

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

### Basic Information

**GEF ID**

10986

**Countries**

Regional (Kiribati, Solomon Islands, Timor Leste, Tuvalu)

**Project Title**

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

**GEF Agency(ies)**

ADB

**Agency ID**

**GEF Focal Area(s)**

Climate Change

**Program Manager**

Fareeha Iqbal

**PIF**

## Part I – Project Informatic

### Focal area elements

#### 1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?

##### Secretariat Comment at PIF/Work Program Inclusion

5/9/22:

Cleared. We understand that while the Blue Pacific Hub will benefit all Pacific SIDS, the LDCF resources will be focused on the LDC SIDS.

5/6/22:

Not yet.

Please indicate some level of differentiation in the country list to reflect the fact that this project will be especially supporting the LDCs in the Pacific (though benefiting all PSIDS generally).

4/25/22:

Not yet.

a) As this project will support adaptation, please assign a "2" value to the Rio Marker for Adaptation.

b) Please provide the list of countries that will be served by the LDCF grant in this regional project.

##### Agency Response

ADB Response 09 May 2022

We are not clear on how this 'differentiation' across country list can be done. The Portal allows a drop down menu and we can only select individual countries. In order to keep within the spirit of what we believe is the LDC focus, we have eliminated all the other Pacific SIDS and retained only the 4 LDCs for this regional project. It is our understanding, however, that outreach, knowledge sharing and transfer could be regional in scale and also include other LDC SIDS outside Asia and the Pacific as requested by GEF.

ADB Response 06 May 2022

1) Done

2) Done

### Indicative project/program description summary

2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?

Secretariat Comment at PIF/Work Program Inclusion 4/25/22:

Yes.

### Agency Response

### Co-financing

3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?

Secretariat Comment at PIF/Work Program Inclusion 5/6/22:

Cleared.

4/25/22:

Not yet.

- Please enter the ADB's grant amount.

Please enter the total grant amount.

- For Row 2, if this will be in-kind co-finance, it should not be categorized as "investment mobilized". Please also enter an estimated amount.
- Please remove all 'TBC' entries as the names of the co-financiers have to be identified at this stage. Once the entities are identified as well as the amounts, they can be reported at the CEO Endorsement submission as confirmed co-financing.

### **Agency Response**

ADB Response 06 May 2022

- 1) Co-financing tables have been undated
- 2) Noted on government recurrent expenditures
- 3) TBC has been removed with updates as appropriate

### **GEF Resource Availability**

**4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):**

**Secretariat Comment at PIF/Work Program Inclusion 4/25/22:**

Yes. This project is being financed from LDCF set-aside resources.

### **Agency Response**

### **The STAR allocation?**

**Secretariat Comment at PIF/Work Program Inclusion**

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

The LDCF under the principle of equitable access?

Secretariat Comment at PIF/Work Program Inclusion 4/25/22:

Yes, this project uses LDCF-set aside resources.

Agency Response

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

Project Preparation Grant

5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)

Secretariat Comment at PIF/Work Program Inclusion 4/25/22:

Yes.

## Agency Response

### Core indicators

#### 6. Are the identified core indicators in Table F calculated using the methodology included in the corresponding Guidelines? (GEF/C.54/11/Rev.01)

##### Secretariat Comment at PIF/Work Program Inclusion 5/9/22:

Cleared. Thank you for providing estimates for the missing Core Indicator values.

5/6/22:

Not yet.

Estimates for the four Core Indicators for the LDCF/SCCF for the 2018-22 period must be provided at PIF stage, as relevant. Core Indicators 2, 3 and 4 appear relevant. Please enter estimated values for these. The estimates may be updated at CEO endorsement stage.

4/25/22:

Not yet.

- a) Is it possible to estimate values for Core Indicators 3 and 4 that may ensure from projects to be financed from the Hub?
- b) Although the GEF-7 results framework does not include an indicator for coastal or marine area managed for climate resilience (hectares), we would welcome an estimate, if available, for this project. It may be included in the main Portal entry text.

## Agency Response

ADB Response 09 May 2022

Values have been provided for Core Indicators 1, 2, 3 and 4. These will be verified / updated during PPG.

ADB Response 06 May 2022

It is noted that for LDCF projects the guidance states that, at PIF stage, there is no need to complete this section for projects financed solely by LDCF.

The information provided in the earlier submission was based on indicators as set out in the document "Updated Results Architecture for Adaptation to Climate Change Under the Least Developed Countries Fund and The Special Climate Change Fund (2018-2022)", issued by GEF in November 2018.

The comment refers to "Core indicators 3 and 4". It is not clear if this refers to the GEF 7 Core indicators.

Although not possible now, at the time of CEO Endorsement, estimates will be provided for the following GEF 7 Core Indicators:

- 2- Marine protected areas created or under improved management for conservation and restoration
- 5 Area of marine habitat under improved practices.

Additional explanation has been provided in the text of the PIF.

## **Project/Program taxonomy**

### **7. Is the project/program properly tagged with the appropriate keywords as requested in Table G?**

**Secretariat Comment at PIF/Work Program Inclusion 4/25/22:**

Yes.

## **Agency Response**

### **art II – Project Justification**

#### **1. Has the project/program described the global environmental/adaptation problems, including the root causes and barriers that need to be addressed?**

**Secretariat Comment at PIF/Work Program Inclusion**



5/9/22:

Cleared.

5/6/22:

One item remaining:

a) Cleared.

b) Cleared.

c) Not yet. As requested on 4/25, when specifying the countries that the LDCF grant will support under Output 1.4 and other parts of the PIF, please list only the four LDC P-SIDS. We note that the adaptation-related identifies have been clarified.

d) Cleared. We note this has been added under Output 3.3.

e) Cleared. (For future reference, numbering the paras of the Portal entry may make it easier to identify sections where changes have been made.)

4/25/22:

Not yet:

a) 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>

b) The PIF states: "LDCF funds will focus specifically on the climate change resilience aspects, with a particular focus on the three LDCF participating countries". Can the agency please ensure the project includes all four Pacific LDC SIDS: Kiribati, Solomon Islands, Tuvalu and Timor Leste.

c) Output 1.4: Please use the LDCF funds towards sponsorship of candidates from only LDC SIDS, including Kiribati, Solomon Islands, Tuvalu and Timor Leste. In general, there needs to be clearer identification of the LDCF-supported elements of the Hub, clearly identifying the adaptation-related activities (including nature-based solutions for adaptation) and the LDCs.

d) Outcome 3: Could you please specify that this outcome will also draw out lessons learned that would be relevant to other LDC SIDS (Cape Verde, Guinea-Bissau, STP, Comoros, and Haiti), and that may help inform future funding financing hub/investment vehicles for them?

e) Please also discuss potential benefits/opportunities this project would provide in the context of green recovery from COVID-19.

## Agency Response

ADB Response 09 May 2022

Regarding Output 1.4 we have been clear that the program will only support candidates from the 4 LDCs. It is anticipated that additional co-financing will support representatives from other Atoll nation, RMI.

Kindly note that the document has been scanned and references in sections now refer more specifically to the 4 LDCs.

ADB Response 06 May 2022

a) Done.

Additional clarity and pathways have been added to TOC.

In addition, at the end of the section (after the description of Outcome 3), a table has been included to illustrate how the project outputs reduce/remove the barriers. This table is complementary to the TOC.

The TOC will continue to be developed during the next stages of project preparation.

b) This has been made clear, notably under the description of the Hub (after Strategy and Outcomes), the description of Outcome 1, the description of Output 1.4, and the description at Outcome 2, as well as at other points in the document.

c) Output 1.4 has been adjusted. If GEF does not consider support for candidates from the Atoll nations, this will be provided by the co-financing.

d) The PIF now includes reference to this effect.

e) A short section has been included after the description of Outcome 3 (it is inserted after the table showing how outputs will address barriers).

## **2. Is the baseline scenario or any associated baseline projects appropriately described?**

**Secretariat Comment at PIF/Work Program Inclusion**

4/25/22:

Yes.

**Agency Response**

## **3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?**

### **Secretariat Comment at PIF/Work Program Inclusion**

5/9/22:

Cleared, thank you.

5/6/22:

Not yet.

Thank you for this additional information. However, can the activities relating to coral reefs please focus more on enhancing their resilience rather than only rehabilitating them after damage? This can include management plans that address pollution and harmful boating or fishing practices, for example, in addition to other measures.

4/25/22:

Further information is requested. In the paragraphs describing Outcome 2, please provide more detailed discussion on the types of adaptation and nature-based solutions projects the Blue Pacific Finance Hub might support in Pacific LDC SIDS, related to the identified priorities.

### **Agency Response**

ADB Response 09 May 2022

The preamble for Outcome 2 now includes an additional reference to enhancing coral reef resilience through management plans which address pollution reduction, harmful boating and fishing practices.

ADB Response 06 May 2022

Further information has been provided in the description of the Hub (after Strategy and Outcomes), in an additional bullet point under Output 1.2, in the description of Outcome 2, as well as at other points in the document.

## **4. Is the project/program aligned with focal area and/or Impact Program strategies?**

**Secretariat Comment at PIF/Work Program Inclusion**

4/25/22:

Yes.

**Agency Response**

**5. Is the incremental/additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?**

**Secretariat Comment at PIF/Work Program Inclusion**

4/25/22:

Yes.

**Agency Response**

**6. Are the project's/program's indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?**

**Secretariat Comment at PIF/Work Program Inclusion**

5/6/22:

Cleared.

4/25/22:

Please clarify whether the Core Indicator calculations include those accruing from inclusion of Timor Leste.

**Agency Response**

ADB Response 06 May 2022

Done. Timor Leste has been included in this calculation. Note that other corrections have been made to the calculation.

## **7. Is there potential for innovation, sustainability and scaling up in this project?**

### **Secretariat Comment at PIF/Work Program Inclusion**

5/6/22:

Cleared.

4/25/22:

Further information is requested:

- a) Please discuss how this hub can be sustained beyond the project duration. Currently, only institutional sustainability during the project duration has been discussed.
- b) Financial sustainability: Please further elaborate on the financial sustainability of the hub itself.
- c) Please include a deeper discussion on innovative aspects.

### **Agency Response**

ADB Response 06 May 2022

a) Done

b) Done. This section of the proposal has been revised to discuss the sustainability of the Blue Pacific Finance Hub and the innovative aspects, as well as further discussion of the sustainability of impacts at country level.

c) Done

## **Project/Program Map and Coordinates**

**Is there a preliminary geo-reference to the project's/program's intended location?**

**Secretariat Comment at PIF/Work Program Inclusion**

4/25/22:

Yes.

**Agency Response**

**Stakeholders**

**Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?**

**Secretariat Comment at PIF/Work Program Inclusion**

4/25/22:

Yes.

**Agency Response**

**Gender Equality and Women's Empowerment**

**Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?**

## Secretariat Comment at PIF/Work Program Inclusion

4/25/22:

Yes.

## Agency Response

## Private Sector Engagement

Is the case made for private sector engagement consistent with the proposed approach?

## Secretariat Comment at PIF/Work Program Inclusion

5/6/22:

Cleared.

4/25/22:

Please further elaborate how this project can build capacity of and engage the private sector in Pacific LDC SIDS.

## Agency Response

ADB Response 06 May 2022

Done. The section on private sector has been significantly strengthened.

## Risks to Achieving Project Objectives

Based on the project/program considerations, potential risks include the ... of climate change that might prevent

Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?

Secretariat Comment at PIF/Work Program Inclusion

4/25/22:

Yes.

Agency Response

Coordination

Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined?  
Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?

Secretariat Comment at PIF/Work Program Inclusion

4/25/22:

Yes.

Agency Response

Consistency with National Priorities

Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and



Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and assessments under relevant conventions?

**Secretariat Comment at PIF/Work Program Inclusion**

4/25/22:

Yes.

**Agency Response**

## **Knowledge Management**

Is the proposed “knowledge management (KM) approach” in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project’s/program’s overall impact and sustainability?

**Secretariat Comment at PIF/Work Program Inclusion**

5/6/22:

Cleared.

4/25/22:

Not yet:

- Could you please specify that the project will also draw out lessons learned that would be relevant to other LDC SIDS (Cape Verde, Guinea-Bissau, STP, Comoros, and Haiti), and that may help inform future funding financing hub/investment vehicles for them?
- In addition, please indicate how the lessons learned from previous projects have been incorporated into the current project design.

**Agency Response**

ADB Response 06 May 2022

1) Done. See end of section on Knowledge Management.

2) Done. A short section has been added to the end of the section on knowledge management.

This will be further elaborated during future project development.

## **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 PIF/Work Program Inclusion**

4/25/22:

Yes. The project is to create a financing hub that can support climate change adaptation in the Pacific LDC SIDS. The creation of the hub does not pose environmental or social risks.

### **Agency Response**

## **art III – Country Endorsements**

**Has the project/program been endorsed by the country's GEF Operational Focal Point and has the name and position been checked against the GEF data base?**

### **Secretariat Comment at PIF/Work Program Inclusion**

5/6/22:

Cleared. The agency's understanding is correct. LoEs are not required as (i) the project uses regional set-aside LDCF resources, and (ii) the project will not be directly supporting in-country activities, only those of a regional nature.

4/25/22:

Not yet. Please upload the LoEs.

### **Agency Response**

ADB Response 06 May 2022

It is our understanding, as per consultations with GEF Secretariat, that the OFP LOEs will not be required as this is a regional set-aside project. The focus will be on establishing a regional financial hub.

### **Termsheet, reflow table and agency capacity in NGI Projects**

**Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.**

**Secretariat Comment at PIF/Work Program Inclusion**

n/a

**Agency Response**

**EFSEC DECISION**

**RECOMMENDATION**

**Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?**

**Secretariat Comment at PIF/Work Program Inclusion**

5/9/22:

Yes.

5/6/22:

Not yet. Please address the remaining items.

4/25/22:

Not yet. Please address the review comments.

## **ADDITIONAL COMMENTS**

**Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.**

**Secretariat Comment at PIF/Work Program Inclusion**

5/9/22:

- By CEO endorsement, please provide further detail on resilience measures for coastal communities.

**/iew Dates**

**PIF Review    Agency Response**

<b>First Review</b>	<b>4/25/2022</b>
<b>Additional Review (as necessary)</b>	<b>5/6/2022</b>
<b>Additional Review (as necessary)</b>	<b>5/9/2022</b>
<b>Additional Review (as necessary)</b>	
<b>Additional Review (as necessary)</b>	

**PIF Recommendation to CEO**

**Brief reasoning for recommendations to CEO for PIF Approval**