

Agenda Item 7.2: Financing climate change priorities, sustainable development and resilient prosperity in Pacific SIDS.

Purpose:

1. To update Members on new initiatives and pathways in accessing climate and other multilateral funding since the 31 SPREP Meeting.
2. To inform Members of the strategic focus towards institutional strengthening activities undertaken by SPREP to enhance its capacity to effectively respond to Members' priority needs in climate change, sustainable development and resilient prosperity.
3. To encourage donor partners to invest in SPREP to sustain the Regional Implementing Entity (RIE) functions including the realisation of a financing-mobilised ratio of 1:45 by 2027 and build a sustainable and resilient financing portfolio into the next SPREP Strategic Plan.

Background:

4. Since the 31st SPREP Meeting, specific developments and pathways have eventuated and are reported as follow:
 - (i) Climate finance pathways and initiatives
 - a) There is strategic programming with the Green Climate Fund (GCF) at various levels with a programmatic approach on climate information services and early warning systems – the One Pacific Programme, and a locally-led approach to adaptation under the GCF enhanced direct access (EDA) modality as an extension from national adaptation planning that SPREP has supported as a delivery partner.
 - b) Further, there is the consolidation of climate resilient water security projects in the SPREP projects portfolio in to “climate resilient water security and hydrology for Pacific SIDS” as a response to the Regional Programmatic Approach for Climate Action (RPACA) and the development in programming activities to design and implement a financing and enabling product to assist the participation of small businesses in climate-sensitive sectors with the Solomon Islands.
 - c) Advancing the designing of a SPREP-AF small grants programme to assist Members' including other stakeholders such as private sector, civil society, vulnerable groups and researchers' participation in an innovation accelerator hub on adaptation measures.
 - d) SPREP advancement to assist Members on Loss and Damage with funding from MFAT New Zealand and the German government.

(ii) Other funding opportunities

- e) Formal recognition of SPREP as a Regional Centre for Technical and Scientific Cooperation for the Global Biodiversity Framework under the Convention on Biological Diversity.
- f) The opportunity for SPREP to partner with Members and GEF-implementing entities to access the Global Biodiversity Framework (GBF) Fund.
- g) Potential partnership with the Australian Government Department of Climate Change, Energy, Environment and Water and the Commonwealth Bank of Australia (CBA) in relation to the Global Nature Positive Summit and topics on nature-based solutions and nature investments.

Projects portfolio, institutional strengthening, and re-accreditation

5. As an accredited entity, SPREP has been re-accredited to the GCF in 2023. The application for re-accreditation to the AF has been submitted for review and anticipating re-accreditation in late 2024.
6. The strengthening of SPREP's capacity at the institutional and systemic level continues taking on a more integrated, strategic, programmatic, and forward-looking approach in ensuring effective and efficient services are provided to assist Members' priorities and needs on climate change, sustainable development and resilience prosperity within the current SPREP Strategic Plan 2017 -2026 and beyond.
7. A one-SPREP approach is applied to the strengthening of its institutional and systemic capacity including policies, systems, and processes which has been made possible with financial support from New Zealand MFAT and the GCF Regional Readiness Project. This has facilitated the refinement of the role of the Project Coordination Unit (PCU) with clearer focus on project proposal development as part of SPREP's partnerships, donor relations, and resource mobilisation efforts. It also supports the transition from project focused to more programmatic approach.
8. The SPREP PCU with funding support from New Zealand MFAT has contributed to SPREP's AF, GCF & GEF project portfolio of USD 382,729,930 as of May 2024, an increase of USD 270,317,351 from December 2022.

Barriers/challenges, and opportunities

9. Whilst there has been positive progress made in accessing finance both climate and other, it is important to also note that there continues to be barriers and challenges that impact on progress which include:
 - Sustaining the current operations for resource mobilisation
 - Lack of funding available to develop feasible project ideas
 - Effective and efficient project execution

10. There is opportunity for SPREP to strengthen its capacity through funding support from New Zealand MFAT and the GCF Regional Readiness Project. Whilst this may address specific capacity needs of SPREP, there is hope that other donors would be willing to invest and contribute funding to assist SPREP address key challenges and barriers outlined above and in supporting SPREP's strategic programmatic forward-looking approach beyond the current Strategic Plan 2017 – 2026. Details are in WP7.2/Att.1

Recommendation:

11. The Executive Board Meeting is invited to:
 - 1) **Note and endorse** the strategic programmatic one-SPREP approach to address the risks, barriers, and challenges to sustaining the regional implementing entity roles.
 - 2) **Acknowledge and thank** New Zealand for the continued financial support towards strengthening of SPREP's capacity to enable it to deliver effective and efficient services to Members.
 - 3) **Invite and encourage** donor partners to invest and contribute funding to realise SPREP's planned project investment ratio of 1:45 by 2027 and the ongoing SPREP-operations to assist Members in accelerating access to and scaling up of finance for climate change priorities, sustainable development and resilient prosperity in the region.
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