trials in Western Tongatapu, Tonga: Pathway to Sustainable Oceans 2019-2025] as well as (2) the Implementing (SBE related tools and capacity building opportunities) and (3) Executing (on-going GCF activities) Agencies. Such investments mobilized are considered as in-kind given that their

body of work will contribute to the Pacific I2I project but will not be directly managed through it. ADB in contrast anticipates being able to provide USD 15 M in Technical Assistance and Grants hence reflected as Grant. ADB investments mobilized are identified through the ADB Regional Operations Business Plan (ROBP) for the Pacific, as well as the respective Country Operations Business Plans (COBPs). Both are the result of ADB's Country Partnership Strategy (CPS) efforts in each of the PICs.

D. Indicative Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)	Total(\$)
UNEP	GET	Regional	International Waters	International Waters	11,555,555	1,040,000	12,595,555.00
ADB	GET	Regional	International Waters	International Waters	3,444,445	310,000	3,754,445.00
Total GEF Resources(\$)					15,000,000.00	1,350,000.00	16,350,000.00

E. Project Preparation Grant (PPG)

PPG Required **true**

PPG Amount (\$)

300,000

PPG Agency Fee (\$)

27,000

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)	Total(\$)
UNEP	GET	Regional	International Waters	International Waters	231,000	20,790	251,790.00
ADB	GET	Regional	International Waters	International Waters	69,000	6,210	75,210.00
Total Project Costs(\$)					300,000.00	27,000.00	327,000.00

Core Indicators

Indicator 5 Area of marine habitat under improved practices to benefit biodiversity (excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
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71,000,000.00			
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Indicator 5.1 Number of fisheries that meet national or international third party certification that incorporates biodiversity considerations

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
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Type/name of the third-party certification

Indicator 5.2 Number of Large Marine Ecosystems (LMEs) with reduced pollutions and hypoxia

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (achieved at MTR)	Number (achieved at TE)
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1	0	0	0
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LME at PIF

LME at CEO Endorsement

LME at MTR

LME at TE

Western Pacific Warm Pool
(WPWP)



Indicator 5.3 Amount of Marine Litter Avoided

Metric Tons (expected at
PIF)

Metric Tons (expected at CEO Endorsement)

Metric Tons (Achieved at MTR)

Metric Tons (Achieved at TE)

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Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit

(At PIF)

(At CEO Endorsement)

(Achieved at MTR)

(Achieved at TE)

Expected metric tons of CO ₂ e (direct)	0	0	0	0
Expected metric tons of CO ₂ e (indirect)	5750	0	0	0

Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO ₂ e (direct)				
Expected metric tons of CO ₂ e (indirect)				
Anticipated start year of accounting				
Duration of accounting				

Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO ₂ e (direct)				
Expected metric tons of CO ₂ e (indirect)	5,750			
Anticipated start year of accounting	2023			
Duration of accounting	5			

Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
Target Energy Saved (MJ)				

Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)
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Indicator 7 Number of shared water ecosystems (fresh or marine) under new or improved cooperative management

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Shared water Ecosystem	Western Pacific Warm Pool (WPWP)			
Count	1	0	0	0

Indicator 7.1 Level of Transboundary Diagnostic Analysis and Strategic Action Program (TDA/SAP) formulation and implementation (scale of 1 to 4; see Guidance)

Shared Water Ecosystem	Rating (Expected at PIF)	Rating (Expected at CEO Endorsement)	Rating (Achieved at MTR)	Rating (Achieved at TE)
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Western Pacific Warm Pool (WPWP)	4	
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Indicator 7.2 Level of Regional Legal Agreements and Regional management institution(s) (RMI) to support its implementation (scale of 1 to 4; see Guidance)

Shared Water Ecosystem Rating (Expected at PIF) Rating (Expected at CEO Endorsement) Rating (Achieved at MTR) Rating (Achieved at TE)

Indicator 7.3 Level of National/Local reforms and active participation of Inter-Ministeral Committees (IMC; scale 1 to 4; See Guidance)

Shared Water Ecosystem	Rating (Expected at PIF)	Rating (Expected at CEO Endorsement)	Rating (Achieved at MTR)	Rating (Achieved at TE)
Western Pacific Warm Pool (WPWP)	2			

Indicator 7.4 Level of engagement in IWLEARN through participation and delivery of key products(scale 1 to 4; see Guidance)

Shared Water Ecosystem	Rating (Expected at PIF)	Rating (Expected at CEO Endorsement)	Rating (Achieved at MTR)	Rating (Achieved at TE)
Western Pacific Warm Pool (WPWP)	1			

Indicator 11 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	150,000			
Male	150,000			
Total	300000	0	0	0

Part II. Project Justification

1a. Project Description

1.a PROJECT DESCRIPTION

Global Environmental Problems, Root Causes and Barriers

1. Healthy marine and freshwater ecosystems have gained global attention as being critical to sustaining life on earth. It is well-recognized that transboundary marine and freshwater systems underpin and connect ecosystems, and that the global oceans drive critical planetary physical, chemical and biological cycles and processes.

2. The long-term sustainability of human life on planet Earth depends on ensuring sustainable use of coastal and marine resources and the protection and maintenance of the health of global coastal and marine ecosystems. Ocean health is intrinsically linked to sustainable livelihoods, prosperity and economic growth – i.e., ocean wealth. The global ocean economy encompasses not only ocean-based industries such as fishing, shipping, tourism, offshore oil and gas, ocean energy, marine biotechnology, and others, but also natural capital (e.g., coral reefs; seagrass meadows) and ecosystem services that the oceans provide (e.g., habitat; carbon absorption; shoreline protection). As all three are inextricably linked, the value of the ocean economy must include not only the contribution of ocean-related industry to a country's GDP, but also the value of the natural capital and the ecosystem services provided by oceans.

3. According to the OECD (2016), the global ocean economy, measured in terms of the ocean-based industries' contribution to economic output and employment, was valued in 2010 at US\$1.5 trillion, or approximately 2.5 percent of world gross value added (GVA). The OECD report does not include valuation of the full range of ecosystem services provided by oceans. A report by WWF, in collaboration with business consultancy the Boston Consulting Group, *Reviving the Ocean Economy - The Case for Action 2015* (WWF 2015), estimates that the economic value of coastal and oceanic environments is conservatively US\$2.5 trillion per year, more than 65% larger than the ocean-based industry economic value estimated by OECD (2016). The WWF report further states that the overall value of the ocean as an asset is 10 times \$2.5 trillion, or \$25 trillion.

4. Economic activity in the ocean is expanding rapidly, driven primarily by global population growth, general economic growth, increasing globalization of trade, and rising income levels across the world. Looking to 2030, the OECD (2016) predicts that many ocean-based industries have the potential to out-perform the growth of the global economy as a whole, both in terms of value added and employment. The projections suggest that between 2010 and 2030 under a

'business-as-usual' scenario, the global ocean economy could more than double its contribution to global GVA, reaching over US\$3 trillion. Particularly strong growth is projected in marine aquaculture, offshore wind, fish processing, and shipbuilding and repair.

5. Ocean industries also have the potential to make an important contribution to employment growth. In 2030, ocean industries are anticipated to employ approximately 40 million full-time equivalent jobs in the business-as-usual scenario.

6. However, an important constraint on the development of the blue economy is the current deterioration of ocean health, and the lack of ecological sustainability in many of the ocean industries themselves. This may ultimately constrain their growth and cause their decline, or even their collapse in some areas, as natural carrying capacity limits are exceeded. This has already been seen in the decline and collapse of a number of fisheries in various parts of the world (FAO 2018).

7. Some significant global environmental threats and pressures faced by coasts and oceans include, among others (UN 2016) (IOC 2018):

- Approximately 60 percent of the world's major marine ecosystems that underpin livelihoods have been degraded or are being used unsustainably.
- Between 30 and 35 percent of the global extent of critical marine habitats, such as seagrasses, mangroves and coral reefs, are estimated to have been destroyed. Between 1980 and 2005, 35,000 square kilometers of mangroves were removed globally.
- Commercial overexploitation of the world's fish stocks is so severe that it has been estimated that up to 13 percent of global fisheries have collapsed.
- If the concentration of atmospheric CO₂ continues to increase at the current rate, the ocean will become corrosive to the shells of many marine organisms by the end of this century. How (or if) marine organisms may adapt is not known. Ocean acidification may render most regions of the ocean inhospitable to coral reefs, affecting food security, shoreline protection, biodiversity and tourism economies.
- Excessive nutrients from sewage outfalls and agricultural runoff have contributed to an increasing number of low oxygen (hypoxic) areas known as "dead zones". There are now close to 500 dead zones covering more than 245,000 km² of sea area globally, equivalent to the surface of the United Kingdom.
- Approximately 12% of the global land area is managed in protected areas, whereas only roughly 1% of the world ocean and adjacent sea area is managed in protected areas.
- Increased use of ocean space, especially in coastal waters, creates conflicting demands for dedicated marine space.
- Technological change and the emergence of new economic opportunities, such as deep-sea mining, more intensive fishing, and deeper oil and gas drilling, increase risks to areas that historically were not under threat.

8. Ongoing degradation of ocean health will not only degrade the abundance and quality of natural resources and ecosystem services that support sustainable livelihoods, but also reduce the economic contribution of ocean industries to national GDPs. This is why it is vital to undertake a significant transformational change in the way that humans view and use the oceans. There is a pressing need to shift from the current "business as usual", ocean economic model,

which equates to industrializing the oceans purely for the purposes of economic growth, to a sustainable blue economy (SBE) model, which embraces the protection, restoration and sustainable use of marine and coastal resources through ocean-based economic initiatives that generate social, environmental and economic benefits (see Box 1 definition).

Box 1: Pacific I2I Regional Project Definition of Sustainable Blue Economy¶

A sustainable blue economy is one that seeks to halt the loss of biodiversity and to harness the power of natural capital and the benefits that marine ecosystems provide. It is an economy based on circularity, collaboration, resilience, opportunity, and inter-dependence. Its growth is driven by investments that ensure the sustainable use of marine and coastal resources while also reducing carbon emissions and pollution, enhancing energy efficiency, promoting economic growth, and preserving and improving livelihoods across a range of sectors.¶

9. Small island developing states (SIDS) face particular constraints when transitioning to a sustainable blue economy, including small populations, limited resources, vulnerability to natural disasters and external shocks, and strong dependence on international trade. Their growth and development are often hampered by high transportation and communication costs, disproportionate expensive public administration and infrastructure due to their small size, and little or no opportunity to create economies of scale. The particular vulnerabilities and challenges of SIDS were recognized in the Barbados Programme of Action, the Mauritius Strategy for Implementation, the RIO+20 outcome document, and the SIDS Accelerated Modalities of Action (Samoa) Pathway.^[1]

10. To help countries address these challenges, UNEP has embarked on two notable global initiatives.

11. UNEP FI is a global partnership bringing together the UN with more than 350 banks, insurers and institutional investors to develop the sustainable finance agenda. Convening the Sustainable [Blue Economy Finance Initiative](#), UNEP FI aims to mainstream sustainable finance practices supporting ocean health across the global finance industry. The initiative supports the implementation of the market-leading Sustainable [Blue Economy Finance Principles](#), which aim to direct the flow of capital towards activities that directly contribute to SDG 14 (Life Below Water).

12. UNEP FI has just launched two pivotal reports aimed at guiding financial institutions on how to adapt their activities towards achieving SDG 14:

- a. [Rising Tide - Mapping Ocean Finance](#) for a new decade, which maps the current state of ocean finance worldwide, revealing current trends, frameworks and financial instruments that are successfully addressing ocean sustainability, alongside highlighting new opportunities and gaps in the market.
- b. [Turning the Tide - How to finance a sustainable ocean recovery](#), which is a practical toolkit for banks, insurers and investors to pivot their activities towards sustainably financing the blue economy.

13. The UNEP FI work directly connects with the UNEP-led Sustainable Blue Economy Decision Support Framework, which is highly relevant to the finance and investment-related outputs listed in this Pacific I2I Regional Project PIF, e.g. under Component 1: Enabling Environment for SBE (Outcome 1) and Component 2: SBE Investments (Outcome 2).

14. UNEP global Sustainable Blue Economy Initiative also helps transition to a sustainable blue economy with a range of normative guidance, regional policy dialogue and capacity building opportunities at national and regional levels. Its Sustainable Blue Economy Decision Support Framework and learning platform helps enable decision-makers and planners to identify and implement Sustainable Blue Economy policy pathways tailored to local context.

Pacific Islands Regional Context

15. The Pacific Islands Region is subject to the same scenarios as described for the global context. Although as Small Island Developing States (SIDS) surrounded by the world's largest ocean, the significance of coastal and marine resources and the importance of ocean health is much greater for Pacific Island Countries (PICs) than for many other countries. The 14 PICs in this Regional Project have a total population of approximately 11.47 million people with a total land area of about 528,000 km². If PNG is excluded, the total land area of the 13 other PICs is approximately 65,000 km² (Table 1). However, the sea areas of the 14 PICs extend across more than 19 million km² of combined exclusive economic zones (EEZs).

16. The Pacific Island Region hosts some of the last remaining near pristine coral reefs and associated mangrove and seagrass habitats in the world. The region therefore represents a potential global refuge for coral reef, mangrove and seagrass resilience. However, without urgent intervention even the most remote Pacific reefs and associated ecosystems will succumb to human impacts, including rising and warming seas, coral bleaching, and ocean acidification.

17. In particular, coral reefs are extremely important geologically, geographically, ecologically, economically and socially to the Pacific Islands, forming the very foundation of coral atolls and also the lagoons and fringing reefs around the high volcanic islands. The Pacific Islands in their current form simply would not exist without coral reefs. They protect, nourish and stabilize shorelines, are a vital source of dietary protein for many people, and provide income through tourism and fishing.

TABLE 1: Geographic statistics for the Pacific Island Countries (see Annex D for more information)

Country	Political Governance	Land Area (km ²)	EEZ Area (km ²)	Population
Cook Islands	Self-governing, Freely Associated State (with New Zealand)	236	1,976,459	15,300
Fiji	Republic	18,274	1,288,135	895,000
Kiribati	Republic	811	3,455,259	118,700
Marshall Islands	Mixed Parliamentary and Presidential System	181	2,009,620	54,600
Micronesia, Federated States of	Federal Republic	702	3,023,481	105,500
Nauru	Republic	21	310,645	11,700
Niue	Self-governing, Freely Associated State (with New Zealand)	259	319,089	1,600
Palau	Republic	466	617,449	17,900
Papua New Guinea	Independent State	462,840	2,409,920	8,934,500
Samoa	Independent State	2,934	130,973	198,600
Solomon Islands	Independent State	28,230	1,611,839	712,100
Tonga	Kingdom	717	667,957	99,800
Tuvalu	Independent State	26	756,313	10,600
Vanuatu	Republic	12,189	625,530	294,700
TOTALS		527,886	19,202,669	11,470,600

18. Since 2011 there have been at least two major coral bleaching events across large parts of the Pacific, and local-scale impacts appear to be worsening because of land-based sources of marine pollution, coastal development, overfishing, and similar factors.

19. Extending beyond the mangrove, seagrass and coral ecosystems, the region also provides some of the last refuge habitats for globally rare and endangered, and culturally significant marine species, including migratory sea turtles, cetaceans, sharks, rays and dugongs, as well as a range of globally important seabird species.

20. The fisheries resources of the Pacific Islands Region are of major global importance, hosting the world's largest tuna fishery and the last remaining potentially sustainable tuna fishery, which contributes an extremely significant 60% of global tuna production. Other pelagic species including marlin and swordfish, plus several shark species, are also a significant component of oceanic fisheries in the region. Collectively, tuna and these other pelagic species are often referred to as highly migratory stocks because of the great distances they can swim, often across the EEZ boundaries of multiple countries and between EEZs and the high seas (i.e., areas beyond national jurisdiction or ABNJ). In 2014, all fisheries (coastal, oceanic and aquaculture) within the Pacific EEZs produced 2 million metric tons, of which 1.8 million metric tons was from oceanic fisheries (mainly tuna), with a total regional value of US\$3.2 billion (Gillett 2016).

21. The region also hosts some of the last human populations in the world who practice ecologically sustainable traditional island livelihoods, based on traditional ecological knowledge and sustainable use of coastal and marine resources. As ocean-people, inhabiting far-flung islands spread across a vast blue continent, the peoples of the Pacific have depended on sustainable blue economies since ancient times. The ocean is at the heart of Pacific cultures and identities.

22. The Pacific Island Countries, which have extreme sea area to land area ratios, are highly dependent on coastal and marine resources for economic survival. This so-called “blue economy” is fundamental to the future of the Pacific, being the most essential provider of food, income, employment, transport and economic development. The links between ocean health and ocean wealth are more significant in the Pacific than in most other parts of the world. Four assessments of ocean wealth in the Pacific Islands Region have been undertaken in recent years:

- The 2010 IUCN report, *Economic Value of the Pacific Ocean to Pacific Island Countries & Territories* (Seidel & Lal, 2010)[2], found that tourism is the most valuable coastal and marine dependent economic sector at US\$2.27 billion Gross Value of Product (GVP) per year, representing 7.2% of regional Gross Domestic Product (GDP), followed by fisheries (both coastal and offshore) at \$1.04 billion GVP per year, representing 3.3% of regional GDP, with a combined value of US\$3.32 billion GVP, or 10.5% of regional GDP. The report authors also estimated the Total Economic Value (TEV) of ecosystem services for coral reefs and mangroves to be about US\$3.8 billion and US\$3.9 billion per year, respectively, for the entire Pacific Island and Territory Region, giving a combined total of US\$7.7 billion, or twice the value of the combined economic value of tourism and fisheries.
- The 2016 WWF report, *Reviving Melanesia’s Marine Economy - the Case for Action* (Hoegh-Guldberg et al. 2016)[3], adopted the concept of Gross Marine Product (GMP), ostensibly analogous to a country’s annual GDP, but considering the ocean-based components of GDP. The report indicated that the annual GMP of the Melanesian region (i.e., Fiji, New Caledonia, Papua New Guinea, Solomon Islands and Vanuatu) was at least US\$5.4 billion. The report authors also assessed that the total “ocean asset base” of the Melanesian region, at a minimum of US\$548 billion, composed of primary assets (e.g. marine fisheries, coral reefs, mangroves, seagrass) and adjacent or ancillary assets, including productive coastlines and carbon absorption.
- The MACBIO project was jointly implemented by SPREP, IUCN and GIZ (2013-2018)[4]. The project conducted marine ecosystem service valuations for Fiji, Kiribati, Solomon Islands, Tonga and Vanuatu, and found that:
 - o Fiji had a marine ecosystem service valuation of FJ\$2.5 billion (~US\$1.175 billion) in 2014, representing more than half the value of the country’s total exports.
 - o Kiribati had a marine ecosystem service valuation of >AUD\$400 million (~US\$288 million) in 2015, or double the national GDP.
 - o Solomon Islands had a marine ecosystem service valuation of SI\$2.5 billion (~US\$300 million) in 2013, representing more than 30% of the country’s GDP.
 - o Tonga had a marine ecosystem service valuation of T\$47.4 million (~US\$20.86 million) in 2012, which is more than the country’s total exports.
 - o Vanuatu had a marine ecosystem service valuation of VT\$5.7 billion (~US\$49.2 million) in 2013, which is equivalent to >35% of total government expenditure.

- The Cook Islands Marine Ecosystem Services Valuation project was implemented under the GEF/UNDP R2R Programme[5]. Key marine ecosystem services evaluated included: subsistence and commercial fishing; trochus; pearls; sand and coral aggregate; seabed minerals; coastal protection; tourism; recreation; and existence values related to marine biodiversity. The total annual value of marine and coastal ecosystem services to the Cook Islands in 2019 was estimated to be just under NZD133 million (about US\$96 million).

23. As with the global scenario, ongoing degradation of ocean health in the Pacific Islands Region will not only degrade the value of ecosystem services and natural resources that support sustainable livelihoods but also reduce the economic value of ocean industries. The Pacific Island Region is facing a number of increasing environmental pressures and threats, including among others:

- Climate change hazards and impacts including sea-level rise, coastal inundation and salinization, ocean warming, coral bleaching, ocean acidification including compounded impacts on coral reefs, and predicted (but not yet verified) increases in frequency and intensity of tropical cyclones.
- Unsustainable land-use practices, which contribute to land-based sources of marine pollution and impacts, exacerbating the effects of climate change (e.g., food and water security; flooding), and lowering the resilience and recovery capacity of coastal habitats including coral reefs.
- Significant coastal development pressures, causing destruction, alteration and loss of coastal and marine habitats, especially mangroves, seagrasses and coral reefs, and adding to land-based sources of marine pollution and impacts.
- Extremely significant wastewater and solid waste management challenges, including impacts in the marine environment.
- Over-exploitation of coastal fishery resources including by traditional, subsistence fishing and exploitation of offshore fishery resources by foreign fishing fleets, with a general lack of EBM practices in both coastal and offshore fisheries management regimes in the region.

24. These accelerating environmental pressures and impacts further highlight the vital need to undertake a significant transformational change from the current, unsustainable “business as usual” scenario towards a sustainable blue economy.

Root Causes and Barriers: Regional Context

25. The root causes of the environmental pressures and impacts on ocean health and ocean wealth for the Pacific Islands Region originate from both outside and within the region depending on the environmental issue or resource being considered.

Climate Change

26. The accelerating impacts of climate change, which PICs are watching with increasing alarm, are caused by industrial economies, with the root cause being the carbon-based economies of the developed world as well as the rising economies of China, India and others. The PICs are on the front-line of climate change impact. The Pacific I2I Project will assist PICs to build resilience to climate change by assisting countries to develop and implement EEZ-scale marine spatial plans (MSP) to protect, restore and manage their blue carbon resources, and to invest in soft-engineering approaches to coastal adaptation through the principle of Building with Nature (BWN).

Offshore Fisheries

27. Over-exploitation of the Pacific Islands oceanic fisheries, primarily for several species of tuna (i.e., mainly albacore, skipjack and yellowfin) as well as other pelagic species (e.g., marlin and swordfish) and several shark species, is perpetuated by distant industrial economies. The root cause of over-exploitation is rapidly increasing consumer demand all around the world, driven by global population growth and increasing affluence.

28. The Pacific Islands Region has developed relatively sophisticated oceanic fisheries management arrangements through the Forum Fisheries Agency (FFA), which also represents the region at the Western and Central Pacific Fisheries Commission (WCPFC). While these organizations and arrangements have made significant progress towards improving the sustainability of oceanic fisheries in the region, including setting regional goals, indicators and strategies in the Regional Roadmap for Sustainable Pacific Fisheries (SPC and FFA 2015), there are still some key barriers and challenges, which a number of ongoing projects are targeting (Table 2).

TABLE 2: Fisheries Management Projects in Pacific Island Countries

Project Title	1. Funding Source 2. Implementing Agencies 3. Executing Agencies	Participating Countries	Objectives	Duration
Implementation of Global and Regional Oceanic Fisheries Conventions and Related Instruments in the Pacific Small Island Developing States (SIDS)	1. GEF TF (\$ 10M) 2. UNDP 3. Forum Fisheries Agency (FFA); Secretariat of the Pacific Community (SPC)	Regional, Cook Islands, Fiji, Micronesia, Kiribati, Marshall Islands, Nauru, Niue, Papua New Guinea, Palau, Solomon Islands, Tonga, Tuvalu, Vanuatu, Samoa	To support Pacific SIDS in meeting their obligations to implement and effectively enforce global, regional and sub-regional arrangements for the conservation and management of transboundary oceanic fisheries thereby increasing sustainable benefits derived from these fisheries.	2014-ongoing
Pacific-European Union Marine Partnership (PEUMP)	1. European Union (EUR 35M) and the Swedish Government (EUR 10M)	Cook Islands, Fiji, Federated States of Micronesia, Kiribati, Nauru, Niue	To support sustainable management and development of fisheries for food security and	2017-2022

	<p>through the Swedish International Development Agency</p> <p>2. SPC (lead).</p> <p>FFA; SPREP; USP;</p> <p>CI; LMMA Network; Pacific Island Tuna Industry Association (PITIA); WWF</p>	<p>e, Palau, Papua New Guinea, Republic of the Marshall Islands, Tuvalu, Tonga, Samoa, Solomon Islands, Timor Leste and Vanuatu</p>	<p>economic growth, while addressing climate change resilience and conservation of marine biodiversity.</p>	
<p>Effective Coastal Fisheries Management Project</p>	<p>1. New Zealand's Ministry of Foreign Affairs and Trade (MFAT).</p> <p>2. SPC</p>	<p>American Samoa, Cook Islands, Federated States of Micronesia, Fiji, Guam, Kiribati, Marshall Islands, Nauru, Niue, Northern Mariana Islands, New Caledonia, Palau, Papua New Guinea, Pitcairn, French Polynesia, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu, Wallis and Futuna</p>	<p>To strengthen governance structures and processes for effective management of coastal fisheries and aquaculture, both at national and subnational level, specifically focusing on supporting Pacific Island Countries and Territories (PICTs) to develop legislation and policy and improve monitoring, control, surveillance and enforcement (MCS&E).</p>	<p>2016-2021</p>

29. With these significant ongoing initiatives in offshore fisheries, the Pacific I2I Project will direct its efforts toward coastal fisheries and the sustainability of LMPAs, MPAs, LMMAs, MPA/LMMA networks, and other conservation area management approaches.

Coastal fisheries

30. Coastal fisheries, both commercial and subsistence, are fundamental to food security and livelihoods across the region, representing significant economic, social and cultural benefits for island communities. Many Pacific Island people are dependent on coastal fisheries as their “supermarket”, providing essential protein not only from fish but also the collection of shellfish and other seafood species. But coastal fisheries are facing significant pressures from over-fishing,

destructive fishing, degradation and destruction of habitat (including mangroves, seagrass and coral reefs), and pollution. There is almost no potential for further growth in coastal fisheries in terms of ecological carrying capacity in the region. Efforts must be focused on improving the sustainability of and optimizing returns from current production.

31. Root causes include population growth, poverty, and lack of alternative sustainable livelihoods, resulting in overexploitation of coastal fishery resources and coastal development that does not consider cumulative impacts on fisheries habitat.

32. At the regional level the Secretariat of the Pacific Community (SPC) has a significant Coastal Fisheries Program, which assists countries to improve the sustainability of coastal fisheries, including through a regional strategy - A New Song for Coastal Fisheries – Pathways to Change: The Noumea Strategy (SPC 2015). Barriers to effective achievement of sustainable coastal fisheries include resource and capacity limits in country management agencies, and perhaps most critically, lack of EBM and IOM-based approaches at the national and local levels, including protection of key coastal fishery habitats (e.g., mangroves, seagrasses, and coral reefs).

Marine and Coastal Habitats

33. The root causes of pressures and impacts on mangroves, seagrasses and coral reefs are largely the same as for coastal fisheries, including population growth and increasing coastal development for urban expansion, ports and harbors, and tourism infrastructure. Extraction of sand and gravel from coastal and marine areas to supply the construction industry has a major impact in some island countries as well. Again, barriers to addressing these root causes include resource and capacity limits in country management agencies, and lack of SBE-based planning, development and investment approaches at the national and local levels.

Ocean Governance and Management

34. Effective governance and management of improving ocean health and wealth in the Pacific Islands Region is faced with a number of barriers including among others:

- Increasing population pressures and uncontrolled economic development in coastal and marine areas.
- Financial and human resource capacity limits in management agencies.
- Limited coordination among national government agencies and lack of integrated decision-making and planning, which leads inconsistent approaches and decisions across sectors that are responsible for natural resource management.
- Insufficient knowledge on ecosystem distribution, health and the financial value of associated goods, services and natural capital, which leads to insufficient recognition or undervaluation of marine and coastal natural capital in macro-economic and sectoral policies.
- Existing economic models that promote short-term use of natural resources, and lack accountability and responsibility for the longer-term negative consequences.

- Limited understanding and application of alternative, more sustainable economic development approaches, including circular economy, where decision-makers carefully consider trade-offs and cumulative environmental, social and economic impacts.
- Lack of access to financing to support investments in the transformational shift towards SBE, EBM and IOM approaches.

35. The Pacific I2I Project will address the root causes and barriers to improved and effective blue economy governance and management across all components.

36. Outputs under Component 1, the National and Regional Blue Economy Frameworks and Implementation Plans will encompass blue economy policies and strategies, as well as prioritized actions in ecosystem conservation and restoration (e.g., coral reef, seagrass, and mangroves), marine spatial planning, socio-economic assessment/macro-economic planning, blue economy investment, and benefit-sharing. Component 1 will also engage PICs in advocacy and capacity development activities and events to introduce and facilitate the advancement and/or refinement of national policies, regulations, financing mechanisms, and economic instruments across 14 PICs in support of SBE development and growth.

37. Component 2 will provide PICs the opportunity to gain hands-on experience in developing and implementing national sustainable blue economy pilot projects. The SBE pilot projects are designed to generate a series of “success templates” for replication and upscaling of best practices in biodiversity conservation, protection and management of natural capital, and inclusive partnerships, and produce a core of experience in SBE project development, financing and implementation. This experience will serve the countries and the region beyond the Regional Project to replicate and upscale best practices in sustainable blue economy growth.

38. Component 3 will generate knowledge products, tools, and support services that are grounded on the experiences of SBE pilot project development and implementation. Innovative SBE practices, value-added partnerships, successful financing and operating templates, and other relevant knowledge products and technologies will be prepared, shared, and upscaled via an online SBE Decision Support Framework and Regional Knowledge Platform.

2a) BASELINE SCENARIO: REGIONAL

39. The current framework for regional cooperation is embodied in the [Framework for Pacific Regionalism](#), which was adopted by the Pacific Islands Forum (PIF) Leaders in 2014. It aims to deepen regional cooperation and integration by enhancing the sharing of institutions, resources and markets to overcome common development constraints. The Framework for Pacific Regionalism evolved into the [Blue Pacific concept of a single, united, ocean-based Blue Continent](#), as articulated at the 48th Pacific Islands Forum Leaders Meeting held in Apia, Samoa in September 2017: *To act as one Blue Continent and to reinforce our shared stewardship of the Pacific Ocean and reaffirm the connections of Pacific peoples with their natural resources, environment, culture and livelihoods.*

40. At present, a *2050 Strategy for the Blue Pacific Continent* is under development, led by a Pacific Island Forum Officials Sub-Committee.

41. The Pacific Islands Region has developed a collaborative and integrated ocean management framework over the years, consisting of the following:

- *Pacific Islands Regional Ocean Policy (PIROP)*, adopted by PIF leaders in 2002, intended as a voluntary framework for guiding the formulation and implementation of sustainable development within the region.
- *Pacific Islands Regional Ocean Framework for Integrated Strategic Action (PIROF-ISA)*, prepared by the Council of Regional Organizations in the Pacific - Marine Sector Working Group (CROP-MSWG) in 2005 to guide and coordinate the implementation of PIROP.
- *Framework for a Pacific Oceanscape (FPO)*, adopted by PIF leaders in 2010, aimed to catalyze the implementation of PIROP by strengthening coordination and resourcing and providing the overarching ocean-governance policy framework for the Pacific Islands Region.
- *The Palau Declaration on The Ocean: Life and Future*, adopted by the PIF Leaders meeting in 2014, and the *Pohnpei Ocean Statement: A Course to Sustainability*, adopted by the PIF Leaders meeting in 2016, giving additional political endorsement at the highest level to the FPO.
- *The Pacific Road Map for Sustainable Development* (2017) was prepared under the direction of the Pacific Islands Forum to guide regional responses for the achievement of the 2030 Agenda and the Sustainable Development Goals within the context of national plans and priorities, the SAMOA Pathway and the Framework for Pacific Regionalism.

42. The *SIDS Accelerated Modalities of Action (S.A.M.O.A) Pathway* is an internationally agreed program of action for small island developing States (SIDS) for the decade 2014 – 2024, developed as the outcome of the Third International Conference on Small Island Developing States (SIDS Conference). Fifteen (15) key priority areas are identified in the SAMOA Pathway, inclusive of oceans and seas, and sustainable and inclusive equitable growth with decent work for all.

43. In addition to the collaborative and integrated ocean management framework that the PICs have forged over the years, there is also strong legal obligation for the environmental protection aspects of the regional island and ocean management framework in the form of the *Noumea Convention (i.e., Convention for the Protection of the Natural Resources and Environment of the South Pacific Region (1986) and its protocols on pollution and ocean dumping)*, for which SPREP is the Secretariat. The Noumea Convention is part of the global network of Regional Seas conventions.

44. Technical implementation of the regional ocean management framework forms part of the mandates and work programs of the regional technical agencies who are members of the Council of Regional Organizations in the Pacific (CROP). These include:

- Secretariat for Pacific Regional Environment Programme (SPREP), with programs on environmental governance, monitoring and reporting, coastal and marine biodiversity, coastal and oceans aspects of climate change, and waste management and marine pollution. The coasts and ocean work of SPREP facilitates implementation of the environmental aspects of the FPO.

- Secretariat of the Pacific Community (SPC), with programs on coastal and offshore fisheries, coastal management and adaptation, coastal mining, deep-sea minerals and maritime transport.
- Forum Fisheries Agency (FFA), with programs covering tuna and other offshore fisheries.
- CROP Marine Sector Working Group (CROP-MSWG) as the mechanism for coordinating the coastal and oceans-related work of the CROP agencies.

45. Complementing the over-arching PIROP, FPO and subsequent PIF Leaders ocean statements, the regional baseline scenario also consists of programs, projects and initiatives of regional, oceans-related organizations, including, but not limited to:

- GEF IW Pacific Strategic Action Programme for International Waters of the Pacific Islands (1997-2004), which focuses on Integrated Coastal and Watershed Management (ICWM) and Oceanic Fisheries Management (OFM)
- SPREP Strategic Plan 2017-2026
- SPREP Framework for Nature Conservation & Protected Areas in the Pacific Islands Region 2014-20
- SPREP/JICA Cleaner Pacific 2025: Pacific Regional Waste and Pollution Management Strategy 2016–2025
- SPREP / UN Environment Programme Pacific Regional Action Plan on Marine Litter 2018-2025
- PEBACC Project (Pacific Ecosystem Based Adaptation of Climate Change) 2017-2020, implemented by SPREP with German funding, and providing support to three Pacific Island Countries (i.e., Fiji, Solomon Islands and Vanuatu)
- PEUMP (Pacific-European Union Marine Program) pending, that will seek to improve EBM of fisheries including reduction in by-catch.
- GEF/UNDP Pacific R2R Program (Pacific Ridge-to-Reef (r2r) Program) 2019-2024, executed by SPC, that is assisting Pacific Island Countries to implement their respective national priorities in relation to integrated water, land, forest and coastal management to preserve biodiversity and ecosystem services, store carbon, improve climate resilience, and sustain livelihoods.

46. Even with these existing efforts, a number of gaps and overlaps are evident in regional ocean management efforts:

- Many of the previous and ongoing projects and initiatives apply to only a subset of countries, with limited planning and resources to promote knowledge-sharing and learning from demonstration countries and sites to other countries in the region.
- Initiatives and projects with similar objectives and outputs are often undertaken, but using different methodologies, indicators and data. There appears to be limited effort in standardization across the region.
- Several key requirements of the PIROP and FPO remain largely unimplemented, with no plans to secure resourcing for their implementation. For example, the requirements under PIROP and FPO to undertake periodic, coordinated, systematic, regional ocean health assessments, to monitor and assess changes, impacts and benefits of programs and projects, and to provide feedback to PIF Leaders has not been undertaken in a comprehensive manner.

· Some regional action plans, while being well formulated, do not have dedicated resourcing for implementation (e.g., SPREP / UN Environment Programme Pacific Regional Action Plan on Marine Litter 2018-25).

47. UNEP, SPREP and the PICs first conceptualized the proposed Pacific I2I project to support sustainable, climate resilient and equitable blue economies. It brings together holistic policy support, nature-based solutions, capacity building and financing for on-the-ground actions to unlock transformative pathways to ocean-based sustainable development.

48. SBE implementation requires a strong enabling environment of science-based knowledge, innovative finance, nature-based solutions and strategic ocean governance. In this context, UNEP brings to the project a series of relevant science products providing e.g. information on [status and trends for mangrove ecosystems](#) or the impact of [wastewater pollution on coral reef](#) and [relevant policy briefs](#). For the Pacific, UNEP has prepared a report on status and trends of [coral reefs in the Pacific](#) as well as a regional report downscaled climate projections to identify coral reef climate refugia including in the Pacific ([Coral Bleaching Futures](#)). UNEP also plays a pioneering role in: (a) operationalizing practical blue carbon (blue forest) methodologies and solutions at the country level ([Protecting Seagrass through PES](#) and [access to carbon market](#)), (b) effective Marine Protected Areas design and implementation through strategic marine spatial planning using an evolving [MPA Toolbox and Learning Platform](#) with case studies integrating governance between national governments, local communities, and market schemes to enhance the effectiveness of marine protected areas and equitable sharing of costs and benefits, enhancing MPA design and performance with thematic focus on MPAs as nature-based solution to climate change, MPA business planning and benefit-sharing, (c) innovative coral reef restoration approaches identifying and [protecting coral reef refugia](#) (which provides a synthesis for the Pacific), (d) regional/national strategic ocean governance systems, (e) taking steps towards marine and coastal [ecosystem-based management](#) and (f) practical guidance on sustainable blue economy financing in close collaboration with [UNEP Finance Initiative](#) (UNEP FI) and partners (see para 15 above).

49. Natural capital assessment and accounting is a key pillar of sustainable blue economy and is key for SBE policy reforms. Through the initiative “Beyond GDP: National Accounting for the Ocean and Ocean Economy” UNEP supports countries on ecosystem accounts. UNEP’s Economics of Ecosystems Team – TEEB/TEEB4Coast – works with national statistics offices to develop Ecosystem Accounts as part of the System of Environmental Economic Accounting (SEEA) framework. The team has developed guidance document on methods and examples of the use of ecosystem accounts in policy scenario analysis, guidance document on ecosystem valuation and valuation-based policy applications, regional training programmes. UNEP is also a partner of UNESCAP on ocean accounting through the Global Ocean Accounts Partnership (GOAP) which supports coordination and communication among member institutions on ocean accounting and provides a shared technical framework for ocean accounting, as well as capacity-building. GOAP supports two regional Community of Practices in Africa and Asia-Pacific. Finally, UNEP through a GEF Biodiversity project has been supporting Natural Capital Assessment and Accounting for SBE in PNG.

50. Marine and coastal Ecosystem-based Adaptation (EbA) and Disaster Risk Reduction (Eco-DRR) are relevant approaches to SBE. In that respect, UNEP has an Ecosystem-based Adaptation programme which supports countries in adopting and implementing EBA approach that uses ecosystem services as part of a holistic adaptation strategy. Often through win-win outcomes, EBA protects vulnerable communities from extreme weather while simultaneously providing a variety of ecological benefits so crucial for human well-being, such as clean water and food. With its [Options for Ecosystem-Based Adaptation in Coastal Environments – A Guide for Environmental Managers](#), UNEP supports environmental decision-makers in government departments and agencies, but also in businesses and civil society organizations in choosing, implementing, monitoring, evaluating and, over time, adaptively managing coastal EBA. Finally through

the Global Adaptation Network (GAN) with UNFCCC for the Pacific islands region, UNEP and SPREP supports Nature-based Resilience stream and regional stakeholder dialogues as part of a new IKI-UNEP-IUCN Global EbA Fund. The 5 year UNEP/SPREP IKI project “[Pacific Ecosystems-based Adaptation to Climate Change project \(PEBACC\)](#)” explores and promotes Ecosystem-based Adaptation (EbA) options for adapting to climate change in Fiji, Solomon Islands and Vanuatu. The initiative aims to integrated EbA into development, climate change adaptation and natural resource management policy and planning processes in three Pacific island countries providing replicable models for other countries in the region. Through its initiative [Ecosystem-based disaster risk reduction knowledge and capacity building](#), UNEP works to prevent and reduce impacts of disasters on vulnerable communities and countries through improved ecosystem management or Nature-based Solutions (NbS) including in eth Pacific. Finally, UNEP is core founder of [Partnership for Environment and Disaster Risk Reduction \(PEDRR\)](#), a global partnership of 24 organizations that promotes ecosystem management as a key strategy to enable vulnerable communities and countries to reduce disaster risk and build resilience to disasters and climate change. In 2019, five regional PEDRR networks were created including in Asia Pacific.

51. As an essential element of SBE, UNEP has been spearheading green economy approaches for Oceans and has developed a green economy a [Green Economy Toolkit for Policymakers](#) with a guidance manual for green economy policy assessment, a guidance manual for green economy indicators and guidance for using models for green economy policymaking. With its [Integrated Green Economy Modelling \(IGEM\) framework](#) it provides a methodology for green economy policy assessment to refine impact analysis of green policies and investments in the economy while its [Green Economy Progress \(GEP\) Measurement Framework](#) helps countries evaluate their overall progress towards an Inclusive Green Economy (IGE) and enables a cross-country comparison of progress. Mauritius provides an interesting case study example ([Green Economy Assessment Overview of GE Indicators Framework - Overview of GE Modelling Results - Fiscal Policy Assessment - Public Expenditure Review](#)). Those tools help assess green fiscal policies and public expenditures in an IGE context to help countries analyse and enhance integration of blue economy considerations into national economic planning processes and budgetary design. Green fiscal policy instruments can help create the needed fiscal space in countries by making environmentally harmful actors pay, thereby creating revenues and incentivising more sustainable activities and investment. UNEP’ work on environmentally harmful subsidy reform (fossil fuel subsidy reform and agricultural subsidy reform) is also relevant for Sustainable Blue Economy (SBE). Enabling environment for Private Sector Green Finance, looking at how public finance can be leveraged to create conditions for scaled up private investment for SBE is also a key element of UNEP’s Green Economy approaches for Oceans.

52. In 2019, ADB launched the Action Plan for Healthy Oceans and Sustainable Blue Economies (Healthy Oceans Action Plan) to scale up investments and technical assistance to \$5 billion between 2019 and 2024. The aim of the plan is to protect and restore coastal and marine ecosystems, promote inclusive livelihood opportunities, build resilient coastal communities, and contribute to food security in Asia and the Pacific. The Healthy Oceans Action Plan has three focus areas: (a) ecosystem and natural resources management, (b) pollution control, and (c) sustainable coastal and marine development.

53. ADB is combining finance, knowledge, and partnerships to scale up innovation and investments in Healthy Oceans through the following:

- Technical Assistance: support an enabling environment through knowledge-sharing, capacity building and policy and regulatory reform
- Grants: accelerate preparation of projects and pilot demonstration activities

- Loans: bankable projects in 30 of ADB's Developing Member Countries (DMCs), including Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Maldives, Republic of Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu
- Financial innovation: financial guarantees, credit enhancements, first-loss and other catalytic finance to de-risk Healthy Oceans investments
- Co-financing Partnerships: maximize synergies and enable replication /scaling.

54. To support the Healthy Oceans Action Plan and to catalyze finance for bankable ocean projects, ADB created the Ocean Finance Initiative (OFI), which aims to: (a) define standards and metrics for ocean investments; (b) develop a pipeline of bankable ocean projects; (c) innovate financial instruments; (d) mobilize public and private capital for ocean health and sustainable blue economies; (e) align taxes and subsidies with ocean health and sustainable blue economies; and (f) enhance ocean finance capacity and build the enabling environment in Asia and the Pacific. The ADB Oceans Finance Framework (OFF) is an output of the above-indicated OFI objective (a).

55. The OFF has been designed to be consistent with, and supportive of, (a) the global Sustainable Blue Economy Finance Principles, which ADB is a signatory, and (b), the International Capital Market Association (ICMA) Green Bond Principles. Building upon global principles, the ADB Ocean Finance framework provides detailed, ADB-specific guidance on the types of projects that ADB defines as "blue" or "ocean" investments for mapping of the Ocean Finance framework to the ICMA Green Bond Principles.

56. The primary purpose of the Ocean Finance framework is to define criteria for investments under the Healthy Oceans Action Plan, including disbursements from ADB funds, facilities, and innovative finance instruments. Secondly, the framework supports internal ADB tracking and reporting against the \$5 billion ocean commitment. Thirdly, the framework provides transparency and accountability to ADB's external partners who collaborate and co-finance the implementation of the Healthy Oceans Action Plan.

57. In addition, ADB has a number of associated regional baseline projects and investments in the Pacific Island Region, encompassing:

Coastal and Marine Management

- Stocktaking Study for Benchmarking Sustainable Management of Exclusive Economic Zones in the Pacific" (\$1 million) - ongoing. The TA assesses the importance of EEZs in the Pacific, including economic, social, environmental, and cultural benefits of sustainable management; and develop a framework and approach for undertaking a benchmarking of sustainable management of EEZs in ADB's 14 Pacific DMCs.
- Pacific Blue Shipping Partnership (PBSP) – being considered. A regional initiative led by RMI and Fiji (others involved are Samoa, Vanuatu, and Tuvalu) to support a transition to sustainable, resilient and low-carbon sea transport in PICs. The Partnership also includes researchers from the University of the South Pacific (USP), Pacific Island Development Forum (PIDF) and Pacific Community (SPC). PBSP is seeking an initial blended finance package of \$500 million,

enabling a 10-year work programme of Partnership activities from 2020–2030 in 6 to 8 PICs. In the short term, this investment could be catalysed by TA and capacity building collaborations and grants. From 2021 onwards, further large-scale investment will be supplemented by concessional loans, debt finance in the form of a regional blue bond, and direct private sector investment.

Climate Change Adaptation

- Building Coastal Resilience through Nature Based and Integrated Solutions (NBS) (\$1.93 million) – under preparation. The TA will support: (a) the preparation of strategic plans, policies and programs to build coastal resilience through NBS, such as coastline management plans or adaptation plans at national or subnational levels, (b) the preparation of NBS and integrated coastal adaptation investments, and (c) capacity building and regional cooperation to enhance coastal resilience and the use of NBS.
- Strengthening Climate and Disaster Resilience of Investments in the Pacific (\$3 million) – just closing. Strengthen the resilience of investments in the Pacific by: (a) incorporating climate change and disaster risk management (DRM) considerations into project designs, (b) strengthening integration of climate change and DRM considerations in government planning processes in key sectors in selected countries, (c) supporting access to climate change financing, and (d) strengthening Pacific DMCs’ capacity to negotiate climate change agreements and financing.
- Support to Climate Resilient Investment Pathways in the Pacific (\$1 million) -ongoing. Continuation of the above project, to support the efforts of the Asian Development Bank (ADB) in scaling up its investment in climate change adaptation in all 14 Pacific developing member countries (DMCs). It will do so by building on past and ongoing ADB efforts in the Pacific. These efforts include climate-proofing infrastructure investments; supporting the development of small-value renewable energy projects for mitigating emissions; designing water sector adaptation investments; facilitating greater flows of climate finance into the region; providing a range of financial products for disaster and emergency assistance, from initial disaster response to recovery and reconstruction; and supporting policy and capacity development interventions to reduce climate change and disaster risks.

Renewable Energy

- Floating Solar ++. In connection with the ongoing Tuvalu project, ADB plans to scale up the floating solar initiative to a number of other PICs. This will be associated with other ADB TA work to link land-based and floating solar PV (freshwater, marine, or nearshore) with agriculture (vertical farming and aquaculture), rainwater harvesting, desalination, water supply, pumping and storage, waste to energy, electric vehicle charging, green hydrogen (link with MARES TA).

Urban and Water

- Pacific Urban Development Investment Project Enhancement and Capacity Development” (\$1.5 million) – ongoing. This TA will support: (a) feasibility studies on ensuing urban development project, through support to Pacific DMCs to prioritize, plan, and prepare investments projects for potential ADB financing, (b) demand-driven urban technical advice, assessment, and capacity development assistance, through specialist support, technical advice,

assessment, diagnostics, and other analytical work and capacity-building support to Pacific DMCs to enhance the sustainability of urban investments, and (c) knowledge sharing among Pacific DMCs, including regional training, workshops, and conferences to enhance knowledge sharing among DMCs and apex regional urban bodies.

- Pacific Region Infrastructure Facility (PRIF) Coordination Office - Leveraging Infrastructure for Sustainable Development” (\$ 2 million plus \$ 10 million co-finance) – ongoing. PRIF is investment coordination and technical assistance facility that supports the planning, prioritization, coordination, and management of infrastructure in the Pacific. PRIF aims to improve development effectiveness and the sustainability of infrastructure investments in Pacific island member countries by: (a) strengthening coordination among PRIF partners, (b) improving infrastructure policies and regulation, and (c) improving infrastructure planning and management. One initiative being considered is support to the “Pacific Regional Recycling Hub”. This would allow Pacific countries to ship recycling to a hub for consolidation and local value-adding. The feasibility study to undertake a pilot project in Fiji is proposed. Used beverage containers, paper and cardboard, scrap metal, batteries, e-waste and end-of-life renewables are expected to be included in the scope for the regional recycling hub.

58. UNEP and the Asian Development Bank are also partnering to support the integration of poverty- environment into national planning, budgeting and blue economy processes. The partnership began with the preparation of a joint Toolkit for Strengthening the Environmental Dimensions of the Sustainable Development Goals in Asia and the Pacific.

59. The ADB and UNEP/UNDP Poverty Environment Action for SDGs are working on a joint ADB/Poverty-Environment Action knowledge product, Opportunities and Challenges for Investment in the Sustainable Blue Economy to support the implementation of the Action Plan for Healthy Oceans and Sustainable Blue Economies. The knowledge product will highlight the following issues:

- Defining the boundaries of Blue Economy Activities
- Mapping Blue Economy Sectors to Sustainable Development Goals based
- Blue Economy Finance – Data and Market Review
- Blue Economy Finance Needs Assessment

60. Conclusions and potential follow up of the joint work include: (a) recommendations for joint SME Blue Finance platform, (b) a set of blue economy investment blueprints highlighting blue economy investment opportunities, and (c) government action to promote an enabling environment for mobilizing blue economy investment.

2b) Baseline Scenario: National

61. Moving from the regional level to the national level, the problems of an uncoordinated, sector-based approach are notably pronounced in many Pacific Island Countries. To date only two countries, Vanuatu and Samoa, have adopted ocean policy. *Vanuatu's National Ocean Policy (2016-2030)* embraces a number of essential elements to achieve the transformational change towards IOM and SBE (Box 2), for example:

- strengthening natural resource management through EBM and IOM and moving away from isolated sector-based planning
- transitioning to resource efficient and circular economy approaches, integrated into the IOM framework
- changing the pattern of financial investment and adopting innovative instruments to promote economic activities that are ecologically sustainable and do not irreversibly degrade the environment and natural capital resource base.

Box 2: Vanuatu National Ocean Policy: Our Ocean—Our People—Our Culture¶

Main elements:

- a) A vision for the ocean, based on conserving and sustaining a healthy and wealthy ocean for the people and culture of Vanuatu, for today and tomorrow.
- b) A foundation for EBM of ocean resources.
- c) Securing rights to ocean resources and recognizing culture.
- d) Reforming national ocean governance towards IOM and away from sector-based approaches.
- e) Preserving and protecting the marine environment (healthy ocean).
- f) Promoting sustainable economic development (SBE or wealthy ocean).
- g) Promoting public awareness, participation and government accountability.
- h) Increasing knowledge and capacity building.
- i) Building resilience and managing for uncertainty, including in relation to climate change.
- j) Valuing natural and human capital.
- k) Applying MSP, MPAs, EBM, circular economy and sustainable blue financing and shifting blue economy sectors to more sustainable practices.
- l) Institutional arrangements based on cross-sector integration and coordination including a National Ocean Council and involvement of chiefs and traditional leaders, private sector and civil society.

62. In 2020, the *Samoa Ocean Strategy 2020–2030, Integrated Management for a Healthy and Abundant Future of Samoa's Ocean* was adopted by the Government of Samoa. The Strategy defines prioritized thematic areas that encompass the ecological, cultural and socioeconomic values that Samoans derive from their ocean (i.e., offshore waters; maritime safety and security; species of special interest; marine coastal ecosystems and species; food security; ocean knowledge). To safeguard these values, key problems or threats to the current health status of the ocean are also identified. The Strategy also describes various contributing factors that negatively impact ocean values, and ultimately, identifies integrated management solutions required to reduce

impact of the identified threats and advance effective ocean stewardship. Six (6) Strategic Priorities for intervention are identified and a further 13 Integrated Management Solutions are presented to address many interrelated factors which collectively threaten the integrity and health of marine environments in Samoa's ocean (Box 3). For each solution, a timeline with objectives and goals has been prepared.

Box 3: Samoa Ocean Strategy 2020- 2030 Strategic Priorities and Integrated Management Solutions

STRATEGIC PRIORITIES	INTEGRATED MANAGEMENT SOLUTIONS
A. Governance and Coordination	<ol style="list-style-type: none"> 1. Create a National Ocean Steering Committee (NOSC) 2. Formally define Samoa's Maritime Boundaries
B. Financial Sustainability	<ol style="list-style-type: none"> 3. Develop Sustainable Ocean Financing Mechanisms
C. Research and Data Collection	<ol style="list-style-type: none"> 4. Improve scientific research, data collection and monitoring within Samoa's ocean 5. Complete a Marine Spatial Plan (MSP) For Samoa's ocean
D. Monitoring and Surveillance	<ol style="list-style-type: none"> 6. Strengthen monitoring, control, surveillance and enforcement across Samoa's ocean 7. Strengthen the national MPA network 8. Establish effective protection and management of endangered marine migratory species
E. Policy and Legislation	<ol style="list-style-type: none"> 9. Strengthen policy and legislation for Coastal Ecosystem Services protection 10. Integrate Ecosystem-Based Approach (EBA) into existing climate change adaptation management plans and initiatives 11. Review existing policies and establish legislation where appropriate to manage risks posed by deep-sea and seabed exploration
F. Awareness and Capacity Building	<ol style="list-style-type: none"> 12. Strengthen effectiveness of coastal management using traditional knowledge, innovation and marine science 13. Improve Waste and Marine Pollution management at national level

63. Several Pacific Island Countries have started developing National Ocean Policy but these efforts, while commendable, are being undertaken individually. It is therefore unclear if these national ocean policies will be in harmony with the regional ocean policy (and with each other), recognizing the diversity in priorities and capacities across the 14 countries.

64. There are significant bilateral and multilateral efforts to assist PICs to take a more integrated approach to coastal and ocean management, including the Pacific R2R Program. However, these efforts are mainly focused at the individual island level, and even individual site level, rather than the “whole-of-ocean”, EEZ scale, and/or island-to-island (I2I) approach. Further endeavor is required to scale-up the best practices and lessons learned from previous, ongoing and planned projects and programs to achieve an integrated ocean management system that is consistent with the over-arching PIROP, FPO and PIF Leaders “Blue Pacific” statement and related ocean declarations.

65. Under the baseline scenario, as previously noted, current practices in planning and development focus on short-term use of natural resources, with limited accountability and responsibility for any negative, longer-term consequences. Another major gap is insufficient public and private financial commitment and investment in blue economy development and growth. This is particularly evident in economic sectors that have the potential to create long-term blue economy benefits (e.g., sustainable tourism; sustainable coastal fisheries and aquaculture; low-carbon, environment friendly shipping and ports; and pollution reduction and waste management solutions that elevate the application of circular economy, low-carbon processes/technologies, resource-use efficiencies, and alternative/renewable energy sources). This particular gap can be attributed to:

- Deficiencies in national policies and programs to promote and create opportunities for:
 - o investment in, management and/or operation of blue economy initiatives and projects, including setting up/incubating small and medium-sized enterprises (SMEs) that contribute to blue economy objectives and targets
 - o inclusive partnership arrangements involving government, banks, investors, donors, private sector, and communities
 - o application of risk reduction measures (e.g., blue carbon; blue bonds; insurance products) to encourage investments and help achieve project sustainability.
- A sectoral focus to identifying and solving problems (e.g., habitat protection and management), rather than an integrated and holistic approach that combines processes, technologies and partnerships to optimize impacts and benefits to the environment, economy and community/country (e.g., EEZ-scale MSPs, sustainable and effective MPAs/LMMAs, sustainable tourism, sustainable fisheries and aquaculture; etc.).
- Limited experience in identifying and applying technologies, processes and inclusive partnership arrangements that help leverage affordable and sustainable blue economy investments.
- Lack of capacity to develop and implement bankable investment projects that are within the fiscal means and resource capacity of governments and communities, and can stand up to the rigorous due diligence requirements of banks, investors and the private sector.

66. The Pacific I2I Project will address these gaps and shortcomings. Its rationale is to facilitate: a) the development of effective decision support and enabling conditions for SBE development and growth; and b) the preparation and implementation of SBE investment mechanisms and projects, which will serve as learning experiences and success templates for PICs to replicate and scale-up best policies, practices and benefits. These two outputs are closely linked and interdependent. The Pacific I2I Project will take a very practical, hands-on approach to overcome existing gaps and barriers by:

- working in each country to identify SBE investments that are priorities, commercially viable, and within the fiscal means and resource capacities of the respective governments and communities
- identifying gaps and shortcomings in existing national policies, legislation, and programs that are barriers to identified SBE priorities and investments
- providing access to capacity building and technical assistance to develop new or strengthen existing policies and programs that enable blue economy investment and growth
- setting up/adapting an SBE investment services mechanism to assist PICs with the planning of investible blue economy projects and the formulation and finalization of financing, investment and partnership arrangements (e.g., private, public, PPP, blended, crowding) for SBE projects
- creating an investment pipeline accelerator to provide incubation, acceleration and support services to PICs, banks, investors, private sector, and communities to develop and implement commercially viable SBE investment projects.

67. Under the baseline scenario, a largely uncoordinated, sector-based approach is likely to continue. As such, the achievement of the PIROP and FPO principles, strategies, and desired outcomes will be constrained and delayed and, as a result, the natural resource base and ocean-health will continue to decline. Likewise, critical elements of the transformational changes needed for improved ocean health will be sidelined due to other pressing social and economic priorities in a post-COVID 19 era. In particular, the development and implementation of National Ocean Policies, MSPs, NCAAs, biodiversity conservation/natural asset management, and public and private SBE financing mechanisms and sources to support the transformational shift towards “ocean health for ocean wealth” run the risk of being given a low priority.

68. In conclusion, there is a significant need for a large-scale intervention and technical assistance to enable a more complete and timely transition to ocean health and SBE across the Pacific Island Region, especially at a time when PICs are facing unprecedented social, economic and environmental disruptions that are beyond their control. The Pacific I2I Project will respond to these issues by:

- building upon and strengthening existing governance and management mechanisms
- introducing and applying novel approaches, tools, technologies and support services to aid in the transition process
- forging essential cross-sectoral partnerships to plan, finance, invest in, manage and operate priority IOM/SBE initiatives
- enhancing the skills and learning experiences of stakeholders at the regional, national and community levels to proactively participate in and take ownership of SBE planning, growth and development.

69. The various programs and projects being undertaken by the participating PICs, funded by internal resources as well as external resources from various bilateral and multilateral donors, serve as a foundation for the Pacific I2I Regional Project. For example, Table 3 summarizes the current state of strategic targets and action plans that have been adopted and initiated in each PIC in response to international commitments to climate change (UNFCCC), biodiversity conservation (CBD), and sustainable land management (UNCCD). Further information concerning policies, strategies and projects that are in place and already contributing to a transitioning toward blue economy have been provided in Annex E (Country Blue Economy Info Sheets), along with basic geographic, demographic and socio-economic characteristics of the participating countries.

70. Sustainable development strategies and/or medium-term development plans have been prepared and adopted in all 14 PICs (see Annex E for more details). These strategies and plans are highly relevant to the Pacific I2I Project in as much as the goal of the Regional Project is to support countries in the transition from business-as-usual economic development to blue economy development and growth. It is therefore important that the Pacific I2I Project not only aligns with country priorities but, more importantly, is mainstreamed into the implementation of national development strategies, medium-term implementation plans, and financial commitments, and is seen by countries as contributing directly to innovative planning and financing mechanisms, as well as ready access to tools, capacities and partnerships that are critical to sustainability and inclusiveness of a blue economy.

TABLE 3: National Targets, Actions Plans and Reports

Country	UNFCCC NDC/ NAP	UNFCCC National Communication (NC)	CBD NBSAP	CBD National Report	CBD National PoW on Protected Areas	UNCCD National Action Program/ Report	UNCCD National L DN Targets
Cook Islands	Sept. 2016 (NDC)	Aug. 2020	Apr. 2011	Dec. 2017	Apr. 2011	2018 (report)	
Federated States of Micronesia	Nov. 2016 (NDC)	Nov. 2015	Oct. 2018	Dec. 2014	May 2015		
Fiji	Apr. 2016 (NDC)	Apr. 2020	Feb. 2020	July 2014	July 1998	June 2007 (action program) 2018 (report)	

Kiribati	Sept. 2016/ (NDC) Jan. 2020 (NAP)	June 2013	Jan. 2017	Mar. 2015	June 2002		
Marshall Islands	Nov. 2018 (2 nd NDC)	Dec. 2017	May 2003	Apr. 2017			
Narau	Apr. 2016 (NDC)	Apr. 2015	Oct. 2016	Mar. 2014	Mar. 2014		
Niue	Oct. 2016 (NDC)	Sept. 2016	Dec. 2015	Mar. 2014	Aug. 2001	2004 (action program)	
Palau	Apr. 2016 (NDC)	Aug. 2019	Mar. 2018	Mar. 2014	June 2003	2005 (action program) 2018 (report)	
Papua New Guinea	Mar. 2016 (NDC)	Dec. 2015	Mar. 2007	Jan. 2018	Mar. 2007	2018 (report)	Oct. 2019
Samoa	Apr. 2016 (NDC) Dec 2005* (NAPA)	June 2010	Aug. 2016	Sept. 2014	Dec. 1998	2015 (action program) 2018 (report)	
Solomon Isl	Sept. 201	Sept. 2017	Oct. 2016	Mar. 2014	May 2001		

ands	6 (NDC) Dec. 2008 (NAPA)						
Tonga	Sept. 2016 (NDC)	Feb. 2020	July 2007	May 2014	June 2003		
Tuvalu	Apr. 2016 (NDC) May 2007 (NAPA)	Mar. 2018	Feb. 2014	June 2017	Jan. 2010	2006 (action program)	
Vanuatu	Sept. 2016 (NDC) Dec. 2007 (NAPA)	Aug. 2016	June 2018	Aug. 2014			

3) Alternative Scenario: Expected Outcomes and Components:

71. The Pacific I2I Regional Project embraces five fundamental and mutually supporting transformations that are required to secure ocean health and enable SBE:

- development/strengthening, adoption and implementation of IOM policies and measures to restore and maintain ocean health including the continued functioning of underlying ecological processes and the protection, maintenance and restoration of environmental quality and the natural capital resource-base.
- application of sector-based policies, activities, and management approaches (e.g. tourism, fisheries, aquaculture, energy, transport, agriculture and mineral extraction) to protect and sustain natural capital and ecosystem services and avoid resource overexploitation and high cumulative human impacts on coastal and ocean health.

- well-coordinated, cross-sectoral planning of sustainable sectoral activities and approaches, e.g., circular economy, where trade-offs are carefully considered among individual sector benefits and their cumulative environmental impacts, leading to policies and management solutions that balance economic, environmental and social priorities.
- widespread application of practical methods and actions for ecosystem mapping, assessment, and valuation to inform trade-off scenarios, cross-sector priority-setting, and spatial planning that can optimize individual and combined sector activities and benefits while keeping the overall footprint within sustainable limits.
- changing the pattern of economic development to sustainable blue economy development, thereby facilitating economic activities that are ecologically sustainable, do not degrade the environment and the natural capital resource base, and equip countries to reduce economic growth pressures that drive unsustainable choices.

72. As a region the Pacific Islands have implemented GEF programmatic approaches twice before, the first being the Pacific Alliance for Sustainability (PAS) [GEF-4] and the second being the Pacific Ridge to Reef (R2R) Program [GEF-5]. While the PAS and the Pacific R2R Program have established a foundation for integrated management in the region, the transformational change towards SBE has only just begun. To maximize ongoing returns from previous interventions, and to internalize SBE into national and EEZ-scale planning and implementation, the Pacific I2I Regional Project will focus on identifying, creating, and facilitating investment in on-the-ground blue economy initiatives – initiatives that align with the development aspirations of PICs while mapping and navigating the critical pathway to SBE.

73. The over-arching goal of the Pacific I2I Regional Project is to preserve and safeguard the health of ocean ecosystems while catalyzing the development and growth of sustainable blue economies (SBE) in Pacific Island Countries.

74. The GEF 7 Pacific I2I Regional Project aims to:

- operationalize a navigational framework to guide the PICs, individually and collectively, on their transformation towards integrated island and ocean management and sustainable blue economies.
- enable PICs to strengthen the implementation of governance, environmental and sustainability aspects of:
 - o the Framework for a Pacific Oceanscape (FPO), as endorsed by the Pacific Islands Forum Leaders in 2010
 - o the “Palau Declaration on The Ocean: Life and Future” and the “Blue Pacific Vision” approved by the Pacific Island Forum Leaders in 2017
 - o obligations under various ocean-related international conventions subscribed to by PICs, including the Noumea Convention
 - o national and regional strategies and action plans with sustainable development objectives and targets.
- aid, drive, and support the development of sustainable ocean-based livelihoods in the Pacific Islands Region in a post-COVID 19 era, restoring and protecting ocean health, by developing and implementing integrated island and ocean management frameworks for sustainable blue economies.

· improve awareness and understanding of the challenges and solutions to sustainable use and management of the natural capital assets and ecosystems services of the ocean and encourage wider support and increased investment to address threats to ocean health for ocean wealth.

75. It is fully recognized that a complete SBE transformation across the region and the 14 participating PICs cannot be accomplished within the 5-year duration of the Regional Project. Thus, the rationale of the Regional Project is to build the necessary skills, experience, tools, success templates and partnerships over the 5-year period through a practical, hands-on “learning-by-doing” approach, which will serve the region in its continuing SBE transformation beyond the Pacific I2I Project.

Component 1 - Enabling Environment for Sustainable Blue Economy

76. Component 1 of the Pacific I2I Regional Project will provide the building blocks for the transformational change towards ocean health and a sustainable blue economy (SBE). Specifically, the component will engage regional organizations, PICs, NGOs, and communities in: a) national assessments of blue natural capital services and values, as well as mapping and quantification of ocean economy sectors, inclusive of the opportunities, impacts, and constraints to blue economy development and growth; b) the development and adoption of national and regional blue economy frameworks and implementation plans delineating the priorities, pre-requisites, context, capacities and staging of transitions to a blue economy; and c) advocacy, trainings, knowledge product development and dissemination, and experience-sharing, targeting country and local leaders, policy makers, planners, and financial managers to introduce novel SBE national policies, legislation, and economic instruments for adoption and uptake in 14 PICs, focusing on sustainable blue economy principles, processes and incentives for public and private sector investment.

Outcome 1: National and regional blue economy priorities, pathways, delivery strategies, and SBE financing and investment mechanisms incorporated into mainstream government planning and budgetary processes (e.g., Medium-Term Development Plans).

77. Outcome 1 initiatives will focus on two deliverables. The first output will provide PICs with two products that establish the foundation for blue economy growth, namely national and regional blue economy assessments and SBE Frameworks and Implementation Plans that encompass: (a) natural assets, ecosystem services and values, (b) traditional, emerging and new sectors of the ocean economy, and their respective contributions to GDP, employment and the transition to blue economy, (c) an all-of-government programmatic agenda to protect and restore natural assets and ecosystem services, improve ocean health, create sustainable and inclusive livelihood opportunities, and promote public and private sector investments for a blue economy. The 14 SBE plans will capitalize on current plans and decision support systems thereby looking at updating existing MSPs, ICZM plans, adaptive ocean management plans, EbA plans or integrated ocean management plans (the newest addition from the High Level Panel for a Sustainable Ocean Economy) as relevant and considered appropriate by countries. Indeed, an integrated, cross-sectoral, area-based planning approach will be a key step towards implementing a sustainable blue economy. Depending on the context countries might however choose different approaches to achieve integrated area-based planning for preparing their SBE plan.

78. In addition to quantifying and mapping values and contributions, the national blue economy assessments will target the challenges, impacts, opportunities, knowledge gaps and uncertainties of current governance, development and management approaches for natural blue assets, ecosystem services and the ocean economy, and the benefits of transforming to a sustainable blue economy.

79. The National Blue Economy Frameworks and Implementation Plans, which will be developed via a participatory and inclusive consultative process, will identify priorities and pre-requisites in governance (e.g., national policy, legislation, institutional mechanisms, monitoring and standards), the investment climate (e.g., laws; incentives/disincentives; risk reduction measures), and knowledge and capacities (e.g., sustainable blue economy research, tools, business models, and financing). A National Blue Economy Framework and Implementation Plan will serve as a road map for staging a blue economy transformation, covering short, medium, and longer-term investment actions (e.g., ecosystem conservation and restoration covering coral reef, seagrass and mangroves, marine spatial planning, natural capital assessment and accounting, macro-economic planning, blue economy investments, inclusive growth and benefit-sharing), resource requirements, and the expected governance, management, social, economic and environmental impacts and contributions.

80. The Regional SBE Framework and Implementation Plan will harmonize obligations under ocean-related international conventions and agreements as well as regional sectoral policies, strategies and implementation plans, in support of SBE development and upscaling among PICs, regional organizations, and their partners. The primary purpose of the Regional SBE Framework and Implementation Plan will be to align and integrate SBE commitments and initiatives across the region, both vertically (i.e., connecting national targets, objectives, timelines and deliverables to international and regional legal obligations and commitments) and horizontally (i.e., connecting country-to-country targets, objectives, timelines and deliverables). In addition, the regional SBE plan will serve to harmonize monitoring and reporting methodologies and procedures, cross-country and cross-sectoral knowledge management/knowledge sharing processes, regional networking, and training and education needs assessment and opportunities, among others.

81. The role of regional organizations in the consultative, planning and implementation processes is vital, most notably CROP member organizations (i.e., Pacific Islands Forum Secretariat (CROP Chair); Secretariat of the Pacific Regional Environment Programme (SPREP); Secretariat for the Pacific Community (SPC); Pacific Islands Forum Fisheries Agency (FFA); Pacific Islands Development Program (PIDP); Pacific Power Association (PPA); South Pacific Tourism Organisation (SPTO); and The University of the South Pacific (USP)). Component 1 will also connect with other regional organizations and networks that are driving transformational change across government and the private sector, including the Office of the Pacific Ocean Commission (OPOC), Pacific Island Development Forum (PIDF), Pacific Island Private Sector Organization (PIPSO), Pacific Green Business Centre, and the Pacific Business Resilience Network, among others.

82. To bridge gaps in SBE awareness and in enabling environment for SBE development, Outcome 1 will promote advocacy and capacity enhancement to improve understanding of and support for SBE planning and implementation among PIC leaders, policymakers, planners, resource managers, business/private sector, academia, and communities.

83. There are many pre-requisites for the successful transition to a blue economy, but among the most significant are:

- political willingness and commitment to innovate and strengthen governance for blue economy (e.g., national policy, legislation, and programming to create an environment that is “blue economy investment friendly”); and
- a robust plan for blue economy investment (e.g., national medium-term development and investment plan), inclusive of a project pipeline that provides a strong and clear signal to potential investors, business sector/SMEs, and communities that the government is prepared to invest in elements of the sustainable blue economy.

84. Advocacy campaigns and learning initiatives under Outcome 1 will focus on identified priorities, needs and limitations to move the blue economy agenda into mainstream planning and implementation at the regional, national and local levels. The capacity building activity will target those individuals, organizations, economic sectors, and communities that are direct stakeholders and potential beneficiaries in the respective SBE initiatives. Examples of relevant advocacy and capacity building activities under the Pacific I2I Regional Project include:

- advocacy campaigns to build awareness and support among PIC leaders, policymakers and planners on novel SBE policy and sustainable financing mechanisms and the key decisions needed
- governance instruments and arrangements that promote and accelerate a sustainable blue economy program, including: SBE policy and supporting legislation; interagency and intergovernmental coordinating mechanisms; integrated planning, programming, financing and administration (e.g., green fiscal policy); natural capital accounting and assessment; macro-economic modelling; public-private sector partnerships and investments; and other economic instruments and approaches that help overcome barriers to sustainable and inclusive blue economy development (**Figure 2**).

85. Outcome 1 underscores the leadership role of government in a blue economy transformation. The integration of SBE policies, strategies and implementation plans into the national government’s developmental planning and budgeting cycle clearly signals the government’s commitment to sustainable development and integrated planning and coordination of sectoral programs. Outcome 1 will engage with PIC leaders, planners and multi-sectoral government agencies in their respective national planning and financing cycles. The establishment and deployment of well-defined medium-term development plans for a sustainable blue economy will articulate which sectors are priorities in the national interest (taking into account both the value of natural capital and an all-of-government perspective on the national economy), and identify how the public sector will support development and investment, with clearly quantified and measurable targets.

86. A critical and measurable target for Outcome 1 will be the incorporation of National Blue Economy Frameworks and Implementation Plans, financing principles, and investment projects incorporated into national government planning and budgetary processes (e.g., national medium-term development and financial plans) of PICs.

FIGURE 2: Alignment between Major Types of Financing and Examples of Investments in Sectors of the Blue Economy (The Ocean Finance Handbook, Friends of Ocean Action, April 2020)



		IMPACT-ONLY		DEBT						EQUITY				
		Grant	CSR investment	Micro-finance loan	Revolving loan funds	Bank loans, small	Conservation impact bonds	Project bonds	Sovereign bonds	Bank loans, big	Impact investment	Seed financing	Debt swaps	Crowd investment
NATURAL CAPITAL	Ecosystem services e.g. Mangrove restoration	Strong	Strong	Medium	Strong	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
	Natural infrastructure e.g. Wetlands restoration	Medium	Medium	Weak	Medium	Medium	Strong	Medium	Medium	Medium	Medium	Medium	Medium	Medium
COMMODITIES	Fisheries, industrial e.g. Purchase new vessels	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
	Fisheries, small-scale e.g. Melomax investment	Strong	Strong	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
	Aquaculture e.g. Farm expansion	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
	Marine bioprospecting e.g. Seolife pharma	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
MARINE AND COASTAL DEVELOPMENT	Nature-based infrastructure e.g. Sand motor	Medium	Medium	Weak	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
	Coastal and marine ecotourism, e.g. Ecohotel	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
	Maritime transportation e.g. Vessel retrofit	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
	Renewables - wind e.g. GODE wind farm	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
	Renewables - tidal e.g. Startup installation	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
	Renewables - wave e.g. Company IPO	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
	Renewables - floating solar e.g. Seed tech investment	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
	Waste management e.g. Recycling innovation	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium

Component 2: Sustainable Blue Economy Investments

Outcome 2: Sustainable blue economy investments developed and implemented, producing “success templates” for replication and upscaling of best practices in biodiversity conservation, protection and management of natural capital, and inclusive partnerships for blue economy growth across the Pacific region.

87. Component 2 provides PICs and the business sector/SMEs with an opportunity to gain hands-on experience in coordinating, guiding and overseeing the development and implementation of real-life national SBE pilot projects that are acceptable, affordable and sustainable. The term “no-regret solutions” is used in this context in acknowledgement of the fact that comprehensive scientific studies, and assessment and valuation of EEZs and marine and coastal resources and habitats may not be readily available during Regional Project implementation. This often requires a longer-term effort to accomplish. In the interim, the national SBE pilot projects implemented under Component 2 will be prepared using best available scientific information and professional project

preparation and advice to develop solutions within the context of the sector, as well as the social, economic and environmental conditions of the respective country (or island, depending on the details of the investment project). Available options and their respective socio-economic and environmental implications, as well as potential sustainable financing mechanisms and partnership arrangements, will be developed with the national and local governments, communities, business/private sector and other stakeholder groups, including women's organizations, for feedback and consensus building.

88. It should also be acknowledged that the required capital for financing the identified national SBE pilot projects will be beyond the available budget of this Pacific I2I Project. Thus, one of the major challenges that Outcome 2 is tasked with is to develop the financing structures, business models, partnership arrangements, and sustainable operating mechanisms for the SBE investment projects to be successfully implemented. This, in fact, is the major stumbling block currently faced by PICs. To address this matter, sustainable financing mechanisms and financing models that are being used for investment in a sustainable blue economy will be developed and customized in the context of PICs and their national blue economy frameworks and implementation plans. Ultimately, the final decision on the implementation of a national SBE pilot project will entail approval and endorsement of financing and partnership arrangements and agreements by concerned national and local governments following a fully transparent and participatory planning and development process.

89. Support services (i.e., SBE investment services and SBE investment pipeline accelerator) will be activated under Outcome 2 to help plan, develop and operationalize the national SBE pilot projects. PICs, investors, business sector and concerned communities will be guided through the project development and investment process (i.e., from project concept to start-up) by the support services. Through this hands-on approach, the Regional Project will be creating a legacy of skills, experiences, financing mechanisms, and business models that will be available for use across the region beyond its termination.

90. The SBE investment services will support PICs for: planning, developing and building consensus on priority bankable SBE investment projects among government and non-government investors, stakeholders and beneficiaries in accordance with their respective national SBE framework strategies and implementation plans and national medium-term development and financial plans; and formulating and finalizing financing and partnership arrangements and agreements for SBE projects with government, financial institutions, investors, business sector, donors, and the general public (e.g., private, public, PPP, blended, crowding investment mechanisms).

91. The SBE investment pipeline accelerator will provide acceleration and incubation services for the national SBE pilot projects by identifying and accessing financing and/or seed capital, and providing mentoring support to business/SME start-ups to develop, implement, and upscale best practices in the national SBE pilot projects.

92. The national SBE pilot projects under this component are envisaged to cover four thematic areas, which are priorities in regional and national policies, strategies, and medium-term development plans. They include: conservation and restoration of natural capital and ecosystem services; pollution reduction and waste management; climate change; and emerging opportunities in ocean-based economic sectors.

93. For the conservation and restoration of natural capital and ecosystem services theme, national SBE pilot projects will bolster the implementation and sustainability of national EEZ-scale marine spatial plans, marine protected areas (MPA), locally managed marine areas (LMMA), and/or MPA/LMMA networks through targeted SBE investments and sustainable financing mechanisms, for example, fishery refugia, blue carbon, and blue forests (e.g., sea grass blue forests), restoration of natural capital and ecosystem services (e.g., coral reefs, mangroves, sea grasses), sustainable tourism/ ecotourism with particular emphasis on rebuilding the tourism sector post COVID-19, and food security, sustainable aquaculture, and sustainable fisheries-based livelihoods for island communities.

94. For the pollution reduction and waste management theme, the focus of the national SBE pilot projects will be in the context of resource efficient, low-carbon and circular economy SBE investments applying commercially viable integrated management solutions that encompass, among others, safe and sustainable water supply management, integrated pollution reduction/waste management (e.g., domestic waste; animal (piggery) waste; hazardous waste; ship/port waste), recovery/reuse of available resources, and alternative energy sources (low-carbon energy alternatives to diesel fuel).

95. The focus of national SBE pilot projects under the climate change thematic area of Outcome 2 will be investments in nature-based and grey-green infrastructure including, for example, climate resilient ports, green ports, and outer island maritime infrastructure, tourism facilities and services, roads and transportation facilities and services, and other ocean-related development and infrastructure.

96. Under the emerging opportunities in ocean-based economic sectors theme, a number of potential national SBE pilot projects are considered including, for example, sustainable aquaculture/mariculture, coral reef climate refugia, green ships/green ports, marine pharmaceuticals and biological products, and marine scientific research and education management.

97. Specific opportunities and details of potential national SBE pilot projects will be developed in collaboration with the PICs, regional organizations, and other concerned stakeholders (e.g., private sector) during the PPG phase of the Regional Project.

98. It is evident from the performance monitoring of existing national medium-term development plans that the delivery of sustainable, on-the-ground facilities and services that respond to the identified development objectives and challenges has been challenging, primarily as a consequence of technical and financial constraints. Outcome 2 will provide a range of learning experiences across different countries, sectors of the economy, and social and environmental conditions, through national SDS pilot project implementation. Regular audits and reporting on the national pilot project implementation will encompass the assessment of conformance to targeted social, environmental and economic objectives, as well as the effectiveness of financing, partnership and business model arrangements. The data and insights into each national pilot project's operation will be used to identify (and, as necessary, refine) successful working templates, financing mechanisms, operating arrangements, partnerships, and support services that provide a foundation for national policy and upscaling of SBE programs among PICs.

Component 3: Regional Knowledge Platform for Sustainable Blue Economy

Outcome 3: Upscaling of SBE enabled through SBE knowledge products and support services, and an SBE Regional Knowledge Platform and Decision Support Framework.

99. Outcome 3 will support the preparation and dissemination of SBE knowledge products, tools and support services that are based on the outcomes, impacts, benefits and experiences of the national SBE pilot projects (Outcome 2), for use in upscaling SBE development and growth within and among PICs. Innovative SBE practices, value-added partnerships, successful financing and operating templates, and other relevant knowledge products and technologies from the national SBE pilot projects will be prepared, shared, and upscaled via an online SBE Decision Support Framework and Regional Knowledge Platform. The Platform will be integrated into existing regional and national KM platforms for easy access and application.

100. SBE knowledge products that will be developed, tested, evaluated and refined as part of national SBE pilot project implementation. They will then be published and disseminated to PICs for upscaling. The knowledge products under Outcome 3 will cover, among others:

- guidelines on innovative policies and economic instruments for SBE growth
- natural capital assessment and accounting
- blue carbon inventory and financing
- access and benefit-sharing frameworks
- SBE principles and financing mechanisms
- SBE success templates for replication and upscaling best practices in biodiversity conservation, protection and management of natural capital, and inclusive partnerships
- SBE assessment, including harmonized social, economic and environmental indicators
- SBE monitoring and evaluation of investment projects.

101. A Regional SBE Decision Support Framework and Regional Knowledge Platform will provide a web-based mechanism for the collation, management, dissemination and communication, both regionally and globally, of knowledge, information and innovative approaches relating to SBE. It will contribute to the Regional Project's overall impact by sharing and stimulating wider adoption and replication of innovative approaches to SBE growth.

Component 4: Regional Project Coordination (RPC)

Outcome 4: Effective coordination of project planning and implementation, including monitoring, evaluating, reporting and communicating project outcomes, outputs, benefits and impacts and alignment with existing national and regional blue economy activities and commitments.

102. The Regional Project will be coordinated, facilitated and supported by the Regional Project Coordination (RPC) unit – that will be implemented by UNEP to provide consistency and coherence in the delivery of regional-level outcomes. The RPC will be directly responsible for the planning and implementation of Components 1 and 3, and will provide guidance to national SBE pilot projects for coordination, monitoring and evaluation, knowledge management, and communications to ensure cohesiveness and consistency at the regional level (Component 2). While the RPC will not be responsible for the implementation of the technical activities of the national SBE pilot projects, it will identify possible areas of cooperation among national SBE pilot projects to participate and share experiences in proposed joint activities.

103. The RPC will track and report progress towards achieving region-level outcomes, utilizing appropriate outcome indicators with well-defined targets, in order to track the cumulative impact of the Regional Project as a whole. A partnership strategy, to be fully developed during the formulation of the national SBE pilot projects, will be key to ensuring that all stakeholders understand and commit to the Regional Project goals and objectives as well as contributing to the success of their respective projects.

104. The RPC will play a key role in the overall synthesis of output and outcome results for the production of global and regional knowledge products and in the coordination of dissemination mechanisms. Project indicators will be aligned with relevant Sustainable Development Goals (SDGs).

4) ALIGNMENT WITH GEF FOCAL AREA AND/OR IMPACT PROGRAM STRATEGIES

105. In a region heavily relying on the health of its ocean economy, the incorporation of blue economy in the GEF Programming Directions for GEF-7 provides an opportunity to upgrade existing national development plans and regional strategies including the GEF supported Pacific Strategic Action Programme (SAP) for International Waters of the Pacific Islands to focus on SBE and strengthen the relevance of SBE planning to national governments and the private sector for increased investments in managing the ocean-based assets while decreasing the reliance on external funding. More explicitly, the Pacific I2I Project contributes to the GEF IW Focal Area Objective 1-1 (Strengthen blue economy opportunities through sustainable healthy coastal and marine ecosystems) and GEF IW 1-3 (Strengthen blue economy opportunities by addressing pollution reduction in marine environments). Specifically, notable GEF IW-related activities include:

- conducting National Blue Economy Assessments and developing National Blue Economy Frameworks and Implementation Plans in each participating country, encompassing ecosystem conservation and restoration (e.g., for coral reef, seagrass and mangroves), marine spatial planning, natural capital assessment and accounting (NCAA), circular economy, integrated pollution reduction and waste management, alternative energy opportunities, and low-carbon/resource efficient technologies and practices.
- customizing sustainable and equitable financing mechanisms according to each country's priorities and capacities for: protection and management of marine and coastal ecosystems (e.g., blue carbon; PES; debt-for-nature, co-management); and improving and upscaling pollution reduction/waste management systems and capacities (e.g., privatization; PPP; user fees; environmental/tourism fees).

- promoting and facilitating the incorporation of National Blue Economy Frameworks and Implementation Plans, financing principles, and investment projects into national medium-term development and financial plans of PICs.
- supporting the development and execution of at least six (6) SBE investment project/pilot project in selected PICs

106. Components 1, 2 and 3 of the Regional Project will also include the following:

- assisting PICs with the development of policy and regulatory frameworks that remove perverse subsidies and provide incentives for biodiversity-positive resource use that remains productive but that does not degrade biodiversity.
- introducing Natural Capital Assessment and Accounting at selected locations and scales to standardize methodologies and approaches across countries, confirm relevant applications in planning and decision-making in blue economy growth at the national and regional levels, and establish a core of experience and expertise in the region and in participating countries to scale-up NCAA in their respective national accounts.
- linking the objective of sustaining protected areas with targeted investments in spatial planning, conservation, restoration and blue economy development in the surrounding geographies.
- improving and changing coastal fisheries production practices to be more biodiversity-positive.
- enhancing financing for sustainable management and restoration of natural capital by affecting public and private financial flows and customizing financing mechanisms to the local context (e.g., blue carbon, blue bonds, etc.).
- supporting the development and execution of SBE investment projects focused on biodiversity conservation, restoration and management in participating countries and improving financial sustainability, effective management, and ecosystem coverage of the global protected area estate.

107. Overall, Pacific I2I Project activities contribute to and provide co-benefits to key GEF 7 priorities by:

- building on, strengthening and expanding partnerships at national, regional and global scales for further investments in blue economy development and growth, including fostering public-private partnerships between governments, ocean-based and ocean-related economic sectors (tourism, shipping, ports, fisheries), small and medium-sized businesses, communities and investors (Components 1 and 2).
- advocating and building capacities, collaborative opportunities and information and knowledge sharing among leaders, planners, managers and Regional Project implementers in participating countries, sectoral agencies, communities, regional organizations, women's organizations, and business networks, as well as improving knowledge sharing connections with SIDs in other regions, and global networks such as IW Learn (Components 1 and 3).
- strengthening professional development opportunities in support of SBE priorities and upscaling (Component 3).

5) INCREMENTAL/ADDITIONAL COST REASONING AND EXPECTED CONTRIBUTIONS FROM THE BASELINE, THE GEF TF, LDCF, SCCF, AND CO-FINANCING

108. In general, the Global Environment Facility (GEF) has been a strong partner and supporter of sustainable development for Small Island Developing States (SIDS) since it was founded over 29 years ago and in the Pacific ever since the GEF IW funded 1997 Strategic Action Programme for International Waters of Pacific Islands which was a pioneering effort by Pacific SIDS to integrate national and regional sustainable development priorities with shared global environmental concerns for protecting International Waters. The SAP proposed to address the root causes of degradation of International Waters through regionally consistent, country-driven targeted actions that integrated development and environment needs with actions designed to encourage comprehensive, cross-sectoral, ecosystem-based approaches to mitigate and prevent threats to International Waters. The SAP was thus providing an initial regional framework with targeted actions in two complementary, linked consultative contexts: Integrated Coastal and Watershed Management (ICWM) and Oceanic Fisheries Management (OFM). Through the ICWM and OFM approaches, the SAP set out an initial path for the transition from sectoral to integrated management of International Waters as a whole. Supporting the development of green and blue economy approaches in SIDS is key because nowhere is the inextricable connection between people's wellbeing, prosperity, and the environment clearer than on small islands. In recent years, growing recognition of the vital importance of the oceans to economies and livelihoods in SIDS has increased calls for integrated blue economy approaches and, support and capacity building in transitioning to a sustainable blue economy. At the same time, SIDS face fundamental challenges that must be tackled immediately - including high vulnerability to the impacts of climate change, limited land and water resources, unsustainable natural resource use, and the COVID 19 pandemic.

109. SIDS have made notable progress and demonstrated leadership in recent years to enhance the protection of marine resources to sustain and grow national economic opportunities. Capitalizing on those recent efforts, under the Pacific I2I Regional Project, GEF support will be focused on strengthening blue economy opportunities through a combination of national and regional investments. GEF investments will aim to catalyze financing in: protecting, restoring and sustaining biodiversity and healthy coastal and marine ecosystems at EEZ-scale; advancing resource efficient, low-carbon and circular economy SBE investments to address safe and sustainable water supply management, integrated pollution reduction/waste management, and alternative energy sources; integrating nature-based and grey-green infrastructure investments into the planning and development of sectoral infrastructure projects covering transportation, tourism, coastal development, etc.; and promoting, incubating and accelerating investments in new and emerging blue economy sectors in the Pacific Island Region, such as ocean-based energy and marine pharmaceuticals and biological products. The GEF's support will contribute to identifying sustainable public and private national investments within the blue economy space, and to putting together the necessary policies, legislation, business plans, financing mechanisms and partnership arrangements to ensure sustainable and inclusive blue economy growth.

110. GEF funds will specifically contribute to the development and implementation of real-life sustainable blue economy projects that leverage investments and partnerships across the public and private sectors of the region (Component 2). As identified in previous sections, numerous development strategies and implementation plans have been adopted by and for Pacific Island countries with the support of GEF and other international organizations. But there are few examples of PICs moving forward with the kind of investments, business models, financing mechanisms, and partnership arrangements that are needed to fully meet the objectives and benefits of these strategies. The Pacific I2I Project will address this gap. It will provide PICs with hands-on experience in developing investible SBE projects, identifying sustainable business models and financing mechanisms, finding partners that bring innovation and business experience to the table, and ultimately building and operating a commercially viable enterprises or services that create jobs and result in triple-bottom benefits locally and nationally. The experience, lessons learned, and skills developed with the Component 2 pilot projects will serve to better ground national and regional development policies and strategies (Component 1), as well as providing tools, technologies, and services that can be tapped within the region to transform to blue economy growth while reducing reliance on external funding and technical support (Component 3).

111. Without the GEF-7 investment in the Pacific I2I Regional Project, considering the sparse financial and human resource capacities of the concerned countries, movement towards more sustainable and coherent blue economy programming will be much slower and will proceed in a less-effective, less-integrated manner, and with reduced prospects of impact. There would also be considerable additional risks to biodiversity conservation and maintenance of ecosystem services as a result of such a slower, more fragmented approach, especially given the increasing social and economic pressures to marine resources in the region as a consequence of climate change and in the aftermath of COVID 19.

112. The GEF investment will support changes to policies, legal and administrative frameworks and processes, and incentives for more effective application of sustainable blue economy arrangements at all levels, including improving private sector engagement. Under the baseline scenario, national legislation and sectoral policies, strategies and plans to provide enabling environments for blue economy growth would remain largely independent (not integrated) and limited. With GEF support, regional and national governance mechanisms and instruments would be strengthened by mainstreaming SBE approaches and tools, such as National and Regional Blue Economy Frameworks and Investment Plans, marine spatial planning, NCAA, and pipelines of bankable projects into National Medium-Term Development Plans and investment initiatives.

113. In terms of incentives and investment, without additional attention to promoting investment in blue economy approaches, it is likely that financing would continue to fund unsustainable forms and levels of resource exploitation and undermine on-going sustainable fisheries and biodiversity conservation efforts. In addition, without a more coordinated, cross-sectoral viewpoint, investments would likely continue to be sector-specific with limited understanding or consideration of their impacts on other sectors.

114. The Pacific I2I Project has a specific focus on engaging with the PICs, financial institutions, investors, the private sector and other potential sources of financing, for the development and implementation of integrated blue economy solutions, financing mechanisms and partnership arrangements. Furthermore, the GEF investment will back the establishment, adaptation or strengthening of two key service mechanisms that are essential to the development of bankable project pipelines (i.e., Outcome 2 SBE investment services) and private sector partnerships and engagement (i.e., Outcome 2 SBE pipeline accelerator). A regional SBE-dedicated knowledge-sharing platform (Outcome 3) will also be set up to ensure that lessons learned from the GEF-supported SBE initiatives are promoted through south-south and south-north exchanges so these can be scaled up in new areas. By making a clear business case for SBE, the GEF investment will facilitate greater promotion and linkage of innovative blue economy solutions to SIDs in other regions and to global financing initiatives in both the public and private sectors.

115. There are a number of ongoing activities in the region to build capacity for sustainable development and management of natural resources, supported by GEF and other donors. Progress will likely continue under this scenario but at a much slower pace and narrower scale (e.g., country, site or sector specific projects). GEF-7 financing will allow a number of other new approaches and technologies that have demonstrated encouraging results (see Figure 2), to be further developed, up-scaled and expanded to effect transformational change in the Pacific Island context.

6) GLOBAL ENVIRONMENTAL BENEFITS (GEFTF) AND/OR ADAPTATION CO-BENEFITS (LDCF/SCCF)

116. The Pacific I2I Project makes a number of significant contributions to the delivery of Global Environmental Benefits (GEBs). The Regional Project will result in meaningful reductions in impacts on globally significant marine and coastal ecosystems with co-benefits in conservation of globally significant biodiversity. The Pacific Ocean as a whole comprises nearly one third of the planet's surface area, and the combined area of Pacific Island Country EEZs (20 million km²) constitutes a core part of the Pacific Ocean. By promoting, supporting and catalyzing the vital transformations that are needed towards SBE across such a large proportion of the globe, the impact of the Pacific I2I Regional Project will be at a scale that will have global ramifications and benefits.

117. From a SIDs perspective, the Pacific I2I Regional Project will result in relatable insights into improved marine resource management and use efficiency through inclusive SBE growth of ocean-dependent sectors, such as tourism, coastal fisheries, aquaculture and mariculture, and green ports and green shipping. These are all vital sectors in the majority of SID States' economies, in particular sustainable tourism, which creates jobs and promotes local culture and products. The Regional Project will serve as a learning experience for SIDs in all regions (including through IW:LEARN) on the transitioning from traditional business-as-usual models for ocean-related economic sectors to circular economy, low-carbon, resource efficient models with positive economic outcomes owing to enhanced material efficiency, growth stimulation, and innovation.

118. Climate change threats and impacts are major barriers to sustainable development across most SIDs. Under the Pacific I2I Project, the development of national SBE pilot projects will also encompass advances in increased use of renewable energy and decreased use of fossil energy resources, improved energy efficiency in shipping and ports, and conservation and enhancement of blue carbon stocks and carbon stocks in agriculture and other land use practices, among others. These initiatives will have dual benefits to SIDs, namely reducing reliance on diesel and other oil-based products, which are expensive and a source of GHG emissions, and providing new sources of income, jobs and economic development opportunities. These co-benefits will contribute to global targets for GHG emission reductions (UNFCCC) and the conservation, protection, and restoration of land- (SDG 15) and sea-based ecosystems (SDG 14).

119. Likewise, the Pacific I2I Project will develop and demonstrate a series of success templates and approaches for strengthened mobilization of investment in SBE development and growth, including the blending of multiple sources of financing and financial mechanisms that are adaptive to the challenges and constraints of SIDs in a post-COVID 19 climate. Potential socio-economic benefits to be transferred through the SIDs network include: restoration/revitalization of livelihoods, employment and opportunities for communities that are dependent on healthy oceans and living resources; adaptation and upscaling of effective public, public-private and civil society partnerships, building upon the Pacific experience and resource strategies for SBE inclusive partnerships; and reduced vulnerability and improved resiliency of SIDs communities to climate change, COVID 19, and other global threats and impacts (SDG 14).

120. The Pacific I2I Project is aligned with the priorities of the GEF International Waters Focal Area. The Regional Project particularly addresses multi-state cooperation to reduce threats to international waters, helping to restore and sustain marine ecosystems goods and services, including globally significant biodiversity, as well as maintaining capacity of natural systems to sequester carbon, and reducing vulnerability to climate variability and climate-related risks,

and increasing ecosystem resilience. Through its constituent, the Pacific I2I Regional Project including its national SBE pilot projects will contribute to the following specific Global Environmental Benefits principally to:

- GEF Core Indicator 5 - Marine habitat under improved practices to benefit biodiversity (ha), contributing sub-indicator: 5.2 – Number of large marine ecosystems (LMEs) with reduced pollution and hypoxia.
- GEF Core Indicator 6 – Greenhouse Gas Emissions mitigated (metric tons of CO₂e), contributing to sub-indicator 6.2 Emissions avoided, including GHG benefits from energy efficiency, renewable energy, transportation and urban Programs or Program components.
- GEF Core Indicator 7 - Number of shared water marine ecosystems under improved cooperative management as far as SBE is concerned in this case contributing to sub indicator 7.1 (rating 4) on SAP implementation with the Pacific 1997 SAP, sub-indicator 7.3 on Level of National/Local reforms and active participation of Inter-Ministerial Committees (rating 2) as ICMs are in place but will be upgraded to cover SBE and support the needed reforms engendered through this project and, sub-indicator 7.4 on Level of engagement in IW:LEARN through participation and delivery of key products (rating 1).
- GEF Core Indicator 11 – Number of direct beneficiaries disaggregated by gender as co-benefit of GEF (number), through all the national SBE pilot projects.

121. These impacts will be the direct result of the individual national SBE pilot projects – such as the EEZ-scale MSP and MPAs, resource efficient, circular economy BE investments, natural and grey-green infrastructure, and new and emerging ocean economic opportunities. The national SBE pilot projects will all provide a “scaling out” effect at the global level, particularly among SIDs regions. This scaling out effect will result from the Regional Project’s components on real-life SBE financing and investment projects (Component 2) and its knowledge management and outreach activities (Component 3).

122. The Pacific I2I Regional Project will also contribute to the achievement of several of the goals (SDGs) of the United Nations 2030 Agenda on Sustainable Development. The Agenda recognizes that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs including education, health, social protection, and job opportunities, while tackling climate change and environmental protection. The Regional Project, particularly with its focus on blue economy, contributes to:

- SDG 14 (Life Below Water), specifically targets 14.1, 14.2, 14.3, 14.5, and 14.7.
- SDG 15: (Life on Land), namely targets 15.3, 15.5, and 15A.
- SDG 13 (Climate Change), notably targets 13.1, 13.2, 13.3, and 13.B.
- SDG 17 (Partnerships for the Goals), particularly targets 17.3 and 17.6.
- SDG 6 (Clean Water and Sanitation), markedly targets 6.1, 6.3 and 6A.
- SDG 7 (Affordable and Clean Energy), especially targets 7.2 and 7B.

123. As 2020 marked the deadline for the Aichi Biodiversity Targets, the CBD's Secretariat is currently in the process of implementing a comprehensive and participatory process for the preparation of the post-2020 global biodiversity framework. Mapping of Regional Project contributions to the new targets will take place during the PPG phase when changes/modifications to the existing indicators and/or targets will be clear. However, under the current 2020 Aichi Targets, the Pacific I2I Regional Project contributes co-benefits to Biodiversity Target 11 - 10 per cent of coastal and marine areas, especially areas of particular importance for biodiversity and ecosystem services, are conserved through effectively and equitably managed, ecologically representative and well-connected systems of protected areas and other effective area-based conservation measures) through the EEZ-scale MSP MPA theme.

7) INNOVATION, SUSTAINABILITY, AND POTENTIAL FOR SCALING-UP

Innovation

124. The Regional Project has a number of innovative elements including:

- promotion of new technologies, processes and systems that lead to healthy ocean ecosystems while catalyzing the development and growth of sustainable blue economies (e.g., technology advancement in support of resource efficiency, low-carbon/alternative energy solutions and circular economy, with targeted impacts on reduction/elimination of marine debris; safe and sustainable water supply management; integrated pollution reduction/waste management (e.g., domestic waste; piggery waste); and reduction/elimination of fossil fuel usage);
- identification and promotion of innovative public-private and private financing and investment arrangements to support sustainable blue economy projects and infrastructures covering, for example: green shipping/green ports; nature-based, grey-green infrastructure; sustainable tourism; sustainable aquaculture/mariculture; and integrated pollution reduction/waste management facilities.
- exploring the potential of novel approaches to financing and de-risking blue economy investments, such as debt-for-nature, blue carbon, payment for ecosystem services, and insurance products.
- building and enhancing both sectoral and cross-sectoral capacity to effectively engage in integrated, cross-sectoral cooperation and coordination through the use of, among others, area-based planning tools IOM/EBM/ICM, marine spatial planning, and national blue economy assessment framework, strategy, and implementation plan.
- setting up and strengthening support services/mechanisms to assist the public (SBE Investment Service) and private (SBE Accelerator) sectors to up-scale and implement a pipeline of bankable SBE investment projects at the national and regional levels beyond the life of the Regional Project.
- improving management of knowledge and access to the best available information on blue economy for a network of national and regional stakeholders (including investors and the business sector), as well as other SIDs, Regional Sea Programmes and LMEs to enable well-informed decision-making and cross-sectoral collaboration for blue economy development and growth.

Sustainability

125. Various factors can be identified as potential barriers to achieving sustainability of Regional Project results and impacts including inadequate human and institutional capacities, poor collaboration and coordination among sectors and stakeholders, limited harmonization of regional and national policies, lack of financing, weak knowledge management systems, and a lack of common governance and management priorities.

126. The Pacific I2I Project's strategy to support sustainability of results and impacts is built into the rationale and design of the Regional Project at two levels. For national SBE pilot projects, integrated management and tailored financing mechanisms are recognized as essential ingredients to success templates for blue economy investments. While conditions may vary from country-to-country and sector-to-sector, the process for identifying, evaluating and building consensus on integrated solutions and acceptable and affordable financing mechanisms will be transparent, inclusive, and replicable. On another level, the sustainability of the Project's results will be facilitated through close collaboration and coordination among implementing agencies and executing partners, regional organizations, and knowledge management and communication mechanisms (e.g., Pacific Forum; SPREP; SPC)..

127. The individual national SBE pilot projects will also be built on the foundation of existing national and regional priorities, initiatives and structures. This will enhance the likelihood of the sustainability of results by:

- improving ownership and uptake (mainstreaming) of blue economy principles, framework and implementation plans and project pipelines into regional programs and national medium-term development and financial plans.
- harmonizing obligations under ocean-related global and regional conventions and agreements that are subscribed to by the PICs, into a regional blue economy framework and implementation plan thereby enhancing efficiencies and effectiveness of efforts by PICs, regional organizations, and their partners to meet international commitments.
- strengthening cross-sectoral linkages, collaboration and partnerships through the development and implementation of on-the-ground, real-life SBE investments that will endure beyond the life of the Regional Project and, based on the experience gained during the Regional Project, continue to facilitate blue economy growth across the region.
- identification of long-term financing sources and mechanisms, particularly through private sector investment, to address blue economy as part of the development of each national SBE pilot project.
- creating and strengthening mechanisms (e.g., blue economy framework and implementation plan; SBE investment service; investment pipeline accelerator) for more effective and transparent planning, development and implementation of SBE investments, with inclusive participation of diverse stakeholders at the regional, national, and local levels

128. Fostering the capacity of individuals and institutions is seen as central to ensuring lasting collective ability to address barriers to blue economy. However, capacity building is always a concern after intervention funding ceases. The Regional Project therefore identifies several mechanisms for institutionalizing sustained capacity building, including: a) incorporating training and education needs and approaches into national blue economy frameworks and implementation plans/national medium-term development plans; b) working with national and regional organizations and universities to develop and enhance existing training/education programs and syllabi to incorporate blue economy skills and knowledge, and to prepare training materials and other knowledge

products for use in training and education programs; c) identifying and facilitating internships and other professional development opportunities for university students and young professionals in PICs to advance IOM and SBE; and d) identifying and promoting targeted research to fill information and knowledge gaps and provide scientifically sound input to blue economy policy, planning and decision-making.

129. However, it is recognized that sustainability is a moving target given the evolving and emerging pressures on the PICs, including growing impacts of climate change and the COVID 19 pandemic. The Regional Project will address these pressures by incorporating requisites for resilience and adaptive management in all national SBE pilot projects, and using relevant impact indicators to provide an objective assessment of the effects of the national SBE pilot projects and the overall Regional Project on social, environmental, and economic resilience.

Scaling up

130. The Pacific I2I Project is designed to enable scaling up and scaling out beyond the boundaries of the national SBE pilot projects and the participating stakeholder groups, in terms of both the range of concerns and issues addressed, and in terms of the geographic scope.

131. A central approach of the Pacific I2I Project is to develop and validate blue economy “success templates” that can be applied to upscale and/or diversify approaches, technologies, financing mechanisms and partnerships that show value under a variety of circumstances. The extension of their application to a pipeline of blue economy projects will be assessed and promoted at the national and regional levels through: advocacy and communication with country leaders and economic sectors of the region; information and knowledge product dissemination; and ready access to professional project development and investment services and an investment pipeline accelerator mechanism.

132. Lessons learned and benefits of blue economy will be scaled out geographically to other regions, and to the SIDS network in particular, through knowledge management, outreach, information exchange, and targeted awareness raising activities under Components 3 and 4 of the Regional Project, including promoting success templates, financing mechanisms, and partnerships that support blue economy growth.

SEE **ANNEX D** (ToC), **ANNEX E** COUNTRY INFORMATION SHEETS and **Annex F**: Indicative Project Results Framework summary in the PIF WORD version in the roadmap section.

[1] SIDS Accelerated Modalities of Action (SAMOA) Pathway, November 2014. Resolution adopted by the UN General Assembly, 51st Plenary Session, Document14-64816 (E)

[2] Seidel, H. and Lal, P.N. 2010. Economic Value of the Pacific Ocean to the Pacific Island Countries and Territories. Gland, Switzerland: IUCN.

[3] Hoegh-Guldberg, O. et al. 2016. Reviving Melanesia’s Ocean Economy: The Case for Action – 2016. WWF International, Gland, Switzerland.

[4] <http://macbio-pacific.info/marine-ecosystem-service-valuation/> Retrieved October 17, 2020.

[5] Brander, L.M., Passfield, K., McKessar, K., Davey, K., Guisado, V., Eppink, F., Conner, N. and Weeks, H. (2020). Cook Islands Marine Ecosystem Service Valuation. Report to the Cook Islands National Environment Service.

1b. Project Map and Coordinates

Please provide geo-referenced information and map where the project interventions will take place.



Figure 1: The Exclusive Economic Zones of the Pacific island countries and territories – forming the “Blue Pacific Continent” (Source: <http://aquaculture.spc.int/images/stories/dfatpacific%202.gif>)

2. Stakeholders

Select the stakeholders that have participated in consultations during the project identification phase:

Indigenous Peoples and Local Communities

Civil Society Organizations

Private Sector Entities

If none of the above, please explain why: Yes

Due to the COVID 19 pandemic lockdown, consultations were limited to virtual meetings involving the GEF Secretariat, UNEP, ADB, SPREP and representatives of the 14 PICs. UNEP and SPREP also held a series of virtual bilateral meetings with each of the PIC to help review the content of the Project. During the PPG phase, more extensive stakeholder consultations will be undertaken with local communities, CSOs, the private sector, universities, and other organizations working on sustainable development and SBE related programs and projects in the Pacific Island Region. A stakeholder engagement plan will be prepared by CEO endorsement.

In addition, provide indicative information on how stakeholders, including civil society and indigenous peoples, will be engaged in the project preparation, and their respective roles and means of engagement

3. Gender Equality and Women's Empowerment

Briefly include below any gender dimensions relevant to the project, and any plans to address gender in project design (e.g. gender analysis).

133. Pacific women are hardworking, creative and resilient. They make significant contributions to their societies and economies and there is a growing recognition among governments and the private sector that investing in women and girls has a powerful effect on economic growth and wellbeing. However, women and girls face significant challenges. Up to 60 per cent of women and girls have experienced violence at the hands of partners or family members. The Inter-Parliamentary Union reports that globally, women comprise 23.3 per cent of national parliamentarians (world average as at January 2017), but the percentage of women in Pacific parliaments is currently around 6.9 per cent. Across the Pacific, men outnumber women in paid employment (outside the agricultural sector) by approximately two to one, and males typically earn 20 to 50 percent more than women because they work in jobs attracting higher salaries^[1].

134. It is well-recognized that both men and women have key and equal parts to play in achieving and maintaining healthy oceans and SBE. Some aspects of the Pacific Islands are already well advanced in this area, including women contributing to ocean leadership, management and use, conservation and science (e.g., five of six Divisional Directors at SPREP are women). There are also strong and enduring traditions of women participating in coastal fisheries, significant participation of woman in modern tuna fisheries (especially processing) and more recent initiatives such as the IMO/SPC supported "Women in Maritime" program^[2]. The maritime transport sector provides jobs to more than 16,000 people whilst ensuring access for communities to health care, education, market opportunities and connection with friends and families spread across countries and the region. Out of the 16,000 people employed in the maritime transport sector in the region, however, less than 10 percent are women and these women are currently facing a number of challenges maintaining their jobs and managing their homes during the on-going COVID 19 pandemic.

135. There is a well-established regional framework for addressing gender issues in the Pacific Region, namely:

- *Pacific Leaders Gender Equality Declaration (2012)*^[3]; and
- *Revised Pacific Platform for Action on Advancement of Women and Gender Equality (2005 – 2015)*^[4]

136. In line with this regional framework, as well as the ongoing program initiatives of UN agencies (i.e., UNDP; ILO; IMO) in the region, the Regional Project's approach is to mainstream gender activities into all sectors and activities, rather than have a separate, stand-alone gender outcome or component. Under the Pacific I2I Regional Project gender issues will be factored-in as a core requirement in all Regional Project Components and Outcomes. This will include an overt requirement to actively encourage and support gender-balanced participation in all Regional Project activities, developing gender-sensitive indicators in the Regional Project Results Framework, and reporting gender-segregated data and information for all Regional Project outcomes as part of monitoring and evaluation reports. In addition, capitalising on the existing body of knowledge both nationally and regionally, during the PPG, one will explore further the gender dimension of developing a sustainable blue economy including for the tourism sector, fishing sector etc. The project itself will endeavor to develop a regional specific gender assessment regarding the role of women and men in some of key identified SBE activities, in particular in coastal and marine-based sectors including inter alia on the role of men and women in fisheries, on income generation roles for sustainable livelihoods etc. The role of men and women in non-fisher based marine sectors such as shipping, community development, ecosystem regeneration will also be looked at as well as the value and approach to gender for the private and public sector interventions. A specific effort will be made to identify initiatives that enhance women's incomes and. This information will be incorporated into the SBE assessments and will accordingly inform the SBE action plans and the design of the SBE pilots. The design

and implementation of financial mechanisms will also take into account gender considerations to ensure equitable access and benefit from these mechanisms and its investments. In selected sectors, consideration will be given to having a specific gender outcome in terms of ensuring that blue business opportunities are designed and implemented with the gender lens and in turn result in equitable blue business opportunities. In full alignment with the GEF Policy on Gender (GEF Secretariat, 2017), the above mentioned approach will be used to ensure gender equality and empowerment of women throughout the project execution phase. Advancement of gender mainstreaming within policy and capacity building in support of all the components, especially in the pilot interventions, will be of key significance.

[1] <https://www.dfat.gov.au/geo/pacific/development-assistance/Pages/gender-equality-pacific-regional>

[2] <https://www.spc.int/updates/blog/2020/08/pacific-women-in-maritime>

[3] <https://www.forumsec.org/2012/08/30/pacific-leaders-gender-equality-declaration>

[4] <https://pacificwomen.org/resources/revised-pacific-platform-for-action-on-advancement-of-women-and-gender-equality-2005-2015/>

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment? Yes

closing gender gaps in access to and control over natural resources; Yes

improving women's participation and decision-making; and/or Yes

generating socio-economic benefits or services for women. Yes

Will the project's results framework or logical framework include gender-sensitive indicators?

Yes

4. Private sector engagement

Will there be private sector engagement in the project?

Yes

Please briefly explain the rationale behind your answer.

137. The Pacific I2I Project will engage the private sector in multiple ways, taking advantage of the unique roles of the sector in the economic activities of Pacific Island Countries. Private sector participation will be strong in the design and implementation of both national SBE pilot projects and regional initiatives. For example, infrastructure projects on green ports/green shipping will involve the participation of shipping companies operating in the region as well as port operators and companies working within ports - all contributing to the identification and assessment of options for reducing adverse effects of port design, construction and operation on local communities and the environment.

138. On the supply side of the green ports/green shipping national SBE pilot projects, innovations in low-carbon, alternative energy technologies and nature-based and grey-green infrastructure for local ports will involve companies in the business of design and implementation alternative approaches that can meet the challenges and expectations of governments, communities and businesses. Other national SBE pilot projects encompassing sustainable tourism, sustainable fisheries and aquaculture, integrated pollution reduction and waste management, circular economy, and new and emerging blue economy sectors will also entail working directly with the private sector in the design and development of innovative and sustainable solutions in the context of the PICs and Pacific Region.

139. The blue economy offers new opportunities for the private sector. As agents of change, the private sector can directly contribute to blue economy assessments at the national and regional levels, providing a business insight into legal, financial and market barriers that they currently face and contributing to the creation of processes and incentives to modify business-as-usual behavior. For example, private sector contributions to national and regional SBE assessments, frameworks and implementations plans would greatly assist in grounding such work in the realities of commercial projects versus impact projects, financing mechanisms, and potential partnership arrangements.

140. There will be a number strategic documents produced (e.g. natural capital assessment and accounting; MSP), and mechanisms (e.g. SBE investment mechanism; SBE accelerator) and forums (e.g., SBE knowledge sharing platform) identified and promoted, to engage the investor and business sector. These instruments and events provide an opportunity for a shared understanding between the public and private sectors on options, costs, risks, sustainability impacts and financial feasibility for innovative financing in blue economy. They also serve as an opening to attract and build private sector partnerships to support actions that address region-wide sustainability issues.

141. The PPG phase will be used to further explore and identify appropriate locations, sectors, and private sector instruments for development during the Pacific I2I Project. The early identification and guidance on suitable locations, sectors, models and approaches is seen as essential to engaging the private sector in the planning and start-up of the national SBE pilot projects. The private sector will form integral part of the stakeholder engagement plan to be prepared by CEO endorsement.

142. Finally, the private sector will also contribute to significant amounts of co-financing for the national SBE pilot project implementation as shown in Section C of this PIF. The full potential of private sector co-financing will be assessed during the PPG phase of the project. Engaging with private sector offers opportunities for increased investments in managing the ocean-based assets while decreasing the reliance on external funding.

5. Risks to Achieving Project Objectives

Indicate risks, including climate change, potential social and environmental risks that might prevent the Project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the Project design (table format acceptable)

Potential Risk	Rating	Mitigation Measure
<p>Political will and changes to political and governance conditions</p>	<p>Probability: low to medium</p> <p>Implication if not mitigated: low to medium</p> <p>PICs are fully committed to healthy ocean and SBE as evidenced by the Blue Pacific Statement, Pohnpei and Palau ocean declarations, leadership on SDGs (including voluntary national commitments to SDG 14) and leadership on climate change in UN fora, adoption of the Framework for Pacific Oceanscapes and many other regional and national initiatives.</p> <p>There is a risk that changes in decision-makers, or other political events beyond the control of the Regional Project and/or its individual national SBE pilot projects may lead to changes in policies or support for Regional Project and national SBE pilot project objectives.</p>	<p>Given the already very high level of commitment by PICs, implementation of the Regional Project will serve to further strengthen these commitments and put in place on-the-ground facilities and initiatives.</p> <p>The Regional Project and national SBE pilot projects have been designed with stakeholder participation to ensure national and regional support, which will be strengthened and broadened during the PPG stage and during project implementation. The Regional Project's and individual stakeholder and partnership coordination plans will support these efforts.</p>

<p>Institutional capacity risks:</p> <p>Capacity of regional organizations and national governments to implement Regional Project activities.</p>	<p>Probability: medium</p> <p>Implication if not mitigated: medium</p> <p>Regional organizations including SPREP and SPC have a long history of executing complex regional and sub-regional environmental projects. National governments in the region also have a history of executing environmental projects – although the relatively small size of some governments can cause human capacity limitations.</p> <p>The challenge presented by the Regional Project is the shift from environmental focus to a blue economy focus and the holistic, integrated and cross-sectoral approach that will be required to come up with SBE solutions that are effective, affordable and sustainable.</p> <p>Most of the PICs have limited capacity to fully engage in governance and management process for SBE resources, which could limit the Regional Project’s implementation and achievement of its proposed transformational changes. This particularly applies with regard to institutional and technical capacity in some PICs.</p> <p>Some technical solutions may also present</p>	<p>Critical gaps will be identified and addressed through dedicated capacity building and technical assistance programs in all national SBE pilot projects, including building capacity for adaptive, solutions-based ecosystem management and institutional support. PICs, regional organizations, and other stakeholders directly involved in project planning and implementation will be targeted for capacity building activities. Risks will be managed by applying a “learning-by-doing” approach, with provision of advocacy, communication, capacity building, technical assistance provided to leaders, planners, managers and implementers who are directly engaged in the SBE projects at the national and regional levels.</p>
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	<p>Some technical solutions may also present a risk in that they need to be acceptable and affordable to governments, communities, business sector and other stakeholders.</p>	
<p>Insufficient scientific and technical information for effective decision-making, or limited availability of key information</p>	<p>Probability: low</p> <p>Implication if not mitigated: medium</p> <p>There is a general lack of scientific data on the natural capital and ecosystems of the marine and coastal areas of the Pacific Island Region.</p> <p>This limits effective science-based decision-making and the development of more effective approaches tools for more SBE investments.</p> <p>In addition, some information needed for multi-sectoral decision making may not be available or accessible, particularly that considered commercial sensitive such as locations for ocean energy or bioprospecting.</p>	<p>Critical gaps in scientific and technical information will be identified and addressed through the Sustainable Blue Economy Assessment process in all PICs, as well as scientific and technical capacity needs assessments in all national SBE pilot projects, including building capacity for adaptive, solutions-based ecosystem management and institutional support.</p> <p>There has been significant development of science-based solutions to unsustainable use of ocean and coastal resources in recent years. Some of these have been successfully piloted through GEF-supported programs, (e.g., ICM; MSP) and can be scaled up, while others, (e.g., blue carbon; nature-based infrastructure) will undergo further development through the Regional Project in the context of the Pacific Region.</p> <p>The Regional Project will work closely with the scientific community, regional organizations, communities, women's organizations and other stakeholders, to ensure the most</p>

		<p>suitable approaches and practices for a particular situation are selected, developed and/or adopted.</p>
<p>Social risk:</p> <p>Engagement by key stakeholders (private sector, civil society, etc.)</p>	<p>Probability: medium</p> <p>Implication if not mitigated: high</p> <p>The great number and diversity of sectors, stakeholders and partners, many with very different interests and mandates within the Regional Project (especially in relation to the cross-sectoral aspects of the Regional Project) could constrain the efficient coordination and delivery of individual project and Regional Project results.</p> <p>Some partners in the Regional Project may not be willing or able to adopt a more integrated and coordinated approach to sustainable blue economy due to lack of understanding of the perspectives of other sectors operating across EEZs, e.g. little consideration of cumulative impacts in shipping and ports, mining, and fisheries sectors</p>	<p>The key Regional Project partners developed a common vision and framework for the Pacific I2I Regional Project with agreement on the overall scope of the Regional Project and areas to be targeted for action, which commits them to working through a shared platform and towards joint results.</p> <p>Partnership and stakeholder management at the Regional Project level will be a key role and responsibility of the Regional Project Coordination (RPC). Moreover, the RPC will allow for the development and dissemination of commonly agreed (across project) messages that will ensure policy-makers and other actors have coherent and consistent advice in decision making.</p> <p>A Pacific I2I Regional Project Steering Committee will be established under the Regional Project to ensure efficient communication, collaboration and coordination between t</p>

		<p>in, collaboration and coordination between the national SBE pilot projects and also with the Regional Project level</p> <p>A stakeholder and partnership coordination plan will be developed for each national SBE pilot project as well as the overall Regional Project (linking with each project plan), during the inception period</p> <p>setting out agreed roles and responsibilities of each partner and stakeholder group, including cross-sectoral capacity development to improve communication, collaboration and cooperation among the key sector/stakeholder groups with an interest in SBE governance and management to explore opportunities for shared planning in particular. This will build on existing partnerships and networks developed during regional and bilateral projects.</p>
<p>Climate change</p>	<p>Probability: high</p> <p>Implication if not mitigated: high</p> <p>Climate change is a certainty. According to the latest IPCC assessment (2019), expected adverse climate change impacts on the oceans (both EEZs and ABNJ) include increasing acidification and temperature of the oceans (especially surface waters), changes in salinity and currents, with changes in distribution of prey and composition of marine food webs affecting target fish species, such as tuna as well as deep-water system</p>	<p>Significant climate change impacts are not predicted to occur within the lifetime of the Regional Project, although are likely before 2050.</p> <p>Activities to raise awareness of climate change impacts and identify and build capacity for climate change adaptation</p>

	<p>s. These are particularly relevant to the Pacific Island Region and may undermine Regional Project aims and efforts to move towards more sustainable and</p> <p>integrated management of natural capital, biodiversity, and ecosystem services in the region.</p>	<p>measures to strengthen resilience in ocean sectors are included in the Regional Project.</p> <p>Governance and management of SBE will be addressed through more integrated, cross-sectoral approaches, incorporating climate change considerations in all national SBE pilot projects and capacity building programs, regional</p> <p>meetings, and other project activities. Building greater awareness and understanding of the</p> <p>consequences of climate change and the attendant need for collaboration across sectors</p> <p>and boundaries will, in fact, serve as an incentive to heighten sectoral-based and cross-sectoral collaboration on SBE investments.</p>
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COVID-19 Risk Analysis:

Potential Risk	Mitigations and Plans
<p>COVID-19 protocol measures and restrictions may limit travel and meeting opportunities.</p>	<p>This is expected to be reduced over time as most countries have begun the roll-out of vaccinations. Assuming some time for the Project planning process, and then inception this risk may be greatly reduced for Project Implementation. During the PPG phase, online and Zoom interactions are not ideal but should suffice. SPREP, UNEP and ADB will scale up their support as needed and the recruitment of local/regional staff to support project formulation will be favored.</p>

<p>Travel and social distancing restrictions</p>	<ul style="list-style-type: none"> · The project development will benefit from the SPREP, UNEP, ADB and countries combined skills for operating in virtual spaces, through Zoom and other platforms. · Project preparation efforts can be a mix of virtual meetings, emails and calls. · The SPREP and IAs regional offices will provide useful hubs for the outreach in each country to assist in national level information, baseline research and regional coordination. · For the private sector interactions - It is likely that one-to-one socially distanced key meetings will take place as well as online meetings. By June 2022, face to face interaction is expected to be possible for what would therefore be the majority of the project.
<p>Limited/reduced revenue for private sector companies, potentially reducing discretionary funds available.</p>	<ul style="list-style-type: none"> · The idea of the financial mechanisms to be designed is long-term, minimal cost, perpetual funding that does not have major capital costs to the private sector entity. · Additionally, the project will consider a range of private sector areas in particular those less impacted by the COVID pandemic, e.g. not only focused on initial target industries of tourism, but also including the shipping, insurance and banking sectors.
<p>Changes in baseline and reduced co-financing sources caused by changes in government/project partner priorities due to delays until implementation.</p>	<ul style="list-style-type: none"> · The PIF was formulated during the pandemic and the sources of funding had not demonstrated an effect from the health crisis. · The Project Planning process will also consider the reality of the current status of baseline data for the project.
<p>All potential partners (government, private sector and civil society) will have been affected by resource depletion (staff, funding, time) as a result of the pandemic and will be focused on recovery and rehabilitation in a post-covid scenario.</p>	<ul style="list-style-type: none"> · The project will incorporate the need to consider post-COVID rebuilding considerations into the Financial mechanisms being designed. · The project will be assessing nature-based and/or post-covid recovery efforts including in support of SBE.

COVID-19 Opportunity Analysis

Opportunity Category	Project Plans
Opportunities for targeted nature-based blue economy solutions for a number of private sector interests - tourism, shipping, etc.	<ul style="list-style-type: none">· The project plans to demonstrate to the private sector interests as they are recovering that the project should incorporate sustainability considerations and finance mechanism ideas that become a win-win for their relaunching.
Opportunity for new technology use and greater outreach.	<ul style="list-style-type: none">· While travel is limited, stakeholder online access has been greatly enhanced. It is anticipated that the roll-out and requests for stakeholder consultations can reach a wider audience - unlimited by room size, or flight costs or limitations.· Access to data and the need to design access and storage for gathering and collating information. Components 3 and 4 will ensure that this is incorporated into the project.· Partners' and beneficiaries' more regular online access can lead to reproducible social media posts and articles with case studies can be produced/generated.

6. Coordination

Outline the institutional structure of the project including monitoring and evaluation coordination at the project level. Describe possible coordination with other relevant GEF-financed projects and other initiatives.

143. It is believed that a partnership between UNEP and ADB is well suited to address the challenges associated with advancing sustainable blue economy both regional and nationally. As described in section 1a and through the baseline narrative in section 2 a, the 2 agencies offer a suite of strong programmes and tools as well as investment opportunities to assist the “Blue Pacific Continent” countries with their voyage to a Blue Economy securing ocean health for ocean wealth preserving and safeguarding the health of ocean ecosystems while catalyzing the development and growth of sustainable blue economies (SBE) in Pacific Island Countries. UNEP whose core mandate is the environment, generally supports normative work and transboundary cooperation while ADB brings investment strengths. The Pacific Island-to-Island (I2I) Project with a focus on ocean will address improved and effective blue economy governance and management across all 14 PICs. It brings together holistic policy support, nature-based solutions, capacity building and financing for on-the-ground actions to unlock transformative pathways to ocean-based sustainable development. Sustainable Blue Economy plan implementation will require a strong enabling environment of science-based knowledge, innovative finance, nature-based solutions and strategic ocean governance. ADB will be instrumental in bringing grants and loans for supporting further investments in healthy oceans as well as financial innovations thru financial guarantees, credit enhancements, first-loss and other catalytic finance to de-risk Healthy Oceans investments. It is indeed fully recognized that a complete SBE transformation across the region and the 14 participating PICs cannot be accomplished within the 5-year duration of the Regional Project. This Project will build the necessary skills, experience, tools, success templates and partnerships over the 5-year period through a practical, hands-on “learning-by-doing” approach, which will serve the region in its continuing SBE transformation beyond the Pacific I2I Regional Project. The bulk of work initiated through this project will need to be upscaled with ADB blended finance with other financing sources, including other MDBs, bilateral cooperation or private sector investments .

144. Specifically, in Component 1 led by UNEP, UNEP in consultation with ADB will help countries and the region to develop National and Regional Blue Economy Frameworks and Implementation Plans for SBE development and upscaling. The Frameworks and Plans will encompass national blue economy policies and strategies, as well as prioritized actions and selected marine and coastal locations that will launch an integrated management approach to ecosystem conservation and restoration (e.g., coral reef, seagrass, and mangroves), marine spatial planning, socio-economic assessment/macro-economic planning, blue economy investment, and benefit-sharing including mainstreaming in existing national development plans. Component 1 will also engage PICs in advocacy and capacity development activities to facilitate the advancement and/or refinement of national policies, regulations, financing mechanisms, and economic instruments across 14 PICs in support of SBE development and growth.

145. Component 2 supported by the 2 IAs helping roll-out their respective best practices and experiences in sustainable blue economy growth, will provide PICs the opportunity to gain hands-on experience in developing and implementing national sustainable blue economy pilot projects for replication and upscaling of best practices in biodiversity conservation, protection and management of natural capital, and inclusive partnerships, and produce a core of experience in SBE project development, financing and implementation.

146. Component 3 led by UNEP with inputs from ADB will generate knowledge products, tools, and support services that are grounded on the experiences of SBE national SBE pilot projects, innovative SBE practices, value-added partnerships, successful financing and operating templates, and other relevant knowledge products and technologies from the national SBE pilot projects prepared, shared, and upscaled via an online SBE Decision Support Framework and Regional Knowledge Platform. The Platform will be integrated into existing regional and national KM platforms for easy access and application.

147. Component 4 which will provide project coordination support will be made feasible thanks to SPREP as Executing Agency for the project to ensure effective coordination of project planning and implementation, including monitoring, evaluating and reporting program outcomes, outputs, benefits and impacts

148. The Pacific I2I Project will therefore consist of three regional components (C1, 3 &4) supporting SBE enabling conditions, knowledge management/knowledge sharing and project coordination with at least six national SBE pilot projects developed and implemented under component 2, each of which will have its own Project Management Unit (PMU) under the oversight of a national Project Steering Committee (PSC), with representation comprised of the responsible GEF Implementing Agencies, Executing Agency, concerned national and sub-national government agencies, the PMU, and project partners and beneficiaries. A Co-Chair will be elected/named for each PSC. A representative of the responsible Implementing Agency will serve as the other Co-Chair. The PMU will provide Secretariat support. Each of the national SBE pilot projects will have its own monitoring and evaluation (M&E) system, to enable it to measure progress against the indicators defined in its results framework, thereby functioning as a tool for adaptive management. The project-specific results frameworks and M&E systems will be aligned.

149. The Regional Project as a whole will be coordinated, facilitated and supported by the Regional Project Coordination Unit (RPCU) hosted by SPREP with UNEP as the Implementing Agency to provide consistency and coherence in the delivery of region-level outcomes. The Coordinator of the RPCU will act as the Regional Coordinator of the project. SPREP will serve as the Project Executing Agency under a direct project cooperation agreement with UNEP and under an MoU with ADB. It will coordinate day to day project execution and will be responsible monitoring and evaluation of project activities and outputs in accordance with UNEP and GEF M&E reporting requirements.

150. The RPCU will assist the national SBE pilot projects in coordination, monitoring and evaluation, knowledge management, and communications to ensure cohesiveness and consistency at the Regional Project level. The RPCU will identify possible areas of cooperation and invite pilot project representatives to participate in joint regional activities.

151. The Project as a whole will be guided at the regional level by a Pacific I2I Regional Project Steering Committee, the membership and functioning of which will be defined in detail during the project preparation process. The RPCU will serve as Secretariat to the Pacific I2I Regional Project Steering Committee (Figure 3).

152. ADB will have representation as observer on the regional project steering committee and provide advice and guidance as needed. ADB will also ensure engagement with UNEP, SPREP and country stakeholders for the project under Components 1, 3 and 4. For Component 2, ADB will provide direct support for project preparation technical assistance which will, among others, initiate due diligence, economic and technical feasibility, climate and other types of risk analysis, compliance and safeguards assessments and cost and financing estimates for identified sub-project investments. This will be done in adherence to ADB's Procurement Policy, and in close consultation with the relevant country stakeholders, UNEP and SPREP. Terms of reference for consultants will be explicit about this coordination."

153. The RPCU will track and report progress towards achieving Project-level outcomes, in collaboration with the national SBE pilot projects, utilizing appropriate outcome indicators with well-defined targets, in order to track the cumulative impact of the Regional Project as a whole.

154. A partnership strategy, to be fully developed during the formulation of the regional project and national SBE pilot projects, will be key to ensuring that all government and non-government stakeholders understand and commit to the Regional Project objectives as well as contributing to the success of their respective projects.

155. The national SBE pilot projects will conduct their own communications, supported by the RPCU, which will play a key role in the overall synthesis of output and outcome results across the pilot projects for the production of knowledge products and in the coordination of dissemination mechanisms at the regional and global levels.

156. At the Implementing Agency level, oversight and backstopping will be ensured through an appointed Task Managers within UNEP and ADB. The evaluation process to be further outlined during PPG will follow the M&E policy of both the GEF and the Implementing Agency.

157. The execution arrangement will be further elaborated during PPG including looking at the establishment of national Inter-Ministerial Committees, Regional Technical Advisory Groups etc.

Figure 3: Organizational Structure of the Pacific I2I Project

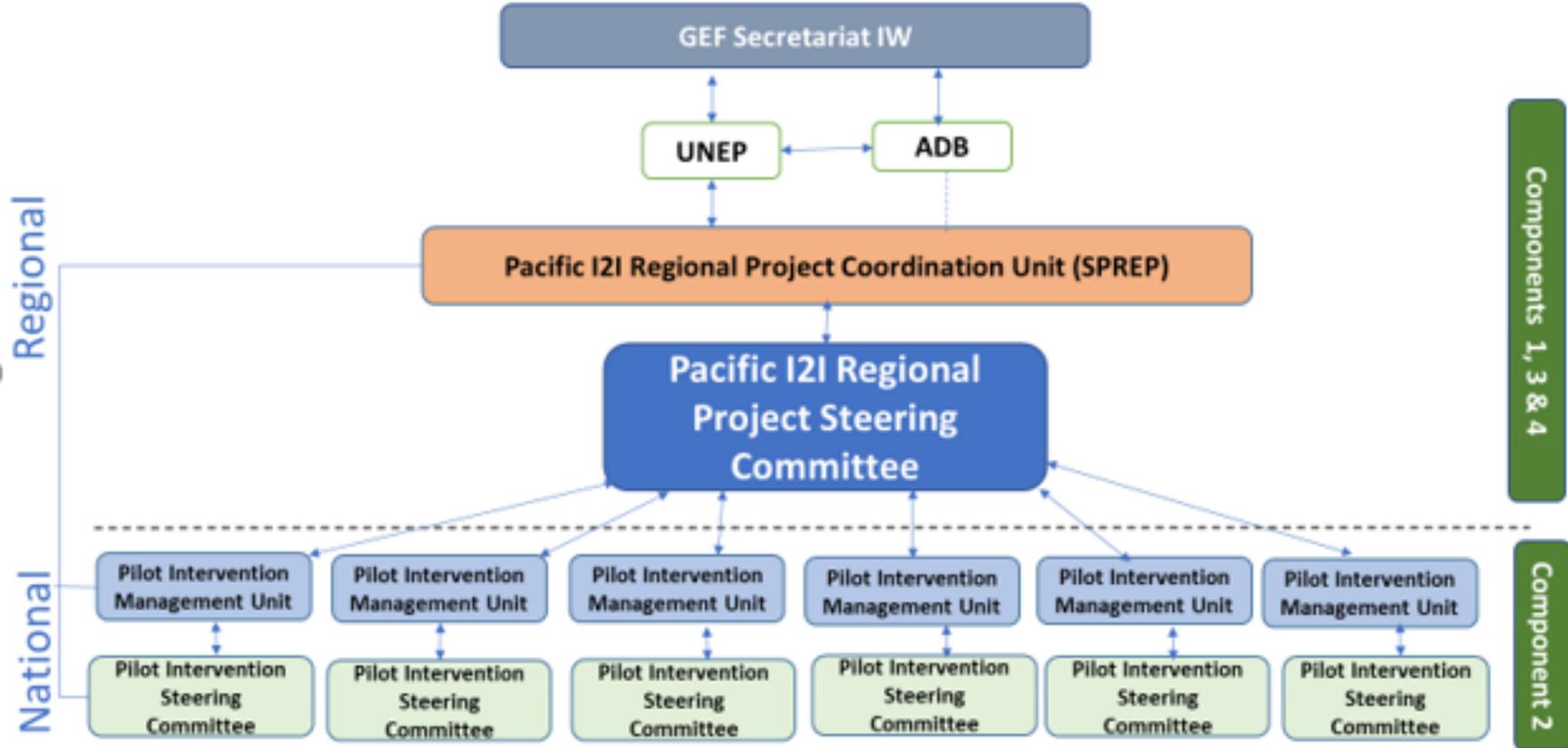
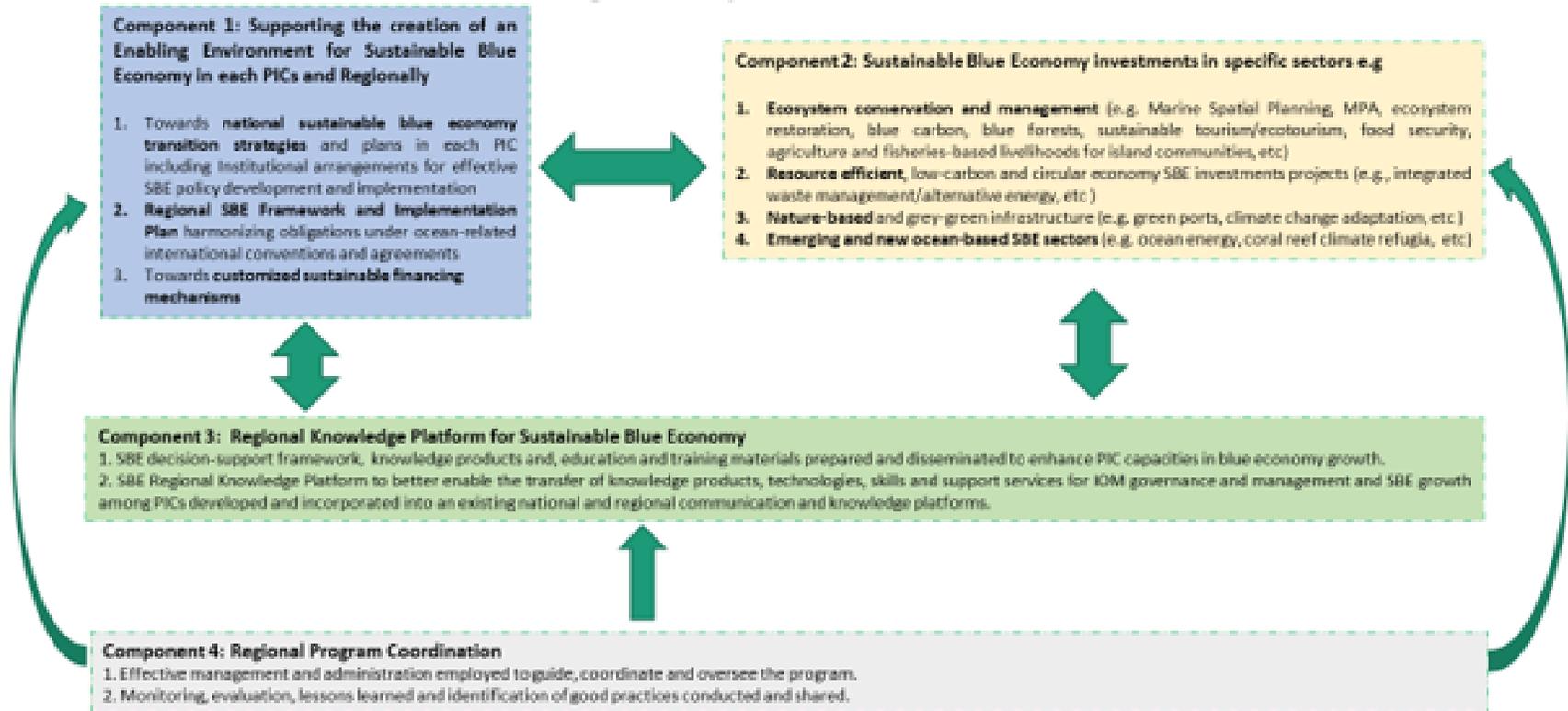


Figure 4: Project Structure



158. **Co-ordination with other GEF projects:** The Pacific I2I Project will mostly build upon and be closely coordinated with and complementary to other GEF-supported projects such as the ongoing r2r programme including its activities in RMI, Cook Islands, Kiribati, Nauru, Palau and Samoa as described in Section 2a above). Through the GEF IW: LEARN, the project will encourage both the dissemination of lessons and experiences to demonstrate the benefits from a Blue Economy approach to ecosystem and economic sustainability. The project will also work closely with IW:LEARN to participate in regional and global workshops to ensure results of this project are available to the wider IW community of project.

159. In the region, the project build upon the earning of GEF6 projects across focal areas and will also coordinate with other GEF7 IW and other focal area projects including:

Name of Project	Scope
Enhancing water-food security and climate resilience in volcanic island countries of the Pacific (GEF ID10712)	This regional project is implemented through FAO in Fiji, Solomon Islands, Vanuatu looking at enhancing water-food security and climate resilience in volcanic island countries of the Pacific. (GEF IW)
Public-Private Partnerships (PPPs) for Coral Reef Insurance in Asia and the Pacific (GEF ID 10431)	This regional project is implemented through ADB in Fiji, Indonesia, Philippines, Solomon Islands to enable large-scale financing to increase the climate resilience of coastal businesses, communities and livelihoods in selected countries in the Asia Pacific region through an innovative public-private partnership (PPP) model for coral reef insurance (GEF CCM).
Climate Resilient Urban Development in the Pacific (GEF ID10173)	This regional programme is implemented through ADB in Kiribati, Solomon Islands, Tuvalu, Vanuatu to increase resilience of critical urban areas and urban services in the Pacific (GEF CCM).
Managing Coastal Aquifers in Selected Pacific SIDS (GEF ID 10041)	This regional project is implemented through UNDP in Marshall Islands, Palau, Tuvalu to improve the understanding, use, management and protection of coastal aquifers in Republic of Palau, Tuvalu and the Republic of Marshall Islands towards enhanced water security within the context of a changing climate (GEF LD)
Support to Eligible Parties to Produce the Sixth National Report to the CBD (GEF ID 9823)	This regional project is implemented through UNDP in Cook Islands, Fiji, Micronesia, Kiribati, Marshall Islands, Nauru, Niue, Palau, Tonga, Tuvalu, Vanuatu (GEF BD)

160. In addition, the project will coordinate with other **non-GEF projects** in the region as follows. Other non GEF activities are described in the baseline section.

Name of Project	Scope
C-MERP project	Melanesia - Coastal and Marine Ecosystem Resilience Programme (C-MERP) (GCF PPF). This multi-country project approved under the GCF PPF is implemented through IUCN and executed through SPREP in Fiji, PNG, Solomon Islands and Vanuatu looking at enhancing the resilience and adaptive capacity of Melanesian Pacific Island people to climate change by protecting, restoring and managing coastal and marine ecosystems and the services they provide.

161. For additional information on the coordination with GEF and non GEF initiatives, please also refer to section 1 a and 2 a above.

162. During PPG, the Regional Project will also endeavor to coordinate its work with the following STAR projects which are being submitted to the June or December 2021 Council workprogramme namely the STAR initiative led by IUCN in Kiribati, the STAR UNDP led project in Tonga focusing on implementing the Fanga'uta Stewardship Plan (FSP) for strengthened integrated management of the Fanga'uta Lagoon and to replicate lessons learned from the Tonga R2R Phase I to priority areas in Vava'u and the UNEP led STAR project in Niue looking at promoting the development of sustainable tourism and agriculture sectors in Niue through the mainstreaming of biodiversity conservation and sustainable land management, strengthened capacities and financing solutions.

7. Consistency with National Priorities

Is the Project consistent with the National Strategies and plans or reports and assessments under relevant conventions?

Yes

If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc

163. The Pacific I2I Project has been designed to complement the implementation of relevant national priorities and commitments to international conventions and agreements, including: UNFCCC NDC and NAPA, UNFCCC National Communications; CBD National Biodiversity Strategy & Action Plan (NBSAP), CBD Program of Work (POW) on Protected Areas; and UNCCD National Action Programs, and UNCCD Reports.

UN Framework Convention on Climate Change (UNFCCC)

164. As noted in Table 3, all 14 countries have submitted NDC, NAP and/or NAPA strategies and action plans in accordance with the meetings and procedures of the UNFCCC. All PICs have also contributed National Communication (NC) reports as Annex 2 countries under the Convention. Collectively, the NC reports identified several common issues and concerns, including, for example: maintaining food and water security in the face of rainfall changes, drought and saltwater intrusion; changing growing conditions reducing the availability and productivity of edible crops; changing ocean and waterway conditions affecting sustainable access to marine resources and damaging habitats; and coping with extreme weather events such as cyclones and sea surge. On the mitigation aspect, in general, past mitigation measures have focused on reducing fossil fuel CO₂ emissions. Predominantly this was achieved by shifting electricity generation from diesel fuel generators to solar. This approach, reportedly, appears to have peaked unless storage capacity can be increased. In the transport sector, it was noted that emissions could be reduced by shifting to an electric vehicle fleet. The pollution reduction and waste management sector could also contribute by shifting to alternative technologies and processes. Overall, it was noted that all mitigation approaches are limited by funding.

165. The Pacific I2I Project addresses both climate change adaptation and mitigation challenges identified in the aforementioned NCs. Outcome 2 will focus on a building-with nature approach, whereby nature-based and grey-green infrastructure investments are applied as a means of reducing vulnerability and enhancing resilience of marine and coastal habitats and ecosystem services, coastal communities, and ocean-based/ocean-dependent sectors (e.g., tourism; shipping and ports; fisheries/aquaculture; etc.). Outcome 2 will also support efforts to conserve and enhance carbon stocks through national EEZ-scale Marine Spatial Plans, Marine Protected Areas (MPA), Locally Managed Marine Areas (LMMA), and/or MPA/LMMA Networks with investments in fishery refugia, blue carbon, and blue forests (e.g., sea grass blue forests), as well as ecosystem restoration (e.g., coral reefs, mangroves, sea grasses). Reductions in GHG emissions and application of alternative sources of energy and energy storage, will also be targeted under Outcome 2, specifically focusing on resource efficient, low-carbon and circular economy SBE investments in water supply and pollution reduction/waste management, shipping and ports, and sustainable tourism sectors.

Convention on Biological Diversity (CBD)

166. Table 3 identifies the commitment of the PICs to the procedures under the CBD, including the preparation of NBSAPs and POWs for Protected Areas, as well as the regular submission of CBD national reports. The CBD national reports acknowledge that countries have come a long way since the CBD was signed in 1992. However, they provide valuable insights into the lessons learned and challenges that countries are currently facing in meeting the Aichi Biodiversity Targets, for example: poor coordination and interagency collaboration; lack of senior level management engagement and involvement in the decision-making process and overall management; low level of assessment in the efficiency and effectiveness of implementation to verify performance and results against planned outcomes and targets; heavy dependency on external sources of funding for the implementation of NBSAPs, which are limited to the goals and activities at the project level - once projects are completed, then activities rely on the limited funding available through Government or are put on hold until further funding is found.

167. The Pacific I2I Project responds directly to the NBSAPs of countries and to the constraints to implementation that they are encountering. The Regional Project thrust is to mainstream biodiversity conservation and the protection and restoration of ecosystem services into the economic planning and development processes of the PICs. The connection has been discussed and promoted for many years but in reality, as noted in the CBD national reports, biodiversity conservation is still being managed as a separate environmental program rather than as a pillar of sustainable development.

168. The Pacific I2I Project will address this challenge with the development of national SBE frameworks and implementation plans (Outcome 1) that not only make the environment connection based on sound science, but also based on good business, social well-being, and sustainable economic development. Outcome 2 will involve the development and implementation of a series of pilot demonstrations in SBE investment under varying social, environmental and economic conditions. These demonstrations will serve as learning centers for the 14 countries. The hands-on experiences and success templates that are generated will be packaged and promoted at the policy-making and senior government level in each country (Outcome 2). The ultimate target is to transition from business-as-usual economic planning and development to sustainable blue economy planning and development, putting natural capital, biodiversity conservation, ecosystem protection and restoration, and integrated and inclusive management as requisites in all sectoral planning, assessment, and investment processes of the concerned governments.

UN Convention on Combatting Desertification (UNCCD)

169. The Pacific I2I Project seeks to contribute to arresting and reversing current trends in land degradation in the Pacific Region, which is aggravated by deforestation and unsustainable land management particularly in low-lying coastal areas and other landscapes with fragile soils that are vulnerable to soil erosion. As noted in Table 3, 7 of the 14 PICs have submitted national action programs and/or national reports in response to the meetings and procedures of the UNCCD. One country, Papua New Guinea, has recently prepared and submitted voluntary land degradation neutrality targets (LDN targets).

170. LDN and sustainable land management (SLM) are relatively new concepts in the Pacific Region, which are gradually being recognized and implemented in the context of PICs, with the assistance of GEF and other donors. For example, three of the LD Strategic Objectives are being addressed the ongoing GEF/UNDP r2r Program (LD 1, 2, 3).

171. The Pacific I2I Project will foster integrated landscape management practices adopted by local communities, building on lessons learned from the GEF/UNDP r2r community-based project and other participative interventions. Specifically, Outcome 3 will support SBE investments in the rehabilitation and conservation of degraded lowland/coastal areas, with the objective of establishing sustainable financing mechanisms for improving SLM, while strengthening food production and security, reducing pollution, and improving the social and economic benefits among smallholders, MSMEs and communities.

8. Knowledge Management

Outline the knowledge management approach for the Project, including, if any, plans for the Project to learn from other relevant Projects and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.

Regional Project approach to knowledge management

172. The management of SBE-related knowledge and its effective communication are integral to the Pacific I2I Regional Project. The Regional Project's overall approach to KM is to support the flow of the Regional Project and the individual national SBE pilot project results, lessons learned and best practices and other knowledge products, to and from, global (e.g., UN Ocean Conference; UNFCCC COP; CBD COP; UNCCD COP; GEF IW Conference), regional (e.g., Pacific Island Forum; SPREP/CROP; SPC/CRGA) and national policy and decision-making processes. The Regional Project will also support exchange of knowledge between national SBE pilot projects and global repositories of relevant information (such as IW:LEARN), while harmonizing knowledge management within the national SBE pilot projects and across the Regional Project as a whole. To do this the Regional Project will utilize its main partners and others as information conduits and platforms and build on existing lessons and best practices, including lessons from other relevant projects, programs, initiatives and evaluations at the national and regional levels.

173. The KM strategy is a key element of the Regional Project's coordinated programmatic approach, which will help promote two-way interaction between Regional Project and project levels and ensure harmonized action, strong coherence and linkages between all levels, and ensure that projects 'talk to each other' as well as help foster partner ownership of Regional Project activities and results. KM activities will tap into Regional Project partners' platforms and their networks, and be carried out in close consultation with all Regional Project partners and their respective knowledge management services.

174. The Regional Project will also help enhance South-South, triangular, and regional and international cooperation on and access to scientific, technological, financial and legal knowledge for decision-making, and enhance knowledge sharing on SBE issues, including through improved coordination among existing mechanisms. The involvement of 2 Implementing Agencies – UNEP and ADB – should help facilitate the management and sharing of knowledge across a large group of partners and networks.

Improving knowledge management platforms and decision-making

175. A key aspect of the Regional Project's KM approach is the SBE Decision Support Framework and Regional Knowledge Platform. The Platform will be planned and developed to enhance interaction and leverage with relevant existing platforms and communities of practice. The main thrust of the Regional Project's Platform will be to contribute to the body of knowledge on the effectiveness of SBE approaches to address threats and barriers to integrated management of natural capital, biodiversity and ecosystem services and blue economy upscaling. The Regional Project's national SBE pilot projects will contribute to sustained uptake and scaling out of impacts by ensuring that lessons learned through the national SBE pilot projects are effectively systematized and fed into knowledge hubs, planning and decision-making processes at the regional and national levels, and disseminated to stakeholders both within and beyond the region. In doing so, the Regional Project will help to fill knowledge gaps at global, regional and national levels and support the creation of larger

more relevant knowledge sources. By improving access and availability of SBE tools, approaches and success templates and proactively promoting Regional Project results to the public, decision- and policy-makers, investors, and the private sector, more informed decision-making on ocean health and ocean wealth can be expected.

176. Conversely, the Regional Project's KM approach will contribute to the effectiveness of national SBE pilot project investments by ensuring that they respond to lessons learned and best practices regionally and globally by connecting them with existing regional and global knowledge management platforms and hubs, and expert networks. The Regional Project and national SBE pilot projects are expected to particularly assist in building the blue economy knowledge base in the IW: LEARN network, through strong engagement in the GEF biennial IW Conferences and sharing of experiences and production of IW: LEARN Experiences Notes and newsletters. Project support to IW: LEARN will be reflected in the KM budget.

Knowledge Management strategy and organization within the Regional Project

177. The Regional Project will develop a robust Knowledge Management and Communication Strategy (KMACS) at the outset, with participation of all Regional Project partners to showcase and upscale results, lessons and best practices. The KMACS will function as the essential reference for all Regional Project KM and communication activities, which falls under the umbrella of Outcome 6, Regional Project Coordination (RPC). The KMACS will underpin, guide and support the generation, dissemination and application of information and knowledge from the Regional Project, set out a common analytical framework to organize and analyze information gathered by the different national SBE pilot projects, collect and share best practices, lessons learned, and innovative solutions to SBE issues across the Regional Project, and ensure that key target audiences are kept informed of the Regional Project and individual national SBE pilot project objectives, activities and achievements.

178. The KMACS will build on acknowledged best practices widely employed by UNEP, ADB and regional organizations and be in line with the principles of GEF's Knowledge Management strategy and associated guidance, as well as recent experiences of other GEF programs where knowledge management and communications have had a significant focus. At the same time, it will encourage innovative approaches (e.g., digital media).

179. The KMACS will define the audiences targeted and determine the particular knowledge management goals for each target audience. Target audiences include, among others: national government agencies; sub-national governments; private sector representatives (e.g., MSMEs; tourism; shipping and ports); academia; environmental NGOs; civil society groups including women's organizations; the general public; investors and the donor community.

180. Each National SBE pilot project will include a component on monitoring, KM and communications and also develop its own KMACS to ensure that key target audiences are aware of each project's objectives, activities and achievements, that processes are put in place to facilitate the synthesis, exchange and uptake of project-specific lessons learned, best practices, and expertise generated during project implementation, and to support monitoring and adaptive management of each project.

181. The effectiveness of the different KMACS will be reviewed annually and each have indicators to monitor and evaluate the impact of knowledge exchange and learning activities included in the Regional Project's and each national SBE pilot project's results framework (to be developed, with baseline, at PPG stage) as part of the Regional Project-level M&E framework. The annual reviews will take into account new innovative approaches and developing technology in Knowledge Management (KM) and effective communication and the KMACS updated as required.

Role of the RPC in Knowledge Management

182. As KM applies across the whole Regional Project, it will be organized centrally through the Regional Project Coordination (RPC), so that KM strategies and resources for implementation are coordinated and jointly developed with the Regional Project-level KMACS. This will ensure harmonized actions, coherent messaging and strong linkages both among the national SBE pilot projects, and between the national SBE pilot projects and the Regional Project.

9. Environmental and Social Safeguard (ESS) Risks

Provide information on the identified environmental and social risks and potential impacts associated with the project/program based on your organization's ESS systems and procedures

Overall Project/Program Risk Classification*

PIF	CEO Endorsement/Approval	MTR	TE
Low			

Measures to address identified risks and impacts

Provide preliminary information on the types and levels of risk classifications/ratings of any identified environmental and social risks and potential impacts associated with the project (considering the GEF ESS Minimum Standards) and describe measures to address these risks during the project design.

Please refer to the SRIF attached herewith and note the Safeguard Standard SS 2 on Climate Change and Disaster Risks as a climate risk screening.

Supporting Documents

Upload available ESS supporting documents.

Title

Submitted

04 - Pacific I2I Regional Project - UNEP SRIF - signed by Yunae
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Part III: Approval/Endorsement By GEF Operational Focal Point(S) And GEF Agency(ies)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the Operational Focal Point endorsement letter with this template).

Name	Position	Ministry	Date
Mr Nga Puna	Acting Director	Cook Island National Environment Service	3/1/2021
Joshua Wycliffe	Permanent Secretary	Fiji Ministry of Waterways & Environment	3/23/2021
Andrew Yatilman	Secretary/Minister	FSM Office of Environment and Emergency Management	3/22/2021
Mrs Nementeiti Teariki Ruatu	Director	Kiribati Environment and Conservation Division, Ministry of Environment, Lands and Agricultural Development (MELAD)	3/23/2021
Mr Clarence Samuel	Director	RMI Office of the Environmental Planning and Policy Coordination (OEPPC)	3/21/2021
Mrs Berilyn Jeremiah	Secretary for Commerce, Industry and Environment	Nauru Commerce, Industry and Environment	3/22/2021
Mr Haden Talagi	Director	Niue Department of Environment	3/9/2021
Mr Gunther Joku	Director	PNG Conservation and Environment Protection Agency (CEPA)	3/17/2021
Ms Charlene Mersai	Chief Executive Officer	Palau Ministry of Natural Resources and Environment	4/11/2021
Frances Brown Reupena	Chief Executive Officer	Samoa Ministry of Natural Resources and Environment	3/15/2021
Mr Chanel Iroi	Undersecretary - Technical	SI Ministry of Environment, Climate Change, Disaster Management and Meteorology	3/10/2021
Mr Paula Ma'U	Chief Environment Officer	Tonga Ministry of Meteorology, Energy, Information, Disaster Management, Environment, Climate Change and Communications	3/22/2021

Mrs Tilia Tima	Director of Environment (AG)	Tuvalu Department of Environment	3/16/2021
Ms Donna Kalfatak	Director	Vanuatu Department of Environmental Protection and Conservation (DEPC)	3/10/2021

ANNEX A: Project Map and Geographic Coordinates

Please provide geo-referenced information and map where the project intervention takes place



Figure 1: The Exclusive Economic Zones of the Pacific island countries and territories – forming the “Blue Pacific Continent” (Source: <http://aquaculture.spc.int/images/stories/dfatpacific%202.gif>)

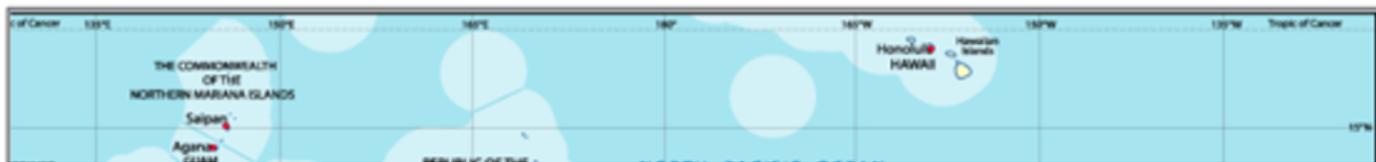




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