



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

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10986

Countries

Regional

Project Name

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

Agencies

ADB

Date received by PM

9/16/2023

Review completed by PM

10/3/2023

Program Manager

Yuki Shiga

Focal Area

Climate Change

Project Type

FSP

PIF
CEO Endorsement

Part I ? Project Information

Focal area elements

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at CEO Endorsement Request

2023.10.27

Cleared.

2023.10.24 /10.20

Still shows 48 months.

Duration ⓘ
48
In Months

2023.9.30

On project information: the duration (48 months) does not meet the expected implementation/completion dates (5 years). Please correct where necessary.

Submission Date 9/16/2023	Expected Implementation Start 4/15/2024	Expected Completion Date 4/15/2029
Duration ⓘ 48 In Months		Agency Fee(\$) 809,170.00

Agency Response

ADB Response 20 October 2023:

Done.

The project duration is set at 5 years (60 months)

ADB Response 26 October 2023:

Duration has been amended to 60 months by the ITS group

Project description summary

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response

3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at CEO Endorsement Request

Agency Response

Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at CEO Endorsement Request

2023.10.20:

Cleared.

2023.9.30

- Please attached evidence for ADB co-financing.

- Please elaborate on how investment from World Fish Council was mobilized and identified.
- There seem to be particular project activities planned for and in each of the four Pacific LDCs. To ensure ownership and dedication from the countries, it is recommended to secure co-financing from the recipient countries.

Agency Response

ADB Response 20 October 2023:

- 1) ADB co-financing documentation has been uploaded
- 2) See Part I C.

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.

- 3) See revised Table C in Part I.

Whereas all governments have demonstrated ownership and dedication, issuing co-financing letters in this tight fiscal environment takes time.

Government of Solomon Islands has confirmed US \$1.7m in-kind contribution. Government of Kiribati has confirmed US \$0.5 million contribution. Government of Tuvalu has promised full support but has not yet issued a co-financing letter. The Government of Timor-Leste will be receiving a loan from ADB to implement the related project components, and it will repay the loan, hence its (forthcoming) signature on the loan agreement is a clear demonstration of commitment.

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at CEO Endorsement Request

2023.10.20:

Cleared.

2023.9.30

Currently, this project is indicated as 'regional' without specific country allocation/focus. However, there seem to be particular project activities planned for and in each of the four Pacific LDCs, under the major component of this project (Component 2). Please elaborate on how this project should be considered as a 'regional' project and not 'multi-country' project.

Agency Response

ADB Response 20 October 2023:

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 and implemented regionally, it is anticipated that in many cases the BPFH will *act* nationally. That is, tools to mobilize sustainable finance 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. LDCF funds will focus on LDC countries.

See:

- Part II 1 a, Project Description, Summary;
- Part II 1 a (I), The Climate Adaptation Problems, Root Causes and Barriers (final paragraph)
- Part II 1 a (II) ? after Figure 4.
- Part II 1 a (III) ? under ?Outcomes and Strategic Approach?.

Project Preparation Grant

6. Is the status and utilization of the PPG reported in Annex C in the document?

Secretariat Comment at CEO Endorsement Request

2023.10.20:

Cleared.

2023.9.30

please provide details per the categories included in the Guidelines ? as it is presented (Consultancy ? see below), it is not possible to understand whether the expenditures are eligible.

Agency	Country	Programming of Funds	Amount of Grant (1)	ADB Committed Amount (2)	Uncommitted Balance of GEF Fund (3=1-2)	Amount Disbursed 1/ (4)	Undisbursed Amount (5=2-4)
ADB	Regional	Consultancy	183,500.00	183,500.00	-	156,754.87	26,745.13
Summary:							
Consultancy						126,896.61	
Travel-related						29,858.26	
						156,754.87	

Agency Response

ADB Response 20 October 2023:

DONE

See Revised Annex C

Core indicators

7. Are there changes/adjustments made in the core indicator targets indicated in Table E? Do they remain realistic?

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response

Part II ? Project Justification

1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat Comment at CEO Endorsement Request

2023.10.20:

Cleared.

2023.9.30

Please elaborate on how previous/on-going LDCF projects were considered as a baseline, and how the proposed project will build on them. Several areas the proposed project plans to address, such as food systems and coastal adaptation, are already covered by the previous/on-going LDCF projects in the region.

Agency Response

ADB Response 20 October 2023:

DONE

It is noted that the BPFH project is focused on the level and nature of investment going into projects in the Pacific. From this perspective, the key baseline is projects and activities related to sustainable ocean financing. The description of this baseline has been further elaborated (See Part II 1 a (II)). Accordingly, the most pertinent GEF and LDCF baseline projects are listed in Table 14 in the Section "Coordination with ongoing and planned projects, including GEF projects". Collaboration arrangements are explored in this table.

However, as part of the process to develop and demonstrate sustainable financing, the BPFH is mobilizing funds to pilot investment projects. These pilot projects (currently identified) relate notably to food systems, coastal adaptation, and ocean governance. It is important that each individual pilot project builds on the lessons of previous projects, including LDCF projects, and particularly those in the Pacific region. A detailed description of each individual pilot project is provided in Annex K. Initial information on related LDCF financed and other initiatives is included in Annex K, and in some cases collaboration has already commenced with other GEF or LDCF projects (for example, for Kiribati Ocean Management, planning discussions are ongoing with stakeholders in the Kiribati "GEF 7" Project (notably IUCN)).

To ensure this, the process to identify and develop pilot projects includes a "landscape scan" of existing and planned ocean and climate related projects. This will both inform the scoping

and design of future projects to ensure lessons are learnt from previous work and there are no duplications. This landscape scan has been included in the proposal (see additions to Output 2.1).

3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat Comment at PIF/Work Program Inclusion

2023.10.20:

Cleared.

2023.9.30

- A link between Outputs 2.1 (project pipeline prioritization) and 2.2 (project implementation) is unclear. Output 2.1 will identify and prioritize the project pipeline. Output 2.2 is implementation and the proposal mentions that 'these interventions have been identified' already. If projects are identified already, what will be the justification of Output 2.1 to identify and prioritize the projects?

- Please include some flow/causal pathways in the ToC diagram. The agency may wish to refer to STAP's primer on developing a ToC

at: <https://www.stapgef.org/resources/advisory-documents/theory-change-primer>

Agency Response

ADB Response 20 October 2023:

1) During the PPG, a first set of investment projects was identified and developed. These are to be implemented under Output 2.2.

The Blue Pacific Finance Hub is an ongoing initiative. It will continue to identify and design blue economy projects, and mobilize funding towards them. Output 2.1 reflects this ongoing role.

Clarification has been made to the outputs in the main body of the GEF document? see tracked changes in Part II (under the description of Outputs 2.1 and 2.2).

2) DONE. See Figures 4 and 5 in Parts II 1 a (II) and II 1 a (III).

4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at CEO Endorsement Request

2023.10.20:

Cleared.

2023.9.30:

The innovative aspect needs further elaboration. For example, the proposal states 'In SI, the climate-resilient food system project will foster and harness innovation in food system technologies to identify and implement sustainable food systems'; however, it lacks information on why this should be considered as innovative.

Agency Response

ADB Response 20 October 2023:

Additional information on why and how the in-country pilot investment interventions are innovative is provided in Box 3, Part II 1 a (VII), including for the Solomon Islands food systems investments.

It is noted that the overall project aim is to establish sustainable financing mechanisms. The innovativeness of the project with regards to sustainable financing is developed at main points in the proposal, notably in Part II 1 a (VII).

Project Map and Coordinates

Is there an accurate and confirmed geo-referenced information where the project intervention will take place?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Child Project

If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?

Secretariat Comment at CEO Endorsement Request

Agency Response

Stakeholders

Does the project include detailed report on stakeholders engaged during the design phase? Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Gender Equality and Women's Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request

2023.10.20:

Cleared.

2023.9.30:

- a. Please include gender equality considerations in Outputs 2.1
- b. Please include monitoring and reporting on the Gender Action Plan under Component 4.

Agency Response

ADB Response 20 October 2023:

- a. Done.

See text in the description of Output 2.1 (Part II 1 a (III), the 'baseline scenario and any associated baseline projects' section).

See also Annex A (results framework) and Annex M (Gender Action Plan) where the GAP Target 2.1.1 ('by 2028, gender equality designs incorporated in at least 3 investment projects') is incorporated into the project results framework, Output 2.1.

- b. Done

This activity is undertaken by the Gender and Social Development Specialist position, and the costs are covered under the costs of that specialist.

Clarification and elaboration is provided in: Part I, Table B; at the end of Part II 1 a (III); Annex I (TOR of Gender Specialist).

Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Risks to Achieving Project Objectives

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at CEO Endorsement Request

2023.10.20

Cleared

2023.9.30

- According to the explanation in the proposal, ADB will take a partial role as an executing agency; however, ADB is not listed under other executing partner(s).

Other Executing Partner(s) ⓘ

Kiribati: MELAD; Solomon Islands: MECCDMM; Timor-Leste: MPW, MCIE; Tuvalu: MPWIELMD

- The GEF guideline only allows the implementing agency to also execute project activities on an exceptional basis to accumulate and retain experience and knowledge in the country/region. Please provide a clear justification for such IA/EA arrangement along with an explanation of what efforts have been put in during PPG to look for alternative options, such as any regional entity.

Agency Response

ADB Response 20 October 2023:

1) As requested ADB is now listed. It should be noted that the "execution role" of ADB will be within the Pacific (Kiribati, Solomons and Tuvalu) and Southeast Asia (Timor-Leste) operational departments. These are institutionally distinct from the GEF oversight team located in the Climate Change and Sustainable Development Department of ADB.

2) During project development, great attention was paid to implementation arrangements, to ensure ownership, develop capacity, generate synergies/economies of scale and respect

current absorptive capacity. This also considered the fact that different approaches may be required for regional level activities and for activities in each LDCF country.

At the national level, for execution in each country, detailed discussions were held with in-country partners. Implementation arrangements were carefully conceived and developed in close collaboration with in-country partners, to ensure their ownership and full stakeholder participation. The shared distribution of responsibilities between ADB and national entities was developed. This also ensures coherence across the countries and synergies (including joint implementation economies of scale). This is described in detail in Part II.6 and notably Table 12. The approach is formalized in the letters from the four GEF OFPs requesting ADB support for execution.

At the regional level, several options were considered, however ADB ultimately was considered the optimal implementation agency due to the following:

- ? anchorage within the BPFH, as the BPFH is administered and implemented by ADB;
- ? the strong possibility of mobilizing additional finance through BPFH, which is likely to be facilitated by a single implementation agency;
- ? the very broad range of knowledge/capacity/skills required to support regional level activities. These include: administration, financial systems and instruments, climate change, fisheries, pollution, convening power etc.

Several other options were considered, notably OPOC and SPREP. SPREP was not considered to have a sufficient range of skills and capacity, as yet, to take on this project. Consultations were held with OPOC during the proposal preparation process. OPOC are undergoing a period of change with a new commissioner recently appointed and planned relocation of offices. They currently have limited capacity and resources for providing specific project execution services, administration, implementation support and financial services.

One part of the approach is to build capacity, notably of OPOC. OPOC have requested support on financial services, and the project will provide a long-term adviser to OPOC on this, as well as other capacity support.

The arrangements will be reviewed periodically.

Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Knowledge Management

Is the proposed ?Knowledge Management Approach? for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at CEO Endorsement Request

2023.10.20:

Cleared.

2023.9.30

The agency is requested to provide the KM&L budget (including communications budget) for each country as well as the KM&L implementation timeline info that is missing for some participant countries in Annex N. This can be a quick addition to either the KM Section in the CEO Endorsement Document and/or the KM Action Plan section in Annex N of the project document.

Agency Response

ADB Response 20 October 2023:

Done

Timelines have been included in the table in Section E of Annex N.

Detailed info on the budget/costs have been inserted in the table of Section E of Annex N.

It is noted that the project has many activities that focus on knowledge management in the region as a core part of its results framework, and it has activities to specifically manage knowledge generated by this project. Hence, many inputs/activities contribute to knowledge management and to other substantive targets of the project. It is therefore difficult to separate out the precise ?knowledge management? costs without a risk of double counting. The table in Section E, Annex N, provides an estimation of the LDCF budget towards knowledge management, and a very conservative estimate for the co-financing to knowledge management (excluding the significant inputs of the BPFH team, co-financed by ADB).

Additional information is also provided in the main document in Part II.8.

Environmental and Social Safeguard (ESS)

Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Monitoring and Evaluation

Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response
Project Results Framework

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response
GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

Agency Response
Council comments

Secretariat Comment at CEO Endorsement Request 2023.10.20:
Cleared.

2023.9.30
Please respond to the comments from Germany.

Agency Response
ADB Response 20 October 2023:

Done.

See Annex B.

STAP comments

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response
Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request

Agency Response
Other Agencies comments

Secretariat Comment at CEO Endorsement Request

Agency Response
CSOs comments

Secretariat Comment at CEO Endorsement Request

Agency Response
Status of PPG utilization

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response
Project maps and coordinates

Secretariat Comment at CEO Endorsement Request Yes.

Agency Response
Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)

Secretariat Comment at CEO Endorsement Request
Agency Response

Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)

Secretariat Comment at CEO Endorsement Request

Agency Response
Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is CEO endorsement recommended? (applies only to projects and child projects)

Secretariat Comment at CEO Endorsement Request

2023.10.27

This CEOER is recommended for technical clearance.

2023.10.24 /10.20 /9.30

Not yet. Please refer to the review items and resubmit for consideration (please highlight the update).

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	9/30/2023	
Additional Review (as necessary)	10/20/2023	
Additional Review (as necessary)	10/24/2023	
Additional Review (as necessary)	10/27/2023	
Additional Review (as necessary)		

CEO Recommendation

Brief reasoning for CEO Recommendations