



Part I: Project Information

GEF ID

10986

Project Type

FSP

Type of Trust Fund

LDCF

CBIT/NGI

CBIT No

NGI No

Project Title

Blue Pacific Finance Hub: Investing in Resilient Pacific SIDS Ecosystems and Economies

Countries

Regional

Agency(ies)

ADB

Other Executing Partner(s)

Kiribati: MELAD; Solomon Islands: MECCDMM; Timor-Leste: MPW, MCIE; Tuvalu: MPWIELMD; ADB: Pacific and SE Asia Departments

Executing Partner Type

Government

GEF Focal Area

Climate Change

Sector

Mixed & Others

Taxonomy

Focal Areas, International Waters, Aquaculture, Marine Protected Area, Large Marine Ecosystems, Coastal, Biomes, Coral Reefs, Climate Change, Climate Change Adaptation, Disaster risk management, Innovation, Least Developed Countries, Sea-level rise, Climate finance, Private sector, Influencing models, Transform policy and regulatory environments, Deploy innovative financial instruments, Convene multi-stakeholder alliances, Stakeholders, Type of Engagement, Consultation, Information Dissemination, Participation, Partnership, Private Sector, Financial intermediaries and market facilitators, Capital providers, Large corporations, SMEs, Communications, Behavior change, Awareness Raising, Gender Equality, Gender Mainstreaming, Sex-disaggregated indicators, Women groups, Gender results areas, Capacity Development, Access and control over natural resources, Participation and leadership, Capacity, Knowledge and Research, Knowledge Exchange, Enabling Activities, Knowledge Generation

Rio Markers

Climate Change Mitigation

No Contribution 0

Climate Change Adaptation

Principal Objective 2

Biodiversity

No Contribution 0

Land Degradation

No Contribution 0

Submission Date

9/16/2023

Expected Implementation Start

5/1/2024

Expected Completion Date

4/30/2029

Duration

48In Months

Agency Fee(\$)

809,170.00

A. FOCAL/NON-FOCAL AREA ELEMENTS

Objectives/Programs	Focal Area Outcomes	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
CCA-1	1.2 Innovative financial instruments and investment models enabled or introduced to enhance climate resilience	LDC F	7,062,830.00	39,105,000.00
CCA-2	2.2 Barriers to climate finance access targeted	LDC F	1,928,000.00	10,840,000.00
Total Project Cost(\$)			8,990,830.00	49,945,000.00

B. Project description summary

Project Objective

To identify, prepare, facilitate, and finance investments that increase the resilience of coastal communities and ecosystems in Kiribati, Solomon Islands, Timor-Leste, and Tuvalu, and regional activities for selected Pacific Island countries.

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$ \$)	Confirmed Co- Financing(\$)
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Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Component 1: Capacity and governance to finance sustainable, resilient blue economies are strengthened.	Technical Assistance	Outcome 1: Capacity and governance in Pacific nations to finance sustainable, resilient blue economies are strengthened. LDCF contributes only to Output 1.2 and to Output 1.4 (others are co-financed)	1.1 Country-driven economic and financial analyses of ocean protection, ocean-climate solutions, and ocean-positive investments. 1.2 Improved ocean governance systems including sustainable ocean planning and adaptation planning. This includes, in Kiribati, the preparation and partial implementation of Kiribati national coastal management plan. 1.3 Mechanisms to increase public and private capital for ocean-climate action in the Pacific, including through domestic resource mobilization and innovative	LDC F	1,038,000.00	18,120,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
			<p>financing instruments. Including, development of the Pacific and Gender Aware Climate Finance Tracking Tool (PGACFTT)</p> <p>1.4 Capacity building for young professionals in climate change adaptation through ocean finance and the blue economy.</p> <p>This includes the development of a cadre of young climate-ocean-finance professionals.</p>			

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Component 2: Sustainable, resilient blue economy projects are identified, prepared, and financed.	Investment	Outcome 2: Sustainable, resilient blue economy projects are identified, prepared, and financed. LDCF contributes to both Outputs	2.1 National and regional pipelines of sustainable, resilient blue economy investments are prioritized and prepared for financing. This includes the identification, development and fund mobilization to SBE investments, 2.2 Sustainable, resilient blue economy projects are implemented. This includes: 1. In Kiribati and Tuvalu, development and partial implementation of an integrated ocean management plan; 2. In Tuvalu, partial implementation of the Funafuti Reef Fisheries Strategy.	LDC F	6,950,000.00	25,945,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
			<p>3. In SI, (i) creation of a food system innovation hub to share knowledge and skills and (ii) operationalizing CBRM to build the resilience of communities and ecosystems.</p>			
			<p>4. In Timor-Leste, a fully climate resilient water supply and sanitation system in three secondary cities.</p>			

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Component 3: Regional collaboration and knowledge management are strengthened	Technical Assistance	Outcome 3: Regional collaboration and knowledge management are strengthened.	3.1 The BPFH is established and is facilitating collaboration on ocean-climate action and resilient blue economy development	LDC F	517,830.00	3,230,000.00
		LDCF contributes only to Output 3.2 and to Output 3.3 (3.1 is entirely co-financed).	3.2 Regional blue ocean knowledge-sharing and learning strategy developed and implemented.			
			This includes supporting The Nature's Leading Women? initiative.			
			3.3 Research and Education Division of the CAN-CC established.			
			This includes the development of an Atoll Futures Research Institute (AFRI) under the Coalition of Atoll Nations on Climate Change (CAN-CC).			

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Component 4: M&E		M + E (Including M+E of the Gender Assessment and Action Plan)	PIRs, MTR, TER	LDCF	60,000.00	220,000.00
Sub Total (\$)					8,565,830.00	47,515,000.00
Project Management Cost (PMC)						
	LDCF		425,000.00			2,430,000.00
Sub Total(\$)			425,000.00			2,430,000.00
Total Project Cost(\$)			8,990,830.00			49,945,000.00

Please provide justification

C. 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(\$)
GEF Agency	ADB (ORCA)	Grant	Investment mobilized	7,600,000.00
GEF Agency	ADB (TAs)	Grant	Investment mobilized	3,500,000.00
GEF Agency	ADB (PAL)	Grant	Investment mobilized	16,600,000.00
GEF Agency	ADB (TIM)	Grant	Investment mobilized	20,000,000.00
Civil Society Organization	World Fish Forum	Grant	Investment mobilized	45,000.00
Recipient Country Government	Solomon Islands	In-kind	Recurrent expenditures	1,700,000.00
Recipient Country Government	Kiribati	In-kind	Recurrent expenditures	500,000.00
Total Co-Financing(\$)				49,945,000.00

Describe how any "Investment Mobilized" was identified

In part, the investment was mobilized through the standard ADB country programming exercises, which involve detailed technical preparation, extensive consultation with a range of government offices and international partners, leading to country programme strategies (CPS) in the Pacific Island nations and to implementation plans (IP) in Timor. In addition, steps to prepare this specific project proposal included thorough consultation in-country, workshops, site visits, an extensive outreach process, and in particular working closely with in-country counterparts and technical partners. WorldFish was identified as a key organization within ADB's stakeholder network, dedicated to advancing aquatic food systems in the Solomon Islands. This collaboration emerged through direct engagement and ongoing discussions with WorldFish, and with support by the Solomon Islands Ministry of Fisheries and Marine Resources, which is already working closely with WorldFish. Together, they meticulously defined the sub-project, allowing both organizations to invest resources and efforts collectively. WorldFish stood out as an ideal implementation partner in the Solomon Islands context due to its deep-rooted ties with local institutions and communities. Additionally, this proposed collaboration between ADB and WorldFish materialized as a result of their shared vision and understanding for sustained collaboration. In August 2022, ADB and WorldFish signed a Memorandum of Understanding (MoU) that serves as a guiding framework, enabling both institutions to collaborate effectively in areas of mutual interest. The MoU not only provides direction

but also opens doors for both institutions to explore various partnership opportunities, fostering a synergy that benefits the aquatic food systems.

D. 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(\$)
ADB	LDC F	Regional	Climate Change	NA	8,990,830	809,170	9,800,000.00
Total Grant Resources(\$)					8,990,830.00	809,170.00	9,800,000.00

E. Non Grant Instrument

NON-GRANT INSTRUMENT at CEO Endorsement

Includes Non grant instruments? **No**

Includes reflow to GEF? **No**

F. Project Preparation Grant (PPG)

PPG Required **true**

PPG Amount (\$)

183,500

PPG Agency Fee (\$)

16,500

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)	Total(\$)
ADB	LDC F	Regional	Climate Change	NA	183,500	16,500	200,000.00
Total Project Costs(\$)					183,500.00	16,500.00	200,000.00

Meta Information - LDCF

LDCF true

SCCF-B (Window B) on technology transfer false

SCCF-A (Window-A) on climate Change adaptation false

Is this project LDCF SCCF challenge program?

false

This Project involves at least one small island developing State(SIDS). true

This Project involves at least one fragile and conflict affected state. true

This Project will provide direct adaptation benefits to the private sector. false

This Project is explicitly related to the formulation and/or implementation of national adaptation plans (NAPs). false

This Project has an urban focus. true

This Project covers the following sector(s)[the total should be 100%]:*

Agriculture	0.00%
Natural resources management	50.00%
Climate information services	0.00%
Coastal zone management	50.00%
Water resources management	0.00%
Disaster risk management	0.00%
Other infrastructure	0.00%
Health	0.00%
Other (Please specify:)	0.00%
Total	100%

This Project targets the following Climate change Exacerbated/introduced challenges:*

Sea level rise true

Change in mean temperature false

Increased climatic variability true

Natural hazards true

Land degradation false

Coastal and/or Coral reef degradation true

Groundwater quality/quantity false

Core Indicators - LDCF

CORE INDICATOR 1

Total

Male

Female

% for Women

Total number of direct beneficiaries

282,000

141,000

141,000

50.00%

CORE INDICATOR 2

Area of land managed for climate resilience (ha)

141,800.00

CORE INDICATOR 3

Total no. of policies/plans that will mainstream climate resilience

25

CORE INDICATOR 4

Male

Female

% for Women

Total number of people trained

446

223

223

50.00%

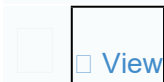
To calculate the core indicators, please refer to Results Guidance

OBJECTIVE 1

Reduce vulnerability and increase resilience through innovation and technology transfer for climate change adaption

OUTCOME 1.1

Technologies and innovative solutions piloted or deployed to reduce climate-related risks and / or enhance resilience



OUTCOME 1.2

Innovative financial instruments and investment models enabled or introduced to enhance climate resilience



OBJECTIVE 2

Mainstream climate change adaption and resilience for systemic impact

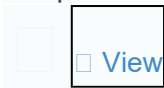
OUTCOME 2.1

Strengthened cross-sectoral mechanisms to mainstream climate adaption and resilience



OUTCOME 2.2

Adaptation considerations mainstreamed into investments



OUTCOME 2.3

Institutional and human capacities strengthened to identify and implement adaptation measures



OBJECTIVE 3

Foster enabling conditions for effective and integrated climate change adaption

OUTCOME 3.1

Climate-resilient planning enabled by stronger climate information decision-support services, and other relevant analysis, as a support to NAP process and/or for enabling activities in response to COP guidance



[View](#)

OUTCOME 3.2

Increased ability of country to access and/or manage climate finance or other relevant, largescale, pragmatic investment, as a support to NAP process and/or for enabling activities in response to COP guidance



[View](#)

OUTCOME 3.3

Institutional and human capacities strengthened to identify and implement adaptation measures as a support to NAP process and/or for enabling activities in response to COP guidance



[View](#)

Part II. Project Justification

1a. Project Description

One minor change is made to the formulation of the Project Objective, from ?to identify, prepare and finance investments that increase the resilience of Pacific coastal communities and ecosystems? to ?to identify, prepare, facilitate and finance investments that increase the resilience of Pacific coastal communities and ecosystems Tuvalu, and regional activities for selected Pacific Island countries.? The action of facilitation has been incorporated into the Project Objective to reflect the fact that a substantial part of the Least Developed Countries Fund (LDCF) support and co-finance will focus on building the enabling environment that will facilitate the flow of finance to sustainable blue economy (SBE) investments.

Output 1.4 has been reformulated as ?Capacity building for young professionals *in climate change adaptation* through ocean finance and the blue economy?. This more accurately captures the centrality of climate change adaptation in this Output.

Also, former Outputs 2.1 and 2.2 (?National and regional pipelines of sustainable, resilient blue economy investments are prioritised?, and, ?Sustainable, resilient blue economy projects are prepared for finance?) have been *combined* into a single *new* Output 2.1 (Output 2.1: National and regional pipelines of sustainable, resilient blue economy investments are prioritized and prepared for financing.) Consequently, former Outputs 2.3 and 2.4 have been renumbered 2.2 and 2.3.

Finally, Output 3.1 has been reformulated as ?The Blue Pacific Financing Hub (BPFH) is established and is facilitating financing and collaboration on ocean-climate action and resilient blue economy development?. This reflects the fact that, since PIF approval, the BPFH has commenced operations, and working towards functioning fully.

1a. *Project description.*

Summary

Healthy marine ecosystems underpin a sustainable ocean economy and play an important role in providing a basis for climate change adaptation and climate resilience. Yet the ocean is under increasing pressures from a range of sources including climate change, pollution, and overfishing. These factors are particularly acute in the Pacific region and for Pacific Island nations that are almost entirely reliant on a combination of fisheries and natural resources and tourism for food systems and economic development.

For small island societies and economies in the Pacific, the implications of climate change, in interaction with other challenges, present an ?unrivalled threat? (Office of the Pacific Ocean Commissioner, OPOC)[1]¹ to sustainable development and livelihoods. Moreover, the impacts are felt inequitably across Pacific communities, with women and the poor and vulnerable (including people with disabilities and other vulnerable individuals) bearing the brunt of pressures on the ocean (see Annex M and Appendix 5). Threats to the ocean extend beyond the problem of amplifying social and economic vulnerability, for Pasifika peoples the ocean is connected to a sense of place, history and identity, and its health is entwined with personal and community health and wellbeing.

Despite these challenges, the opportunities for sustainable and climate resilient development of marine-based economies have never been greater. Governments, communities, investors and firms are moving to better plan for, protect, and generate greater economic, social, environmental and adaptation benefits from ocean-based activities. There is, further, growing recognition that identifying women and communities as stakeholders, respecting their rights and interests, and harnessing local knowledge and existing innovations to adapt to climate change is central to ocean health and inclusive blue economies.

This project is based on the premise that realizing the opportunities of the blue economy, especially in the context of a changing climate, requires financing vehicles that can generate, align and account for investments in sustained ocean health and governance. And, further, that the financing is itself a challenge. This project aims to fill major finance gaps, and to improve the equitable distribution of finance in relation to oceans and climate.

The Project acts through and in support of the Blue Pacific Finance Hub (BPFH). The BPFH is a Pacific-wide mechanism to address barriers common to several or all Pacific countries and barriers to addressing trans-frontier ocean-climate issues. Although developed regionally, in most cases the BPFH will act nationally, learning and transferring lessons across the region and adapting barrier removal approaches to each national specific context.

II 1 a (I) The Climate Adaptation Problems, Root Causes and Barriers

Context: The Pacific Ocean and the Participating Countries

The Pacific Island nations addressed by this project have a combined population of almost 11.5 million spread across a unique and diverse region made up of thousands of islands and scattered over a huge area. The combined Economic Exclusive Zones (EEZ) of the participating countries is over 20 million km² – that is over 5% of the earth (see Table 1 and the maps in Annex E).

Table 1: Exclusive Economic Zones of Participating Countries

Country	Coastal Population ^a	Coastline (km) ^a	Total Land area (km ²)	EEZ area (?000 km ²) ^b
Cook Islands	14,974	120	237	1,830
Federated States of Micronesia (FSM)	102,843	1,295	701	2,980
Fiji	837,271	4,638	18,333	1,290
Kiribati	109,693	1,961	811	3,550
Nauru	9,945	30	21	320
Niue	1,460	64	259	390
Palau	17,661	1,519	444	629
Papua New Guinea (PNG)	5,190,786	20,197	462,840	3,120
Republic of the Marshall Islands (RMI)	53,158	181	181	2,300
Samoa	187,820	463	2,934	120
Solomon Islands (SI)	515,870	9,880	28,230	1,400
Tonga	100,691	909	749	700

Tuvalu	10,640	24	26	900
Vanuatu	234,023	3,132	12,281	680
Timor-Leste	789,000	783	14,954	75d
TOTALS	8,185,835	45,196	543,001	20,284

a Andrew NL et al, 2019. Coastal proximity of populations in 22 Pacific Island Countries and Territories (excluding Timor-Leste).

b SPC, Development division, website accessed 31 July 2023 (excluding Timor-Leste)

c Source (unless indicated): UNDP/Government of Timor-Leste, 'National Coastal Vulnerability Assessment and Designing of Integrated Coastal Management and Adaptation Strategic Plan for Timor-Leste', (2018).

d Source: www.cbd.int, accessed 8 August 2023.

With the exception of Papua New Guinea (PNG) and Fiji^[2], the economies of all these nations are dominated by access to coastal and marine resources, and the populations are located on or in close proximity to the coastal zone. This coastal population and economies across the region share many characteristics. In general, the populations and land areas are small, and the economies are remote, isolated and have a narrow resource and export base, and a high exposure to external shocks. All 14 Pacific nations and Timor-Leste are considered to be Small Island Developing States (SIDS) by the UN^[3]; nine of the nations are classified by Asian Development Bank (ADB) as fragile and conflicted affected states 'small island states (FCAS-SIDS)^[4], although they all experience some degree of fragility. This fragility stems from a combination of heightened exposure to risk and insufficient coping capacity to manage, absorb, or mitigate risks. The fragility is exacerbated by geographical constraints, the small human resource pools, and weak institutions. It is noted that many of these nations, and many other stakeholders, prefer the term 'Big Ocean States' to SIDS, but for consistency this document will use the term SIDS.

Notwithstanding, the nations are diverse, with notably PNG and Fiji having a large land mass, a relatively large population and more diverse economies. Generally, the states differ in terms of cultural identities, population, economy size, economic drivers (e.g. fisheries, tourism, public investment), geography (high islands, atolls, single island or multi-island states), level of development assistance, and reliance on remittances. Yet, the one constant is that marine and coastal resources play a key role in economic development and socio-cultural activities in each country, with notably fisheries and/or tourism being drivers of the economy in all coastal states.

COVID-19 has had a profound impact across the region. For the island states, their remoteness meant they could remain mostly COVID-19-free throughout much of the global pandemic and they could manage the spread and impact of the virus. However, they could not stave off many of the pandemic's economic impacts. For their part, Fiji and PNG both experienced early pandemic outbreaks that greatly stretched their limited health services and had severe economic impacts. The smaller countries closed their borders early in the pandemic and so experienced an extended period of lowered revenue, from which they are only recovering.

Climate Hazards and Climate Change across the Pacific Ocean

The recent Intergovernmental Panel on Climate Change (IPCC) report on climate change impacts and vulnerability includes a summary assessment of the impacts of climate change on small island states[5]5. With regards to SIDS, the report projects that climate and ocean-related changes will significantly affect marine and terrestrial ecosystems and ecosystem services, which will in turn have cascading impacts across both natural and human systems. The key climate drivers will be sea level rise, changes in sea temperatures, acidification, wave climates, extreme rainfall and meteorological drought. Overall, the very habitability of islands and coastal areas of small islands is expected to decrease. In addition, the report projects that the increase in severity and extreme weather events and the continuing degradation and transformation of terrestrial and marine ecosystems of small islands will amplify the vulnerability of island peoples to the impacts of climate change.

The general trend of climate change in the region in terms of sea level rise, acidification, changing wave climates, extreme rainfall, potential dry periods and typhoon patterns has been clear for some time. Recent work by the Secretariat of the Pacific Regional Environment Programme (SPREP) and the Commonwealth Scientific and Industrial Research Organisation (CSIRO), in coordination with the work of the Intergovernmental Panel on Climate Change (IPCC) Working Groups, has collected all latest data and prepared updated model-based projections for the key climate hazards of the 14 Pacific Island countries, together with country summaries, country/sector specific case studies, non-technical guidance materials and communication products to facilitate sectoral applications. It has also prepared potential futures scenarios for each country. This report represents the latest and state of the art knowledge of climate change, projections, impacts and vulnerability for the region[6]6.

The key messages are summarized as follows:

- Temperatures have increased, sea level has risen, and cyclones have become less frequent but more intense.
 - Observed long-term rainfall trends are not significant due to large natural variability driven by the El Niño Southern Oscillation.
 - Further warming is projected, reaching around 0.7°C by 2030, relative to 1986-2005, regardless of the greenhouse gas emission scenario. By 2050, the warming is around 0.8°C for a low emission scenario (RCP2.6) and around 1.5°C for a high emission scenario (RCP8.5). By 2070, it's around 0.8°C (RCP2.6) to 2.2°C (RCP8.5). This will lead to increases in both marine and terrestrial heatwaves.
 - There is great uncertainty regarding future rainfall changes. The central estimate of projected changes is close to zero in countries south of latitude 10°S, with, at the median, increases in rainfall projected between latitudes 10°S and 10°N.
 - Sea level will continue to rise. By 2030, the increase is about 0.09 to 0.18 meters, relative to 1986-2005, regardless of the greenhouse gas emission scenario. By 2050, the increase is around 0.17-0.30 meters for a low emission scenario (RCP2.6) and around 0.20 to 0.36 meters for a high emission scenario (RCP8.5). By 2070, it's around 0.24 to 0.43 meters for RCP2.6 and 0.33 to 0.63 meters (RCP8.5). And, a global mean sea-level rise of 1m by 2070 cannot be ruled out.
 - Heavy rainfall intensity will increase.
 - Fewer tropical cyclones are projected, but their average intensity could change by -5 to +10% for a 2°C global warming.
-

- The projected increase in average cyclone intensity, combined with sea level rise and increased heavy rainfall intensity, would increase cyclone impacts.

Figure 1[7]⁷ shows how sea level rise is projected to vary significantly from site to site.

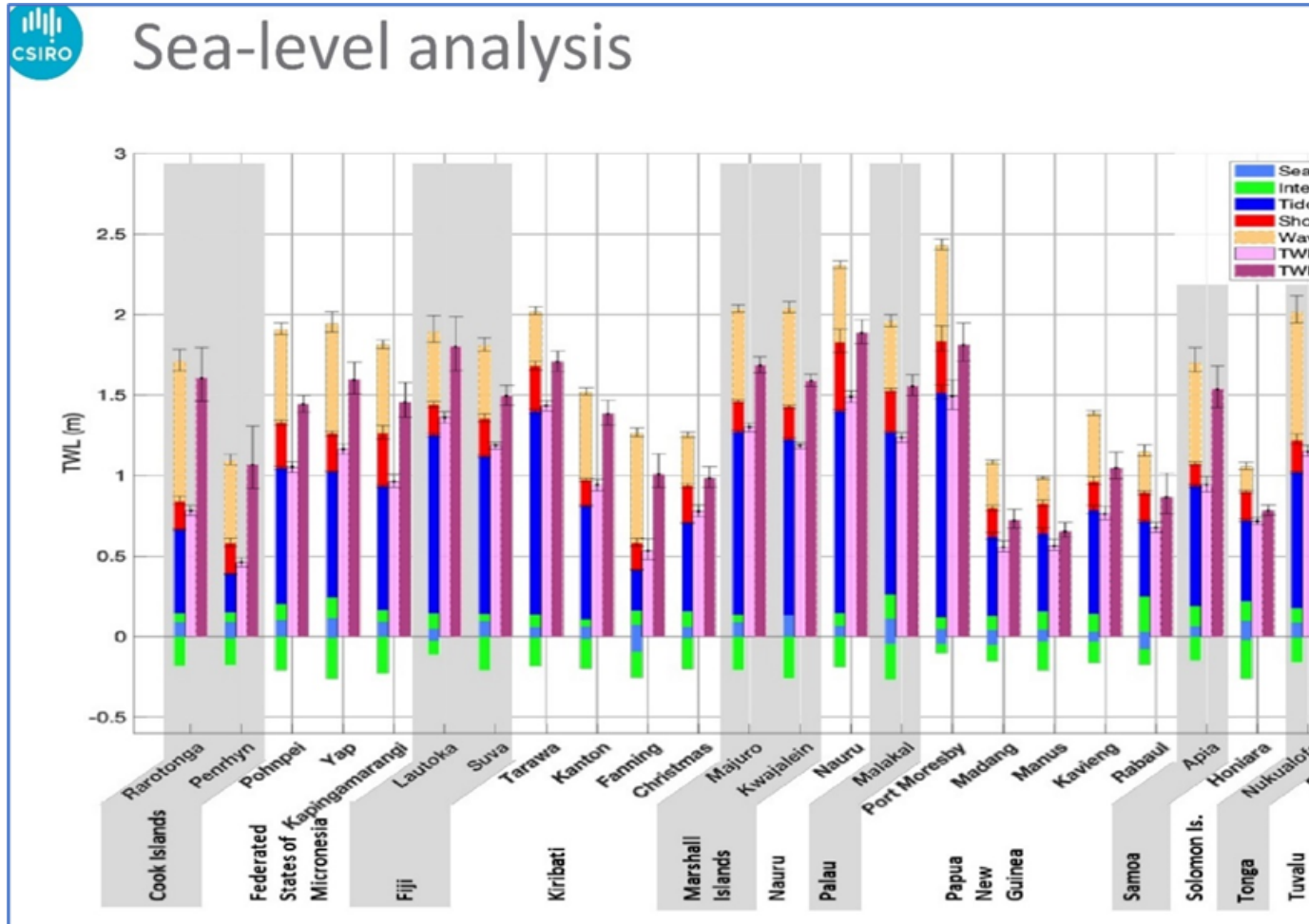


Figure 1: Sea Level Rise across the Pacific Island Countries

The Least Developed Countries (LDCs) where this project will be implemented are Kiribati, Solomon Islands (SI), Timor-Leste and Tuvalu. They are all especially vulnerable to climate impacts. Tuvalu and Kiribati are low low-lying atolls that sit less than five and two metres above sea level. 100% of the population lives by the coast. The Solomon Islands and Timor-Leste are mid-sized with hills and mountains (although Solomon Islands does have some populated atoll island types), with approximately 70% of the population is considered coastal.^{[8]⁸}

Details of the climate, climate change, climate impacts, vulnerability patterns, ocean resources and ocean health for Kiribati, Solomon Islands, Timor-Leste and Tuvalu are provided in Annex K, Appendix 3 and Appendix 5.

Climate Change Impacts on Pacific Ocean Economies and Communities and vulnerabilities

The potential impacts of significant changes in climatic conditions across the region include loss of infrastructure and agricultural land, increasing salinity of groundwater and surface water, loss of coastal land to sea, alteration of crop cycles and coastal fisheries, higher incidence of certain diseases, and marked loss of labour productivity due to increasing average temperatures. The pathways through which climate change will negatively impact the socio-economic conditions are manifold, for example^[9]:

- Potentially more intense cyclones, combined with sea level rise and heavier rainfall, will lead to more damage to infrastructure, ecosystems and livelihoods. Natural and man-made water reserves may be endangered threatening access to clean water and sanitation;
- More heatwaves will lead to damage to ecosystems, health stress and potential impacts on agriculture;
- Coral reefs are projected to decline by 70% to 90% at 1.5°C global warming and 99% at 2°C due to marine heatwaves. This will leave coastlines defenceless, with severe impacts on terrestrial ecosystems, coastal tourism, fisheries and other livelihoods based on marine ecosystems;
- Changes to the frequency of extreme El Niño and La Niña events may increase the frequency of droughts and floods, with further implications for water and food security.
- Increasing illness, extreme weather, salination of water sources and other impacts disproportionately effect women who are normatively expected to feed and care for children, the elderly and other family members.
- Domestic and Intimate Partner Violence increases post disaster and at times of household stress, factors linked to impacts of climate change and other pressures and crises.
- Climate refugees are highly vulnerable people at risk of lacking access to food, shelter and water, contributing to negative impacts of urbanisation and other refugee settlements issues and impacts.

OPOC^[10] has identified the implications of various impacts of climate change on oceans in the Pacific (see Box 1).

Box 1: Important implications of Climate Change on the Blue Pacific

Projected impacts of climate change on fisheries include the following:

- ? Medium confidence of challenge to fisheries governance in tropical Pacific Ocean.
- ? Ocean warming has contributed to overall decrease in maximum catch potential and, with ocean acidification, to changes in spatial distribution and abundance of some fish and shellfish stocks.
- ? The largest declines in marine catch potential will occur in tropical regions where ocean temperatures will continue to be the highest. Key tuna stocks are projected to shift eastward in the Pacific Ocean and decline in abundance in the western Pacific Ocean.
- ? These changes will undermine livelihoods of island people as well as the economic development of countries and communities relying on this important revenue source.
- ? Impacts on baselines could lead to a significant decrease of exclusive economic zones of island members and further diminish revenues from fisheries if maritime boundaries are not fixed in perpetuity.

Projected security and impacts of climate change:

- ? Even under low emissions scenarios atoll nations will face high to very high risks. Many coastal regions will face adaptation limits. Globally, without adaptation, sea level rise associated with a 2-degree warmer world could displace 280 million people by 2100 (low confidence).
- ? Climate change impacts on ocean will exacerbate risks for human communities in low-lying coastal areas.
- ? Some island nations are likely to become uninhabitable due to climate related ocean and cryosphere change.
- ? The integrity of national EEZ boundaries as well as that of the Blue Pacific Continent are at risk.

Projected livelihoods and cultural impacts of climate change:

- ? Very high confidence that almost all warm-water coral reefs are projected to suffer significant losses of area and local extinctions, even if global warming is limited to 1.5°C, which is expected to cause a decrease of 20% in fisheries and 30% in tourism earnings.
- ? Long-term loss and degradation of marine ecosystems compromises the role of the ocean in cultural, recreational, and intrinsic values important for human and well-being.

While climate change will impact whole societies, the poor and vulnerable (including women, children and the elderly) will be hit the hardest, thereby exacerbating poverty. For example: (i) the poor typically have inadequate financial means to deal with disaster events; (ii) poorer people have less access to insurance, cash reserves and alternative income sources that provide the mechanisms to recover quickly; (iii) in the face of more ?immediate? challenges, for example the threat of hunger, access to water or livelihood opportunities, poor people may be inclined to underestimate or ignore the risks incurred by living in hazard prone areas; (iv) people who are at risk of falling into poverty and hardship ?people just above the poverty line and vulnerable populations (i.e., children, women, elderly) ? can be pushed into transient poverty when a disaster hits as their livelihoods become destroyed; (v) as poorer groups become affected by disasters and climate shocks repeatedly (for instance by low-intensity, high-probability shocks such as frequent storms, floods, or droughts), they have less chances of re-building their livelihoods and investing in human capital, thus becoming trapped in a cycle of increasing poverty.[11]¹¹

For societies and economies that are entirely dependent on fisheries and natural resources for food systems, and many that are reliant on a combination of fisheries and tourism for economic development, the implications of climate change are potentially catastrophic. Across the region, climate change is set

to significantly impact water resources, health, agriculture, fisheries, biodiversity, infrastructure, tourism and other sectors.

Ocean Resources are a Source of Resilience

Marine and coastal resources, although threatened by climate change, if well managed and conserved, can provide a strong basis for communities and economies to become resilient. Globally, the ocean, if considered a country, would be the seventh-largest economy in the world with an estimated value of \$2.5 trillion. The modern global economy could not exist without the ocean. Around 90% of all internationally traded goods travel by ship. The ocean food sector alone provides up to 237 million jobs, including in fishing, mariculture and processing. Millions of people also work in other ocean sectors, including shipping, ports, energy and tourism and many more are indirectly connected to the ocean economy.

The ocean provides billions of people with nutritious food, and this has a much smaller environmental footprint than land-based food production. More than 3 billion people rely on food from the sea as a source of protein and key nutrients, including omega-3 fatty acids and iodine. Coastal habitats, such as mangroves, provide protection for hundreds of millions of people, nurture biodiversity, detoxify pollutants flowing off the land, and provide nursery areas for fisheries, increasing the supply of food and providing livelihoods. They are also a source of revenue. Coral reefs alone contribute \$11.5 billion a year to global tourism, benefitting more than 100 countries and providing food and livelihoods to local people.^[12]¹²

In the Asia and the Pacific region, coastal areas play a critical role in the economic development of countries. By way of example, fishing is a key economic sector for coastal countries. For instance, Asia is home to six of the ten largest global fisheries and approximately 90% of the world's aquaculture.

More specifically in the Pacific, over 45% of government revenue for six Pacific Island Countries – FSM, Kiribati, RMI, Nauru, Tokelau, and Tuvalu – comes from tuna fisheries *alone*. Tourism is also a key economic sector for small island developing states and provides livelihoods to large section of the population – notably in Palau, Samoa, Vanuatu and Cooks. And, across the region, a large number of people, especially poor and vulnerable communities, depend directly on healthy coastal and marine ecosystems, such as mangrove forests, coral reefs, tidal flats and wetlands, for jobs and livelihoods, food, recreation, and protection against coastal hazards.

Several assessments of ocean wealth in the Pacific Islands region illustrate this. Analysis by the International Union for Conservation of Nature (IUCN) (2010) estimated the value of marine and coastal dependent tourism across the Pacific annually to be US\$2.27 billion, and fisheries to be \$1.04 billion per year. ^[13]¹³ In aggregate, this was 10.5% of regional gross domestic product (GDP). The report also estimated that the combined total economic value of ecosystem services for coral reefs and mangroves to be about \$7.7 billion, or twice the value of the combined economic value of tourism and fisheries. In 2016, World Wide Fund for Nature (WWF) estimated the annual "Gross Marine Product" of the

Melanesian region (Fiji, New Caledonia, Papua New Guinea, Solomon Islands and Vanuatu) to be at least US\$5.4 billion. [14]¹⁴ Finally, the MACBIO project marine ecosystem service valuations for Fiji, Kiribati, Solomon Islands, Tonga, and Vanuatu (<http://macbio-pacific.info/>) estimated:

- Kiribati had a marine ecosystem service valuation of over AUD\$400 million in 2015 or double the national GDP;
- Solomon Islands had a marine ecosystem service valuation of SI\$2.5 billion in 2013, representing more than 30% of the country's GDP;
- Tonga had a marine ecosystem service valuation of T\$ 47.4 million in 2012, which is more than the country's total exports;
- Vanuatu had a marine ecosystem service valuation of VT\$5.7 billion in 2013, which is equivalent to more than 35% of total government expenditure.

The Ocean Resources are Degrading

As described above, the climate and climate change are negatively impacting ocean and coastal ecosystems. It is noted that this degradation is also driven by other threats:

- Plastic, domestic waste, other land-based pollutants and discharge from ships contaminating the ocean. For example, millions of metric tons of plastic are dumped into the ocean every year, entangling, sickening and contaminating at least 700 species of marine life;
- Overfishing is depleting fish stocks and harming wildlife. If overfishing continues, annual yield is projected to fall by over 16% by 2050, threatening global food security;
- Habitats are being destroyed, biodiversity is declining, and the distribution of species is changing—all of which reduce the benefits that ocean ecosystems provide. Coastal habitats are disappearing at an alarming rate.

For the Pacific, although comprehensive data from the region is limited, there is sufficient evidence to indicate that the Pacific Ocean resources are also facing existential threats. For example, in the seafood sector, the catch-potential and productivity of the sector is observed and projected declines in marine biomass, changing species lifecycles and species distribution, and disruptions to the marine food chain, bringing a ripple effect to the economy, employment, and consumption pattern of many countries that use fish as a primary source of dietary protein. Shellfish species (mussels, oysters, clams) are at especially high risk from acidification. For the economically vital tuna fishery, climate change is forecast to drastically change migration patterns, with ripple effects for ecosystems, and potentially devastating impacts for Pacific economies that rely heavily on foreign fishing license fees for general revenue.[15]¹⁵ For aquaculture, the sector is highly vulnerable to climate change but can be a source of solutions for climate adaptation.[16]¹⁶

The Solution: a resilient and sustainable blue Pacific economy

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Climate change is negatively impacting ocean and coastal resources across the Pacific. And, the overall degradation of ocean resources, in part caused by climate change, undermines resilience to climate change of economies and livelihoods across the Pacific. This is currently a downward spiral. The factors

behind the ocean degradation are complex, diverse and rooted, for example, in economic and technological change, development modes demographic changes, and values.

The solution would be to invert this spiral, to a situation where good management leads to better ocean and coastal resources, leading in turn to increased social, economic and ecological resilience, providing a basis for improved management, and so on.

The ocean's contribution to the world economy is often described as the 'ocean economy'. The portion of the ocean economy which supports ocean health and resilience is termed the 'sustainable blue economy' also commonly termed 'blue economy'. Building on this, a *resilient*, sustainable blue economy is one which also ensures that ocean and coastal resources contribute to climate change resilience for communities, and in which the resources are managed in a way that protects them from the worst impacts of climate change. The United Nations Environment Programme (UNEP) further defined the sustainable blue economy as *'an economy based on circularity, collaboration, resilience, opportunity and inter-dependence. Its growth is driven by investments that reduce carbon emissions and pollution, enhance energy efficiency, harness the power of natural capital and the benefits that these ecosystems provide, and halt the loss of biodiversity.'*^{[17]¹⁷}

One characteristic of the sustainable blue economy, and one driving force to a sustainable blue economy, would be systematic and comprehensive investments that lead to increased resilience, improved livelihoods, improved ecosystems and economic growth. Currently, far too many investments do not deliver all, not even the majority, of these benefits. More specifically, ADB has identified the following sub-sectors which require such investments over the medium and long-term.^{[18]¹⁸}

Ecosystem and Natural Resource Management

- ? Ecosystem Management and Restoration
- ? Sustainable Fisheries Management
- ? Sustainable Aquaculture

Pollution Control

- ? Solid Waste Management
- ? Resource Efficiency and Circular Economy
- ? Non-point Source Pollution Management
- ? Wastewater Management

Sustainable Coastal and Marine Development

- ? Coastal Resilience
- ? Coastal and Marine Tourism
- ? Ports and Shipping
- ? Marine Renewable Energy

The Barriers to Sustainable Pacific Ocean Recovery

The following summary of the barriers draws from a body of studies produced in recent years, some focussing on the Pacific, others global, and some commissioned specifically by ADB in support of its rapidly growing ocean and climate programs[19]¹⁹. See Appendix 2 for an annotated bibliography covering key documents.

Pursuing a sustainable and resilient blue economy requires access to long-term, affordable financing at scale. However, there are many barriers to channelling investments to the sustainable blue economy and a large finance gap to fill. ADB research estimates the capital requirements for the blue economy that would effectively contribute towards achieving blue economy-related Sustainable Development Goals by 2030 at \$1.1 trillion for the Pacific.

The aim of this project is to increase the level of investments into the sustainable blue economy. Achieving this aim will mean overcoming a number of barriers. These barriers can be categorised and assessed in many ways. For example, Sumaila et al (2020) identified the following barrier groups:

- I. Weak investment pipeline
- II. High Risks without an Enabling Regulatory Environment
- III. Gaps and Mismatches in Information, Awareness, Capacity and Scale
- IV. Distorted Market Dynamics
- V. Inadequate Frameworks and Taxonomies

The GEF Scientific and Technical Advisory Panel (STAP), in its advisory note 'GEF and the Blue Economy' (GEF/STAP, May 2022) drew on the report by Sumaila et al, and used its classification in its brief summary of barriers to sustainable ocean financing.

I Weak investment pipeline

Research has indicted a weak investment pipeline as a key barrier to financing a sustainable blue economy. This includes a limited availability of high quality, investable projects ? although there are many needs and many promising ideas, there is a lack of *fundable* proposals.

Where project ideas are packaged into fundable proposals, there is a gap in matching projects to available capital. In some cases, this is because the priority projects that need to be implemented, for example marine spatial planning that responds to climate change, require grant funding whereas most of the capital

available in the region is debt capital. This is challenging in the wake of the COVID-19 pandemic which exacerbated the sovereign debt burdens of Pacific countries, meaning many are not willing to take on new debts at this time, while urgent ocean-climate projects remain unfunded.

Access to private finance can be up to three times more expensive for Pacific SIDS than for developed countries because of risk to private investors. Readiness finance from development partners can assist in building the necessary institutional capacity and enabling environment to reduce risk to potential investors and ensure private finance is affordable (OPOC, 2023). It can also help in piloting solutions and developing markets which are not yet bankable e.g., blue carbon. This is the approach being taken by the BPFH in its country level programming.

In addition, regional and national oceans policies lack investment and financing plans to set out investment priorities, a barrier which could be overcome by working with international partners to improve donor alignment and efficiencies (OPOC, 2023). This could be supported by regional cooperation as a means of achieving scale to attract large institutional investors interested in aligning their investments with the sustainable development goals (SDGs) and climate goals (OPOC, 2023). This is why regional-level activities form part of the BPFH programming. In addition, the BPFH support to developing planning and policy ? with demonstration projects in Kiribati and Tuvalu ? will form a solid foundation for developing the investment pipeline.

II High Risks without an Enabling Regulatory Environment

Governments play a large role in tackling the structural inefficiencies which often prevent private capital from being deployed in the blue economy.

A key barrier in unlocking finance for a sustainable blue economy is the enabling environment. Challenges include environmental complexities, untested interventions, and uneven regulatory and governance frameworks. Overcoming these will require addressing capacity constraints, data challenges and higher-risk operating and governance environments. For SIDS and coastal least developed countries, this will mean addressing institutional, regulatory, governance, and legislative frameworks as well as the capacity and capabilities of people (World Bank, 2017).

A key means by which to address barriers in the enabling environment is to support the enabling conditions for a blue economy including governance reform and ecosystem-based management of marine areas and resources. This approach has proven successful in creating an enabling policy environment that can catalyze public and private finance for ocean restoration and protection (World Bank, 2017). This might include transboundary governance or regional ocean legal frameworks. Such reforms have shown that the application of science-based, integrated ocean planning and barrier removal instruments can both improve ocean health and generate business and job opportunities (World Bank, 2017)

Overcoming this barrier also requires ways of de-risking the enabling environment ? this can include identifying innovative financing instruments e.g. payments for ecosystem services, blue carbon etc. In some cases, it will require public finance to pilot projects and de-risk the investment for private finance. In this context it is crucial to align projects with the most appropriate investors and finance vehicles. Each market segment attracts different interests and investors, and it is this ?investor matchmaking? which forms the foundation of the BPFH ? aligning projects with the most appropriate investors and

corresponding financing vehicles while simultaneously investing in areas which require catalytic finance.

The BPFH will focus significant attention on this barrier, for example through supporting Kiribati and Tuvalu to strengthen their enabling environment related to ocean management and coastal adaptation.

III Gaps and Mismatches in Information, Awareness, Capacity and Scale

Gaps and mismatches include inadequate information and awareness about the ocean and its economic, social and environmental values as well as capability gaps to match the governance needs of shared ocean resources (Sumalia et al., 2020). This also includes gaps in the knowledge and appreciation of climate change, its nexus with ocean resources, and creating related synergies.

The scale of projects in the Pacific is also challenging; many are too small to be financially viable once the costs of due diligence are considered and/or too high in the risk-return which are frequent barriers to financing (Sumalia et al., 2020). For Pacific SIDs this is exacerbated by their remoteness and the related costs of doing business ? these create a barrier to accessing finance.

Regional (and international) collaboration is crucial to overcome this barrier. In the Pacific, there are existing platforms and frameworks to guide collaboration in sustainable ocean governance e.g., the Pacific Regional Oceanscape Program. However, a greater level of coordination and collaboration is needed and these remain strategic rather than operational.

In addition, development partners can support countries to implement policy reforms and boost investment programs through supporting knowledge products, technological tools, technical assistance and finance, shifting the reliance on stretched government budgets to capacity for longer term that can attract domestic and foreign private capital (Wenhai et al., 2019).

For these reasons, the BPFH will:

- ? Offer support to regional-level governance e.g., capacity building for the Office of the Pacific Ocean Commissioner.
- ? Develop tailor made knowledge products, technological tools and financing tools, and provide technical assistance.

IV Distorted Market Dynamics

There a number of distorted market dynamics at play which act as barriers to investing in a sustainable blue economy. These include fiscal policies that undermine sustainability objectives (e.g., fisheries subsidies), beneficiaries not adequately paying for access or management of ocean resources and an unequal distribution of costs and benefits (Sumalia et al., 2020). In SIDs and coastal least developed countries, realising the full potential of the blue economy also requires ?the effective inclusion and active participation of all societal groups, especially women, young people, local communities, indigenous peoples, and marginalized or underrepresented groups? (World Bank, 2017).

For this reason, a primary component of the BPFH is to support the full inclusion of Pacific communities, especially women, youth, local communities, indigenous peoples and people with disabilities. This will be demonstrated in pilot projects in Solomon Islands, Timor-Leste and Tuvalu.

V Inadequate Frameworks and Taxonomies

As of yet, there are no yet universally adopted principles to investing in the blue economy, nor agreed frameworks and taxonomies to guide investment. Whilst some progress is being made on this, for example *?The sustainable blue economy finance principles?* (prepared by the European Commission and WWF), there is some way to go towards agreeing common frameworks and taxonomies. Linking this to climate change adaptation and mitigation, for example, requires further work.

This barrier is not a primary focus for the BPFH nor the proposed LDCF support, except to the extent that regional and national capacity building will support the implementation of global and regional frameworks to sustainable blue economy in Pacific SIDs. It will also empower Pacific national and regional bodies to actively participate in global processes on this issue. The following table summarises these barrier groups (drawn from Sumalia et al, 2020).

Table 2: Key Barriers to the Sustainable Blue Economy

Key Barrier to sustainable blue economy
NO UNIVERSAL FRAMEWORK A classification system of SOE-compliant activities to guide investments not (yet) consistently adopted. Ocean taxonomies and frameworks are emerging but early in development and application
GAPS IN UNDERSTANDING & SCALE Significant ocean contributions to the economy are not reflected in market prices or GDP More knowledge and understanding is needed (e.g., transboundary nature or impacts on developing countries)
MARKET DYNAMICS ARE DISTORTED Activities that generate negative externalities are subsidised Inadequate payment & contributions towards ocean resources that underlie economic outputs Unequal distribution of costs and benefits
THE FINANCIAL PIPELINE IS WEAK Projects lack the appropriate deal size and risk-return ratios to match capital
HIGHER FINANCIAL RISKS Higher risks in ocean investments require an enabling regulatory framework

Addressing Barriers to Private Sector Investments

PIFS (2020) focussed only on barriers affecting private sector investment. The information was extracted from regional and national consultations with private sector stakeholders. Although the work focusses on climate finance rather than ocean finance, the overlap of these in the Pacific mean many of the barriers are the same. The common barriers are found to be:

- ? Lack of appropriate incentives and an enabling environment to boost private sector climate proofing investments;
- ? Lack of information on national initiatives and interaction by government with the private sector such as country programmes, pipeline projects, planning and implementation;

- ? Limited understanding by the private sector of their role and how to maximise this role to access climate change resources;
- ? Burdensome requirements and fiduciary standards applied by funding agencies regardless of size, capacity or need;
- ? Limited understanding by the private sector on the available funding sources and how to access them for climate change projects; and,
- ? Limited capacity and ability to prepare bankable projects that contribute to mitigating the impacts of climate change and building resilience to business operations.

PIFS (2020) sets out options to address these challenges:

Policy and incentive frameworks: Establishing targeted policy incentives and regulatory frameworks, supported by strong political will, is crucial to attracting climate finance investments. Private sector companies prefer investing in stable economic conditions with lower risks including low transaction costs. This allows the private sector to innovate, improve efficiency and provide green investments

Technical support for the private sector: For example, national development banks could set-up a project preparation facility funded annually and blended with other funds, to assist the private sector and other counterparts with project preparation

Stakeholder engagement: National and sub-national stakeholders play an important role in mobilising climate finance and must engage in all facets of planning and implementation of climate change projects. This dialogue must reflect the needs and priorities of communities. As a result, increasing stakeholder engagement will support sharing of private sector resources between countries and will provide an opportunity to form consortia or multi-country programmes for funding. There is also a need to continue building the necessary political, institutional and financial frameworks to support the development of public private partnerships.

Capacity building of the private sector. This is crucial to effectively mobilise and deliver any national climate finance initiatives. Strengthening capacity, especially through training, partnerships, funding and business plans to understand and incorporate climate risks is important. The complexity of the process and technical requirements hinder some countries to effectively access climate finance.

Investing in a Healthy Ocean - Sectoral Barriers

Across the blue economy, different focal areas and market segments have different investment needs in terms of scale of finance needed, and optimal sources of finance.

ADB (2022) identified resilient ports, non-point source pollution management and marine off-shore wind renewable energy as areas with the greatest investment needs (and thus potential) for sustainable investment in the Asia Pacific region. This priority reflects a range of factors, including sustainability needs. For example, resilient ports face existential threats from rising seas and more frequent storms so has a high financing need. Importantly, however, ADB has also concluded that **lower investment needs do not necessarily mean that a market segment should be given a lower investment priority.** A relatively modest investment in marine ecosystems or coastal resilience will bring significant value to

the environment and economy. For Pacific Island nations whose economies are typically highly reliant on healthy, productive oceans, focusing investment in these areas is an imperative. For this reason, BPFH programming has prioritised initial activities that focus on marine ecosystems (for example, the Climate Resilient Community-based Resource Management in the Solomon Islands) and coastal resilience (Kiribati).

With regards to the most suitable financing source, the following diagram (ADB, 2020) ? using as a proxy the number of ADB investments - illustrates which segments of the blue economy are better aligned to grant funding, or to concessional finance and or to market rate finance.

Figure 2: **Project Pipeline of Blue Economy Segments Alignment with Financial Returns (ADB 2020)**

Different market segments have different levels of attractiveness to different investors and are better suited to some forms of finance over others. For example, Offshore wind has high potential and increasingly favorable economics which might work well with catalytic funders, such as multilateral development banks and other development partners, to foster loan syndication and attract private creditors? capital. Green and resilient ports on the other hand, could be a source of opportunities for infrastructure investors and green shipping could be sponsored by corporations desiring carbon-free supply chains (ADB, 2022).

Specific Site and Country Level Barriers

The project preparation process involved detailed analysis and consultation in the LDCs, with a subsequent analysis of the challenges, opportunities and barriers at the level of specific sites and issues. This led to further knowledge and understanding of barriers at that level. The most important barriers and challenges are listed in Table 3[20]²⁰. For full details see Annex K and Appendix 3.

Table 3 **Key barriers and challenges in the Pacific LDC Countries**

Key Barrier to sustainable blue economy	Example from Pacific LDCs	
	Country and sector or sub sector	Barrier
NO UNIVERSAL FRAMEWORK <i>A classification system</i> of SOE-compliant activities to guide investments <i>not</i> (yet) <i>consistently adopted</i>	Kiribati - Coastal management	No clear direction for investments.
GAPS IN UNDERSTANDING & SCALE Significant ocean contributions to the economy are not reflected in market prices or GDP More knowledge and understanding is needed (e.g. , transboundary nature or impacts on developing countries)	Solomon Islands ? Climate resilient food systems	? Climate change is increasing pressure on marine resources and impacting food security; ? ? Negative impacts and unrealized opportunities of current island blue food systems (e.g. health); ? Lack of place-based research and local knowledge in blue food system solutions;
	Kiribati ? Coastal areas management	Lack of topographic data and maps

	Tuvalu ? Reef fisheries	Communities lacking understanding and incentives for reef conservation
	Tuvalu ? Integrated ocean management	Lack of data;
<p>MARKET DYNAMICS ARE DISTORTED Activities that generate negative externalities are subsidised</p> <p>Inadequate payment & contributions towards ocean resources that underlie economic outputs</p> <p>Unequal distribution of costs and benefits</p>	Kiribati ? Integrated ocean management	? International pressure to access fish resources ? Inequitable outcomes for women and other vulnerable communities from ocean management;
	Kiribati ? Coastal areas management	No clear direction for investments.
	Solomon Islands ? Climate resilient food systems	? Need for increased national and regional capacity to manage blue economy food systems e.g. food handling and aquaculture; ? Negative impacts and unrealized opportunities of current island blue food systems (e.g. health); ? Gender imbalance in existing aquatic food system actors.
	Solomon Islands ? Community-based resource management	? CBRM projects lack ongoing financial viability - leading to dependency on NGOs ? Remote population have less access to CBRM resources;
	Tuvalu ? Reef fisheries	Limited models or examples of financing approaches in the Pacific.
	Tuvalu ? Integrated ocean management	? Inequitable outcomes for women and other vulnerable communities from ocean management ? International pressure to access fish resources
	<p>THE FINANCIAL PIPELINE IS WEAK Projects lack the appropriate deal size and risk-return ratios to match capital</p>	Kiribati ? Coastal areas management
Solomon Islands ? Community-based resource management		Limited public sector finance
Kiribati ? Integrated ocean management		Limited public sector finance

	Tuvalu ? Rreef fisheries	? Need for adaptive management skills; ? Limited models or examples of financing approaches in the Pacific.
	Tuvalu ? Integrated ocean management	Limited public sector finance
HIGHER FINANCIAL RISKS Higher risks in ocean investments require an enabling regulatory framework	Kiribati ? Integrated ocean management	Multiple, sometimes competing agendas across government departments creates inconsistent signals on ocean policy;
	Kiribati ? Coastal areas management	Lack of ability to develop proposal for investment, including financial illiteracy;
	Solomon Islands ? Climate resilient food systems	Need for increased national and regional capacity to manage blue economy food systems e.g. food handling and aquaculture;
	Tuvalu ? Reef fisheries	? Need for improved stakeholder participation approaches; ? Need for adaptive management skills; ? Limited models or examples of financing approaches in the Pacific
	Tuvalu ? Integrated ocean management	Lack of collaborative inter-sectoral mechanisms;

Regionality

As can be seen from the above sections, although the details of barriers are specific to each country, there is a great deal of commonality across the countries, i.e. many barriers are present and closely similar in several or all countries. Further, there are key trans frontier issues ? such as shipping, pollution flows, tuna fishing ? that require a coherent approach across the concerned countries to be addressed.

II 1 a (II) The baseline scenario and any associated baseline projects

In the following sections, the baseline is described in terms of the adaptive capacity of communities and economies, the health of the ocean, the trends ? notably in terms of socio-economic activity and financial frameworks and the ongoing ADB program. Finally, the Blue Pacific Finance Hub is an important part of the baseline.

Decreasing climate resilience

In the baseline, in coming years, climate change will continue to have a negative impact on marine and coastal ecosystems, as outlined in the above sections. Further, coastal communities and economic activities will be increasingly negatively impacted by climate change. In the region, the following are notably pertinent:

- Coastal and marine ecosystems and the economies and livelihoods they support are highly vulnerable to climate change impacts;
- Vulnerable coastal populations bear the brunt of climate impacts because poverty is linked to living in hazard exposed areas and limited access to assets, livelihoods and other resources to strengthen resilience. Frequent flooding, drought and saltwater intrusion disrupts livelihoods, and leads to loss of assets including land, contamination of drinking water, and spikes in climate sensitive and water borne diseases among the poor population;
- Women typically face disproportionate impacts from climate hazards since many are engaged in the informal economy with low and unstable earnings, and a lack of social protection schemes and labour rights. Women in Pacific Island countries are critical to food security, either through subsistence agriculture produce grown in home gardens or small-scale community fisheries. They are typically less active in the formal labor market and thus highly susceptible to hikes in food prices and reduction in food resources. Further, pre-existing gender inequalities add in shaping their overall vulnerability to climate risk (see Appendix 5 and Annex M);
- Climate change is an immediate threat to atoll nations. While all small island developing states are vulnerable to climate risks, the atoll nations - Kiribati, RMI, and Tuvalu - are in a class of their own, characterized by narrow land mass and low average elevations mostly between 2 to 3 meters above sea level only; and
- Delayed action will result in higher costs and reduced opportunity. The baseline, with many large investments in coastal areas that are 'grey' rather than 'blue' in Asia and the Pacific region, the stock of low-resilience assets is growing rapidly, increasing future costs of natural hazards and climate change. Grey or non-sustainable investments being made today risk locking in vulnerability to climate impacts for decades to come if they fail to consider resilience.

Annex K, Annex M and Appendices 3 and 5 provide details of the baseline situation with regards to the increasing climate hazards and declining resilience. The situation is increasingly serious. The most visible and serious aspects of this are:

- the growth in climate related hazards, notably coastal inundation, coastal erosion, extreme rainfall events and periodical water shortages;
- the increasing vulnerability of already vulnerable communities, notably in terms of decreasing food and water security, and an overall decline agency's ability to control and influence one's own future. Climate change impacts are potentially catastrophic for all LDC communities yet women, in addition to people with disabilities and other vulnerable individuals, are generally disproportionately impacted and have less resources and capacities to cope and adapt.

Ocean Degradation

Despite the efforts of the public sector and international partners, in the baseline, the ongoing degradation of ocean resources is set to continue. This will be notably apparent in terms of: declining ecosystems ? notably mangroves and coral, declining fish stocks; increased pollution and plastics. These impacts will lead to increased negative impacts on food security, tourism, livelihoods and economic development. This will continue to undermine ocean resilience.

Climate vulnerability and ocean degradation are closely related, often inseparable. Table 4 gives examples from the proposed project in the participating LDCs illustrate this (see also Annex K).

Table 4: Examples of climate vulnerability and ocean degradation

Issue/site	Examples of climate vulnerability and ocean degradation nexus
Kiribati ? oceans management	<ul style="list-style-type: none"> ? the ocean is under pressure from climate change and socio-economic activities; ? declining ocean ecosystems and changing migration patterns of tuna lead to less revenue potential, fewer fish and more competition. These all are leading to less resilient livelihoods and food insecurity.
Kiribati ? coastal areas management	<ul style="list-style-type: none"> ? coastal ecosystems are under pressure from climate change and socio-economic activities, in particular coastal inundation and impacts of severe weather events; ? degraded coastal ecosystems lead to less protection from climate hazards, land loss, declining water reserves, more competition UNDP/Government of Timor-Leste, and notably to food and water insecurity.
Solomon Islands ? food systems	<ul style="list-style-type: none"> ? climate change is impacting on food security, for example negatively impacting fisheries production and access to some food species due to declining yields and availability of aquatic food species; ? however, resilient coastal and marine environments and aquatic foods can play a crucial role in post-disaster recovery; ? low resilience in the food production sector undermines overall resilience and food security.
Solomon Islands ? community- based resource management	<ul style="list-style-type: none"> ? ocean resources are under pressure from climate change, as well as over-fishing, mineral extraction, energy, transportation as well as impacts from pollution and invasive species; ? ocean and coastal degradation increase physical and social vulnerability to climate change: storms and floods have more impact, and food and water security are undermined; ? the less resilient communities have less access to capacity building and resources around climate resilience.
Tuvalu ? reef fisheries	<ul style="list-style-type: none"> ? coral reef ecosystems are highly threatened by climate change; ? damaged coral ecosystems reduce coastal protection, and reduce access to food and tourism activities; ? this can all lead to more competition, food water insecurity, reduced agency and short-termism.
Tuvalu ? oceans management	<ul style="list-style-type: none"> ? the ocean is under pressure from climate change and socio-economic activities; ? declining ocean ecosystems lead to less revenue potential, fewer fish, more competition. These all are leading to less resilient livelihoods and food insecurity.

Timor-Leste ? water supply and sanitation	At Suai, sea level rise and increased storm surges are a direct threat to ground and surface water resources, combining with increases in dry periods. Over-exploitation will lead to damaged coastal ecosystems. Intensive rain and storm surge are likely to cause flooding that damages infrastructure and to septic spills, both of which will damage ocean ecosystems.
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Financial flows to SBE Investments

In the baseline, across the region, a huge gap remains between the current level of investment and the needed investments to support a climate resilient, sustainable ocean economy. This gap appears in both public and private sector investments. There is also, often, a mismatch between the needs and the available capital ? too many private sector investments go to activities that do not enhance the ecosystem nor generate inclusive opportunities for increasing the resilience of local economies and vulnerable people. Moreover, across the region, private sector is largely *light blue* or *grey*, with most investments related to marine and coastal resources not fully accounting for sustainability issues and not fully able to support resilience and adaptation. Too little public sector finance is allocated to ecosystem conservation and management and even less to gender-lens investing (GLI).

There are efforts being made to address a lack of ocean-related funding. For example, the 'Our Ocean' conference in Panama in 2023 saw almost 20 billion dollars committed from states, non-government organisations and other institutions^[21]²¹. However, Johansen and Vestvik (2020) assess that the financial gap is US\$ 149.02 billion per year to meet SDG14 leaving a sizeable gap in the current levels of investment versus need^[22]²².

Globally, the top five providers of Official Development Assistance (2010-2019) to the sustainable ocean economy were Iceland (13.5%), Nordic Development Fund (12.2%), Food and Agriculture Organization (10.6%), Agriculture Fund (8.7%), and Global Environment Facility (7.6%)^[23]²³.

In the Pacific, ocean-based activities are largely financed through public finance (national governments and external finance). External financing is mainly through Official Development Assistance either through bilateral arrangements or Multilateral Development Banks (including ADB). Other sources of finance are available for specific areas. For example, FAO funding for fisheries or the Global Climate Fund (GCF) funding for climate change activities. A large part of the finance is provided to CROP agencies who manage programs across multiple countries. Philanthropy is frequently channeled through environmental NGOs.

More information is provided in Appendix 2: *Select Annotated Bibliography of Sustainable Ocean Financing of Investments in the Pacific*.

The ADB Program

The Asian Development Bank is a leader and facilitator of climate finance to the Pacific region. ADB has also been progressing on addressing ocean health issues. For example, whereas in the period 2019-2021 (for entire Asia and Pacific region), ADB's ocean projects totalled \$1.4billion and were

predominately in the Pollution Control category, for the period 2022-2024 projects are estimated to be \$3.2b and the categories more diverse, (see Figure 3).

But there is considerable work left to do. Most ADB projects that are considered eligible to be 'blue' only actually have co-benefits for ocean health and climate adaptation. They were not expressly designed for those purposes, nor optimized. There remain very few ocean-positive projects that have been created with the intention to improve ocean health and climate adaptation.

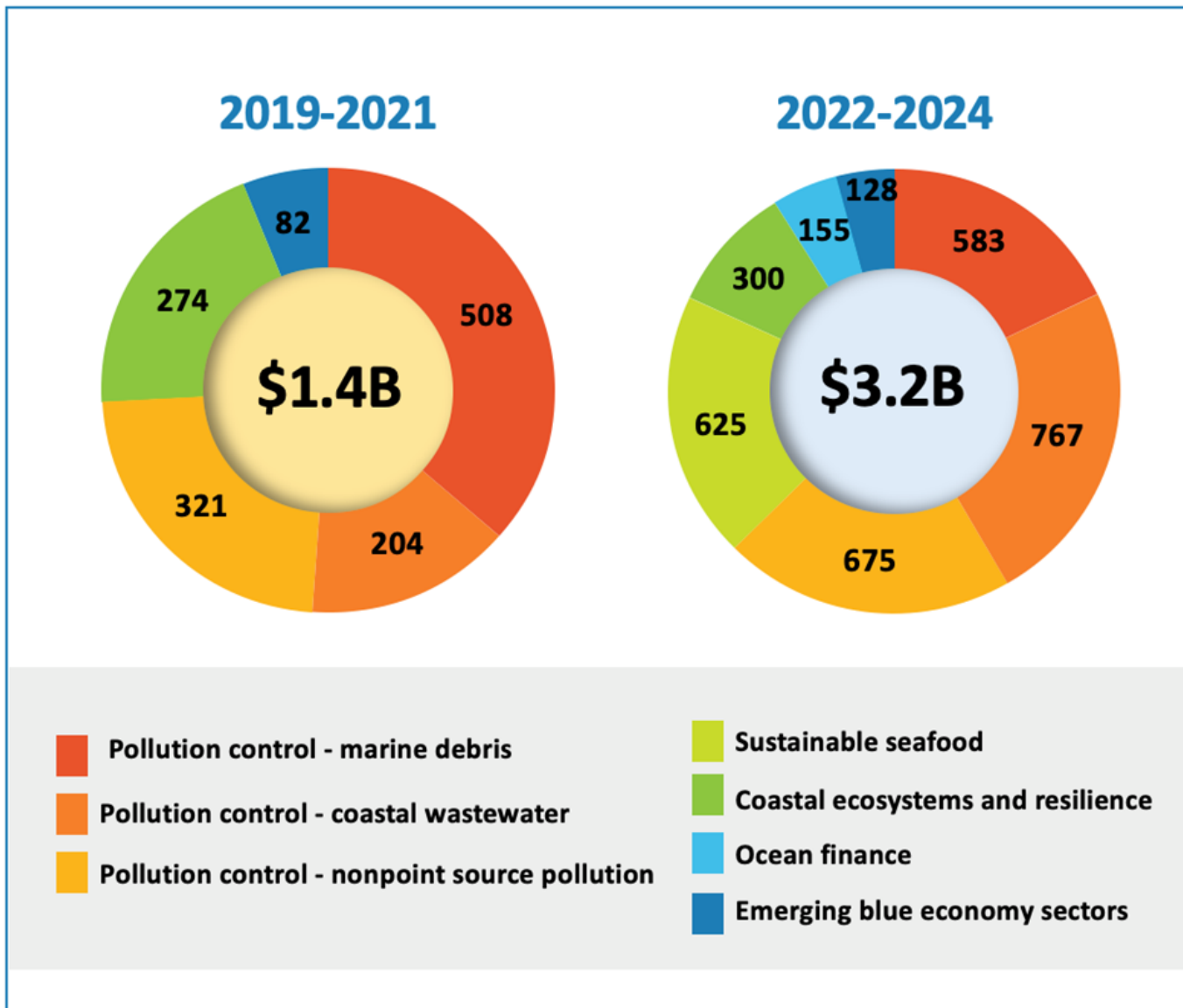


Figure 3: ADB Portfolio, 2019 - 2021 and 2022 - 2024

The Blue Pacific Finance Hub

The Blue Pacific Finance Hub (BPFH) is an ADB-led initiative working to close the ocean-climate finance gap and thereby support the Pacific Island Nations to realize the opportunities of a sustainable blue economy. The operations of the BPFH, including strengthening regional co-ordination, regional and national capacity building, and resource mobilization, is an important part of the baseline.

The BPFH strategy is detailed in Appendix 1 and the Hub's theory of change is summarized in Figure 4.

GOAL Pacific Island nations are thriving through a climate-resilient and sustainable blue economy

Objectives

To develop a Pacific blue economy that supports a healthy ocean, strengthens the climate resilience and well-being of Pacific communities, and allows healthy, inclusive and productive livelihoods to be built and sustained

Longer-term outcomes



FINANCE FLOWS, ENABLING CONDITIONS and GESI MAINSTREAMING ALIGN AND SUPPORT A SUSTAINABLE BLUE ECONOMY

Med-term Outcomes



Outputs



Strategy



Key barriers



Baseline

Current and upcoming climate change impacts, loss of biodiversity and ecosystem health impacting the physical systems that underpin coastal community resilience and a sustainable blue economy. Socio-political system under pressure with multiple challenges - investment shortfall, information deficit, limited government capacity, lack of private sector investment, and lack of economic opportunities for women, people with disabilities and other socially disadvantaged individuals.

Figure 4: Blue Pacific Finance Hub ? Theory of Change

The BPFH is a Pacific-wide mechanism to address barriers common to several or all Pacific countries and barriers to addressing trans-frontier ocean-climate issues. Although developed and implemented regionally, it is anticipated that in many cases the BPFH will act nationally. That is, tools will be adapted to each specific national context and applied, lessons will be learnt and fed back to the regional hub, and then the regional capacity built, for dissemination to other countries. In addition, for trans-frontier ocean-climate issues, such as tuna fishing or international shipping, the BPFH will develop a multi-country approach to barrier removal that is coherent and mutually supportive across the concerned countries.

The Hub's objective is: to develop a blue economy in the Pacific that supports a healthy ocean, strengthens the climate resilience and well-being of Pacific communities, and allows healthy, inclusive and productive livelihoods to be built and sustained.

In general terms, the Hub seeks to direct funding to advancing the blue economy, specifically addressing climate change, ocean health and gender equity.

The Hub's strategy is threefold: Firstly, it is to strengthen the enabling conditions to foster greater public and private sector investment in the Pacific. Second, it is to actively align investments to climate and nature-positive aligned activities that build a resilient and socially equitable blue economy. Lastly, it aims to directly leverage public and private sector investment to the blue economy.

Six Outcomes are envisaged under the BPFH:

- ? The hub has mobilised ocean-climate finance.
- ? The hub has channelled investment to blue economy and ocean-climate aligned activities.
- ? The hub has enhanced regional collaboration and knowledge management.
- ? The hub is supporting the advancement of Pacific SIDS Ocean enabling environment.
- ? The hub has increased donor coordination and development effectiveness.
- ? The hub has improved efficiency for donors and recipients.

II 1 a (III) The proposed alternative scenario with a brief description of expected outcomes and components of the project

LDCF Theory of Change

In the baseline, given the high level of needs, the to improve ocean health and sustainable livelihoods may take precedence over climate change adaptation.

In the alternative scenario, LDCF funds will be used through, and in support of, the BPFH in order to more firmly put climate change adaptation at the core of all actions in the four countries.

The LDCF **overall goal** is shared with BPFH: Pacific Island nations are thriving through a climate resilient and sustainable blue economy.

The LDCF project has the specific **project objective** to identify, prepare, facilitate and finance investments that increase the resilience of coastal communities and ecosystems in Kiribati, Solomon Islands, Timor-Leste, and Tuvalu, and regional activities for selected Pacific Island countries.?

To achieve this **project objective**, the LDCF project has three inter-related Outcomes:

Outcome 1: Capacity and governance in Pacific nations to finance sustainable, resilient blue economies are strengthened.

Outcome 2: Sustainable, resilient blue economy projects are identified, prepared, and financed.

Outcome 3. Regional collaboration and knowledge management are strengthened.

The LDCF theory of change builds into the overall BPFH theory of change as illustrated in Figure 5

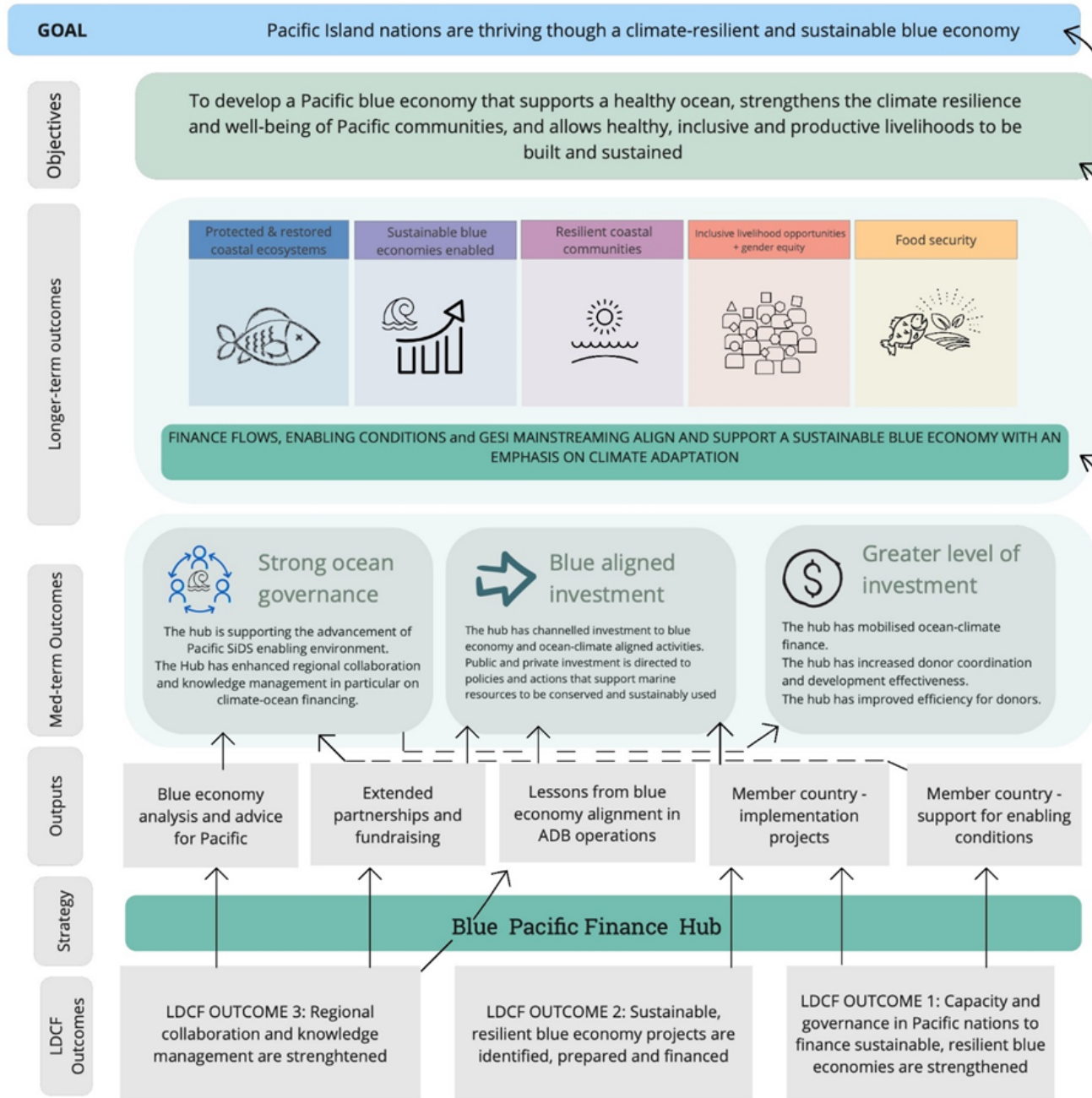


Figure 5: Illustrating how LDCF influences and contributes to the overall BPFH Theory of Change

Outcomes and Strategic Approach

The overall approach involves developing regional capacity and regional barrier removal approaches, whilst acting and implementing nationally. This approach is fully aligned to the BPFH theory of change

and to the LDCF mandate to achieve on the ground adaptation successes in LDC countries. Through the following three Outcomes, regional measures will be identified for barrier removal, national level issues will be analysed, the regional barrier removal measures will be tailored and applied to in-country challenges. The initial focus will be on the four LDCF countries (financed by LDCF) and three non-LDC Pacific countries (financed by co-finance) with high vulnerability and demonstrating ocean leadership. In these seven countries, communities and sectors will directly benefit from increased climate resilience. The lessons learnt will feed back to the regional level, building the regional level enabling environment and capacity. In addition, lessons learnt will therefore flow from country to country. Using non-LDCF funds, a similar approach is to be implemented for the Pacific non-LDC countries.

Outcome 1: Capacity and governance in Pacific nations to finance sustainable, resilient blue economies are strengthened.

Activities under this Outcome will strengthen the enabling environment pertaining to financial flows to SBE investments. The activities will be designed to meet each individual country's context and needs. Overall, delivering this Outcome will lead to the policy, people with skills and capacity, knowledge, data, collaboration mechanisms, long-term attitudes that are required to attract and facilitate financial flows to resilient, SBE investments. LDCF funds will focus on the LDC countries, with the additional co-finance generated under this Outcome in support of the other Pacific islands.

Outcome 2: Sustainable, resilient blue economy projects are identified, prepared, and financed.

Activities under this Outcome will pilot and demonstrate how to invest in the sustainable blue economy, and decrease climate vulnerability. This will build resilience by generating local revenue and supporting local livelihoods and food security, and directly or indirectly improving the ecosystems that protect from climate hazards. This will also generate lessons that can lead to further investments in the country and elsewhere. The specific solutions and activities are site/issue specific, and inputs and approach will be tailored to the context, culture and communities. A gender equality lens will be applied to maximise inclusion and reach for equitable sharing of **climate resilient investments and finance**. The gender equality assessment and action plan of the project is outlined in Annex M, and a gender and social analysis can be found in Appendix 5

Outcome 3. Regional collaboration and knowledge management are strengthened.

Under this outcome, lessons will be captured and strategically disseminated across the Pacific, across Asia and internationally as appropriate.

Strategic Approach: To best respond to the needs of diverse beneficiaries and maximise engagement with project opportunities, most activities are organized into support to countries, and to sites within those countries. These are to be implemented as 'sub-projects' of which there are two each in Kiribati, Solomon Islands and Tuvalu, and one in Timor-Leste. In addition to generating on-site and in-country benefits, sub-projects are designed to generate lessons and best practices, to consolidate strengthening of the enabling environment, and to contribute to the emergence of the BPFH.

These 'country approaches' are complemented by an overall set of activities at the regional level and includes regional coordination. The BPFH will provide a package of support at the regional level to all countries as well as targeted support to the countries and sites. This is explained further in the following section.

Details of the sub-projects for each LDC country (Kiribati, Solomon Islands, Timor-Leste and Tuvalu) are presented in Annex K. Details of the regional support provided by LDCF are presented in Annex J.

Outputs and Activities

Note on ORCA co-financing: ORCA has committed an anticipated \$7.6 million to deliver climate resilience and improved ocean health in the Pacific, working very closely with BPFH. The specific details of the activities to be supported by ORCA are still to be determined, subject to further studies and consultations, but they will be fully aligned to the Outcomes as described in this document. In the following sections, potential allocations of ORCA to individual Outputs are provided by way of illustration, however, these allocation details are not yet confirmed.

For each Output where LDCF provides funding, more details of the activities to be LDCF-financed are provided in Annexes J and K.

See Annex A for detailed Results Framework.

Outcome 1: Capacity and governance in Pacific nations to finance sustainable, resilient blue economies are strengthened.

Output 1.1: Country-driven economic and financial analyses of ocean protection, ocean-climate solutions, and ocean-positive investments

Activities under this Output are anticipated to be financed entirely by co-financing (The ADB/ORCA Trust Fund, hereafter referred to as 'ORCA'). Based on ORCA commitments, total cost of these activities is estimated to be \$0.6 million.

The activities may include:

- ? Cost benefit analyses of marine protected areas that integrate climate adaptation;
- ? Financial feasibility of sustainable and climate-resilient blue economy subsectors or projects;
- ? Finance options analysis for ocean-climate projects;
- ? Economic macro analyses of sustainable, resilient blue economy policies.

Output 1.2: Improved Ocean governance systems including sustainable ocean planning and adaptation planning.

These activities are supported by LDCF, ADB co-financing and potentially ORCA co-financing.

LDCF will finance:

In Kiribati, a science driven, participatory preparation of a National Scale Coastal Management Plan and Guidelines for Nature based solutions for coastal adaptation, followed by partial implementation of the Plan. This will include an effective financing strategy, gender balanced training and employment opportunities, and nature-based Solutions piloting with support to women and communities to improve blue-positive livelihoods. Expected cost of this sub-project is \$900,000.

Co-financing is anticipated to potentially support similar activities in Tonga, and Marshall Islands and Palau. In Tonga and Marshall Islands, (potentially with support from ORCA) this will support upstream planning for promoting adaptation in support of ocean health and resilient blue economy. Policy support is also a major component.

In Palau, ADB will support implementation of a policy-based loan (PBL). The PBL is for \$25 million. Two of the loan's three reform areas are targeting climate change adaptation, resilience and ocean health. Hence \$15.77 million^[24] of the PBL is considered co-finance.

Output 1.3: Mechanisms to increase public and private capital for ocean-climate action in the Pacific, including through domestic resource mobilization and innovative financing instruments.

This Output will be entirely financed by-co-financing (potentially ORCA).

Co-financing, potentially ORCA, will support development of the Pacific and Gender Aware Climate Finance Tracking Tool (PGACFTT). The PGACFTT will promote fairer and more equitable climate finance distribution in communities developed from an assessment of the state and validity of gender tags for climate finance tracking in the context of communities in select Pacific countries.

Co-financing, potentially ORCA, will also establish strong financial capacity inside the OPOC to support BPFH and SBE financing across the region. Co-financing, potentially ORCA will also provide targeted support to the Climate Change Division in Fiji, with support to an Ocean Specialist.

Output 1.4: Capacity building for young professionals in climate change adaptation through ocean finance and the blue economy.

This Output will be financed by LDCF. LDCF will support the development of a cadre of young climate-ocean-finance professionals. This is likely to be implemented in connection with the University of the South Pacific (USP). See Annex J for details. Total cost is expected to be \$138k.

USP will contribute greatly to this capacity development for young professionals' initiative.

Total ORCA co-finance to Outcome 1 is potentially \$2.15 million. Government of Solomon Islands contributes \$150,000 to Outcome 1. Government of Kiribati contributes \$50,000 to Outcome 1. Co-financing from the Government of Tuvalu is being mobilized.

Outcome 2: Sustainable, resilient blue economy projects are identified, prepared, and financed.

Output 2.1: National and regional pipelines of sustainable, resilient blue economy investments are prioritized and prepared for financing.

This step ? to identify and develop sustainable, resilient blue economy investments - is critical. Although some investments have already been identified and in-part developed (and are to be implemented under Output 2.2), the process to identify and develop projects will continue as an ongoing function of the BPFH (with some support from LDCF).

Across the Pacific there is a need to address resilience from and through the very initial stages of project identification. Achieving this requires a change in mindset by project developers to address system drivers early in project development. ADB has recently embarked on this transition^{[25]²⁵. Hence, the BPFH, and this LDCF project, are introducing the processes and tools to ensure resilience is considered from the project identification stage and onwards. This will include appropriate consideration of climate risks, appropriate use of relevant climate projections, and appropriate consideration of how different futures might affect the type and scale of required investments. This will be integrated into each project supported by BPFH, and into the BPFH pipeline.}

The approach to doing this includes sifting through national and regional plans and policies to identify discrete blue economy subsectors and actionable projects, such as the example projects listed above, and then mapping of high potential and transformative ocean-climate adaptation to create national and regional pipelines for further development. After identification, in order to ensure coordination and building on previous lessons learnt, for each project the BPFH will undertake a ?landscape scan? of previous and existing ocean and climate projects, including LDCF projects, to ensure that new projects build on previous efforts and avoid duplication of effort.

The BPFH will ensure gender mainstreaming of investment-ready projects and strive to match projects with financing designed for, or amenable to, gender equity co-benefits in line with ADB Strategy 2030 and OP2 target. Gender equality considerations are integrated in output 2.1 because the sustainability of blue economic investment in the Pacific depends on including women and communities in economic opportunities and safeguarding them from potential harms of investments. Gender equality and other social inclusion considerations is to be at the forefront of BPFH work and includes significant consultation, design and due diligence of potential investments, including investments with positive impacts for women and communities. This has already started for the first set of projects in Kiribati, Solomon Islands and Tuvalu, leading to the first set of priority projects described in Annex K. Where

possible, developing a pipeline of ocean and climate aligned finance-ready projects will be used as an entry for improving private and public sector awareness of the link between gender lens investing and positive returns on investment.

The pipeline will include a lot of investments to be financed by ADB. These will be developed as follows: BPFH will join country programming initial consultations and analysis; BPFH will identify and advocate for 'blue ocean' projects to be included in country pipeline; BPFH will advise on project concepts from other sectors (e.g. energy, transport etc) so that they become 'blue'; BPFH will support development of all 'blue' projects until Concept Note approval phase. Subsequently BPFH will hands over all implementation matters to ADB operational units.

This Output is supported by both LDCF and co-financing.

LDCF will continue supporting the identification, development and fund mobilization to SBE investments. Mostly in Kiribati, SI and Tuvalu, although in exceptional cases this may be in other countries. This will include seeking finance and developing the financial package. Total cost is expected to be \$650k.

ORCA co-financing is anticipated to support the development of projects in Tonga and RMI.

ADB has already supported the development of projects in many Pacific countries ? and this is to be continued (\$800k).

Output 2.2: Sustainable, resilient blue economy projects are implemented.

Under this Output, LDCF and co-financing will pilot, prime and demonstrate how to invest in the sustainable blue economy. This output covers major investments leading to on the ground changes that will be achieved with LDCF support.

This output includes the implementation of LDCF supported sub-projects ? as identified during the PPG and under Output 2.1. These interventions have been identified and developed through a participatory, science-led process involving scans and reviews, and online and in-country discussions with diverse stakeholders (described in Annex K). Implementing these sub-projects will build resilience by generating blue positive local revenue and supporting gender-responsive community-based local livelihoods. The sub-projects will also directly or indirectly improve ecosystems, and so increase protection from climate hazards. This will also generate lessons that can lead to further investments in the country and elsewhere. An underlying strategy is to ensure that the beneficiaries are from communities within the project area, socio-economically disadvantaged and those typically excluded from economic developments. Indigenous knowledge and traditional practices will be prioritized, where possible.

LDCF will finance the following sub-projects (detailed description is provided in Annex K):

Kiribati and Tuvalu will each work on a science driven and participatory developed Integrated Ocean Management Plan (IOM), including initial implementation focussing on activities that build resilience to climate change and grow the blue economy. These plans will reflect the rights and interests of ocean

dependant women and communities in the Pacific populations of the LDCs and each will include an effective financing strategy. The expected cost of each sub-project is \$900,000

Also in Tuvalu, LDCF will finance implementation of the Funafuti Reef Fisheries Strategy. This project will directly enhance productivity of the blue economy through improvement of Funafuti's reef fisheries, to create the conditions to advance national priorities including bolstering economic activity such as tourism. This project will develop culturally and gender-aware communications material; involve youth in nature-based solutions activities and develop and pilot an innovative finance tool to incentivise community behaviours that promote protection of the Funafuti Conservation Area. Estimated total cost is \$900k.

In Solomon Islands, LDCF will finance two complementary sub-projects:

- ? Climate resilient food systems. Aquatic food is a key source of nutrition, livelihood and tradition in the Solomon Islands. Yet it is also a food system that is under increasing pressure from the impacts of climate change. This project will support a food system innovation hub to share knowledge and skills for strengthening aquatic island food systems. It will both grow knowledge and capacity in the Solomon Islands on Blue Economy activities. A focus will be on enhanced fish-based livelihoods for women, men, and youth through direct, practical training to communities and service providers in a way that offers benefit to both people and the environment. The project will have a strong GESI focus, including inclusive funding options and a child-care facility for equitable access to training, and a Gender/GESI Action Plan will be developed. This is implemented in partnership with World Fish, who also will provide considerable support and co-financing (\$45k). Total estimated cost to LDCF is \$1 million.
- ? Healthy marine ecosystems underpin a sustainable ocean economy. Yet, they are under increasing pressures from a range of sources including climate change, pollution and overfishing. Several measures have been employed to address these pressures and key amongst these is community-based resource management (CBRM). This project will help strengthen CBRM approaches in the Solomon Islands to build the resilience of communities and ecosystems to climate change through four key activities: i) Leveraging financial tools for CBRM; ii) Facilitating Climate resilient CBRM; iii) Strengthening CBRM to region/province; and iv) gender inclusive CBRM with social co-benefits. Total estimated cost to LDCF is \$800k.

In Timor-Leste, many small cities (known as 'peri-urban areas') face significant climate hazards, which are anticipated to worsen with climate change. Coping capacity is very low. Three such cities are Ainaro, Maliana and Suai (AMS) The current system of water supply and sanitation in AMS is highly exposed to climate hazards and climate change. As a result, it will not be fit for purpose to provide water supply and sanitation services as climate changes advances. Further, the current water supply and sanitation is already somewhat old and dilapidated - climate hazards are not the only causes of its vulnerability. Hence it is necessary to redesign and reconstruct a water supply and sanitation system that is fully resilient to climate change and fully fit for purpose. In the baseline, the climate proof investments are being prepared. However, they do not consider adequately the potential broad impacts of currently climate variability and future climate change on the water supply and sanitation system. LDCF funds will be used to 'shift' these investment in order to put climate change at the centre of planning and ensure that the result is a

fully climate resilient water supply and sanitation system in AMS. Total estimated cost to LDCF is \$1,800k. Total ADB co-financing is estimated at \$19 million^[26].

Under Output 2.2, ORCA co-financing is anticipated to support the implementation of sub-projects in Tonga and RMI.

The activities under Output 2.2 are designed to respond to the complex on-the-ground situation and to emerging opportunities. For that reason, and due to difficulties in anticipating the costs of inputs in the Pacific, it is very difficult at this point to accurately forecast the total costs of each sub-project. Some sub-projects may cost more than indicated in the above description. However, the GEF contributions cannot be changed. Further, it is preferable to respect the allocation of GEF funds to each country. Hence, in the event that a sub-project is to be more costly than anticipated above, the BPFH will mobilize the necessary additional funds, either from internal ADB resources or external sources.

Government of Solomon Islands contributes \$1.3 million to Outcome 2. Government of Kiribati contributes \$300,000 to Outcome 1. Co-financing from the Government of Tuvalu is being mobilized.

Total ORCA co-finance to Outcome 2 is potentially \$4.5 million.

Outcome 3. Regional collaboration and knowledge management are strengthened.

Output 3.1: The BPFH is established and is facilitating collaboration on ocean-climate action and resilient blue economy development.

This action has been greatly advanced by ADB during the PPG. The BPFH hosts a strong team of professionals and is developing a network across the region. More needs to be done in terms of finalizing the governance arrangements, further determination of some procedures (e.g. monitoring and evaluation) and accessing additional expertise. Co-financing is being provided by ADB. Total cost is estimated at \$1,070k (from ADB Tas 6742 and 10074).

Output 3.2: Regional blue ocean knowledge-sharing and learning strategy developed and implemented.

Knowledge sharing and knowledge management is central to all project activities, in particular those supported by LDCF. These activities are notably integrated across the country specific and regional activities as set out in Annex J and Annex K.

Full details of the mainstreaming approach to knowledge management are provided the Knowledge Management Strategy (including Action Plan) in Annex N. Annex N explains how activities under almost all Outputs contribute to either knowledge management. Knowledge management is not a separate line of activities, it is a central aspect of almost all activities.

In addition, under Output 3.2, LDCF will support the 'Nature's Leading Women' initiative (see Box 2 and Annex J for more details). TNC committed support to this event equivalent to an estimated \$90,000. Total cost to LDCF is expected to be \$150k.

Box 2 ? The Nature?s Leading Women Event

Nature?s Leading Women (NLW) will held in Brisbane in November 2024 to coincide with the Asia Pacific Triennial exhibition and in partnership with The Nature Conservancy (TNC). Women and youth from Tuvalu, Kiribati, Timor-Leste and the Solomon Islands will be sponsored to participate and connect with others from across the Pacific.

This event will build on the success of the inaugural NLW in 2019 and take a GESI best-practice learning and development approach for improving knowledge, capacity, and inclusive blue economic growth to build Pacific women?s climate resilience and improve ocean health. It will be in-person learning event with peer to peer, look and learn, modelling and exposure learning modes in addition to facilitated discussions for sharing learnings and brainstorming community level solutions for climate adaptation.

A core event activity is participant development of ?big blue ideas?, with follow up support for MSMEs to initiate them after the event. Innovative financing, which could come from a hackathon/?reverse pitch? to corporate sponsors or other mechanisms and platforms, will be developed to support and scale these big ideas for blue economy inclusion and growth.

The value of this flagship event will extend beyond the three days it runs. It will be programmatic, amplify women?s voices and potentially feed into blue MSME development. It has the potential to kickstart policy dialogues, be linked to smaller and ongoing thematic learning exchanges, and generate data for a climate finance knowledge product, and brings women?s voices to the table at subsequent international meetings, such as the United Nations Framework Convention on Climate Change (UNFCCC) and CBD COPS.

Special consideration is given to develop knowledge products and events accessible to women, developed with women and with a strong gender focus. Gender-focussed knowledge products will be shared on through concerned GEF knowledge sharing fora including for example the GEF International Water (IW): Learn portal (gender tab). ORCA co-financing will support the creation of a specific knowledge product on ?Women and Social Inclusion? in the context of the Pacific and the Blue Economy. At the minimum this will be the Pacific-tailored and Gender Aware Climate Finance Tracking Tool (PGACFTT ? see Output 1.3) but could also be another climate-finance/gender nexus product that responds to a gap and national/community level need.

ADB, and potentially ORCA, are also co-financing a series of annual partnership forums. (These forums aim to enhance donor coordination and development partner coordination; to update partners on progress; to hold knowledge sessions on key country and regional issues, and; to create an opportunity for bilateral discussions / consultations with donors and DMCs).

Total estimated co-financing from ADB is \$460k.

ADB is also financing a study to identify key opportunities for collaboration amongst atolls in designing integrated solutions to tackle their vulnerabilities (under TA 6628). This study will identify opportunities and recommend actions for developing blue economies (such as sustainable tourism and fisheries) and regional cooperation. The study builds on ADB?s existing knowledge on regional approaches to hazard surveillance, disaster risk finance, and sustainable use of marine resources. The findings of the study will inform the design of future investment projects (including non-sovereign projects) to be financed by ADB and development partners. This output will also strengthen the institutional capacity in the atoll nations and improve the existing platforms for dialogue among them. Finance to this study is \$500k.

Output 3.3: Research and Education Division of the Coalition of Atoll Nations on Climate Change (CAN-CC) established.

To understand the specific challenge faced by atolls, and to identify solution strategies, specific research is required that asks the right questions and integrates local with scientific knowledge. However, existing research programs offer minimal support in generating nation and community specific data and insights and are heavily reliant on external expertise and other inputs. In addition, research often misses the opportunity to work alongside and build the capacity of citizens to own and manage their own research and solutions to climate change impacts. Recognising this need, atoll countries have articulated the need for self-determined approaches to climate change adaptation and therefore, there is the desire to pursue research on atolls, research led by atoll scientists (collaborating with international scientists) to inform atoll specific and appropriate interventions for climate change adaptation and pursuance of the sustainable blue economy.

CAN-CC is establishing the Atoll Futures Research Institute (AFRI) to bridge the gap between adaptation science and policy in atoll countries by building their domestic research and policy capability. This will be done by establishing and developing Centres of Excellence in Kiribati, the Maldives, the Marshall Islands, and Tuvalu. These Centres of Excellence will be gender/GESI mainstreamed, and methodologies, tools and studies will integrate cultural and traditional knowledges of ecosystems and blue resources to take Pacific-focused approach to solutions for climate adaptation. To kick start and catalyse this initiative, LDCF will support the development of these Centres.

See Annex J for details. Total cost to LDCF is expected to be \$250k.

Total ORCA co-finance to Outcome 3 is potentially \$0.95 million. Government of Solomon Islands contributes \$150,000 to Outcome 3. Government of Kiribati contributes \$100,000 to Outcome 3. Co-financing from the Government of Tuvalu is being mobilized.

LDCF also contributes technical support from BPFH to all Outcome 3 activities with an estimated value of \$117,830.

Component 4 (Monitoring and Evaluation) and Overall Program Management

The Blue Pacific Finance Hub will be responsible for managing, monitoring and evaluation of the LDCF financed activities. The costs of this, for all the Project, are estimated at \$3.135 million, with the following sources of funds:

- ? LDCF contribution to Project Management: \$425k
- ? LDCF contribution to M+E: \$60k
- ? ADB (TA 10074) contribution to Project Management: \$450k

- ? ADB (TA 10074) contribution to M+E: \$220k
- ? ADB Palau PBL contributes an estimated \$830k to Project management, and the ADB loan to Timor-Leste an estimated \$1 million;

? Government of Solomon Islands contributes \$100,000 to project management. Government of Kiribati contributes \$50,000 to project management. Co-financing from the Government of Tuvalu is being mobilized.

Monitoring of the gender action plan is included in the above figures. The Gender Specialist will be responsible for monitoring the gender action plan, and hence the costs of this are covered under the costs of the Gender Specialist (in the Project Management Unit).

II 1 a (IV): Alignment with GEF focal area and/or Impact Program strategies

As set out and described in Table 5, the project is aligned to the GEF climate change adaptation focal areas objectives, outcomes and outputs.

Table 5: Alignment to GEF Focal Areas

GEF CCA Focal Area result	Project contribution
Objective 1 Reduce vulnerability and increase resilience through innovation and technology transfer for climate change adaptation	
Outcome 1.2 Innovative financial instruments and investment models enabled or introduced to enhance climate resilience	<p>The design and roll out of innovative financial instruments is a central aim of this project, notably through the Blue Pacific Finance Hub. This is incorporated into the Project Objective and all three Project Outcomes.</p> <p>This Hub should leverage and channel significant finance to resilience and to sustainable blue investments.</p>
Output 1.2.1 Innovation incubators and/or accelerators introduced	The Finance Hub to be supported and used by the project is likely to support the acceleration of investments through various tools ? although there are currently no plans for supporting investment incubators.
Output 1.2.2 Investment models developed and tested	<p>Developing, testing and upscaling investment models is a key role for the Finance Hub.</p> <p>Examples of innovative models and instruments to be explored will include debt capital, equity capital, private sector partnerships and mobilization, blue bonds, guarantees and insurance products, etc.</p>
Objective 2: Mainstream climate change adaptation and resilience for systemic impact	

Outcome 2.2 Barriers to climate finance access targeted	<p>Barriers to finance, both private and public, are important in the region and in the concerned sectors. Lowering and removing these barriers, though the Finance Hub, is a key aim of this project. An barrier analysis has been completed based on significant previous work by ADB and many others (Appendix 2). Barriers relate to fiscal situation, geographical situation, business capacity, enabling framework, data, confidence, etc.</p> <p>The sub-projects and capacity development supported by this project are designed to further identify barriers, build capacity for their removal, and demonstrate their removal.</p>
Output 2.2.2 Adaptation and resilience relevant financing coordinated for synergistic programming including with the private sector	<p>At regional and national level, the project will strengthen governance related to ocean finance, strengthening and/or creating frameworks and institutions as necessary, depending on the country needs.</p> <p>This will cover both public and private sector.</p>

This project is also inspired by and guided by the guidance for the GEF Integrated Program 'GEF and the Blue Economy'[27]²⁷. Table 6 illustrates how the national and local level activities, in particular, are aligned to the criteria and priorities of the integrated program.

Table 6: Showing alignment of project activities to the GEF and the Blue Economy Integrated Program.

National/Local Projects	Alignment to 'GEF and the Blue Economy'?
Preparation and partial implementation of Kiribati national coastal management plan (Kiribati)	<p>Promotes goal-oriented planning, using processes that are science base, inclusive, participatory and adaptive.</p> <p>Will lead to de-risking of finance, given the driving force is the financial hub, the aim is to increase finance.</p> <p>Addresses governance, financial leverage, innovation and the need for multi-stakeholder dialogue.</p>
Development and partial implementation of an integrated ocean management plan (Tuvalu and Kiribati)	<p>Promotes goal-oriented planning, using processes that are science base, inclusive, participatory and adaptive.</p> <p>Will lead to de-risking of finance, given the driving force is the financial hub, the aim is to increase finance.</p> <p>Addresses governance, financial leverage, innovation and the need for multi-stakeholder dialogue.</p>
Implementation of the Funafuti Reef Fisheries Strategy (Tuvalu)	<p>Promotes goal-oriented planning, using processes that are science base, inclusive, participatory and adaptive.</p> <p>Addresses notably governance and financial leverage.</p>

Creation of a food system innovation hub to share knowledge and skills (Solomon Islands)	Promotes goal-oriented planning, using processes that are science base, inclusive, participatory and adaptive. Addresses notably innovation and financial leverage.
Operationalizing CBRM to build the resilience of communities and ecosystems (Solomon Islands)	Promotes local level, goal-oriented planning, using processes that are science base, inclusive, participatory and adaptive. Addresses notably innovation and the need for multi-stakeholder dialogue.
A fully climate resilient water supply and sanitation system in three secondary cities (Timor-Leste) (note - only one secondary city, Suai, is coastal).	Promotes goal-oriented planning, using processes that are science base, inclusive, participatory and adaptive. Contributes to stopping land-based sources of marine pollution.

II 1 a (V): Incremental/additional cost reasoning and expected contributions from the baseline, the GEF TF and co-financing

Table 7 summarizes the contributions from LDCF and co-financing to each Output under the alternative. The rationale for GEF support to each Output is also provided.

Table 7: Contributions of LDCF and co-financing to project outputs

Output	LDCF Contribution and Justification		Co-financing \$ (1000) ^[28]
	\$ (1000)	Justification and LDCF eligibility	
1.1 Country-driven economic and financial analyses of ocean protection, ocean-climate solutions, and ocean-positive investments	0	No LDCF is requested. However, this Output contributes directly to finding solutions to climate change on the Pacific atolls, and so is eligible for LDCF.	800
1.2 Improved Ocean governance systems including sustainable ocean planning and adaptation planning	900	This Output will lead directly to ocean and coastal policy and management that generates protection and increased resilience to climate change. LDCF contributes to less than 10% of this Output.	16,370

1.3 Mechanisms to increase public and private capital for ocean-climate action in the Pacific, including through domestic resource mobilization and innovative financing instruments.	0	This Output creates the mechanism through which more private and public funds are channelled to activities that increase climate resilience. LDCF contributes approximately 10% of this Output.	950
1.4 Capacity building for young professionals in climate change adaptation through ocean finance and the blue economy.	138	This Output will directly create local capacity for climate change adaptation.	0
2.1 National and regional pipelines of sustainable, resilient blue economy investments are prioritized and prepared for financing.	650	This output develops bankable and ready to go investments that will lead to climate adaptation and increased resilience of vulnerable communities. LDCF contributes approximately 35% of this Output	1,300
2.2 Sustainable, resilient blue economy projects are implemented.	6300	This output implements investments that will lead to climate adaptation and increased resilience of vulnerable communities. It also generates understanding and lessons learnt. LDCF contributes approximately 20% of this Output	24,645
3.1 The BPFH is established and is facilitating collaboration on ocean-climate action and resilient blue economy development.	0	No LDCF is requested. However, this LDCF Output contributes directly to establishing the Hub, whose objectives include climate resilience and ocean health, and so is eligible for LDCF. This Output is already underway with co-finance.	1,070
3.2 Regional blue ocean knowledge-sharing and learning strategy developed and implemented.	150	The Knowledge Management Action Plan is presented in Annex N, Section E. There are many KM actions. As can be seen from Annex N, the costs of these activities are covered through other interventions, notably Outputs 1.3 and 2.2. No additional LDCF is requested. However, this Output contributes directly to increased resilience amongst vulnerable communities and sectors by learning and sharing knowledge, and so is eligible for LDCF.	2,160
3.3 Research and Education Division of the CAN-CC established.	250 0	This Output will directly create local knowledge and institutional capacity for climate change adaptation.	0
Outcome 3 (all outputs)	117.83		
Program Management	425		2,430
M+E	60		220

Totals	8,990	49,945
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In total, LDCF contribution is \$8,98 million, and co-financing contribution is \$49,945 million, a ratio of roughly 1:5.

Details of the contribution from each co-financer are provided in the following sections.

ADB Table 8 summarizes the ADB and ADB-administered Trust Fund co-financing:

Table 8: ADB and ADB Administered co-financing.

ADB initiative	Co-financing amount	Comment
Promoting Climate Resilient and Sustainable Blue Economies (TA 10074)	\$2,500,000	TA 10074 contributes directly to the establishment, operations and activities of the BPFH, including a contribution to Hub establishment (Output 3.1), management, monitoring and developing a pipeline of SBE investments. (Note, the PPG funds of \$183,500 are also channelled through this TA ? giving it a total budget of \$2,683,500).
Ocean Resilience and Climate Adaptation (ORCA) Trust Fund	\$7.6 million	ORCA is an Asia and Pacific wide Trust Fund, administered by ADB, with the objectives of supporting ocean health and the blue economy and climate resilience. Of the overall ORCA funds, \$7.6 million is anticipated to support climate resilience and improved ocean health in the Pacific and contribute to all three LDCF Outcomes.
Promoting Innovations in Regional Cooperation and Integration in the Aftermath of COVID-19 (TA 6628)	\$500,000	Of TA 10074's total finance of over \$2 million, \$500,000 is channelled in support of the Pacific atolls to support knowledge and learning (Output 3.1).
Building Coastal Resilience through Nature Based and Integrated Solutions (KSTA 6742)	\$500,000	The total value of KSTA 6742 is over \$6.5 million. However, some components have already co-financed previous GEF projects. Of the remaining \$1.675 million, approximately 30% focusses on SBE issues in the Pacific. This has been used, and continues to be used, to support establishment and core operations of the BPFH (i.e. Output 3.1).

Palau: Policy Based Loan: Sustainable Oceans and Resilience Strengthening Program (SOARS)	\$16.6 million	The total value of this policy- based loan (PBL) is \$25 million The PBL provides a financial incentive to initiate and implement reforms in Palau. Two of the three areas targeted for reform are related to climate change and sustainable ocean management. Hence approximately two-thirds of the PBL are considered co-finance ? under Output 1.2 (and \$830 for project management).
Timor-Leste: Climate Resilient Water Supply and Sanitation Investment Project ? Phase 2 (Suai, Ainaro and Maliana)	\$20 million	This loan is in the ADB Timor-Leste implementation plan for approval in 2024. The total value of this loan may, indicatively, be as high as \$100 million. Of the \$20 million, \$19million it to Output 2.2 and \$1 million to project management. The LDCF funds are used to transform this loan from a standard, climate proofing approach to an innovative resilience approach with climate adaptation at the core of all planning and decision-making.
	\$47.7 million.	

The participating governments provide in-kind support to project management, to the design and implementation of the sub-projects, and to policy and analytical processes. With regards to Timor-Leste, although it is too early to monetise the government of Timor-Leste's contribution, through its acceptance of the ADB loan, which it will reimburse, Timor-Leste confirms its strong support and engagement, and makes a significant financial contribution.

World Fish is a partner in implementing Output 2.2, by contributing to the investment ?Climate resilient food systems?. World Fish is already supporting development of the research centre and aquatic hub. Although official co-financing is only \$45,000, it is expected that actual co-financing and contribution will be significantly higher.

Leveraging

A principal aim of the Blue Pacific Finance Hub is to help mobilize and channel finance to resilient, sustainable blue economy investments. This will continue through to end of project and thereafter. The Project will contribute to this leveraging. Leveraged finance - including debt and equity from complementary finance streams - is estimated to rise to \$500m by 2030. Activities under all Outcomes, but notably under Output 2.1, will realise this leveraging.

II 1 a (VI): Global environmental benefits (GEF TF) and/or adaptation benefits (LDCF.SCCF)

The Project will lead to the following climate adaptation benefits:

- ? Improved marine and coastal ecosystems across the Pacific, with a focus on the four LDCs. This will provide better protection against storms, surges and sea level rise;
- ? Improved marine and coastal ecosystems that provide better basis for subsistence and livelihoods, and so a strong basis for growing resilience;

- ? Reduced impact on water and agricultural systems, and so a direct contribution to increased food and water security;
- ? Improved livelihoods and food systems in climate vulnerable communities, increasing their resilience to climate change threats.

Table 8 provides more information on this for the four target LDCs, showing how the sub-projects to be supported will generate direct benefits.

Table 9: Climate adaptation benefits in the targeted LDCs,

Country	Name of Project
Kiribati	The sub-projects and related governance strengthening will lead to improved ocean management and to improved coastal management and protection. This will in turn lead respectively to an estimated 50,000 and 20,000 beneficiaries (the majority of the 20,000 are also included in the 50,000). Beneficiaries will benefit from more access to fishery resources, more access to coral and mangrove resources, improved water security and protection from storm surges and coastal flooding.
Solomon Islands	The two sub-projects both focus on increasing food security for vulnerable populations in the face of climate change. The CBRM sub-project will lead to short-term results within the project lifetime ? the concerned communities will benefit from increased access to CBRM resources, capacity building including around financial and business skills, and livelihood and blue economy MSME opportunities. The climate resilient food systems sub-project adopts a more strategic and long-term approach, developing the knowledge, skills and capacity for people to improve food security to address climate vulnerability, with targeted activities for women and youth.
Timor-Leste	The Climate Resilient Water Supply and Sanitation Investment Project ? Phase 2 (Suai, Ainaro and Maliana) will provide the combined projected population of the three cities ? 85,000 people ? with a climate resilient water supply and sanitation system. Issues of social and gender equity, including in the distribution of and access to clean water and sanitation, will be central to project activities.
Tuvalu	The sub-projects and related governance strengthening will lead to improved ocean management and to shared responsibility for reef fisheries management, that will in turn lead respectively to an estimated 11,000 and 6,000 beneficiaries (the majority of the 6,000 are also included in the 11,000). Beneficiaries will benefit from improved coastal and marine ecosystem health including more access to fishery resources, more access to coral resources, improved water security and protection from storm surges and coastal flooding.
Other PIC countries	BPFH and LDCF support to all Pacific nations will support and leverage investments in economic activities and infrastructure that lead to improved marine ecosystems and/or increased capacity for diverse individuals to adapt to climate change to build community resilience.

II 1 a (VII): Innovativeness, sustainability and potential for scaling up

Innovation

The Blue Pacific Finance Hub will work to identify, design and support innovative approaches and finance mechanisms to scale-up blue economy growth in the Pacific region.

The Hub will support innovative ocean finance at multiple scales. First, the concept of a Hub is itself an innovative approach to ocean finance. This draws from recent innovations such as the Blue SEA Finance Hub. The Hub will catalyse ocean finance in a coordinated, synergistic, and systematic manner that will

increase cost efficiencies and positive impacts for ocean health and the communities that rely on it. Second, under the enabling conditions pillar, the Hub will support the strengthening and creation of new policies to promote innovative ocean finance in each of ADB's Pacific DMCs. To do this, it aims to identify policies which deliver net harm to the ocean environment and find a way to shift to more 'nature positive' approaches. In doing this, the Hub adopts an innovative way to work with and build capacity in the LDCs and across the Pacific. Third, the Hub will support the identification and development and implementation of innovative ocean finance projects, such as blue carbon and blue bonds. Although these may be developed elsewhere, they remain highly innovative in the Pacific context, especially in the LDCs.

The many activities included in this project include innovative aspects ? see Box 3 gives examples of innovative approaches in the participating countries?

Box 3 ? Examples of Innovation from the Sub-Projects

In SI, the climate-resilient food system project will foster and harness innovation in food system technologies to identify and implement sustainable food systems. By its very function, the hub is set up to foster innovation in aquatic food systems; improving knowledge and capacity gaps around blue sectors, especially aquaculture, to offer locally-conceived and tested solutions. Gender equality is thoroughly mainstreamed in this activity, including the provision of special funds and childcare facilities and there is high potential for scaling, and becoming a regional training centre.

In SI, finance mechanisms to sustainably fund CBRM will be developed to support autonomy and resilience for coastal communities to sustainably manage blue resources. CBRM is a successful model in the Solomons yet without ongoing financial and NGO support, it tends to have limited longevity. Developing new financial models for sustaining CBRM beyond the project lifetime is a potential game changer which can provide an alternative to the current scenario. Whilst not novel at the global scale, this does represent an innovative approach to CBRM in the Solomons and in many Pacific nations. In SI, CBRM success in specific areas will be leveraged and scaled to remote and difficult to access areas through new and innovative approaches to deliver impact within budget. Extending CBRM to remote areas is of high government priority and will require a regional approach to share learnings across project areas.

In Kiribati and Tuvalu, integrated ocean management is an innovative approach to ocean governance, especially incorporating approaches that respect and include the rights and interests of vulnerable user-groups. This integrated, strategic and participatory approach will represent a novel way of working on ocean-related matters in both Kiribati and Tuvalu.

In SI, a knowledge products /activity will raise awareness/promote participation of people with disabilities in CBRM processes, decisions, implementation and/or monitoring. Disability inclusion is a new frontier in socially inclusive approaches to supporting Pacific communities build climate resilience. This project will leverage emerging interest in including people with disabilities in CBRM to not only reach and give the most vulnerable a voice, but to promote a transformation in the social norms that hinder equity access to services, community activities and opportunities.

In Tuvalu a gender responsive financing instrument (including social assistance and social insurance) will be developed and trialled to support the participation of fisherfolk in sustainably managing the Funafuti Conservation Area. The innovative potential of this initiative lies in the value of gender tailored financing for social protection which represents a systems-thinking approach to climate resilient futures. This is because it provides vulnerable individuals with resources that enable them to comply with regulations designed to improve the health of their marine environment.

At the regional level, the 'Natures Leading Women' event offers the opportunity for women from various Pacific Island nations to come together and share knowledge, develop leadership, skills and ideas for social and blue enterprises to drive solutions for climate adaptation at the community level. This event represents a decolonial and feminist approach by leveraging women's collective experiences of climate impacts and encouraging self-directed solutions, which will be supported post-event, for resilient futures. The creative novelty lies in being a programmatic event that deploys Pacific-centred pedagogy for learning and skills development so women can be leaders and entrepreneurs in the blue economy.

In Timor-Leste, innovation can be seen in updating an existing WSS plan in line with global leading and best practice. This includes stronger gender mainstreaming elements; a more climate resilient design; the use of data and climate science to drive decision-making and building capacity and empowering local governments. These are all innovative aspects of water management in the Timor-Leste context. And notably, integrating all these aspects represents an ambitious and innovative step forward.

Sustainability

The Hub originated from a series of consultations, requests, observations in the Pacific Island nations, involving ADB for almost one decade. Notably, ADB presented the concept to partners, including Pacific island nations, CSOs and partners at the 2022 One Ocean Conference (in Palau). At that meeting, in order to ensure initial direction and sustainability of the hub, it was recommended that the hub, at least initially, be housed within ADB.

As a platform within the ADB, the Hub will provide a service: matching funds to good investments. The demand for this service is expected to continue for many years.

Previous and ongoing consultations indicate that governments and other stakeholders in the Pacific region support the ongoing work of ADB on the delivery of coordinated and fit-for-purpose projects and technical assistance on oceans and the blue economy, including through the Hub.

National SBE Sustainability

The Hub will contribute to building country level sustainability for SBE growth by supporting the strengthening of enabling environments and growing SBE pipelines. This will first happen in the LDCs and then across the Pacific. The Hub will help to facilitate the mobilisation of much needed funds to fill gaps in policy and planning frameworks, so that they integrate climate adaptation and ocean considerations, and provide confidence to investors – national and international, public and private. More specifically, individuals within countries will receive training and capacity building on ocean finance, the development of bankable ocean projects, marketing of investments, building investor partnerships and so forth.

The Hub will also generate, directly and indirectly, significant data and information that is necessary to designing investments and increasing investor confidence.

Finally, by supporting the enabling environment and pipeline development, this Hub will transform the system and bring precedent and confidence to investors.

Potential for scaling up

The Hub aims to help identify sources to scale up and leverage finance to new and additional activities after the project. This should ensure continued replication and upscaling across the Pacific region, to existing and to new sectors. The approach of the Hub is for it to help identify \$50m in grant finance, that will be used to leverage \$500m in ocean investments. Some of the leveraged funds will come from other bilateral donations and TAs that are consistent with Hub objectives. This will include, but not be limited to, ADB's sovereign and non-sovereign operations and partner co-financing agreements. Ultimately, it is anticipated that other development partners, foundations, development banks will finance in cooperation with the Hub.

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- [1] Office of the Pacific Ocean Commissioner. 2021. Blue Pacific Ocean Report.
- [2] Solomon Islands is, also, to a lesser extent an exception.
- [3] <https://sustainabledevelopment.un.org/topics/sids/list>
- [4] FSM, Kiribati, RMI, Nauru, Palau, PNG, Solomon Islands, Timor-Leste and Tuvalu.
- [5] Climate Change Impacts, Adaptation and Vulnerability ? Summary for Policy Makers. Intergovernmental Panel on Climate Change ? Working Group II (2022).
- [6] see: <https://www.csiro.au/en/research/environmental-impacts/climate-change/pacific-climate-change-info>
- [7] Provided to ADB by CSIRO in a personal briefing.
- [8] UNDP/Government of Timor-Leste (2018)
- [9] CSIRO and SPREP (2022). Economic Impact of Climate Change for the Western Tropical Pacific: preliminary regional analysis and sectoral case study for Vanuatu.
- [10] Blue Pacific Ocean Report, 2021. Office of the Pacific Ocean Commissioner.
- [11] World Bank, 2016. Climate change and Disaster Management Pacific Possible Background Paper No.6.
- [12] Stuchtey, M., A. Vincent, A. Merkl, M. Bucher et al. 2020. ?Ocean Solutions That Benefit People, Nature and the Economy.?
- [13] Seidel & Lal, 2010. *Economic Value of the Pacific Ocean to Pacific Island Countries & Territories*
- [14] Hoegh-Guldberg et al. 2016. *Reviving Melanesia?s Marine Economy - the Case for Action*
- [15] <https://www.nature.com/articles/s41893-021-00745-z>
- [16] <https://link.springer.com/article/10.1007/s10584-021-03041-z>
- [17] United Nations Environment Programme Finance Initiative (2021) Turning the Tide: How to finance a sustainable ocean recovery?A practical guide for financial institutions. Geneva
- [18] Based on the ADB Ocean Finance Framework (2020)
<https://www.adb.org/sites/default/files/publication/777461/adb-ocean-finance-framework.pdf>

[19] This includes the following: ADB (2022) Financing the Blue Economy: Investments in Sustainable Blue Small-Medium Enterprises and Projects in Asia and the Pacific. <https://www.adb.org/sites/default/files/publication/806136/financing-blue-economy.pdf>
 Castalia (2023 ? draft). Analytical Report on Gender, Climate, and Strategies for Climate Resilience - Building Resilience in the Pacific SIDS. (Commissioned by ADB.)
 ADB (2020) The Role of Ocean Finance in Transitioning to a Blue Economy in Asia and the Pacific. Available <https://development.asia/explainer/role-ocean-finance-transitioning-blue-economy-asia-and-pacific>
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 Sumaila, U.R., M. Walsh, K. Hoareau, A. Cox, et al. 2020. Ocean Finance: Financing the Transition to a Sustainable Ocean Economy. Washington, DC: World Resources Institute. www.oceanpanel.org/bluepapers/ocean-finance-transition-sustainable-ocean-economy.
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 World Bank and United Nations Department of Economic and Social Affairs. 2017. The Potential of the Blue Economy: Increasing Long-term Benefits of the Sustainable Use of Marine Resources for Small Island Developing States and Coastal Least Developed Countries. World Bank, Washington DC
 Pacific Islands Forum Secretariat (2020). Policy Brief: Opportunities for Private Sector Engagement in Climate Change Action in the Pacific.
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 M. A. Vanderklift et al. 2019. Constraints and Opportunities for Market-Based Finance for the Restoration and Protection of Blue Carbon Ecosystems. *Marine Policy*. 107. September
 World Bank and United Nations Department of Economic and Social Affairs. 2017. The Potential of the Blue Economy: Increasing Long-term Benefits of the Sustainable Use of Marine Resources for Small Island Developing States and Coastal Least Developed Countries. World Bank, Washington DC
 A. Vanderklift et al. 2019. Constraints and Opportunities for Market-Based Finance for the Restoration and Protection of Blue Carbon Ecosystems. *Marine Policy*. 107. September.
 Policy Brief : Opportunities for Private Sector Engagement in Climate Change Action in the Pacific / Pacific Islands Forum Secretariat (2020)

[20] A different, separate approach to the barrier analysis was undertaken for Timor-Leste ? see Annex K.

[21] Alberts, 2023 cited in Haas,B 2023 Achieving SDG 14 in an equitable and just way, *Int Environ Agreements* 23: 199-205 <https://doi.org/10.1007/s10784-023-09603-z>

[22] Johanson, D and Vestik, R. 2020 The cost of saving our ocean - estimating the funding gap of sustainable development goal 14. *Marine Policy* Vol 112 February 2020, 103783

[23] Alberts, 2023 cited in Haas,B 2023 Achieving SDG 14 in an equitable and just way, *Int Environ Agreements* 23: 199-205 <https://doi.org/10.1007/s10784-023-09603-z>

[24] not including the estimated 5% of management costs.

[25] See, for example, "Guidance for Developing Projects that Support Climate Adaptation and Resilience Outcomes", ADB.

[26] not including the estimated 5% of management costs.

[27] GEF/STAP, May 2022. GEF/STAP/C.62/Inf.06

[28] Note, allocation across Outputs may change as optimal use of ORCA allocation is determined.

1b. Project Map and Coordinates

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

The project impact is across the Pacific region, with specific focus into the four LDC countries ? Kiribati, Solomon Islands, Timor-Leste and Tuvalu (see Figure 6).

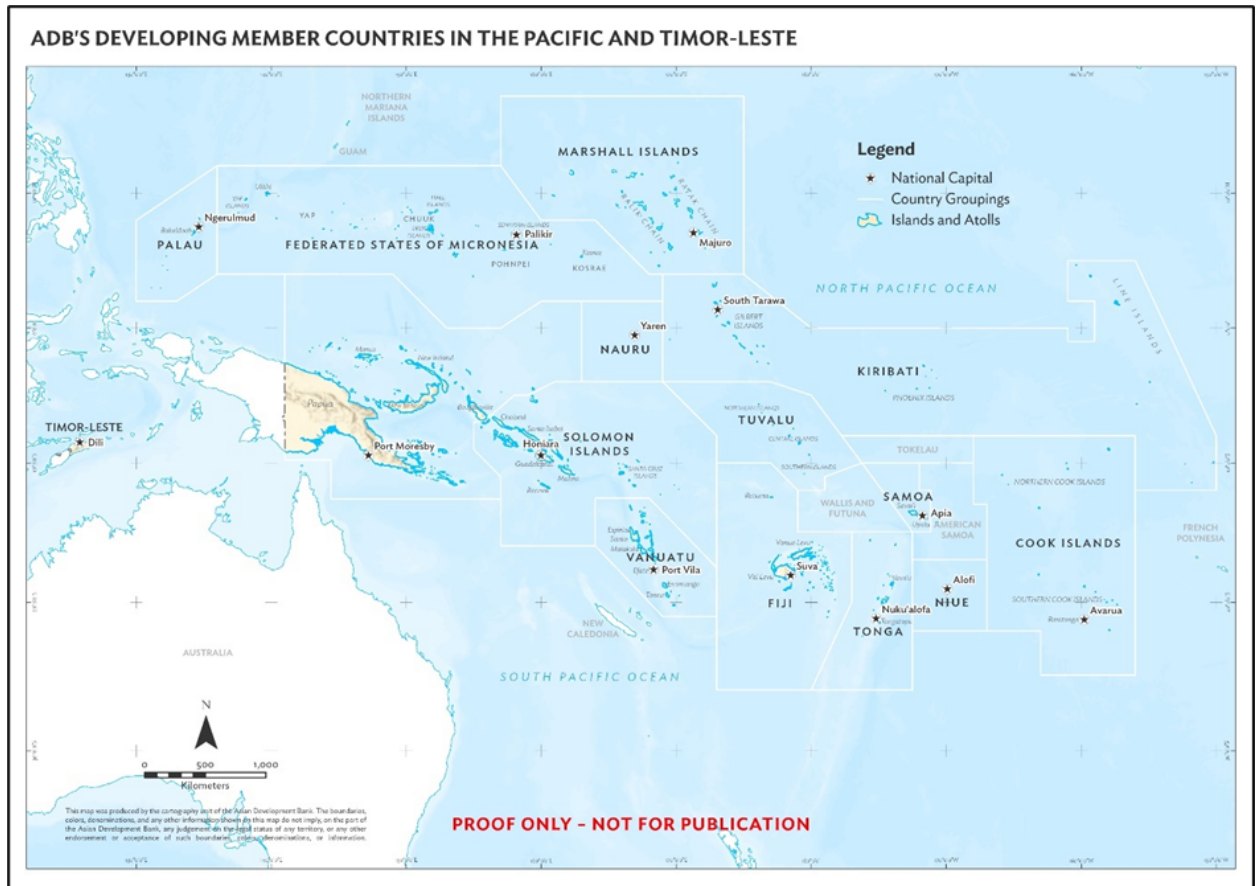


Figure 6: Map showing position of participating countries and all Pacific Island nations

See full details and additional maps in Annex E.

1c. Child Project?

If this is a child project under a program, describe how the components contribute to the overall program impact.

2. Stakeholders

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

Civil Society Organizations Yes

Indigenous Peoples and Local Communities

Private Sector Entities

If none of the above, please explain why:

Please provide the Stakeholder Engagement Plan or equivalent assessment.

Introduction and Approach

Stakeholder consultations and potential participation for the project are guided by GEF's *Stakeholder Engagement Policy*. The approach taken was also adapted from the ADB publication entitled *Strengthening Participation for Development Results: An Asian Development Bank Guide to Participation*, which is coherent with GEF's Public Involvement Policy. As per the ADB guide, specific stakeholders are categorised as Partnership, Collaboration, Consultation or Information Generation and Sharing. And the participation level is categorized as low, medium or high (see Annex L).

Stakeholder Engagement during Project Preparation

The BPFH team and in-country counterparts consulted a large number of CSOs, government agencies, and private sector entities during the preparation of the proposal. At the outset of the process, the team, in collaboration with the Office of the Ocean Pacific Commissioner, convened the first regional consultation online, attended by 40 participants from multiple ministries in 10 Pacific countries. The consultation aimed to provide an overview of the BPFH to potential partners and counterparts and obtain initial feedback and guidance on the approach to preparation of the GEF project. Follow-on consultations, also conducted online, allowed further discussion with ministries and line agencies on priorities, issues, and opportunities around achieving ocean health, climate adaptation, and blue economy growth outcomes of the project. These were mostly bilateral.

Subsequently, a comprehensive stakeholder mapping exercise was undertaken to identify key stakeholders to consult at the international and regional level; and at the national and local level for project participating countries, with the focus on LDCF countries. Consultation modalities included online or in-person meetings, both to targeted stakeholders, and referrals coming from the targeted consultations. Then, two in-country missions to each of Kiribati, Solomon Islands, and Tuvalu were undertaken; and one each to Fiji and Timor-Leste (the latter of longer duration).

The objectives of the consultations were to provide an overview of the BPFH; and to first collect ideas on priorities, to understand national and regional priorities on ocean health and climate resilience to ensure a region- and country-led process; to identify 'low hanging fruit', and identify other important stakeholders; and scope an initial long list of national projects and regional activities. In the second mission, based on shortlists, priority projects were selected, and additional information collected on those projects, and more partners consulted. In total, more than 105 government personnel were consulted, including several State Secretaries.

The team involved in the above exercises included specialists on ocean finance, gender equality, disability, social inclusion (GEDSI), ocean and coastal policy, regional capacity development, social development, coastal science and climate adaptation. To further support the consultations, the BPFH team engaged national consultants in Kiribati, Solomon Islands, Timor-Leste, and Tuvalu, with related technical expertise, as well as experience in working with communities, government, and other stakeholders. More details, including the results of the mapping exercise, are in Annex L.

In addition, provide a summary on how stakeholders will be consulted in project execution, the means and timing of engagement, how information will be disseminated, and an explanation of any resource requirements throughout the project/program cycle to ensure proper and meaningful stakeholder engagement

Stakeholder Engagement during Project Implementation

Based on the above process and the comprehensive mapping exercise, a detailed stakeholder engagement and participation plan has been prepared. This is also presented in Annex. L.

The engagement plan covers:

- All concerned national agencies in the four LDCF countries;
- Concerned local government, councils, expert groups and committees in the four LDCF countries;
- Communities and community groups;
- Fourteen Intergovernmental Organizations, Multi-lateral Agencies and Coalitions actively involved in SBE related initiatives in the concerned countries;
- Non-governmental organizations (NGOs), academic and research institutions, civil society alliances.

In addition to specific partners in Kiribati, Solomon Islands, Tuvalu and/or Timor/Leste, this includes five regionally active institutions; four private sector regional alliances, corporations, groups or other; and six potential and existing bilateral donor partners.

As part of the development of the stakeholder engagement plan, national consultants in the Pacific prepared a country summary report with a focus on existing government commitments, policies, and plans on climate adaptation and resilience, ocean health, and blue economy growth, and a list of actors working on these.

Notably, the project design recognizes the distinct roles of local communities (groups with similar interests residing in one geographic place) and civil society (groups with shared interests, purposes, and values built on interactions across varied members, regardless of location), and their complementary goals in promoting local development planning and implementing climate adaptation strategies. Annex L emphasizes synergized participatory processes among civil society, local communities, local government, and other key stakeholders.

Select what role civil society will play in the project:

Consulted only; No

Member of Advisory Body; Contractor;

Co-financier; Yes

Member of project steering committee or equivalent decision-making body;

Executor or co-executor; Yes

Other (Please explain) Yes

Joint production of publications, joint hosting of workshops, joint preparation of investment proposal

3. Gender Equality and Women's Empowerment

Provide the gender analysis or equivalent socio-economic assessment.

For full details, see Appendix 5 and Annex M. Appendix 5 is a broad and comprehensive social and gender analysis, and Annex M provides the Gender Assessment and Action Plan (GAAP) which includes a summary gender assessment and Gender Action Plan (GAP). Gender equality is the preferred term in the GAAP, in line with ADB's gender mainstreaming categorization system.

The following section provides the context, then an assessment of the current situation, followed by details of the BPFH and LDCF project approaches to gender equality issues.

Introduction and overall approach

Women typically face disproportionate impacts from climate hazards and have less adaptive capacity, including in relation to water, sanitation and hygiene (WASH) related issues from surface and ground water salination, decreasing food security from declining blue food stocks in areas closer to the shorelines where women typically procure proteins, or the destruction of mangroves, a resource that have multiple uses for women.

In line with policy priorities of the LDCs, the project will provide special measures to mainstream and target support for women, and will also focus on young people in particular young women. The project recognises that impacts of climate change and access to power and resources to adapt to climate impacts are mediated by ?intersectionality?. This term refers to how people can face multiple forms of inequality and discrimination. For example, in Tuvalu it was found that women with disabilities are twice as likely to live in hardship compared to men with disabilities.

The project will take an intersectional approach and be designed to engage women and vulnerable groups. In recognition that women provide the majority of domestic, care, and unpaid work in LDCs, women will be the majority focus of project activities. Projects will account for coastal communities being reliant on marine and coastal resources, for life and livelihoods, yet women's and men's reliance and access on resources differs and so too does the value and opportunity they receive from these resources.

The project is categorized as effective gender mainstreaming in ADB's gender mainstreaming system, and fully adheres to the GEF Policy on Gender Equality (2017) and the Gender Implementation Strategy (2018). The project also fully aligns with the ADB Policy on Gender and Development, the ADB Safeguard Policy Statement, and ADB's Strengthening Disability-Inclusive Development: 2021-2025 Road Map. The project supports Asia Development Bank's Strategy 2030 and specifically Operational Priority no. 2 "Accelerating Progress in Gender Equality".in combination with a range of other GEF policies, standards, and guidelines, and supports activities and approaches to close gender gaps, improve women's socioeconomic situation, and participation and decision making for inclusive climate adaptation. To advance best practice, the BPFH will connect and leverage the technical expertise and thematic focus areas of the ADB to promote a One ADB approach in relation to gender, the Pacific and oceans. This includes Pacific expertise on the region's development needs and priorities and guidance from ADB's Action Plan for Healthy Oceans and other areas that support MSME impact, ocean finance, and related sectoral initiatives as well as gender related expertise from ADB CCSD CCGE.

Specifically, all activities in the project, notably the sub-projects in the four LDCF countries, are designed to implemented in such a way that both women and men:

- ? Receive culturally compatible social and economic benefits;
- ? Do not suffer adverse effects during the development process; and
- ? Receive full respect for their dignity and human rights.

Gender safeguarding measures are integrated in all projects to minimise harm from changes because of project interventions. This could include accounting for risks of unexpected impacts of implementing plans, policies and pilots, or changes in gender dynamics that leads to a risk of any forms of gender-based violence when women's economic empowerment increases.

Gender issues in the Pacific

Women throughout the Pacific make a strong contribution to national and regional development, culturally, economically, and politically. They are known to be hardworking, creative, and resourceful, spearheading innovations to build resilience and adaptive techniques in response to climate threats. Women in the Pacific perform multiple roles as household managers, subsistence and cash crop farmers, income earners, and active members of churches and community groups.

Increasingly, but slowly, women are playing an increasing role in public administration, political decision-making and in the formal private sector. It partly reflects progress in adopting gender equality policies and legislation in all four participating LDCs, which has been supported by donor priorities, and a growing recognition that investing in women and girls has a powerful effect on economic growth and wellbeing.

Despite progress, gender gaps and disadvantage are prevalent in the LDCs, and the Pacific region more generally. For example, while poor and vulnerable households often lack collateral and other requirements of loan conditions, barriers to accessing credit can be gender specific such as when lenders

expect husbands to approve loans. Without access to finance, it is difficult for women to start or grow businesses, and without profit or savings they are vulnerable to high interest loans, especially from loan sharks. Equitable access to finance extends beyond low or no interest credit to other mechanisms such as insurance and protections for various inclusive goals related to MSMEs, DRRR, and ecosystem protection and services to build community resilience to climate change impacts.

Women are amongst the more vulnerable populations within Pacific societies and face significant challenges. Up to 60% of women and girls have experienced violence at the hands of partners or family members. In Pacific Island economies, men typically earn 20-50% more than women, largely because they are working in jobs that attract higher salaries. Women are concentrated in traditional formal employment areas such as teaching, nursing, and administration and mostly work in the informal economy where earnings are low and unstable, and there is an absence of any form of protection including social protection and labour rights.

The LDCs have relatively poor gender development indicators including in literacy, numeracy, employment and health. These are related to the operational challenges of economic development in the Pacific, and driven by a series of interlocking barriers, notably:

- ? High rates of violence and sexual harassment of women and girls;
- ? Patriarchal gender norms and stereotypes;
- ? Gendered division of labour and women's burden of care and domestic labour;
- ? Patriarchal laws governing the distribution of lands and custodial rights;
- ? Constraints in decision making power at the household, community, and national level;
- ? Lack of access to finance and social protection;
- ? Low rates of labour market participation, and work in the informal economy;
- ? Low access to training and education;
- ? Low access to digital connectedness, technology, and literacy (incl. mobile banking).

Social and economic equity

Access to jobs, services, training and other opportunities in the sustainable blue economy is critical for reducing poverty for all vulnerable people, including youth and people with disabilities. The socially inclusive approach of the BPFH will also seek to advance Operational Priority no. 1 of ADB's Strategy 2030, "Addressing remaining poverty and reducing inequalities".

Asia and the Pacific is home to 55% of the world's young people who, despite high potential to contribute to the growth and development of the region, are almost five times more likely to be unemployed than adults. A growing number of young Pacific people face unemployment or else, fast-tracked transition to poorly paid jobs, usually procured through migration and without career pathways, social protection, or other conditions of decent jobs. Young women in particular face additional challenges of lack of access to sexual and reproductive health and rights (SRHR). Across the Pacific contraceptive prevalence rates are below 50%, high rates of teenage pregnancy and on average, 25% of sexually active youth have an a sexually transmitted infection.[1]

Women and men with disabilities experience high rates of exclusion from training, education, and pathways and programs to employment in the LDCs. In interaction with intersectional aspect of identity, people with temporary or permanent mobility impairment, face the additional barriers of:

- o Non-accessible built environment;
- o Stigma and discrimination;
- o Disability NGO capacity limits with a focus on human welfare issues.

The BPFH approach to Gender Equality

The blue economy is a gendered space that operates in both formal and informal domains. In both domains, a gendered division of labour is mapped on blue topographies. In general, women work onshore and men offshore in the fishing industry. In communities, men are more likely to be found fishing on the edge of the reef, further out in the lagoon, or in the open sea. While their forebears paddled or sailed outrigger canoes to fish, today they use small outboard-powered monohull aluminium, fibreglass, or plywood boats. Women on the other hand are more likely to catch fish on foot in low tide on the reef and close to the shore. Sometimes with a baby on their back or children within arm's length, they gather shellfish and other resources of lower value than pelagic species.

While fisheries are a major source of employment and income for local fishers in the LDCs, and especially the atoll nations where there is a lack of arable land, the contribution of women is often overlooked, less documented, and inequitably rewarded. This is despite Pacific women playing a crucial role in regional fisheries, and more so than international average. Women's involvement in the blue economy exceeds procuring, trading, marketing, and labour activities, they also make and mend nets, maintain gear, and provide ecosystem services such as mangrove planting and regulating activities.

Adapting to climate change requires women and other disadvantaged people to increase their assets, food security and build their capacity to predict risk and be buffered during and after climate related shocks and stresses. The BPFH will promote this by supporting measures to improve the economic situation of women and building their capacity in ways that contribute to sustainable management of marine and coastal resources. It will also push for *providing women with better access to education and training, opportunities for employment in non-traditional sectors, and promoting women's participation in decision making so that they have voice in ocean governance and policy*. It will contribute to actions that closing the climate finance gap, build champions for community-led climate adaptation and blue positive entrepreneurship, and provide opportunities for women and youth to be leaders.

- ? The BPFH has established the following principles to underpin its approach and foster a cohesive gender focus for the different activities: Work through partnerships and collaboration;
- ? Engage Civil Society Organisations and women led organizations;
- ? Engage men and boys;
- ? **Transform harmful gender norms;**
- ? Design with gender equality principles for program sustainability;
- ? Build capacity and improve the enabling environment;
- ? Be people-focussed.

To be effective, the BPFH will support a culturally responsive and strengths-based approach to gender mainstreaming. Pacific Island communities are aware of climate change through their experience of the environment and are already active in adaptation solutions. This project, and the BPFH in general, will draw on context-based strengths to promote the role of communities in driving solutions. It will identify and build on existing climate adaptation initiatives, integrate traditional knowledge and where possible,

livelihood activities will adopt a 'family teams' approach?. This is a gender transformative approach that helps men to understand that supporting wives, mothers and sisters to develop enterprises or work economically benefits the whole family. Safeguarding women's economic empowerment is critical to mitigate and manage the risk of male 'backlash' violence.

The Project Approach.

The proposed project will integrate gender equality design features at three levels. The first is in overall priority setting to select interventions. Priority has been given to blue economy domains with the potential to include and empower women, and vulnerable groups in the LDCs for climate adaptation goals. This includes areas such as food security (blue foods), enterprise and training support for income generation, CBRM+, Nature-based Solutions (NbS), integrated ocean management planning and inclusive finance.

The second is to integrate gender equality in project management. and through the project cycle. This includes gender indicators in M&E, and collecting sex disaggregated and qualitative data sets for monitoring and assessing and reporting on differentiated impacts of the projects for women, and other vulnerable and marginalized groups. It also includes providing budget for gender mainstreaming and targeted activities, developing a Gender Action Plan for the BPFH, and actively promoting gender balance in both national and international technical experts, consultants, and contractors, including facilitation teams. Finally, additional and separate sets of stand-alone activities that build capacity, leadership and provide decision making opportunities for women will be implemented through the Gender Assessment and Action Plan (GAAP), which is provided in Annex M.

Annex M provides information on the gender activities under each Project Output and Outcome. (note: Section Annex M only covers Kiribati, SI and Tuvalu ? for Timor-Leste see sub-section below). Appendix 5 provides data to substantiate the activities and approaches in the GAAP and provide background information on applying a gender and intersectional lens to climate adaptation and the blue economy; on the enabling conditions for gender rights in the project; country specific data about gender status, including youth and people with disabilities, some social-cultural aspects of working with women and communities in the LDCs; links between climate impacts and socially vulnerability in interaction with other crises in the LDCs, and a summary of key gender barriers, strengths, and opportunities, including blue economy domains that have the potential to improve women's livelihoods, food security and MSME in the LDCs for climate adaptation goals.

Most project activities have been gender mainstreamed, with budget included in the sub-project cost estimates, however additional resources may be required to implement and monitor the GAAP. Hence, as yet, the GAAP does not provide full details of budget requirements.

The GAAP includes the following gender responsive approaches:

? Equitable representation of women and gender expertise across the project implementation governance structure and institutional arrangements.

- ? Ensure the equitable participation of various local men and women stakeholders, which may require specific measures to address the sociocultural and economic barriers that prevent women's participation. Dedicated consultations with women will be considered as necessary while ensuring that meetings are held in easily accessible and safe spaces and, at times, compatible with their work and home schedules.
- ? Targeted training and technical assistance to women beneficiaries, women groups, and associations, reducing the gender gap.
- ? Ensure that the different interests of both men and women are incorporated into ocean governance systems, sustainable ocean planning, and adaptation planning.
- ? Incorporate gender equality in blue economy investment project pipeline identification and gender-responsive technical assistance project development.
- ? Provide business support for targeted women blue economy entrepreneurs through saving schemes.
- ? Develop and implement plans to prevent and respond to gender-based violence.
- ? Involve a Gender Specialist dedicated to supporting the gender mainstreaming objectives of the project as well as other resource experts.
- ? Ensure and encourage equal opportunity recruitment of women for positions within the project management office, consultancies, and other service providers.

Additional Notes for Timor-Leste

LDCF financed activities in Timor-Leste are being implemented outside the BPFH. Although technical support is available to Timor-Leste from BPFH, activities in Timor-Leste are not bound by the same principles. Activities in Timor-Leste will fully follow and be consistent with all ADB and GEF guidance and policy on gender equality.

Despite some progress, gender gaps, gender-based violence, and disadvantageous social norms facing women and girls persist in Timor-Leste, and gains in human capital of women and girls remain untapped. Turning human capital investments into economic gains means addressing multiple barriers to women's economic empowerment, including improving their voice and agency.^[2] Gender disparities between men and women remain significant and achieving gender equality goals involves overcoming considerable challenges, due to strong cultural, social and gender norms and practices that maintain gender inequality inside the household and in the society. High levels of gender-based violence remain in Timor-Leste and in the concerned project sites.

Further, the water supply and sanitation systems are a highly gendered space. For example:

- Water is one of the most basic needs, for human consumption, washing and hygiene practices, and overall health and well-being;
- Considering the social structures, domestic water management is mainly women's responsibility. Collecting water is a task mainly done by women, and by children in lesser degree.
- Water issues are of greater importance for women, their daily life, and well-being;

- Studies and research confirm the importance and the significant positive impact that water supply systems have on women's well-being and their family life;
- Recent research on the impact of water supply systems upgrade and implementation in 12 aldeias (sub-village) concluded that the daily average time saving for women in collecting water was reduced by at least 30 minutes. This leads to more time to rest and for productive tasks as kitchen gardening, and other family income activities.

As described previously, the LDCF support to the Coast Region Water and Sanitation Services Improvement Program (CRWSSIP) project in Timor-Leste is upstream and strategic, it intervenes a concept and detailed design stage, in order to ensure the project is designed to lead to full climate resilience of the water supply and sanitation systems in AMS. Hence, at design stage, it is essential to fully build mainstream gender and social inclusion social issues into all aspects of the project design. This will be achieved, for example, as follows:

- the project gender assessment and gender action planning will be part-co-financed by GEF, to ensure that it goes to, and beyond, GEF Gender Policy;
- the climate change assessment of the project system will be fully gender sensitive and assess gender issues, women issues, and issues impacting the gender space;
- all education and awareness raising will be tailored to meet the needs of women, and at least 50% of beneficiaries will be women;
- the water supply system to be designed will be based on a full assessment of women's needs and meeting these needs will be prioritised (targets to be developed);
- major efforts will be undertaken to involve women in project implementation in all parts of the project, and to ensure women play a significant increased role in planning and decision-making in water supply and sanitation in the future (targets to be developed).

[1] [https://pacificdata.org/data/dataset/pwl-awareness-analysis-and-action-sexual-and-reproductive-health-and-rights-in-the-pacific#:~:text=Specific%20SRHR%20issues%20in%20the,sexually%20transmitted%20infections%20\(on%20average](https://pacificdata.org/data/dataset/pwl-awareness-analysis-and-action-sexual-and-reproductive-health-and-rights-in-the-pacific#:~:text=Specific%20SRHR%20issues%20in%20the,sexually%20transmitted%20infections%20(on%20average)

[2] source: <https://www.worldbank.org/en/topic/gender/brief/country-gender-landscapes> (accessed 28 June 2023)

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 Yes

Generating socio-economic benefits or services or women Yes

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

Yes

4. Private sector engagement

Elaborate on the private sector's engagement in the project, if any.

Pacific SIDS economies are small, fragmented, lack diversity, and are highly dependent on imports and highly reliant on revenue from overseas sources. As a result, private sector growth has until now been constrained. The public sector accounts for a large share of the economy and a large share of employment.

The levels of investments needed for Pacific Adaptation and the diverse types of investment mean that there is a need and there are significant opportunities for drawing in the private sector.

The project focuses on catalyzing and mobilizing finance to investments from both private and public sources. Cooperation with private sector is key to the project success.

The project will also establish working linkages with the Frontier Fund. ADB is currently establishing the Frontier Fund to facilitate private sector operations in Asia and the Pacific, with an initial focus on the tourism and light manufacturing. ADB, and the Fund, will seek to invest in private companies that contribute to SDG impacts in frontier markets in Asia and the Pacific.

Specifically, the barrier analysis (earlier in this document) identified many barriers to increased investment in and through the private sector into SBE investments. The project has been designed to reduce and remove these barriers (as set out in Table 10).

Many of these barriers were confirmed through in-country consultation including with the Tuvalu National Private Sector Organisation (TNPSO) who shared their members' challenges in accessing training (e.g., around export requirements), equipment (e.g., freezers) and access to finance (small loan criteria a barrier to many).

Table 10: Private sector investment barriers and possible project removal strategies

Barrier to private sector investment	Description of how project will help
Inadequate incentives and an enabling environment	Output 1.2 Improved ocean governance systems including sustainable ocean planning and adaptation planning. Activities will help identify private sector investments that will also be good for SBE, and will help ensure that governance mechanisms facilitate financial flows to the projects.

<p>Lack of information on national initiatives and interaction by government with the private sector such as country programmes, pipeline projects, planning and implementation;</p>	<p>Output 2.1 National and regional pipelines of sustainable, resilient blue economy investments are prioritized</p> <p>Project will identify SBE and climate resilience private sector projects, and connect to potential investors.</p> <p>Output 3.2 Regional blue ocean knowledge-sharing and learning strategy developed and implemented</p> <p>Specifically, knowledge on how to shift private sector investments to SBE and climate resilience will be captured and distributed.</p>
<p>Limited understanding by the private sector of their role and how to maximise this role to access climate change resources;</p>	<p>Output 1.4 Capacity building for young professionals in ocean finance and the blue economy.</p> <p>Young professionals both in government and private sector (entrepreneurs) will benefit from capacity building on how to shift private sector investments to SBE and climate resilience.</p>
<p>Burdensome requirements and fiduciary standards applied by funding agencies;</p>	<p>Output 1.2 Improved ocean governance systems including sustainable ocean planning and adaptation planning.</p> <p>As appropriate, where specific governance barriers to private sector investment are identified, proposals will be made to lower the barrier, and follow-up action supported if necessary.</p>
<p>Limited understanding by the private sector on the available funding sources and how to access;</p>	<p>Output 1.4 Capacity building for young professionals in ocean finance and the blue economy.</p>
<p>Limited capacity and ability to prepare bankable projects that contribute to mitigating the impacts of climate change and building resilience to business operations.</p>	<p>Output 2.2 Sustainable, resilient blue economy projects are prepared for finance</p> <p>Output 3.1 The BPFH is established and is facilitating collaboration on ocean-climate action and resilient blue economy development.</p> <p>As mentioned at many points, the Hub will have a strong mandate to support private sector and to help shift private sector investments to SBE and climate resilience</p>

5. Risks to Achieving Project Objectives

Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):

The key risks and mitigating measures are summarized in Table 10. This will be validated and updated during final design of GEF supported measures.

Table 11: Risks and mitigation measures

Risks	Risk Level*	Programmatic Mitigation measure
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<p><u>Limitations with climate data and climate change projections.</u></p> <p>Historical climate data in the Pacific region is incomplete and, in some cases, inaccurate. This is particularly true for the LDC nations such as Tuvalu and Kiribati.</p> <p>Further, the challenging geography ? notably small land masses in a large ocean ? and limited resources mean that climate change projections are often of limited confidence ? except for the most basic parameters. Downscaling is challenging and previous work limited. These factors mean it is difficult to provide meaningful projections for the type and scale of climate change impacts.</p>	<p>Medium</p>	<p>Over the past decade the Australian Government has worked closely with each Pacific Government to collect data, analyze data, interpret global climate change projections, and prepare projections for climate change and its impacts on the Pacific Island nations.</p> <p>This is an ongoing process and has just led to the publication of so-called ?nextGen? (i.e. Next Generation Climate Projections for the Western Tropical Pacific). In addition to updated model-based projections for key climate hazards for each country, this includes country/sector specific case studies, non-technical guidance materials and communication products to facilitate sectoral applications.</p> <p>The precautionary principle will be adopted. That is, in each case, a reasonable worst case scenarios will be determined, and project designs and standards will be in line with this case.</p> <p>Win-win options will be sought and prioritized. That is, where the exact nature or scale of the climate change threat is unknown, the measures supported by the project will be of a type that generate benefits in terms of climate resilience, general resilience and also in terms of sustainable development.</p>
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<p><u>Climate impacts</u> Climate impacts might affect the project. New or escalating impacts might impact the types and amount of financing needed and affect project outcomes.</p> <p>-</p>	<p>Medium</p>	<p>As this is a financing project, aiming to mobilize investments to address impacts, the project is not directly addressing impacts.</p> <p>ADB has effective risk management procedures and capacity, and is transferring this to partners through the BPFH.</p> <p>It is important that, across the region, projects are designed to adapt to the impacts of climate change, and this includes adapting to any need for increased finance as costs go up due to climate change. The BPFH will be developing the tools and capacity to ensure that partners and stakeholders across the region are enabled to do that. This will include with regional partners (e.g. OPOC, World Fish), national partners and local partners. This will mostly be transferred through individual activities. This will include capacity for financial risk assessment, as appropriate.</p>
<p><u>Political commitment</u></p> <p>-</p> <p>All Pacific Island nations recognize the importance of mobilizing finance to climate change adaptation and to ocean management. However, limited capacity, competing development priorities and natural disasters may affect political will to actually roll out the program activities and commit to the necessary enabling environment (fiscal, legal, institutional reform, as necessary).</p>	<p>High</p>	<p>ADB has been working in all countries for several years, is active in a range of sectors, has an established presence, and is constantly engaging in policy dialogue with a range of stakeholders in each country. This has proven to be a useful way to identify and define potential problems, and to determine participatory approaches for defusing the challenges.</p> <p>In line with standard ADB procedures, an assessment of political economy factors that could influence the government's ability to implement the proposed adaptation reforms will provide a basis for monitoring risks.</p> <p>Regular ADB monitoring will follow these issues and lead to recommended action if and when necessary.</p> <p>To the extent that this is a problem, it is likely to be limited to a very small number of countries.</p>

<p><u>Human/Technical Capacity Limitations</u></p> <p>Many of the participating countries are restrained by human capacity, notably because the populations are small and so the human resource pools are small. This leads to the fragmentation of responsibilities of key people across several sectors: infrastructure, climate change, natural resources and disaster risk reduction. This shortage of human resources can weaken the effective identification, design and implementation of adaptation measures, and can undermine the ability to respond and cope with natural disasters and long-term environmental change.</p>	<p>High</p>	<p>ADB has a policy to incorporate capacity development into all its programs and projects in the region.</p> <p>Further, the use of a regional approach will lead to opportunities to pool and exchange human resources across the countries.</p> <p>Knowledge and capacity development activities have been incorporated into each sub-project. Overarching regional support programs will strengthen knowledge sharing across the region.</p>
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<p><u>Coordination and Institutional Capacity Limitations</u></p> <p>Each participating country has several ongoing and planned related development initiatives and several related projects (some supported by GEF but mostly by other development partners such as DFAT, MFAT, JICA, GCF, World Bank etc). These projects may work in isolation, undermining effectiveness, or work in synergy.</p> <p>Further, although awareness of ocean services and climate change is high, in sectoral organizations there is limited understanding of just how workplans should be modified in order to address climate change and sustainability, and in turn the allocation of institutional resources to climate change can be a challenge.</p>	<p>Medium</p>	<p>ADB's ongoing experience and presence in the countries and the sectors will mean ADB can facilitate information exchange and coordination amongst partners.</p> <p>ADB's ongoing experience and presence in the countries and the sectors will also mean it can anticipate challenges and introduce solutions prior to the problems fully developing.</p> <p>Regular ADB monitoring will follow these issues and lead to recommended action if and when necessary.</p> <p>ADB's BPFH will convene an Annual Partnership Forum to engage stakeholders across the region.</p>
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<p>These factors can undermine the effectiveness and efficiency of operations.</p>		
<p><u>Data gaps and uncertainties make it difficult to track ocean-climate finance</u></p> <p>-</p> <p>Tracking of climate-finance via public financial management and accounting systems is limited and there are significant data gaps, particularly for ocean-climate financing. There are initiatives underway, for example in Tuvalu, to improve climate finance tagging of public expenditure. This needs to be investigated further to understand whether blue economy sector data can be disaggregated from other climate-finance flows.</p>	<p>Medium</p>	<p>Use currently available climate-tagged data, where available. All project finance to the projects will be tagged as ocean-climate finance.</p>

<p><u>Limited revenue generating opportunities for financial sustainability of projects</u></p> <p>-</p> <p>Opportunities to generate revenue from ocean resources in Pacific LDCs is restricted due to their remote location, geographically dispersed population, inadequate maritime transport infrastructure, lack of cold-storage facilities and supply chains, and limited access to global markets. This creates a barrier to implementing financing mechanisms that support ongoing financial sustainability of activities.</p>	<p>Medium</p>	<p>Investigate revenue generating opportunities in other Pacific Island nations and share lessons learned across the region.</p>
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<p><u>Limited private sector investment opportunities</u></p> <p>-</p> <p>Pacific LDCs, like Tuvalu and Kiribati, have a very small private sector with limited opportunities to generate revenue and/or invest in growing sustainable blue economy activities. Returns on investment in marine ecosystems and resources are often long-term and small scale which make private-sector investment unpalatable.</p>	<p>Low</p>	
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Overall, the risk rating is ?Medium?.

6. Institutional Arrangement and Coordination

Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

BPFH Institutional Arrangements

The LDCF funds are implemented within the framework of the BPFH. The BPFH is administered by ADB and receives strategic direction from the ?ORCA Trust Fund Partnership Group? which also directs similar activities across the Asia-Pacific region. Additional strategic direction setting will be provided by selected regional and international partners, notably OPOC, ORRAA and WWF. The role of the BPFH is to coordinate donors; identify, prioritize, and design projects; provide technical support and supervision during project proposal preparation; and match projects to appropriate finance. The Hub includes technical expertise related to ocean-climate finance; ocean-climate policy; coastal adaptation and protection; gender equality, diversity and social inclusion; knowledge and capacity development; and monitoring and evaluation.

Once the project preparation stage is complete, the BPFH will handover project management responsibility to the respective ADB South-East Asia and Pacific departments, as appropriate for each project.

Responsibility for delivery during the project implementation stage will rest with the relevant ADB department. Projects will be delivered in accordance with ADB's standard policies and procedures. Project direction is provided through the national government agencies and steering committees at the national level. Existing coordination mechanisms will be used as appropriate. Further details of the BPFH strategy and management arrangements are included in Appendix 1.

LDCF Institutional Arrangements

During the LDCF project implementation stage GEF funds and ADB co-financing are to be managed and administered by ADB as the GEF Implementing Agency. Given the regional nature of the project, ADB will also have a role in project execution and provide selected services to support the national governments. ADB's will the provide the following execution services:

- ? Overarching coordination at regional level,
- ? Settlement processing,
- ? Procurement processing,
- ? Risk management / reconciliations, and
- ? Accounting.

The Blue Pacific Finance Hub will act as the LDCF project management support unit and provide technical support, management, and coordination services across the region.

Governments in each country will establish a National Project Steering Committee (unless an existing mechanism can be utilised) to provide specific direction to their respective projects. Membership will include the Lead Executing Agency, the GEF Operational Focal Point (OFP) where not the Lead Agency, the Ministry of Finance, and other government agencies as required. The role of the Lead Executing Agency will be to chair National Project Steering Committee Meetings to provide project direction and execution services for:

- ? Technical implementation at field level,
- ? Administrative support for procurement and other processing,
- ? Knowledge management and learning activities,
- ? Inputs to project financial and technical reporting for ADB and the GEF,
- ? Support for monitoring and evaluation.
- ?

Existing coordination mechanisms will be used as appropriate.

All works, goods, and services under the project will be procured in accordance with ADB's Procurement Guidelines (2017, as amended from time to time) and ADB's Guidelines on the Use of Consultants (2013, as amended from time to time).

Given the holistic, multi-sectoral and regional nature of the LDCF project, ADB plus a range of regional and national implementation partners will collaborate to deliver the project objectives and to implement the activities. For country-level LDCF activities, national ministries of finance, economic development, environment, fisheries, or marine resources, for example (depending on mandates and the scope of specific activities), will be ADB's executing partners. See Figure 7.

Figure 7: GEF Project Institutional Arrangements

For the LDCF funds, details of the supervision, management and advisory bodies and roles, at both regional and national level, are set out in Table 12.

Table 12: Institutional roles and responsibilities for LDCF Project

Party	Responsibilities
Regional Executing Agencies ? ADB Pacific Regional and South-East Asia Departments	
<ul style="list-style-type: none"> ? ADB Project Officer ? Pacific Regional Department or South-East Asia Regional Department (as appropriate) ? ADB Procurement Department ? ADB Independent Evaluation Department 	<ul style="list-style-type: none"> ? Lead coordination of national and regional executing agencies, firms, and consultants, and ADB Resident Missions during project implementation. ? Procure consultants, goods and works following ADB's Procurement Policy. ? Oversee project outputs, budgets, administration, and reporting, in compliance with policies for the relevant funding source. ? Provide technical guidance, review, quality assurance, and support to governments for project outputs during implementation. ? Supervise and manage of firms, consultants, and implementation partners. ? Manage project finances and disbursements in accordance with ADB Technical Assistance Disbursement Handbook. ? Monitor, evaluate, and report to ADB, GEF, ORCA and other project funders on project delivery, including on safeguards and Gender Action Plan.
National Executing Agencies ? GEF Operational Focal Point (GEF OFP)	

<p>? Environment and Conservation Division, Ministry of Environment, Lands and Agricultural Development, Kiribati</p> <p>? Government of Solomon Islands ? Ministry of Environment, Climate Change Disaster Management and Meteorology (MECCDMM)</p> <p>? Government of Timor-Leste ? Directorate General for Environment</p> <p>? Government of Tuvalu ? Ministry of Public Works, Infrastructure, Environment, Lands, Meteorology and Disaster (MPWIELMD)</p>	<ol style="list-style-type: none"> 1. Overall strategic project direction and prioritization, guidance, and endorsement of project activities to align with national policies, strategies, and programs. 2. Full engagement and participation in all regional and in-country project activities. 3. Inter-governmental coordination for regional project activities. 4. In-country monitoring, evaluation, reporting and learning. 5. Review and endorsement of procurement activities, including terms of reference, selections. 6. Review and endorsement of key deliverables.
Lead Technical Agencies (as required)	
<p>? Kiribati ? Ministry of Fisheries and Marine Resource Development (MFMRD)</p> <p>? Solomon Islands ? Ministry of Fisheries and Marine Resources (MFMR)</p> <p>? Timor-Leste ? Bee Timor-Leste Water Utility Company</p> <p>? Tuvalu Ministry of Fisheries and Trade (MoFT)</p>	<ol style="list-style-type: none"> 1. Active collaboration with the national Lead Executing Agency. 2. Technical leadership and direction for specific country-level activities where the mandated by the national Lead Executing Agency. 3. Review and endorsement of activity specific deliverables. 4. Inputs for monitoring, evaluation, reporting and learning.
National Advisory Committees (existing)	
<p>? Kiribati ? Kiribati National Expert Group on Climate Change and Disaster Risk Management (KNEG); Coastal Protection Working Group.</p> <p>? Solomon Islands ? National Climate Finance Steering Committee (CFSC)</p> <p>? Timor-Leste (to be determined)</p> <p>? Tuvalu National Advisory Council on Climate Change (NACCC)</p>	<ol style="list-style-type: none"> 1. Active cross-sectoral collaboration. 2. Technical guidance to country-level projects.
Blue Pacific Finance Hub (BPFH)	

Team members:	1. Government and key stakeholder engagement and relationship management.
? Program Manager	2. Work closely with ADB staff to identify and develop opportunities and ensure appropriate coordination with all related ADB ocean and climate initiatives.
? Administrator and Financial Analyst	3. Country programming and pipeline development, including identifying, scoping, and preparing upstream and priority activities.
? Ocean Finance Specialist	4. Support the organization and deliberation of the ORCA Partnership Group.
? Ocean Policy Specialist	5. Support the organization and delivery of the Annual ORCA Partnership Forum.
? Coastal Adaptation Specialist	6. Identification, relationship development and management of partners, including donor relations.
? Regional Capacity Development Specialist	7. Develop and implement a Resource Mobilization Strategy to secure additional financing.
? Gender and Social Development Specialist	8. Provide input to the ORCA Annual Work Plan and Annual Report.
? Communications Specialist	9. Manage delivery of selected activities in the approved ORCA Annual Work Plan related to the Pacific region.
? Monitoring & Evaluation Specialist	10. Monitor, and report on gender assessment and action plan implementation.

Adaptive Management

Adaptive management is central to the ADB approach to the identification, design, implementation and follow-up to investments, including in the Pacific. This allows ADB to successfully adapt projects and activities to the changing investor climate, to changing opportunities and needs, and to sudden events, for example previous financial crises and the more recent Covid pandemic.

ADB is likewise committed, through its technical assistance programs and its investment operations, to develop the adaptive management capacity of partners in the region. Through the BPFH, the ADB anticipates to transfer ADB lessons and capacity and approaches in terms of lesson-learning and adaptive capacity to the BPFH. Notably, the BPFH is developing a strong programming and management capacity which includes effective adaptive management, notably through monitoring and evaluation and lesson-learning. This will include strong support at the country level to support delegated, adaptive management of the country level and local level initiatives.

Key elements of this are:

- ? Strong monitoring frameworks to all individual projects ? constantly collecting data and feeding back to decision-making;
- ? Strong technical oversight in each country to activities;
- ? Use of existing multi-stakeholder committees or groups to support, monitor and guide projects.

- ? Support from BPFH to implementors for each activity;
- ? At the regional level, the overall Blue Pacific Finance Hub Partnership Group, comprising ADB and founding partners providing strategic direction based on results and progress. Regional direction setting will also be supported by the Hub's regional partners, notably OPOC and CANCC.
- ? Regular analytical and review processes, notably under Output 1.1, which will effectively monitor the changing investor climate, to changing opportunities and needs.

A key element of adaptive management is being able to respond flexibly to changing costs and to unexpected additional costs. This particularly applies to the sub-projects in Output 2.2. However, the total GEF funds cannot be increased, and, although savings may be made on some sub-projects, it would not be equitable to re-allocate these savings to a sub-project in another country. Hence, in the event that a sub-project is more costly than anticipated, the BPFH will adapt by mobilizing the necessary additional funds, either from internal ADB resources or external sources.

Procurement and detailed TOR for Project Inputs.

It is anticipated that all inputs to be financed by LDCF will be mobilized as either experts/specialists or through sub-contracts. TOR for all LDCF-financed experts/specialists are provided in Annex I. A detailed description of all LDCF-financed *regional* activities to be implemented by sub-contract is provided in Annex J. A detailed description of all *national* and *local* level LDCF-financed activities to be implemented by sub-contract is provided in Annex K.

In line with ADB procedures, the inputs will be mobilized to the Outputs as follows:

Under Output 1.2 ? Coastal Protection & Adaptation (Kiribati) and Output 2.2 (Climate-Resilient Resource Management, Solomon Islands; Integrated Ocean Management, Kiribati and Tuvalu; Funafuti Reef Fisheries Strategy Tuvalu). These are national and local level activities. A firm / NGO / consortium will be recruited under sub-contract through an international, competitive process to implement at the field level in close coordination with the national executing entities (See Annex K).

Under Output 2.2 ? Water Supply & Sanitation Investment (Timor-Leste). This is a national and local level activity. A firm / NGO / consortium will be recruited under sub-contract through an international, competitive process to implement at the field level in close coordination with the Timor-Leste entities (See Annex K).

Under Output 2.2, for Solomon Islands ? Climate resilient food systems ? Aquatic Research & Innovation Hub. This national local level activity may be implemented by a firm / NGO / consortium under sub-contract, most likely through sole sourcing, to work in close consultation with World Fish (See Annex K).

Under Output 1.4 ? Developing a Cadre of Young Professionals, in close consultation and coordination with the University of the South Pacific. This regional activity may be implemented through engagement of a firm / consortium (to be confirmed) under sub-contract (USP). (See Annex J).

Output 3.2 ? Nature?s Leading Women in close consultation and coordination with The Nature Conservancy (TNC). This regional activity may be implemented through engagement of a firm / consortium (to be confirmed) under sub-contract (TNC). (See Annex J).

Output 3.3 ? Coalition of Atoll Nations on Climate Change (CANCC). This regional activity may be implemented through engagement of a firm / consortium (to be confirmed) under sub-contract. (See Annex J).

Output 2.1? Blue Pacific Finance Hub pipeline development, Output 3.1 resource mobilization, Project Management and M+E will be supported through a series of international experts and specialists (see Annex I).

Coordination with ongoing and planned projects, including GEF projects

ADB

ADB has a large and growing pipeline of projects that aim to enable transition to sustainable economies across the Pacific and adapt to climate change. Most of these are national in scope and are too many to mention. Table 12 lists a selection of the most closely related regional projects, with which ADB will ensure coordination.

Table 13: Related ongoing ADB technical assistance projects

Project	Project aim	Status and coordination points
Building Coastal Resilience through Nature Based and Integrated Solutions (\$6.523 million).	This project provides support to the Coalition of Low-Lying Atoll Nations on Climate Change (CANCC). This includes funding for a core secretariat, the production and sharing of knowledge on nature-based solutions, regional dialogues, and participation in international fora. This also supports activities in Fiji, RMI and Vanuatu, such as coral reef restoration, coastal adaptation pathway planning, and atoll conversation and resource management planning. This project also constitutes some of the co-financing.	Concerned ADB Project managers and Hub staff will ensure coordination.
Promoting Action on Plastic Pollution from Source to Sea in Asia and the Pacific (\$6 million)	The TA cluster is in support of the following impacts: marine plastic pollution reduced; and health of rivers, coasts, and marine ecosystems restored. It will have the following outcome: DMC action to address marine plastic pollution enhanced.	Concerned ADB Project managers and Hub staff will ensure coordination.

Promoting Innovations in Regional Cooperation and Integration (RCI) in the Aftermath of COVID-19 (\$2.1 million).	<p>This project has the following pertinent activities to development and promote:</p> <ul style="list-style-type: none"> ? Best practices and investment opportunities for green and resilient port development; ? Knowledge on regional tourism value chains for recovery and resilience improved; ? Opportunities to cooperate for resilient and sustainable livelihoods in atoll nations. <p>This includes the Atolls Blueprint Project</p> <p>This project also constitutes some of the co-financing.</p>	Concerned ADB Project managers and Hub staff will ensure coordination.
Support to Climate Resilient Investment Pathways in the Pacific (\$4 million)	<p>This project has a strategic, multifaceted, and risk-informed approach to support country and regional commitments to climate change adaptation measures.</p> <p>The TA has the following Impact: resilience to climate change impacts and associated risks in Pacific DMCs improved across built infrastructure, ecosystems and communities. It has the following Outcome: systemic resilient adaptation pathways in the Pacific increased.</p>	Concerned ADB Project managers and Hub staff will ensure coordination.
Others, including the ?Youth in Climate Action TA?, the green ports initiative, and the preparation of LIDAR maps and collection of topographic data for Kiribati.	Various	All activities all activities will be implemented in close consultation with ADB colleagues and in-country counterparts.

GEF

This project will build upon and be coordinated with and complementary to other GEF supported in the region, including those under GEF7 and GEF 8. The BPFH Partnership Group, the Hub and ADB will notably ensure coordination with the following GEF Projects:

Table 14: Key GEF financed projects in the region

Project	Project aim	Status and coordination points
Regional and multi-country projects		

Regional Climate Resilient Urban Development in the Pacific (ADB), regional program with child projects in Kiribati, Tuvalu, Solomon Islands and Vanuatu. (GEF/LDCF)	The child projects aim to increase the resilience of critical urban areas and urban services in the Pacific, with a focus on water supply, sanitation, watershed management and disaster risk reduction.	All child projects are ongoing. Coordination will be ensured by the concerned ADB Project managers and staff
Regional Project: Ocean Health for Ocean Wealth - The Voyage to a Blue Economy for the Blue Pacific Continent ? the I2I Project? (UNEP/ADB/SPREP) (GEF/IW)	To project objective 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. In addition to strengthening national planning and enabling activities, the project will pilot or demonstrate innovative technologies to achieve SBE goals. ADB played a key role in project design and is involved primarily in investment related activities.	Expected to be submitted to GEF CEO for endorsement before end-2023. Coordination will be ensured by the concerned ADB Project managers and staff
Partnerships for Coral Reef Finance and Insurance in Asia and the Pacific (ADB) (LDCF/SCCF)	This regional project is 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.	Ongoing. Coordination will be ensured by the concerned ADB Project managers and staff, including ADB Finance sector group, PLCO, Pacific Sub-Regional Office, and Country Offices in respective Pacific Countries
Enhancing water-food security and climate resilience in volcanic island countries of the Pacific (GEF ID10712) (FAO/IW)	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.	Ongoing. Contacts have been established with FAO, notably regarding potential activities in KIR. The Hub will follow up to ensure proper coordination.
National GEF projects		
Kiribati ? Securing Kiribati's Natural Heritage: Protected areas for community, atoll, and climate resilience (IUCN	The objective is ?to improve the resilience of the vulnerable areas and communities therein to the impacts of climate change through the conservation of biodiversity and natural ecosystems and the implementation of integrated approaches to sustain livelihoods, food production and ensure biodiversity conservation and reduce land degradation.?	Pending approval Contact has been established with IUCN regarding potential collaboration in KIR. The Hub will follow up to ensure proper coordination.

KIR ? Enhancing Whole of Islands Approach to Strengthen Community Resilience to Climate and Disaster Risks in Kiribati (UNDP).	The objective is ?to address urgent and immediate adaptation priorities, and kick-start the medium to long-term adaptation planning process to ensure that the development efforts are durable and sustainable	Ongoing. Contact has been established with UNDP and discussion related to the ?Ocean Roadmap? the are supporting. The Hub will follow up to ensure proper coordination.
TIM ? Management of Indonesian and Timor-Leste Transboundary Watersheds (Conservation International, CI)	This is a two-country projects. The objective is ?to ensure collaborative management of freshwater ecosystems and protect water, food and livelihood security in the Talau-Loes and Mota Masin basins straddling the border between Indonesia and Timor-Leste?. This includes activities related to water resource management in the catchments providing water to two of this proposed project?s target cities.?	Ongoing. Contact has been established with CI. ADB Timor Office will follow up to ensure proper coordination.
TIM ? Nature-based Solutions for Inter-Sectoral Nature-Positive Development in Timor-Leste (UNDP/FAO)	This is a multi-sectoral, multi focal area child project. The focus is on biodiversity and land management, including marine protected areas. The project?s target area is distant from the target areas of the proposed project. However, information exchange, lessons learning and collaboration at the national level may be possible and will be pursued.	Under preparation. Contact has been established with the UNDP office. ADB Timor Office will follow up to ensure proper coordination
TUV ? Increasing Access to Renewable Energy Project, IAREP (ADB)	The Project Objective is to, in Tuvalu, increase the utilization of renewable energy and reduce greenhouse gas emissions, notably by the roll out of innovative floating solar electricity generation technologies.	Approved. Coordination will be ensured by the concerned ADB Project managers and staff,

Notes: PARD = Pacific Regional Department; SDCC = Sustainable Development and Climate Change Department; PLCO = Pacific Liaison and Coordination Officer

ADB in the Pacific.

ADB is a multilateral development finance institution that provides loans, grants and technical assistance. ADB is composed of 68 members, 49 of which are from the Asia and Pacific region. ADB's clients are its member governments, who are also its shareholders. In addition, ADB provides direct assistance to private enterprises of developing member countries through equity investments and loans. As of end 2022, ADB's total active portfolio amounted \$114 million, of which \$101.1 million of sovereign loans, grants guarantees and equity, and \$12.9 million non-sovereign.

ADB has been working with the concerned governments since the early 1970's and has dozens of projects approved in each country totalling hundreds of millions of US\$. This includes loans, grant investments and technical assistance projects. The ADB through its Pacific department (PARD) currently operates in 14 DMCs in the Pacific region, as follows: Cook Islands, Fiji, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau, PNG, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. ADB's Southeast Asia Department (SERD) is responsible for activities in Timor-Leste.

ADB programming in the region is through a multi-annual strategic programming exercises. ADB's strategic engagement in PNG and Fiji is guided by the respective 5-year Country Partnership Strategy (CPS) process. For all other countries, a 5-year regional and multi-country strategy is developed - the *Pacific Approach* that guides engagement with all the countries. Implementation of the CPS and the Pacific Approach is through annual country programming exercises, which serve as a good tool to ensure coordination between this project and all other ADB supported initiatives. ADB, under PARD, has sizeable offices in Manila, Sydney and Fiji that will support project implementation, as well as country offices in each country.

7. Consistency with National Priorities

Describe the consistency of the project with national strategies and plans or reports and assessments under relevant conventions from below:

NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

Given their importance, sustainable management of marine and coastal resources is a fundamental component of each country's social development and environmental management programs policies and programs. They also feature as a priority in regional commitments to social and gender equality, which are outlined in section 2.3 of Appendix 5. Climate change and ocean health are also key factors driving regional policies and regional cooperation.

Regional development priorities

Natural conditions in the Pacific - small population and land area, dispersion, isolation, and heightened exposure to disasters and the effects of climate change - have created unique challenges, as well as awareness

of the solutions and the path forward. The challenges include economic vulnerability, high-cost structures, capacity and governance constraints, unequal access to services, high import reliance, and limited exports. Together, these features pose three critical development challenges: (i) vulnerability to shocks, (ii) weak service delivery, and (iii) slow growth. Impacts of the coronavirus disease have exacerbated the challenges and pose a severe threat to development.

Collectively and independently all Pacific Island nations have emphasized that two of their highest priorities are adapting to climate change and sustainably managing ocean resources, the joint aims of this proposed project. Further, each country has identified the mobilization of financing, notably through innovative mechanisms, and from private sector, as a key strategy for achieving development aims. This project focusses entirely through that strategy.

Regional Adaptation priorities

In the Pacific, the *Framework for Resilient Development in the Pacific (FRDP) ? An Integrated Approach to Address Climate Change and Disaster Risk Management ? 2017-2030* provides a foundation for all action and cooperation on climate and disaster risk management in the Pacific. It commits all partners to the following three Goals:

1. Strengthened integrated adaptation and risk reduction to enhance resilience to climate change and disasters;
2. Low carbon development;
3. Strengthened disaster preparedness, response and recovery.

This proposed project contributes directly to many of the actions and sub-objectives under Goal 1. It notably highlights the conservation of oceans and of marine ecosystems, including as a means to achieve carbon sequestration.

The FRDP is premised on a recognition that resilience is *central* to development in the Pacific. It emphasizes that any successful response must be multi-dimensional and involve all sectors and all stakeholders. Further, the response must be proactive. FRDP also emphasizes the fundamental importance of infrastructure as a basis for development ? and the need for it to be climate and disaster proof.

Further, all 14 countries have submitted Nationally Determined Contributions (NDC), National Adaptation Plans (NAP) and/or National Adaptation Programme of Action (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. Typically, the NAPA and NC emphasize the importance of ocean/mariner resources, for example the changing ocean and waterway conditions affecting sustainable access to marine resources.

Regional priorities related to the Oceans

With regards to sustainable management of the oceans, the countries have cooperated to express their priorities through several high- level policy initiatives, including (but not limited to):

- ? The '2050 Strategy for the Blue Pacific Continent' issued by the Pacific Islands Forum Secretariat in 2022. With the vision 'for a resilient Pacific Region of peace, harmony, security, social inclusion and prosperity, that ensures all Pacific peoples can lead free, healthy and productive lives;
- ? Blue Pacific Ocean Report (2021), developed under the Auspices of the Office of the Pacific Ocean Commissioner;
- ? The Pacific Regional Action Plan: Marine Litter 2018-2025. This sets the policy context and key actions to minimize marine litter across the Pacific Island Countries and Territories.
- ? The Pacific Blue Shipping Partnership (initiated in 2019). This ambitious, country-driven initiative aims to catalyse a large-scale blended investment to a multi-country transition to sustainable, resilient, and low carbon shipping;
- ? The Palau Declaration on 'The Ocean: Life and Future' (2014), which has the stated aim to chart a course to sustainability. Through this, the Leaders of the Pacific Islands Forum is committed to playing a central role in the stewardship of the Pacific Ocean.

National Priorities

Table 15 shows how the project is aligned to development, adaptation and ocean priorities in the four LDCs.

Table 15: Alignment to LDC development and sectoral priorities

	Development	Climate Adaptation	Ocean health
Kiribati	Kiribati 20-year plan Vision (the KV20) is a long term development blueprint for Kiribati, covering 2016 to 2036. For example, it seeks to achieve the development aspiration by maximising the development benefits from fisheries and tourism as key productive sectors.	The Kiribati Joint Implementation Plan for Climate Change and Disaster Risk Management (KJIP, 2018) is an integrated plan to prioritize 104 climate adaptation and disaster risk reduction actions with the goal of increasing resilience through sustainable climate change adaptation and disaster risk. It also aims to increase access to financial and technical support.	As an atoll nation, all sectors and all policies have a direct relation to Ocean health. This is, for example, clearly expressed in the KV20 and the KJIP, both of which emphasize fisheries management. Further examples include the National Fisheries Policy (2013) and the Long Term Coastal Security Strategy (2018).
Solomon Islands	National Development Strategy 2016-2035	The Updated 1st Nationally Determined Contributions (NDC) submitted-2021 which notably emphasizes the importance of implementing the National Oceans Policy, and the SI-ROADMAP for Improving Access to Climate Finance and Public Spending-2022-2027	Solomon Islands National Ocean Policy-2018 Solomon Islands Community Based Coastal and Marine Resource Management Strategy, 2021-2025

Timor-Leste	The proposed project directly supports implementation of the Timor-Leste Strategic Development Plan (2011 – 2030), which identifies infrastructure for water supply and sanitation as a priority sector. The proposed project also supports implementation of the Timor-Leste, Water Sector Assessment and Roadmap?, World Bank Group (2018)	Timor-Leste's National Adaptation Plan (2019) identifies water resources as a key sector requiring support due to climate change, notably regarding increasing risks of dry periods and extreme flooding. The Plan also highlights the importance of sustainably managing marine and coastal resources.	Timor-Leste has completed the Integrated Coastal Management and Adaptation Strategic Plan for Timor-Leste, and the proposed project will support its implementation at Suai.
Tuvalu	The National Strategy for Sustainable Development, 2021 – 2030 (Te Kete?). Te Kete is considered the platform upon which Tuvalu will overcome the socio-economic challenges and environmental crises in this period of the "new normal?". This project is designed to contribute greatly in particular to Outcome no. 4, Climate Change and Disaster Resilience Increased?.	The project contributes to Vaka Fenua o Tuvalu (National Climate Change Policy 2021 – 2030), notably to two of the three policy outcomes – (i) Strengthen access to climate finance and strategic partnerships; and (ii) Reduced vulnerability to climate change impacts through enhanced resilience.	The project contributes to the Funafuti Reef Fisheries Stewardship Plan and implementation of the Funafuti Conservation Area.

8. Knowledge Management

Elaborate the "Knowledge Management Approach" for the project, including a budget, key deliverables and a timeline, and explain how it will contribute to the project's overall impact.

The Knowledge Management Strategy, including Action Plan, is in Annex N.

The knowledge management (KM) strategy provides the strategic and systematic approach to developing, managing, disseminating, and facilitating the synthesis, exchange, and uptake of transformative knowledge solutions. The strategy is set up to achieve the following project outcomes:

- ? Capacity and governance to finance sustainable, resilient blue economies are strengthened;
- ? Sustainable, resilient blue economy projects are identified, prepared, and financed;
- ? Regional collaboration and knowledge management are strengthened.

The KM strategy is guided by GEF's Knowledge Management Approach Paper, which emphasizes the importance of key actors in delivering better knowledge management.[1] It will notably be carried out in conjunction with the project's Stakeholder Engagement Plan and Gender Action Plan, which lay out a multistakeholder approach to enhance country ownership; better inform institutional capacity needs and appropriate governance structure for the project; harness tacit and traditional knowledge; address gaps in knowledge capture and dissemination; and explore opportunities to effectively synthesize fragmented knowledge from initiatives across countries, development partners, CSOs, and the private sector.

The strategy is consistent with ADB's Pacific Knowledge Plan – as described in the Pacific Approach, 2021-2025 – which was developed after robust consultations with ADB's Pacific developing member countries (DMCs) and aims to feature knowledge support prominently as a method of improving project implementation and portfolio performance.[2]

Knowledge outputs will promote ocean-climate finance and inclusive blue growth, and will cover a range of issues which will complement the long-term strategies of the BFPH, including but not limited to: (i)

mobilizing private sector finance in the Pacific; (ii) aligning investments to sustainable blue economy principles; (iii) ensuring investments support climate change adaptation; (iv) ensuring sustainable blue economic developments support climate change adaptation; (v) promoting technology transfer and innovation tailored to the local context; (vi) partnership building, notably amongst private sector stakeholders and between private sector stakeholders and civil society; (vii) strengthening the involvement and skills development of youth, indigenous people, and other marginalized groups in decision-making on climate adaptation, and marine and coastal management; and (viii) enhancing women's role as drivers of change, actors in investment, and in managing climate-resilient ocean resources.

It is noted that the project has both many activities focusing on knowledge management in the region as a core part of its results framework, and as activities specifically to manage knowledge generated by this project. Annex N notably explains this mainstreaming approach to KM: i.e. how activities under almost all Outputs contribute to either knowledge management or communications. Hence, knowledge management is not a separate line of activities, it is a central aspect of almost all activities. Hence, many inputs/activities contribute to knowledge management and to other substantive targets.

Section E of Annex N provides an estimation of KM budget. It provides an estimate of the LDCF budget towards KM and the co-financing to KM. It also provides details of timelines.

Communications

The project is supported by several partners, including GEF, ADB, ORCA (Nordic Trust Fund), TNC, World Fish and potentially other governments through contribution to the BPFH. All partners recognise the importance of communications and this creates a good opportunity for holistically addressing communications. This will contribute to GEF Communication Policy and notably raising awareness about the GEF and the important global role it plays. In line with this policy:

- ? As appropriate, activities and products, including relevant, aligned, knowledge management and learning, shall be coordinated with the GEF Communications team to ensure impact and safeguarding of the GEF brand;
- ? The PMU will include a designated communications focal point
- ? All outreach material, including publications and digital communications, will appropriately include the GEF Logo, standard GEF description, links to GEF website and social media

One BPFH Specialist will be responsible for project communications. The details of the messages, audience, media etc will be determined during project implementation. The costs of communications products will be integrated into the costs of other inputs (the four sub-contracts and the BPFH specialists). These may be estimated to be overall in the order of \$50,000, with GEF contribution estimated at approximately \$10,000.

[1] Global Environment Facility. 2015. *GEF Knowledge Management Approach Paper*. Washington, DC.

[2] ADB. 2021. *Pacific Approach, 2021-2025*. Manila.

9. Monitoring and Evaluation

Describe the budgeted M and E plan

Monitoring, evaluation and reporting for the project will follow ADB's Evaluation Policy and align with the GEF policy and guidance for both monitoring and evaluation.

Regional

The Hub will be responsible overall for project monitoring and reporting. This will include project performance monitoring, safeguards monitoring, developing gender indicators and using sex-disaggregated data. The Hub will prepare biannual reports on progress, measured against the baseline and assess change and implementation challenges.

At the regional level, the Hub will appoint one (part-time) staff member as focal point for monitoring and evaluation (M&E). The Tasks include: developing and leading the implementation of the BPFH's monitoring and evaluation (M&E) framework; supporting the in-country teams, responsible for each country pilot project, to develop a M&E framework, managing information collected through the M&E framework and tracking and reporting on the progress and impact; and, assisting the Hub to prepare reports to evaluate performance against the design and monitoring framework.

In addition, a project completion report will be prepared by the Hub, on the achievement of the project outputs and outcome. This will include assessment and evaluation of each output, activities and achievement of indicators; procurement performance; safeguards performance; social, poverty and gender benefits achieved; lessons learned and best practices.

National and sub-national

The project includes 7 sub-projects in the four LDCF countries. Each sub-project has its own results framework. For each project, depending on the project context, a suitable management unit is to be established with responsibilities for M&E of that project. M&E for each project (or in each country) will: establish a framework, collect data and monitor progress, prepare quarterly reports on progress, challenges and impacts, prepare mid-term and final evaluation.

To complement the main ADB monitoring, GEF funds will cover the costs of an independent mid-term review and terminal evaluation focussing on GEF and global environment requirements. An estimated 4?6 months of input is anticipated, with a total cost to LDCF of \$50,000 (see monitoring plan in following table).

Activities and cost estimates

Table 16: Monitoring Plan

M&E Activity	Description	Responsible Parties	Timeframe	Indicative budget (USD)	Source of finance
Inception Workshop (IW)	Report prepared following the IW, which includes: - A detailed workplan and budget for the first year of project implementation, - An overview of the workplan for subsequent years, divided per component, output and activities. - A detailed description of the roles and responsibilities of all project partners, and an organizational chart - Updated Procurement Plan and a M&E Plan, Gender Action Plan - Minutes of the Inception Workshop	Execution: ADB	1 report to be prepared following the IW, to be shared with participants 4 weeks after the IW (latest)	\$20,000	ADB/ORCA - incorporated into a Hub budget (back-to-back, or on-line workshop)
Project Implementation Review (PIR) ? (GEF Requirement)	Analyzes project performance over the reporting period. Describes constraints experienced in the progress towards results and the reasons. Draws lessons and makes clear recommendations for future orientation in addressing the key problems in the lack of progress. The PIRs shall be documented with evidence of the achievement of end-of-project targets (as appendices).	Execution: ADB	1 report to be prepared on an annual basis, to be submitted by January 31st (latest)	\$20,000	ADB/ORCA - incorporated into BPFH budget.

M&E Activity	Description	Responsible Parties	Timeframe	Indicative budget (USD)	Source of finance
Half-yearly progress report	<p>As required by Asian Development Bank, this would include.</p> <ul style="list-style-type: none"> - Narrative of the activities undertaken during the considered semester - Analyzes project implementation progress over the reporting period. - Describes constraints experienced in the progress towards results and the reasons. 	Execution: ADB	half-yearly progress reports for any given year, submitted by January 31 (latest) for period 1st July ? 31st December of previous year	\$20,000	ADB/ORCA - incorporated into BPFH budget.
Mid-term review	<p>Looks at progress towards impacts, prospects for the sustainability of the results, and the ongoing contribution to capacity development and the achievement of global environmental goals.</p> <p>Recommendations for changes will be provided.</p>	Execution: ADB	Mid-term, after at least two years.	\$40,000	LDCE/ORCA - incorporated into BPFH budget
Final Report	<p>As required by Asian Development Bank, the project team will draft and submit a Project Final Report, with other docs (such as the evidence to document the achievement of end-of-project targets).</p> <p>Comprehensive report summarizing all outputs, achievements, lessons learned, objectives met or not achieved structures and systems implemented, etc. Lays out recommendations for any further steps to be taken to ensure the sustainability and replication of project outcomes.</p>	Execution: ADB	Final report to be submitted no later than three (3) months after the technical completion date	\$20,000	ADB/ORCA - incorporated into BPFH budget.

M&E Activity	Description	Responsible Parties	Timeframe	Indicative budget (USD)	Source of finance
Final Evaluation (GEF Requirement)	Further review the topics covered in the mid-term evaluation. Looks at the impacts and sustainability of the results, including the contribution to capacity development and the achievement of global environmental goals.	Execution: ADB	Can be initiated within six (6) months prior to the project's technical completion date	\$40,000	LDCF
M&E of 7 country projects	Monitor and report on progress in each project.	Project or country teams	Ongoing for six years	\$120,000	\$20,000 per project ADB
TOTAL M&E COST			US\$ 280,000		

The total estimated costs of M&E is US\$280,000. The following table provides details of the GEF budget for M+E.

Table 17: Monitoring and evaluation budget and sources of funds.

Input	LDCF	Other	Total (US\$)
BPFH support	-	-	-
BPFH M+E Specialist	0	80,000	80,000
Mid-term review	20,000	20,000	40,000
Final evaluation	40,000	0	40,000
National project monitoring	0	120,000	120,000
Total	60,000	220,000	280,000

10. Benefits

Describe the socioeconomic benefits to be delivered by the project at the national and local levels, as appropriate. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF)?

The project will accelerate the transition to climate resilience, ocean health and SBE growth. It will do this by directly supporting communities with livelihoods, food security, water security and protection from hazards. It will do this by facilitating investments in the circular economy, regenerative tourism, locally beneficial fisheries, resource conservation and protection. The improved health of marine and coastal ecosystems will also be a basis for local benefits.

As a result, it is expected that (i) the entire population of Kiribati and Tuvalu (ii) significant numbers of marine and coast resource users in SI and (iii) the entire population of Ainaro, Maliana and Suai will benefit in socio-economic terms.

Table 18: Benefits per Country

Country	Benefits
Kiribati	<p>Improved knowledge as a basis for long-term planning.</p> <p>Increases in revenue and associated benefits in terms of better access to health care and education.</p> <p>Reduced competition for scarce resources.</p> <p>Increased revenue from international fishing.</p> <p>Healthier coastal and marine ecosystems.</p> <p>Increased protection from coastal storms and erosion.</p>
SI	<p>Improved food security.</p> <p>More healthy diets.</p> <p>Reduced competition for scarce resources.</p> <p>Improved knowledge as a basis for long-term planning.</p> <p>Increases in revenue and associated benefits in terms of better access to health care and education.</p>
Timor-Leste	<p>The population of Ainaro, Maliana and Suai will benefit from:</p> <p>significantly improved health;</p> <p>significant time saved from seeking collecting activities;</p> <p>more pleasant conditions.</p>
Tuvalu	<p>Improved knowledge as a basis for long-term planning.</p> <p>Increases in revenue and associated benefits in terms of better access to health care and education.</p> <p>Reduced competition for scarce resources.</p> <p>Increased revenue from international fishing.</p> <p>Healthier reef and marine ecosystems.</p>
Other	<p>Through support to regional capacity building and enabling environment, and facilitation SBE investments across the region, this will indirectly lead to socio-economic and ecological benefits for a large number of people.</p> <p>Further, the project is designed to focus on the resilience of vulnerable groups, and hence the vulnerable communities will benefit the most.</p>

11. 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	Low		

Measures to address identified risks and impacts

Elaborate on the types and risk classifications/ratings of any identified environmental and social risks and impacts (considering the GEF ESS Minimum Standards) and any measures undertaken as well as planned management measures to address these risks during implementation.

Generally, environmental and social safeguards are a cornerstone of ADB's support to inclusive economic growth and environmentally sustainable growth. Accordingly, ADB's safeguard policy[1] aims not only to ensure safeguards associated with ADB projects, but also to help developing member countries (DMCs) address environmental and social risks in general in development projects and minimize and mitigate, if not avoid, adverse project impacts on people and the environment.

The Safeguard Policy Statement (2009, amended from time to time) covers environment, involuntary resettlement, and indigenous peoples in a consolidated policy framework. It applies to all ADB-financed projects, including ADB-administered co-financing. The statement also provides a platform for participation by affected people and other stakeholders in project design and implementation.

Approach.

Safeguard instruments will be prepared for the project overall in accordance with ADB's Safeguard Policy Statement and the laws and regulations of the concerned Governments.

It is noted that there will be no involuntary land acquisition or resettlement for the GEF financed activities.

Prohibited investment activities.

Pursuant to ADB's Safeguard Policy Statement (2009), ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the Safeguard Policy Statement (2009).

Grievance and complaints

As appropriate, one or several (for each country) gender-sensitive Grievance Redress Mechanisms (GRM) will be established. The GRM will work within existing legal and cultural frameworks to address concerns and complaints promptly, using an understandable and transparent process that is gender responsive and socially inclusive, and readily accessible at no cost and without retribution. The GRM will be monitored, and a summary of grievances filed and resolved will be included in the quarterly progress reports and semi-annual safeguard monitoring reports submitted to ADB.

Kiribati, SI and Tuvalu

Currently, as the project's detailed activities are not specified, little is known of the details of required safeguards and needed measures. Table 19 lists the current state of knowledge and future steps. Full due diligence will take place during project implementation.

Table 19: Safeguards - status and approach for Kiribati, Solomon Islands and Tuvalu

Proposed Project Activity	Safeguard category		
	Environment	Indigenous Peoples	Resettlement
Kiribati			
Coastal Adaptation and Protection	<p>Likely B or C.</p> <p>If B, impacts are to be site-specific, and few if any of them are irreversible, and in most cases mitigation measures can be designed more readily than for category A projects. An initial environmental examination will be required.</p> <p>If C, no further action is needed</p>	<p>For KIR, it is envisaged that both sub-projects will be category C for IP safeguards (i.e.: ?The proposed project is not expected to have impacts on indigenous peoples. The project is not expected to impact any distinct and vulnerable group of indigenous peoples as defined under the Safeguard Policy Statement.</p> <p>The project will, however, ensure that local communities receive culturally appropriate benefits, actively participate in the project, and do not suffer any adverse impacts</p>	<p>Likely B or C.</p> <p>If B, due diligence will be undertaken to assess potential involuntary resettlement impacts on the proposed sites. If required, a resettlement framework, including assessment of social impacts, will be prepared. This will be based on consultation and full disclosure. The framework will be implemented during project implementation.</p> <p>If C, no further action is needed.</p>

Integrated Ocean Management	<p>As this is almost entirely a planning, policy and capacity development activity, it is likely to be C.</p> <p>As C, it is likely to have minimal or no adverse environmental impacts. No environmental assessment is required although environmental implications need to be reviewed.</p>		<p>Likely C.</p> <p>As appropriate, due diligence will be supported for the ensuing project.</p>
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Solomon Islands

Climate-Resilient Food System	<p>Likely B or C.</p> <p>If B, impacts are to be site-specific, and few if any of them are irreversible, and in most cases mitigation measures can be designed more readily than for category A projects. An initial environmental examination will be required.</p>	<p>Likely to be B* or C.</p> <p>If B, an indigenous peoples plan (IPP) will be prepared. The IPP will set out the measures to consult with IP communities and ensure that (i) affected IPs receives culturally appropriate social and economic benefits; and (ii) when potential adverse impacts on IPs are identified, these will be avoided to the maximum extent possible. Where this avoidance is proven to be impossible, IPP will outline measures to minimize, mitigate, and compensate for the adverse impacts</p> <p>If C: The project will ensure that local communities receive culturally appropriate benefits, actively</p>	<p>Likely B or C.</p> <p>If B, due diligence will be undertaken to assess potential involuntary resettlement impacts on the proposed sites. If required, a resettlement framework, including assessment of social impacts, will be prepared. This will be based on consultation and full disclosure. The framework will be implemented during project implementation.</p> <p>If C, no further action is needed.</p>
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Climate-Resilient Community-Based Resource Management	Likely B or C. If B, impacts are to be site-specific, and few if any of them are irreversible, and in most cases mitigation measures can be designed more readily than for category A projects. An initial environmental examination will be required.	participate in the project, and do not suffer any adverse impacts. * In order to be B, the following requirements need to be triggered: distinctiveness and vulnerability of sociocultural groups in the project areas. And there should be no impacts on the dignity of people of any ethnic group, nor loss of human rights, land, livelihoods, culture, or assets.	Likely B or C. If B, due diligence will be undertaken to assess potential involuntary resettlement impacts on the proposed sites. If required, a resettlement framework, including assessment of social impacts, will be prepared. This will be based on consultation and full disclosure. The framework will be implemented during project implementation. If C, no further action is needed.
Tuvalu			
Funafuti Reef Fisheries Strategy	Likely B or C. If B, impacts are to be site-specific, and few if any of them are irreversible, and in most cases mitigation measures can be designed more readily than for category A projects. An initial environmental examination will be required.	For TUV, it is envisaged that both sub-projects will be category C for IP safeguards (i.e.: ?The proposed project is not expected to have impacts on indigenous peoples. The project is not expected to impact any distinct and vulnerable group of indigenous peoples as defined under the Safeguard Policy Statement. The project will, however, ensure that local communities receive culturally appropriate benefits, actively participate in the project, and do not suffer any adverse impacts	Likely B or C. If B, due diligence will be undertaken to assess potential involuntary resettlement impacts on the proposed sites. If required, a resettlement framework, including assessment of social impacts, will be prepared. This will be based on consultation and full disclosure. The framework will be implemented during project implementation. If C, no further action is needed.

Integrated Ocean Management	<p>As this is almost entirely a planning, policy and capacity development activity, it is likely to be C.</p> <p>As C, it is likely to have minimal or no adverse environmental impacts. No environmental assessment is required although environmental implications need to be reviewed.</p>		<p>Likely C.</p> <p>As appropriate, due diligence will be supported for the ensuing project.</p>
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Timor-Leste

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Activities in Timor-Leste are being implemented outside the BPFH. Although technical support is available to Timor-Leste from BPFH, activities in Timor-Leste are not bound by the same procedures. Activities in Timor-Leste will fully follow and be consistent with all ADB and GEF guidance safeguards.

As described previously, the LDCF support to the CRWSSIP project in Timor-Leste is upstream and strategic, it intervenes at concept and detailed design stage, in order to ensure the project is designed to lead to full climate resilience of the water supply and sanitation systems in the three targeted cities. Hence, social and environmental safeguards do not apply at design stage, at design stage it is essential to fully build social and environmental safeguards into the project design. A gender-sensitive GRM will be established at the appropriate time.

Summary

From the above, it seems that all activities will be classified 'B' or 'C' for safeguards, with the vast majority classified as 'C'. This reflects the fact that the project is mobilising funding rather than financing investments. As a result, **the overall safeguard rating is LOW**.

[1] <https://www.adb.org/documents/safeguard-policy-statement>

Supporting Documents

Upload available ESS supporting documents.

Title

Module

Submitted

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

Result	Baseline	Indicator	Targets	Means of verification	Assumptions and risks
Objective: To identify, prepare, facilitate, and finance investments that increase the resilience of coastal communities and ecosystems in Kiribati, Solomon Islands, Timor-Leste, and Tuvalu, and regional activities for selected Pacific Island countries.	2023 = \$19m	Amount (\$) mobilized for ocean-positive investments (disaggregated by ADB, co-finance, government and private sector finance)	By 2030, \$50m grants have leveraged \$500m of public and private investment through the hub.	Annual progress reports.	<i>Assumption:</i> The number of opportunities / scale of projects are sufficient enough to attract investment <i>Risk:</i> Competing priorities and/or lower risk investment opportunities attract public and private investment over blue economy projects.

<p>Outcome 1: Capacity and governance to finance sustainable, resilient blue economies are strengthened.</p>	<p>2023 baseline = n/a</p>	<p>Number of people who report increased understanding of blue economy / ocean governance from participating in ADB knowledge and capacity building activities (disaggregated by sex, age, disability, type of beneficiary - , level/area - national, sub-national, urban, rural)</p>	<p>By 2030 at least 500 people have reported increased capacity and/or blue economy from hub supported / run activities (50% women)</p> <p>Governance of at least 4 Pacific DMCs is assessed as strengthened for blue economy conditions by 2030.</p>	<p>Workshop reports/Participant evaluations; annual progress reports.</p>	<p><i>Assumption:</i> Capacity and Governance can be reformed at a pace that can support blue economy.</p> <p><i>Risk:</i> Limited capacity, competing development priorities and natural disasters may affect political will to actually roll out the program activities and commit to the necessary enabling environment (fiscal, legal, institutional reform, as necessary).</p>
<p>Output 1.1 Country-driven economic and financial analyses of ocean protection, ocean-climate solutions, and ocean-positive investments</p>	<p>2023 baseline = n/a</p>	<p>Number of analyses undertaken by/through the hub for Pacific DMCs</p>	<p>By 2030, economic and financial analyses have been undertaken in at least 4 Pacific DMCs</p>		<p><i>Assumption:</i> Economic and financial analyses identify scalable, investable opportunities in the Pacific</p> <p><i>Risk:</i> Information gaps and low capacity limits the thoroughness of the assessment</p>

<p>Output 1.2 Improved ocean governance systems including sustainable ocean planning and adaptation planning.</p>	<p>2023 baseline = n/a</p>	<p>Number of new/improved robust and inclusive national or local policies, plans, programs that include aspects of ocean health and/or blue economy in Pacific DMCs</p>	<p>By 2030 at least 14 Pacific DMCs have new/improved plans, programs that include aspects of ocean health and/or blue economy, of which at least 50% include substantive gender mainstreaming.</p>	<p>DMC Government documents (policies/strategies/regulation / Legislation). Annual progress reports</p>	<p><i>Assumption:</i> Sustainable ocean / adaptation planning can be adequately financed and implemented over long term</p> <p><i>Risk:</i> Limited capacity, competing development priorities and natural disasters may affect DMC Governments from prioritising sustainable ocean and adaptation planning</p>
<p>Output 1.3 Mechanisms to increase public and private capital for ocean-climate action in the Pacific, including through domestic resource mobilization and innovative financing instruments (selected countries).</p>	<p>2023 baseline = n/a</p>	<p>Number of Sustainable finance tools that are developed and implemented, for ocean health / blue economy activities and projects and supported by the hub.</p>	<p>By 2030, at least 10 sustainable finance tools have been developed and implemented across Pacific DMCs (50% women)</p>	<p>Annual progress report</p>	<p><i>Assumption:</i> Financial mechanisms and instruments can be used to offer attractive investment opportunities</p> <p><i>Risk:</i> Finance mechanisms cannot identify sufficient investable projects.</p>

Output 1.4 Capacity building for young professionals in climate change adaptation through ocean finance and the blue economy	2023 baseline = n/a	Number of young professional reporting increased capacity in ocean finance and/or blue economy from hub supported / run activities	By 2030 at least 500 people have reported increased capacity and/or blue economy from hub supported / run activities (50% women) #3 Women and girls enrolled in STEM or non- traditional TVET.	Participant evaluations	<i>Assumption:</i> Receptive operating environment for ocean finance and blue economy skills to be deployed in DMCs <i>Risk:</i> Skill enhancement is not sufficient to fill capacity gaps in advancing blue economy
Outcome 2: Sustainable, resilient blue economy projects are identified, prepared, and financed.	2023 baseline = n/a	Number of sustainable, resilient blue economy projects identified, prepared, and financed through the hub	By 2030 at least 10 blue economy projects have been identified, prepared, and financed through the hub		<i>Assumption:</i> Enough projects are identified that can attract financing <i>Risk:</i> Poor return on investments do not make the case for blue economy investment in the Pacific
Output 2.1 National and regional pipelines of sustainable, resilient blue economy investments are prioritized and prepared for financing	2023 baseline = tbd	Number of national and regional climate and blue economy policies / strategies / priorities translated into investment plans and programs	By 2030, at least 10 investments, at least 3 of which incorporate gender equality designs.	ADB, or other, investment project concept notes; / annual progress reports.	<i>Assumption:</i> National and regional climate and blue economy policies / strategies / priorities offer clear, specific projects for financing

<p>Output 2.2 Sustainable, resilient blue economy projects are implemented.</p>	<p>2023 baseline = n/a</p>	<p>Number of sustainable, resilient blue economy projects implemented due to hub support</p>	<p>By 2030, at least 5 projects have been implemented</p> <p>#1 Child care services established or Improved</p> <p>#4 Women with strengthened leadership capacities</p> <p>#6 Community-based initiatives to build resilience of women and girls to external shocks implemented</p> <p>#5 Savings and insurance schemes for women implemented and established</p>	<p>ADB, or other, investment project concept notes; / annual progress reports.</p>	<p><i>Assumption:</i> Projects progress to implementation phase in duration of program.</p> <p><i>Risk:</i> Capacity and capability limits effectiveness of implementation</p>
<p>Outcome 3. Regional collaboration and knowledge management are strengthened.</p>		<p>Number of regional events convened by hub</p>	<p>By 2030, at least 5 regional events have been implemented</p>	<p>annual progress reports participant records</p>	<p><i>Assumption:</i> Sufficient interest and capacity across DMCs and other institutions / organisations allows for participation in knowledge events and activities</p>

Output 3.1 The BPFH is established and is facilitating collaboration on ocean-climate action and resilient blue economy development.	2023 Baseline = n/a	Number of synergies (partnerships, co-financing or other) established or strengthened through the hub	By 2030, at least 10 synergies have been established or strengthened	Stakeholder engagement records, partnership agreements,	<i>Assumption:</i> Willing partners to collaborate on ocean-climate action and resilient blue economy development
Output 3.2 Regional blue ocean knowledge-sharing and learning strategy developed and implemented.		Blue Ocean knowledge-sharing and learning strategy endorsed, financed and implemented Number of participants in regional hub activities (disaggregated by sex, age, disability, type of beneficiary - , level/area - national, sub-national, urban, rural)	By 2030 a knowledge-sharing and learning strategy has been implemented At least one regional event and one learning exchange on gender equality	Strategy document Knowledge event attendance lists	<i>Assumption:</i> Strategy is endorsed and valued by Pacific DMCs and supporting institutions / organisations <i>Risk:</i> Multiple actors and strategies in the Pacific dilute the impact of this strategy
Output 3.3 Research and Education Division of the CAN-CC established.		Concept and proposal for an Atoll Futures Research Institute is approved by CAN-CC. Centres of excellence in Kiribati, the Maldives, the Marshall Islands and Tuvalu are established	By 2030 at least 4 Pacific DMCs have centres of excellence	CAN-CC Documentation (endorsed proposal, research institute prospectus)	<i>Assumption:</i> Member DMCs (to CAN-CC) have capacity to support the development of centres of excellence.

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

Secretariat Comment at PIF/Work Program Inclusion

Comment (5/9/2022)	ADB Response
1. By CEO endorsement, please provide further detail on resilience measures for coastal communities.	<p>Details of the strategies and activities to support the resilience of coastal communities have been developed in a participatory manner in the four participating LDCs. The majority of LDCF funding is directed to increasing the resilience of coastal communities under Outputs 1.2 and 2.2, and includes:</p> <ul style="list-style-type: none">strengthened coastal adaptation in Kiribati;improved ocean management and access to marine resources in Kiribati and Tuvalu;improved reef management and conservation, for fisheries, in Tuvalu;improved fish production/processing practices and community-based resilience on Solomon Islands;improved water supply and sanitation services in Timor-Leste, notably at Suai. <p>The description of Outputs 1.2 and 2.2 have been elaborated in the proposal. Full details are provided in Annex K.</p>

STAP Review (4 June 2022)

Comment	ADB Response
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<p>1. STAP welcomes the project 'Blue Pacific Finance Hub: Investing in Resilient Pacific SIDS Ecosystems and Economies.' The project aims to support a wide range of (as of yet undefined) activities in support of sustainable blue economic objectives with a focus on LDCs. With regards to the blue economy, STAP recommends reviewing the criteria and investment priorities outlined in 'GEF and the blue economy' to help orient the project.</p>	<p>Although financed through the LDCF climate change adaptation window, the project also fully supports 'blue economy' approaches and objectives.</p> <p>The ADB approach to the blue economy is guided by its 'Action Plan for Healthy Oceans and Sustainable Blue Economies' and its 'Ocean Finance Framework' both of which are firmly anchored in the global blue economy architecture (as set out, for example, by the High Level Panel for a Sustainable Ocean Economy and in the GEF STAP's 'GEF and the Blue Economy'). ADB also aligns to and is signatory to the Sustainable Blue Economy Finance Principles, hosted by the United Nations Environment Programme Finance Initiative. These all guide ADB's interventions for the blue economy in Asia and the Pacific.</p> <p>For this project, the operationalization of ADB's approach at the national and sub-national scales is set out in Annex K (in the process for selecting national and local sub-projects).</p> <p>The details of the activities have now been defined. At local, national and regional level, activities were identified and aligned to the blue economy approach.</p> <p>A table illustrating how the national/local projects are aligned to the priorities and criteria set out in 'GEF and the Blue Economy' has been included into Section II 1 a (IV) of the CER.</p> <p>Finally, the barrier analysis is aligned to the work of Sumaila et al (2020), which is also a basis for the analysis in 'GEF and the Blue Economy'.</p>
<p>2. In addition, the rationale for submitting this project to the LDCF could be significantly sharpened, and STAP suggests that during the PPG stage, the project carefully consider the extent to which improved financing can address the adaptation challenges seen in this region.</p>	<p>The rationale of the BPFH itself, and of this project, have developed significantly over the previous 12 months.</p> <p>This is elaborated in several parts of the proposal, for example: the barrier analysis (within Section II 1 a (I)); the Theory of Change; and in Appendices 1 (BPFH Program Strategy) and 2 (Select Annotated Bibliography of Sustainable Ocean Financing of Investments in the Pacific.)</p>

3. While it is clear there is a need for increased and improved financing to drive adaptation outcomes (as is true nearly everywhere in the world), what other barriers stand in the way of productive adaptation outcomes in this region? Is finance the right tool to overcome those barriers ? or can finance overcome those barriers?

It is important to note that 'improved' finance is not the same as 'increased' finance. *Improved* finance means more financing is being allocated, more efficiently, to more and to better investments. This includes many forms of finance. Delivering this requires improved governance, institutional capacity, individual capacity, availability of data, amongst other things, to enable projects to be identified and developed, and then for finance to be attracted, mobilized and effectively utilized.

In order to clarify the barriers, a thorough review of the many previous studies was undertaken. The findings are summarized in Appendix 2. This concluded that the role of ocean financing to achieving a sustainable blue economy and to meeting the global goals is critical, and it clarified the barriers as well as the solutions to removing these barriers.

The revised barrier analysis (within Section II 1 a (I)) also provides more details, including country level details.

The BPFH sets out to address the above. However, it should be noted that the duration of this LDCF intervention will not be sufficient to sustainably remove all barriers ? longer term technical support and consistent financing will be needed, which hopefully the sustainable BPFH can provide.

4. To this end, STAP also suggests that the project carefully consider and disaggregate two stakeholder groups in the PPG stage: communities and civil society. These are two diverse sets of stakeholders with different incentives (within and between the categories), but they are some of the most important stakeholders for delivering meaningful adaptation benefits. Carefully considering the opportunities and barriers associated with these groups will help assess the extent to which improved financing will actually lead to improved adaptation outcomes.

(The PIF lists a wide range of stakeholders. The category 'Civil Society' is very broad and should be specified, as there are many actors under that heading that have different incentives and goals. Clearly engaging these actors will be critical for

designing finance that has meaningful impact. STAP notes that in the narrative section on stakeholders the PIF records engagement with a diversity of civil society actors, and suggests project designers draw on that initial consultation to develop more specific stakeholder categories in the PPG stage. Similarly, 'communities' is likely over-general here, as there are very significant differences within communities (not least of which by gender) that need to be identified and addressed.

The table on pages 47-48 captures the expected roles for all the listed stakeholders. STAP notes with concern that the 'Proposed role in project success and in the success of the 'Hub' to be established under the project' for both communities and local governments remains to be determined. These two sets of stakeholders are perhaps the most important for delivering meaningful adaptation benefits, and the project must clarify these roles in the PPG stage

The team thank the STAP for this comment and suggestion.

A detailed stakeholder mapping (ongoing and organic) and consultation process has occurred during project development, leading to a broad participation during project design and to an organic, detailed stakeholder engagement plan that will be continuously enhanced during implementation. This covers regional, national, local civil society and community stakeholders. This applies to the BPFH in general and to the LDCF in particular.

The project design recognizes the distinct roles of local communities (groups with similar interests residing in one geographic place) and civil society (groups with shared interests, purposes, and values built on interactions across varied members, regardless of location), and their complementary goals in promoting local development planning and implementing climate adaptation strategies. Annex L emphasizes synergized participatory processes among civil society, local communities, local government, and other key stakeholders.

During implementation, through the Hub, the Project will make use of the extensive network, established programs, and knowledge sources (sourcebooks, guidelines, and other publications) in ADB, and from its external partners, to scale up investments in climate adaptation and ensure benefits to communities and vulnerable groups. For example, the BPFH team will draw lessons from the Community Resilience Partnership Program (CRPP), which aims to scale up and explicitly direct investments, that target the climate change, poverty, and gender nexus, especially at the community level.

During implementation, the project will undertake social impact assessment for the sub-projects, as needed (e.g., projects affecting Indigenous Peoples). These will be well resourced, and in consultation with local communities and conducted in a gender-sensitive manner. Outputs may include field-based assessment of the project impact zone; a baseline socioeconomic profile of affected communities including access to various services; recommendations for qualitative, participatory methods; and assessments on direct and indirect impacts, as well as impacts of social, cultural, and economic status.

Notably, Section II 2 and Annex L (i) clearly define and describe the different stakeholder categories and (ii) clearly describe the different forms of participation that each stakeholder group can and will play during project implementation.

5. Finally, STAP appreciates the fact that the project problem statement includes a range of possible climate futures for the project region. STAP suggests that in the PPG stage the project should consider how those different futures might shape demand for different financing tools and different amounts of financing ? both of which could affect the efficacy of this hub.

See [STAP's publication on multiple plausible futures](#).

Across Asia and the Pacific there is a need to address resilience from and through the **very initial stages** of project identification. Achieving this requires a change in mindset by project developers to address system drivers early in project development. For example, the ADB as an institution is currently undergoing this shift.

This LDCF project is a 'financing' project. It sets out to mobilize and channel investments to address impacts, but it does not directly address impacts.

By working through the BPFH, which is developing capacity and skills across Pacific partners, this LDCF project will introduce the processes and tools to ensure that resilience is addressed from the project identification stage and onwards, including appropriate consideration of how different futures might affect the type and scale of required investments. The ADB tools, guidance and capacity will be applied to this.

This has been elaborated in the description of Output 2.1, in Section II 1 a (III).

For example, in Kiribati, the sub-project addressing Coastal Adaptation may incorporate 'Adaptation Pathways' ? thereby allowing for decisions on coastal protection measures to accommodate uncertainty and the range of possible future climate change scenarios.

Also, adaptive financial tools will be developed ? such as insurance products, loss guarantees ? that can be flexible through uncertain climate pathways.

<p>6. STAP appreciates the inclusion of a theory of change diagram. A narrative that distills this diagram into a focused statement would help focus the project and make its goals accessible to non-project audiences. See STAP's Theory of Change Primer.</p>	<p>First, as part of the process to establish the BPFH, the BPFH Theory of Change has been elaborated and a hub strategy developed (see Section II 1 a (III) and Appendix 1).</p> <p>The LDCF Theory of Change has been elaborated as complementary to and supportive of the BPFH Theory of Change. This is elaborated in Section, II 1 a (III).</p> <p>In order to make the project goals more accessible to external audiences, these will all be further refined in to ADB communications products as the hub shifts into implementation mode, in line with the project Communication Plan (see Section II.8).</p>
<p>7. Is there a recognition of what adaptations may be required during project implementation to respond to changing conditions in pursuit of the targeted outcomes?</p> <p>No, there is no discussion of this. While this is a financing project, changing conditions could change demand for financing ? and change the types and amounts of financing needed.</p>	<p>The Project is to be implemented within the approach and activities of the BPFH. The BPFH is an ADB-led initiative working to close the ocean-climate finance gap and thereby support the Pacific Island Nations to realize the opportunities of a sustainable blue economy. The ADB is leading establishment of the BPFH and will transfer ADB lessons and capacity and approaches in terms of lesson-learning and adaptive capacity.</p> <p>Notably, the BPFH is developing a strong programming and management capacity which includes effective adaptive management, through monitoring and evaluation and lesson-learning.</p> <p>This includes strong support at the country level to support delegated, adaptive management of the national and community level initiatives.</p> <p>Information is provided in Section II 6.</p>

8. Is there a clearly-articulated vision of how the innovation will be scaled-up, for example, over time, across geographies, among institutional actors?

The vision for scaling up is a general reference to the strengthening and creation of new policies to promote innovative finance in the region. There is mention of raising \$50m in grant finance, leveraging 10x that amount in investments, to support the piloting of innovative ocean finance projects, but this is not elaborated.

The vision of innovation, scaling-up and sustainability is elaborated in Section II 1 a (VII), including examples from the LDC countries.

It is important to note that, initially, a key strategy for leveraging is through the ADB country programs and investments in the Pacific.

9. Have gender differentiated risks and opportunities been identified, and were preliminary response measures described that would address these differences?

Yes, they have been identified.

STAP notes that the identification of gendered risks and opportunities in the PIF is very over-generalized and therefore out of step with the latest knowledge and practice in adaptation. Lumping all women together as more vulnerable and having less adaptive capacity is contrary to current thought and practice, where understanding that different women (i.e. by wealth, age, etc.) have different vulnerabilities and adaptive capacities is known to be a more effective means of identifying adaptation challenges and the appropriate means of addressing them.

STAP appreciates that the PIF does identify important non-climate drivers of gender inequality and vulnerability. It strongly recommends that the project consider how climate impacts will interact with these non-climate drivers of vulnerability, and therefore how adaptation actions might address overall vulnerability and adaptive capacity in an effective manner.

Yes. The PIF discusses addressing these participation issues through staffing, developing a gender strategy and action plan, and annual reporting on mainstreaming and improving gender issues. All of this, however, is to be built into the hub. The project will conduct a full gender assessment and development a gender action plan before the hub is established.

According to ADB due diligence requirements, a full gender assessment has been completed, and the findings and recommendations are summarized in Annex M (Gender Assessment and Action Plan), with a summary in Section II. 3.

The Gender Assessment and Action Plan (GAAP) is informed by a detailed gender assessment (see Appendix 5) and outlines the differences in risks and opportunities of men and women in the project areas in relation to access to blue resources, representation and participation in leadership and decision making, and distribution of socio-economic benefits. These aspects of the gender analysis have been used to tailor project action areas and approaches to be both gender responsive and gender transformative.

The GAAP recognises that multiple forms of inequality and discrimination intersect, and that intersectionality is important to understand the complexity of power relations and disadvantage. The GAAP focuses on specific vulnerable groups of women, such as young women.

The GAAP addresses the interaction between climate and non-climate drivers of gender inequality and social vulnerability such as prevalence of gender-based violence.

The GAAP outlines areas of gender action in relation to strengthening gender mainstreaming in the BPFH, and the country and regional projects.

<p>10. Climate risk in this document is confined to the risks created by weak/inadequate climate data as a barrier to project goals. There is no discussion of how climate impacts might themselves affect the project. This might be because the designers see this as a financing project that is aimed at addressing impacts, but will not itself be impacted. If so, project designers should state this clearly. Also, they should consider how new or escalating impacts might impact the types and amount of financing needed and how that might affect project outcomes. STAP suggests carrying out a climate risk screening focused on how potential new or escalating impacts could affect the type and amount of finance required.</p>	<p>Risk assessment has been undertaken, including of the risks raised by STAP in this comment.</p> <p>In line with ADB procedures[1], appropriate level climate risk assessments will be undertaken of all activities and sub-projects.</p> <p>See risk assessment in Section II. 5.</p>
<p>11. Knowledge management. Outline the ?Knowledge Management Approach? for the project, and how it will contribute to the project?s overall impact, including plans to learn from relevant projects, initiatives and evaluations.</p> <p>The overall strategy is currently vague, with output 3 of the project focused on developing a full KM strategy.</p> <p>This is also vague but relies on the ADB?s extensive network and reach in the region. It is not unreasonable to assume that the ADB will be a core means of sharing, disseminating, and scaling up the work of this project. There is ambition to scale this beyond island states to all ADB nations across Asia with large coastlines. There is also an ambition to extend lessons learned to all LDC SIDS.</p>	<p>A detailed knowledge management strategy, with action plan has been prepared (Annex N) and is summarized in Section II. 8.</p> <p>Notably, knowledge management is not a separate line of activities, it is a central aspect of almost all activities. This <i>mainstreaming</i> approach is elaborated in Annex N.</p>

Council Member ? Germany (Comments on PIF, 13 July 2022).

Comment	ADB Response
Germany approves the following PIF in the work program but suggests that the following comments are taken into account:	

<p>The climate change impact section would be strengthened by a stronger emphasis on historical climate change and associated impacts in the target countries, as the current focus is mostly on projected climate change.</p>	<p>It is noted that historical climate data in the Pacific region is incomplete and, in some cases, inaccurate. This is particularly true for the LDC nations such as Tuvalu and Kiribati.</p> <p>Over the past decade the Australian Government has worked closely with each Pacific Government to collect data, analyze data, interpret global climate change projections, and prepare projections for climate change and its impacts on the Pacific Island nations. This is an ongoing process and led to the recent publication of so-called 'nextGen' (i.e. Next Generation Climate Projections for the Western Tropical Pacific). In addition to an in-part review of historical trends, this provides updated model-based projections for key climate hazards for each country, and this includes country/sector specific case studies, non-technical guidance materials and communication products to facilitate sectoral applications.</p> <p>The key findings are summarized in section II 1 a (I).</p>
<p>As a climate change project, the rationale for funding needs to specifically focus on how LDCF-funded activities will increase the countries' resilience to climate-related impacts. The environmental considerations (overfishing, plastics, pollution) need to be presented as compounding issues in a climate change context and addressed as a result of the project's co-benefits and not core activities.</p>	<p>The rationale of the BPFH itself, and of this project, have developed significantly over the previous 12 months.</p> <p>The focus of LDCF on adaptation, in LDCF-eligible countries, with on-the ground impacts, has been clarified. This is elaborated in several parts of the proposal, for example: the barrier analysis (within Section II 1 a (I)); the Theory of Change; and in Appendices 1 (BPFH Program Strategy) and 2 (Select Annotated Bibliography of Sustainable Ocean Financing of Investments in the Pacific.)</p> <p>Details of the strategies and activities to support the resilience of coastal communities have been developed in a participatory manner in the four participating LDCs. The majority of LDCF funding is directed to increasing the resilience of coastal communities under Outputs 1.2 and 2.2, and includes:</p> <ul style="list-style-type: none"> strengthened coastal adaptation in Kiribati; improved ocean management and access to marine resources in Kiribati and Tuvalu; improved reef management and conservation, for fisheries, in Tuvalu; improved fish production/processing practices and community-based resilience on Solomon Islands; improved water supply and sanitation services in Timor-Leste, notably at Suai. <p>The description of Outputs 1.2 and 2.2 have been elaborated in the proposal. Full details are provided in Annex K.</p>

<p>It would be beneficial to describe stakeholder engagement mechanisms for the project identification process, ensuring multiple stakeholders (public and private sector, civil society) are involved and share their on-the-ground knowledge of blue economy-related needs to address climate change in their country.</p>	<p>A detailed stakeholder mapping (ongoing and organic) and consultation process during project development led to a broad participation during project design and to an organic, detailed stakeholder engagement plan. This will be continuously enhanced during implementation. This covers regional, national, local civil society, private sector and community stakeholders. This applies to the BPFH in general and to the LDCF in particular.</p> <p>The project design recognizes the distinct roles of local communities (groups with similar interests residing in one geographic place) and civil society (groups with shared interests, purposes, and values built on interactions across varied members, regardless of location), and their complementary goals in promoting local development planning and implementing climate adaptation strategies. Annex L emphasizes synergized participatory processes among civil society, local communities, local government, and other key stakeholders.</p> <p>During implementation, through the Hub, the Project will make use of the extensive network, established programs, and knowledge sources (sourcebooks, guidelines, and other publications) in ADB, and from its external partners, to scale up investments in climate adaptation and ensure benefits to communities and vulnerable groups. For example, the BPFH team will draw lessons from the Community Resilience Partnership Program (CRPP), which aims to scale up and explicitly direct investments, that target the climate change, poverty, and gender nexus, especially at the community level.</p>
<p>To the extent that this is possible, project beneficiaries? estimated numbers should be disaggregated by gender to highlight the gender benefits.</p>	<p>According to ADB due diligence requirements, a full gender assessment has been completed, and the findings and recommendations are summarized in Annex M (Gender Assessment and Action Plan), with a summary in Section II. 3.</p> <p>Project monitoring includes gender indicators in M&E, and collecting sex disaggregated and qualitative data sets for monitoring and assessing and reporting on differentiated impacts of the projects for women, (and other vulnerable and marginalized groups). See Annex M.</p>
<p>The indigenous populations? climate vulnerability should be accounted for, both in terms of climate impacts and how these will be addressed under the project</p>	<p>Full due diligence is underway, including consideration of indigenous peoples. This is detailed in Section II.11.</p> <p>It is noted that under ADB policy majority people are not considered indigenous. Hence, in the participating LDC countries, there are few indigenous people. However, the approach fully accounts for all vulnerable persons, including both climate impacts and how they are addressed.</p>
<p>It would be useful to clarify the loan leveraging process under the Hub, as it will only provide grants, especially as leveraged finance is estimated to rise to USD 500m by 2030.</p>	<p>The vision of innovation, leveraging and sustainability is elaborated in Section II 1 a (VII), including examples from the LDC countries. Information on leveraging is provided at various points in the proposal document.</p> <p>Initially, a key strategy for leveraging is through the ADB country programs and investments in the Pacific.</p>

<p>It would be useful to identify projects for scale-up and replication from the ADB's Ocean Pipeline for the Pacific region (2022-2024) that could feed into the national and regional ocean-climate adaptation investments to be identified under this project.</p>	<p>It is anticipated that the BPFH pipeline will include a lot of investments to be financed by ADB. These will be developed as follows: BPFH will join country programming initial consultations and analysis; BPFH will identify and advocate for 'blue ocean' projects to be included in country pipeline; BPFH will advise on project concepts from other sectors (e.g. energy, transport etc) so that they become 'blue?'; BPFH will support development of all 'blue? projects until Concept Note approval phase.</p> <p>See description of Outcome 2 in Section II 1 a (III)</p>
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[1] see, for example, <https://www.adb.org/sites/default/files/publication/148796/climate-risk-management-adb-projects.pdf>

**ANNEX C: Status of Utilization of Project Preparation Grant (PPG).
(Provide detailed funding amount of the PPG activities financing status in the table below:**

As set out in the table below, as of 31 August 2023:

of the \$183,500 of PPG funds:

- ? \$183,500 (100%) has been committed
- ? \$156,754.87 (85%) has been disbursed
- ? \$26, 745.13 (15%) is as yet undisbursed.

Project Preparation Grant PPG Status as of 31 August 2023 PPG Amount \$183,500 PPG Agency Fee \$16,500				
Programming of Funds	Amount of Grant	ADB Committed Amount (1)	Amount Disbursed*1 (2)	Amount Uncommitted (3=1-2)
Funds Programmed for Consulting Fees and Travel	<u>183,500</u>	<u>183,500</u>	<u>156,754.87</u>	<u>26,745.13</u>
Consulting Fees				
Remuneration ? Lead Project Development Specialist			57,842.11	
Remuneration ? Ocean-Climate Policy Specialist			45,474.50	

Remuneration ? Gender Equality and Social Development Specialist			23,580.00	
SUBTOTAL			<u>126,896.61</u>	
			-	
Travel (International air travel, per diem, misc. travel expenses)			-	
Lead Project Development Specialist			5,338.00	
Ocean-Climate Policy Specialist			24,520.26	
Gender Equality and Social Development Specialist			-	
SUBTOTAL			<u>29,858.26</u>	

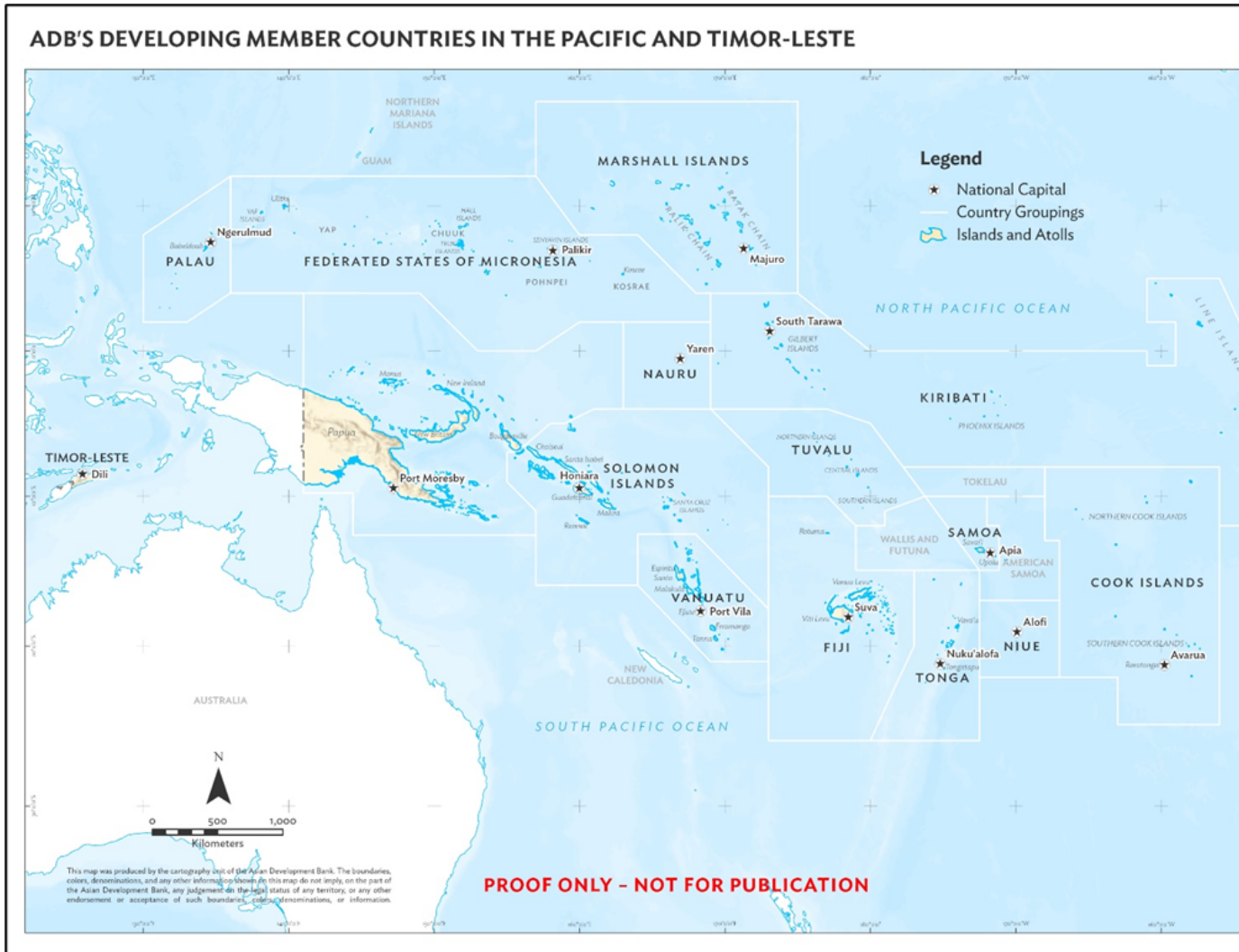
*1/ includes accrued expenses-incurred but not yet paid by ADB for August 2023

The funds have been largely spent on undertaking country visits, holding consultation in country, and site visits.

ANNEX D: Project Map(s) and Coordinates

Please attach the geographical location of the project area, if possible.

The Pacific countries participating in the overall BPFH project are: Cook Islands; Federated States of Micronesia (FSM); Fiji; Kiribati; Nauru; Niue; Palau; Papua New Guinea (PNG); Republic of the Marshall Islands (RMI); Samoa; Solomon Islands (SI); Timor-Leste, Tonga; Tuvalu; and Vanuatu. The location of these countries is illustrated in the following map.



Project Sites

LDCF financed activities focus into Kiribati, SI, Timor-Leste and Tuvalu. The project sites, where appropriate are listed in the following table:

Country	Project Name	Project Sites
KIR 1	Kiribati ? Coastal Adaptation and Protection GEF-Subproject	Entire shoreline of KIR, approx. 1,143 km?
KIR 2	Integrated Ocean Management	Entire EEZ of KIR approx. 3.5m km2
SOL 1	Climate Resilience Food System	WorldFish ?Aquatic Food System Innovation Hub?, Nusatupe Island
SOL 2	Climate Resilient CBRM	Isabel, Temotu (previously Sta Cruz Island), Makira, Malita Provinces
TIM	Climate Resilient Water Supply and Sanitation Systems in Suai, Ainaro and Maliana	Ainaro, Maliana an Suai

TUV 1	Funafuti Reef Fisheries Strategy	Entire island of Funafuti
TUV 2	Integrated Ocean Management Project	Entire EEZ of Tuvalu

Activities in Kiribati and Tuvalu are ?national?. Although there will be pilot activities, the sites are yet to be determined. Specific project sites have been identified in SI (a short list) and Timor-Leste. These are indicated in the Annex of Maps.

The project will ultimately impact the marine areas of the participating countries. The Economic Exclusion Zone (EEZ) for the countries is indicated in the Annexed maps.

GEO LOCATION INFORMATION

The Location Name, Latitude and Longitude are required fields insofar as an Agency chooses to enter a project location under the set format. The Geo Name ID is required in instances where the location is not exact, such as in the case of a city, as opposed to the exact site of a physical infrastructure. The Location & Activity Description fields are optional. Project longitude and latitude must follow the Decimal Degrees WGS84 format and Agencies are encouraged to use at least four decimal points for greater accuracy. Users may add as many locations as appropriate. Web mapping applications such as [OpenStreetMap](#) or [GeoNames](#) use this format. Consider using a conversion tool as needed, such as: <https://coordinates-converter.com> Please see the Geocoding User Guide by clicking [here](#).

Location Name	Latitude	Longitude	Geo Name ID	Location & Activity Description
Kiribati	1.346839	173.018748		<input type="checkbox"/>
Solomon Islands	-8	159		<input type="checkbox"/>

Location Name	Latitude	Longitude	Geo Name ID	Location & Activity Description
Timor Leste	8.833333	125.75		<input type="checkbox"/>
Tuvalu	-8.516944	179.144722		<input type="checkbox"/>

ANNEX E: Project Budget Table

Please attach a project budget table.

This table only shows LDCF contribution. Many (most) positions, e.g. M+E specialist, are part-financed by other sources.

The distribution of these across the outputs is somewhat arbitrary, notably several inputs contribute to both Outcome 1 and Outcome 2, but for simplicity in above they are allocated to a single Outcome.

		Outcome 1	Outcome 2	Outcome 3	PMC	M+E	Totals	Executing Agency
International consultants^^								
	Program Manager				425	0	425	ADB
	Coastal Engineer and Adaptation Specialist		162.5	37.83			200.33	ADB
	Gender Specialist		162.5	25			187.5	ADB
	Ocean-Climate Finance Specialist		162.5	30			192.5	ADB
	Ocean Policy Specialist		162.5	25			187.5	ADB
	Mid Term Review					20	20	ADB
	Final evaluation					40	40	ADB
	Sub-total						1252.83	
National Consultants								
	Sub contracts							

SC-1	Support to national level climate ocean interventions in Kiribati, Solomon Islands and Tuvalu	900	3500	0			4400	Ministry of Lands, Environment and Development (Kiribati); Ministry of Environment, Climate Change, Disaster Management and Meteorology (Solomon Islands); Ministry of Public Works, Infrastructure, Environment, Labour, Meteorology and Disaster Management (Tuvalu); ADB.
SC-2	Support to Timor-Leste climate adaptation		1800				1800	Ministry of Public Works and Ministry of Commerce, Industry and Environment (Timor); ADB
SC-3	Support to Climate Resilience Food Systems Research Hub (sole source) in Solomon Islands		1000				1000	Ministry of Environment, Climate Change, Disaster Management and Meteorology (Solomon Islands); ADB
SC-4	Cadre of young professionals (sole source), Output 1.4	138					138	ADB

SC-5	Nature's Leading Women event (sole source), Output 3.2			150			150	ADB
SC-6	Support to CANCC and research institutes			250			250	ADB
Sub-total							7738	
Civil works				0				
Other								
TOTALS		1038	6950	517.83	425	60	8990.83	

ANNEX F: (For NGI only) Termsheet

Instructions. Please submit a finalized termsheet in this section. The NGI Program Call for Proposals provided a template in Annex A of the Call for Proposals that can be used by the Agency. Agencies can use their own termsheets but must add sections on Currency Risk, Co-financing Ratio and Financial Additionality as defined in the template provided in Annex A of the Call for proposals. Termsheets submitted at CEO endorsement stage should include final terms and conditions of the financing.

ANNEX G: (For NGI only) Reflows

Instructions. Please submit a reflows table as provided in Annex B of the NGI Program Call for Proposals and the Trustee excel sheet for reflows (as provided by the Secretariat or the Trustee) in the Document Section of the CEO endorsement. The Agency is required to quantify any expected financial return/gains/interests earned on non-grant instruments that will be transferred to the GEF Trust Fund as noted in the Guidelines on the Project and Program Cycle Policy. Partner Agencies will be required to comply with the reflows procedures established in their respective Financial Procedures Agreement with the GEF Trustee. Agencies are welcomed to provide assumptions that explain expected financial reflow schedules.

ANNEX H: (For NGI only) Agency Capacity to generate reflows

Instructions. The GEF Agency submitting the CEO endorsement request is required to respond to any questions raised as part of the PIF review process that required clarifications on the Agency Capacity to manage reflows. This Annex seeks to demonstrate Agencies? capacity and eligibility to administer NGI resources as established in the Guidelines on the Project and Program Cycle Policy, GEF/C.52/Inf.06/Rev.01, June 9, 2017 (Annex 5).