



**GLOBAL CLIMATE CHANGE ALLIANCE: PACIFIC SMALL ISLAND STATES**

## **Regional Meeting on Climate Change Finance using Budget Support Modalities**

**25-27 September 2013**

**Scenic Hotel, Tonga**



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## Abbreviations

|            |   |
|------------|---|
| ADB        | Asian Development Bank  |
| AusAID     | Australian Agency for International Development                                       |
| CCCPIR     | Coping with Climate Change in the Pacific Islands Region                              |
| CCORAL     | Caribbean Climate Online Risk and Adaptation Tool                                     |
| CPEIR      | Climate Public Expenditure and Institutional Review                                   |
| CROP       | Council for Regional Organisations in the Pacific                                     |
| EU         | European Union  |
| FSM        | Federated States of Micronesia  |
| GCCA       | Global Climate Change Alliance  |
| GCCA: PSIS | Global Climate Change Alliance: Pacific Small Island States project                   |
| GEF        | Global Environment Facility   |
| JNAP       | Joint National Action Plan for Disaster Risk Management and Climate Change Adaptation |
| M&E        | Monitoring and Evaluation   |
| NGO        | Non-governmental organisation   |
| NIE        | National Implementing Entity  |
| PEFA       | Public Expenditure and Financial Accountability                                       |
| PFM        | Public Finance Management System  |
| PFTAC      | Pacific Financial Technical Assistance Centre   |
| PIFS       | Pacific Islands Forum Secretariat   |
| SPC        | Secretariat of the Pacific Community  |
| SPREP      | Secretariat of the Pacific Regional Environment Programme                             |
| TA         | technical assistance  |
| UNDP       | United Nations Development Programme  |
| USAID      | United States Agency for International Development                                    |
| WACC       | Working Arm on Climate Change   |

## EXECUTIVE SUMMARY

The Regional Meeting on Climate Finance using Budget Support Modalities, 25-27 September 2013, brought together representatives of climate change and finance ministries from the Pacific Island countries together with development partners and international experts to share information and experiences with climate financing through budget support and to advance national priorities. The meeting was organised and supported by the Global Climate Change Alliance: Pacific Small Island States (GCCA: PSIS) project which is implemented by the Secretariat of the Pacific Community and funded by the European Union.

The objectives of the three-day meeting were to:

- Enhance understanding about climate change finance;
- Share experiences among Small Island Developing States in the Pacific, Indian Ocean and Caribbean about climate change finance especially using budget support modalities;
- Advance national priorities relating to climate change finance particularly in relation to budget support.

On the first day the meeting the focus was on climate finance in general and in the afternoon development partners participated in a panel session to respond to specific questions prepared by the countries. On the second day the focus turned to budget support modalities and the particular criteria required. This discussion was greatly enriched by case studies from Samoa, Solomon Islands and Mauritius, three countries which have accessed GCCA funds through sector and national budget support, and a presentation on a climate risk management tool by a representative from the Caribbean Community Climate Change Centre in Belize. On the third and final day there was an overview of the results from the climate change mainstreaming study and then participants worked in country groups using the national climate change mainstreaming profiles to plan future work for accessing climate change finance through budget support and other modalities.

Key issues emerging were:

- Access to climate change financing requires sound national systems, clear plans and policies, strong institutional systems, adequate resourcing and staffing of departments, regular reporting processes, and sound public financial management systems.
- Many countries view planning and budgeting as separate activities, however, there is a need to view these as a continuous integrated process with policies, plans and strategies linked to budgets and forward estimates.
- Direct budget support indicates a trust relationship between the donor and the recipient country and an endorsement of government policy; it is also a way to improve domestic accountability.
- The importance of regular dialogue and developing trust between governments and development partners was emphasised.

- There are areas of commonality between the different climate finance modalities, e.g. budget support and accreditation to the Adaptation Fund, such that becoming accredited to the Adaptation Fund may also prepare a country for receiving budget support and vice versa.
- Countries wishing to access climate finance through budget support or to become a national implementing entity under the Adaptation Fund were advised that it is a long, complex process. However, it is a worthwhile process since it develops capacity, supports overall systems for handling climate finance, and connects to the broader reform agenda for climate finance.
- There were differing views about climate change trust funds. On the one hand a national climate change trust fund may add value, but on the other hand, if not properly designed, implemented and managed, transaction costs can be very high, expenditures can go off-budget and transparency can be lost.

On the third day of the meeting, countries identified specific areas for national focus. The GCCA: PSIS project together with other development partners will work with the countries to advance identified needs.

# 1. INTRODUCTION

## 1.1 About the Global Climate Change Alliance: Pacific Small Island States Project

The European Union (EU) established the Global Climate Change Alliance (GCCA) in 2007 to strengthen dialogue, exchange of experiences and cooperation on climate change with developing countries most vulnerable to climate change, in particular the Least Developed Countries and the Small Island Developing States. GCCA is the main implementing channel for the EU fast start commitments related to climate change adaptation.

Under funding allocated in 2010, €11.4 million has been allocated to the Global Climate Change Alliance: Pacific Small Island States (GCCA: PSIS) Project. The GCCA: PSIS project is implemented by the Secretariat of the Pacific Community (SPC) in collaboration with the Secretariat of the Pacific Regional Environment Organisation (SPREP). The implementation period for the GCCA: PSIS project is from the date of signature of the agreement, 19 July 2011, to 19 November 2014. A request for project extension has been submitted to the EU.

The overall objective of the GCCA: PSIS project is to support the governments of nine Pacific smaller island states, namely Cook Islands, Federated States of Micronesia (FSM), Kiribati, Marshall Islands, Nauru, Niue, Palau, Tonga and Tuvalu, in their efforts to tackle the adverse effects of climate change. The purpose of the project is to promote long term strategies and approaches to adaptation planning and pave the way for more effective and coordinated aid delivery on climate change at the national and regional level.

The project approach is to assist the nine countries design and implement practical on-the-ground climate change adaptation projects in conjunction with mainstreaming climate change into line ministries and national development plans; thereby helping countries move from an *ad hoc* project-by-project approach towards a programmatic approach underpinning an entire sector. This has the added advantage of helping countries better position themselves to access and benefit from new sources and modalities of climate change funding, e.g. national and sector budget support.

The key result areas of the project are: (1) Climate change mainstreamed into national and/or sector response strategies so that countries are better equipped to access climate change funds through different financing modalities, including budget support; (2) National climate change adaptation projects implemented; (3) Streamlined technical assistance that supports national adaptation responses delivered by regional organizations in a collaborative manner.

## 1.2 Background to the Meeting

The GCCA: PSIS project has since 2012 provided technical assistance to the project countries to mainstream climate change into their national and sector policies and plans on a request basis. For example, work is ongoing in Palau to prepare a climate change policy

framework funded by the GCCA: PSIS project in collaboration with the Coping with Climate Change in the Pacific Islands Region (CCCPIR) implemented in partnership with Deutsche Gesellschaft für Internationale Zusammenarbeit on behalf of the German Federal Ministry for Economic Cooperation and Development.

In addition, the GCCA: PSIS project provided technical assistance to the nine project countries to review their national and sector policies and the extent to which climate change is mainstreamed with a view to informing their access to climate change funds delivered through budget support modalities in particular. This work was undertaken between June and September 2013 by two consulting companies: Planning 4 Sustainable Development and The 4 Assist Network of Experts.

All EU budget support programmes are subject to the following four eligibility criteria:

- National/sector policies and reforms
- Stable macro-economic framework
- Public financial management
- Transparency and oversight of the budget

Furthermore, mainstreaming climate change into national and sector policies is a key requirement for accessing Global Climate Change Alliance (GCCA) funds via budget support modalities.

The Regional Meeting on Climate Finance using Budget Support Modalities, 25-27 September 2013, brought together representatives of climate change and finance ministries from the Pacific Island countries together with development partners and international experts to share information and experiences with climate financing through budget support and to advance national priorities. The list of participants is presented as Annex 1.

The objectives of the three-day meeting were to:

- Enhance understanding about climate change finance;
- Share experiences among Small Island Developing States in the Pacific, Indian Ocean and Caribbean about climate change finance especially using budget support modalities;
- Advance national priorities relating to climate change finance particularly in relation to budget support.

On the first day the meeting the focus was on climate finance in general with presentations from Ms Pilimilose Balwyn Fa'otusia, Chief Executive Officer, Ministry of Finance and National Planning, Tonga and Mr Ron Hackett, Public Financial Management Adviser, Pacific Financial Technical Assistance Centre. In the afternoon, development partners participated in a panel session to respond to specific questions prepared by the countries. On

the second day the focus turned to budget support modalities and the particular criteria required. This discussion was greatly enriched by case studies from Samoa, Solomon Islands and Mauritius, three countries which have accessed GCCA funds through sector and national budget support, and a presentation on a climate risk management tool by Mr Joseph McGann from the Caribbean Community Climate Change Centre in Belize. On the third and final day there was an overview of the results from the mainstreaming study and then participants worked in country groups using the climate change mainstreaming profiles prepared by the consultants to plan future work for accessing climate change finance through budget support and other modalities. The meeting agenda is presented as Annex 2.

## **2. DISCUSSIONS**

### **2.1 Presentations and Discussion on Day 1, 25<sup>th</sup> September 2013**

*Opening address: by Lord Ma'afuTukui'aulahi, Minister for Lands, Environment, Climate Change and Natural Resources.*

Access to funding is a crucial aspect for enhancing national capacity for dealing with climate change. Developing countries are forced to stretch limited resources across a wide range of responsibilities, and to meet their needs in times of emergencies and disasters. Tonga has overcome several challenges in trying to establish a climate change trust fund thanks to a sound legal framework for climate finance management and the provision of technical advice and expertise, which allowed Cabinet to make an informed decision. It is expected that this meeting will further enhance our understanding of the principles relating to climate finance. Thanks were extended to the EU and SPC for their support for this meeting.

*Introduction to the Global Climate Change Alliance: Pacific Small Island States project was given by Dr Gillian Cambers, Project Manager, GCCA: PSIS Project.*

The GCCA started in 2007 and aims to strengthen dialogue and facilitate cooperation between the EU and Least Developed States and Small Island Developing States. Key activities have focused on mainstreaming climate change into policies, climate change adaptation, reducing destruction and degradation of forests, enhancing participation in the global carbon market, and disaster risk reduction. About a quarter of GCCA funding is provided through budget support. The GCCA: PSIS project is working with Pacific smaller island countries to help them become ready to access climate finance using budget support with a particular focus on one of the criteria – mainstreaming climate change in national sector policies and plans.

*Climate change finance by Ms Pilimilose Balwyn Fa'otusia, Acting Chief Executive Officer, Ministry of Finance and National Planning, Tonga.*

The 2011 communiqué from Pacific Island leaders stressed the urgent need for adaptation finance to address the needs of the region's people. The Council of Regional Organisations in the Pacific (CROP) have been requested by their member countries to address the urgent need

to scale up technical and financial support for adaptation and mitigation to address the challenges that the impacts of climate change pose to the region. The impacts of climate change will be superimposed upon existing sustainable development concerns including urbanisation, population growth and unsustainable use of natural resources. It is argued that addressing this challenge will require continued and reliable resourcing, as well as improved strategic coordination of the region's existing capacity.

There is no clear definition of climate change finance. How mitigation and adaptation are defined differs between countries, organisations and partner agencies and these differences can affect how the issue is addressed in policies and plans, how roles and responsibilities are allocated and how funds are sourced and tracked at the country level, whilst also having implications for the way partners allocate and deliver external resources.

Policy and planning frameworks need to be linked to budgetary planning. Mainstreaming requires that national development plans, for example, need to be integrated and addressed by each sector through their business plans and in line with their budgetary cycle.

Tonga has made significant efforts to integrate climate change issues into the national planning processes. Of particular note is the development and adoption of Tonga's National Climate Change Policy, which was endorsed by government in 2006 and was followed by the establishment of the Ministry for Environment and Climate Change, which coordinates and implements all climate change activities in the country. Tonga also led the Pacific region in the formulation, endorsement and implementation of the Joint National Action Plan on Climate Change Adaptation and Disaster Risk Management (JNAP) 2010–2015. The JNAP is the main strategic planning vehicle for climate change adaptation activities in Tonga. Its focus is on 'gaps' to complement existing initiatives. Tonga has also led the region in the establishment of the JNAP Secretariat and was the first Pacific Island country to establish a Parliamentary Standing Committee on Environment, Climate Change and Disaster. These activities indicate the high priority afforded by the Government of Tonga to climate change and disaster.

Tonga is working to align partner programmes with national climate change objectives through the development of an Aid Coordination and Monitoring Division. This has resulted in an annual roundtable with donors, distributing project reporting systems to donors, and requesting a three year forward plan from donors. Tonga is making great strides with its fiscal policy and its ratings on the World Bank's Public Expenditure and Financial Accountability (PEFA) assessments have steadily improved since 2007.

The Tonga Climate Change Trust Fund was established in 2011 to fund climate change adaptation and mitigation activities. The fund aims to assist the government in planning, financing and delivering on climate policies, projects/programmes. It will centralise funding through the mandated Ministry of Lands, Environment, Climate Change and Natural Resources, which allows for enhanced coordination of all climate change-related activities.

The fund will also provide grants to line ministries to support climate change-related projects within the government. Initial capitalization of the fund will be provided by US\$5 million from Tonga's Strategic Programme on Climate Resilience supported through the Asian Development Bank.

***Integration of planning and budgeting by Mr Ron Hackett, Public Financial Management Adviser, Pacific Financial Technical Assistance Centre.***

The first part of the presentation covered results and observations of a review of the integration of planning and budgeting in Pacific Island Countries.

The focus of Public Expenditure and Financial Accountability (PEFA) assessments is on systems for public financial management, not budget policy or the quality of spending. PEFA reviews six high-level indicators that measure public financial management (PFM) against global standards of best practice.

In the Pacific countries the time allowed to complete the budget is often too short and a longer period (up to nine-months) is required to prepare the budget. Budget instructions (circulars) from the budget department in the finance ministry need to be comprehensive with clear signals about budget ceilings. Sector strategies are often weak with inadequate cost analysis and therefore difficult to use in the budget process.

The second part of the presentation discussed the reasons for these weaknesses.

- Budget allocations do not reflect government priorities because the plans are not well developed and often do not contain clear budgets.
- Planning and budgeting need to be viewed as a continuous process rather than separate processes.
- In some cases there is a separation of planning, budgeting and aid management functions, with inadequate communication between the different sections.
- A lack of rigour in cabinet procedures may result in instances such as the release of supplemental budgets, or cabinet approved policy changes without any fiscal reviews and assessment of the budget implications.
- The budget process sometimes operates as a bidding process, rather than an emphasis on defining service quality or outcome changes and costing these.
- Both top-down and bottom-up elements should be involved in budgeting. Bottom-up processes enable ministries to communicate their delivery challenges properly, and top-down processes can provide realistic signals about limitations and possibilities.
- There is a proliferation of separate, unconnected documents. This was contrasted with the example of Australia, where departments produce portfolio budget statements that bring together policies, plans and strategies with budgets and forward estimates.

The final part of the presentation presented a range of ideas for improving this situation, including:

- Merge separate planning, aid management and budget units, or if this is not appropriate, then facilitating improved coordination between separate units.
- Improve Cabinet procedures, e.g. provide for ministry of finance led fiscal reviews before policy actions are adopted.
- Have one integrated annual budget document linked to policy. Alternatively, if policies, plans and budgets are kept separately, they should be distributed to the public and parliament at same time.
- Rolling 3-4 year plans are preferable to fixed term plans.
- Allow sufficient time for the budget planning process.

Discussion points included:

- There are some weaknesses of the PEFA assessment framework such as procurement where other tools are available. Donors particularly use the PEFA's to assess transparent treasury and procurement procedures.
- PEFA's may be useful tools to link into fiduciary requirements for funds such as the Adaptation Fund.
- Tonga has an active history of engaging with donor partners to prepare a budget support matrix with policy indicators which were jointly developed by government and development partners.
- Capturing off-budget and in-kind contributions is a serious challenge.
- Limited human resources and their mobility is another challenge facing public finance management in Pacific Island countries.

*Small group sessions to share experiences with programming and budgeting for climate change in national processes and to prepare questions for the Expert panel were conducted.*

### *Expert panel session on climate finance*

The panel consisted of:

- Asian Development Bank (ADB): Mr Saia Faletau, Focal Officer, ADB/World Bank Tonga Joint Office
- Pacific Financial Technical Assistance Centre (PFTAC): Mr Ron Hackett, Public Financial Management Adviser
- Pacific Islands Forum Secretariat (PIFS): Mr Scott Hook, Economic Infrastructure Advisor, and Mr Exsley Tabouri, Climate Change Coordination Officer
- Secretariat of the Pacific Regional Environment Programme (SPREP): Dr Netatua Pelesikoti, Director, Climate Change Division

- United Nations Development Programme (UNDP): Mr Kevin Petrini, Regional Climate Change Advisor

Responses to the questions posed by the participants are summarised below:

- The Majuro Declaration will be presented to the next meeting of the United Nations General Assembly, and will reflect the combined desire of Pacific Island leaders to increase global awareness about the impacts of climate change on Pacific Island Countries.
- An example of how regional partners, donors and government coordinated their efforts in Tonga include:
  - After the global financial crisis the government of Tonga worked with development partners to prepare a budget support policy matrix and a reform roadmap; these documents now have the confidence of all donor partners.
  - In 2009, development partners worked with the government of Tonga to develop an energy roadmap.
- Country allocations of donor funds: At the international level, the Global Environment Facility (GEF) does not have budgets for countries, but sets country indicative allocations. Regional and national allocations can be applied for within these indicative figures. There is sometimes a view that regional organisations are competing with countries for resources, but there are separate streams of funds going bilaterally and multilaterally. At the country level, allocation is often dependent on delivery.
- NGOs can access funding through small grants programmes e.g. under GEF, AusAID and USAID. The real challenge for NGOs and communities is in understanding the complex climate finance landscape when they have only limited capacity.
- There were differing views about climate change trust funds. On the one hand a national climate change trust fund may add value, but on the other hand, if not properly designed, funds can disappear and go off-budget.
- Regional organisations are working to collaborate in their delivery of climate change assistance such as through the Working Arm of the CROP Executive Committee for Climate Change. Countries need to alert development partners about their priorities. A donor database has been prepared with support from SPREP and SPC to identify specific requirements for accessing funds from different donors.
- There was considerable discussion about whether climate change should be centralised in a country. It was generally agreed that there are challenges with centralisation. Climate change is cross sectoral, so it may be better to create a coordinating function within a finance ministry that would then work with regular finance staff that have responsibilities for specific line ministries.
- Civil servants need to provide good advice to parliamentarians to help them understand the complex climate change finance agenda.

- Access to climate change financing requires sound national systems, clear plans and policies, strong institutional systems, adequate resourcing and staffing of departments, regular reporting processes, and sound PFM systems. Maintaining donor confidence is critical.
- The benefits of south-south cooperation and exchange are recognised and further opportunities exist for maximisation.
- There is no one model for accessing climate funds, rather country-specific processes have to be incorporated into the design process.
- Countries were encouraged to use the regional organisations to advance their national needs.
- Countries wishing to become a national implementing entity under the Adaptation Fund were advised that it is a complex process and no Pacific Island countries have yet been accredited. However, it is a worthwhile process since it develops capacity, supports overall systems for handling climate finance, and connects to the broader reform agenda for climate finance. Furthermore similar fiduciary requirements may be needed for the new Green Climate Fund's direct access modality. UNDP's Climate Public Expenditure and Institutional Review (CPEIR) provides a useful framework for assessing options. SPREP is preparing a guidance document based on their experiences with seeking to become a regional implementing entity under the Adaptation Fund.

## **2.2 Presentations and Discussion on Day 2, 26<sup>th</sup> September 2013**

*Overview of climate finance: sources, channels, modalities and challenges by Mr Aaron Atteridge, Climate Change Adviser, GCCA: PSIS project.*

This presentation outlined the complexity of climate finance and the form in which it is delivered to countries. The main sources are from industrialised countries' national budgets, bilateral and multilateral finance institutions, the private sector and domestic budgets of developing countries. Analysis showed that among the dedicated climate funds supporting adaptation, the GCCA was the second highest (after the Pilot Program on Climate Resilience).

Discussion points included

- One of the most contentious issues is to try and clarify what percentage is "new" money rather than "old" money re-labelled. The grey areas between Official Development Assistance and Climate Change Funds exacerbate the challenges of ever developing a simplified model for accessing resources.
- PIFS official position is to urge donors to differentiate Official Development Assistance and Climate Change Funding.

- PIFS noted the Nauru case study showed that 80% of climate change funds were sourced from bilateral arrangements. This would indicate that countries need to strengthen their bilateral relationships.
- Multilateral funding agencies receive a fee for acting as implementing agencies, so it is in the interests of countries to seek accreditation in order to fully benefit from the funding.
- There is an imbalance between mitigation and adaptation with about 80% of the funds being used for mitigation. In the Pacific region adaptation is more important
- Other items discussed included the lack of clear principles for sharing the funds between countries, and possible changes in delivery modes, e.g. from loans to grants.

***Accessing climate change funds via budget support using the Global Climate Change Alliance by Mr George Plant, Budget Support Specialist, 4 Assist Network of Experts***

When the GCCA was initially established, it was envisaged that budget support should be the main modality. However, only about 25% of the projects are delivered through budget support. The presentation outlined the criteria for budget support and emphasised the importance of dialogue between the government and the donor. Direct budget support indicates a trust relationship between the donor and the recipient country and an endorsement of government policy. It is also a way to improve domestic accountability. Funds go directly to the Treasury without any intermediary and the donor bears the blame if anything goes wrong. In 2010 there was a 10-year review of budget support and new guidelines were prepared in 2012 which are more stringent.

Discussion points included:

- There was discussion about the direct budget support for the Solomon Islands despite their being assessed as unsuitable in 2007. It was clarified that a V-Flex ad hoc mechanism was requested that established donor involvement in reforms.
- In response to a question about whether direct budget support can be channelled to a trust fund, there was further discussion relating to donors' uneasiness with trust funds given their past experience.
- Some participants felt the requirements for climate finance were too rigorous. However assistance is available from several of the CROP and United Nations agencies; also as part of the EU's budget support response, technical assistance may be requested.
- There are also areas of commonality between different the modalities, e.g. budget support and accreditation to the Adaptation Fund, such that becoming accredited to the Adaptation Fund may also prepare a country for receiving budget support and vice versa.

***Global Climate Change Alliance sector budget support – the case of Samoa by Ms Frances Reupena, Water and Sanitation Sector, Ministry Natural Resources and Environment, Samoa***

The presentation covered Samoa's experience in developing a coordinating mechanism that consolidates priorities across line ministries, corporations and NGOs; sets priorities for government, establishes sector reform, links policies to budgets, and creates a 3-year rolling budget process. This was achieved over a number of years and is a continual learning process. Climate change funding is channelled through the national Treasury system into a centralised account and then dispersed to sectors for the implementation of prioritised activities. The importance of developing trust between development partners and governments was emphasised.

Discussion points included:

- The water sector is the first sector in Samoa to get direct budget support and is viewed as a test case. Other sectors, e.g. education are now interested in following a similar path.
- Partnerships between government sectors and communities are difficult to establish in some countries. In Samoa the Ministry of Natural Resources and Environment establishes performance agreements with NGOs to filter assistance to the communities. In their experience it is all about relationships.
- Regarding relationships, it is helpful that the EU has a technical office in Samoa.

***Global Climate Change Alliance general budget support – the case of Solomon Islands by Mr Chanel Iroi, Under Secretary, Ministry of Environment, Climate Change, Disaster Management and Meteorology, Solomon Islands***

The presentation described the Solomon Islands experience with direct budget support including the different conditions for disbursements of the fixed and variable tranches. Despite the benefits to the country of direct budget support, it was felt that the lack of understanding at the sectoral and national level about direct budget support means that in the future sector budget support might be preferable for the Solomon Islands.

Discussion points included:

- The need for close collaboration between the line ministry and the finance ministry so as to get funds released to the line ministry in a timely manner.
- The line ministry, in this case the Ministry of Environment, Climate Change, Disaster Management and Meteorology, still has to bid along with other ministries for their allocation.
- Institutional arrangements may have to be adjusted for changes in government.

***Global Climate Change Alliance general budget support – the case of Mauritius presented by Mr George Plant on behalf of Ms Usha Beegun Ramdany, Senior Analyst, Ministry of Finance and Economic Development, Mauritius***

Mauritius has a long history of direct budget support from the EU since 2004 and 98% of their assistance from the EU comes through direct budget support. Their macroeconomic framework, public finance management and policy reforms are regularly assessed and have shown satisfactory progress. Their GCCA budget support programme is well on track and the specific conditions include a new building control bill and an energy efficiency bill.

***Small group session: Key lessons for climate change finance through general and sector budget support***

Some points emerging from the small group discussion sessions were:

- In Niue a programmatic approach is adopted such that funding from New Zealand is programmed over a three year period, at the end of which another commitment is negotiated. The approach has been a programmatic one.
- In Marshall Islands budget support is via the Compact Agreement with the USA but there is little flexibility or scope for changes.
- Cook Islands carried out an institutional and financial review process supported by the EU. A donor roundtable and accountability process has been established which has helped to build donor confidence. They are now considering sector budget support for the sanitation sector and general budget support.
- Tuvalu noted that they receive direct budget support from a non-traditional donor, the Republic of China.
- Tonga and FSM noted little support for establishing trust funds, which as previously discussed are not well supported by donor partners due to a lack of transparency over the reporting of funds.

***Building a risk ethic: Caribbean Climate On Line Risk and Adaptation Tool (CCORAL) by Mr Joseph McGann, Caribbean Programme Manager, EU Intra-ACP GCCA Caribbean Project, Caribbean Community Climate Change Centre***

The Caribbean Climate On Line Risk and Adaptation Tool seeks to install a risk management ethic in the Caribbean Community. The tool will assist ministries of finance, planning and economic development, together with civil society, private sector and communities, in making climate resilient development decisions. Training is being provided to decision makers as the tool is about to be rolled out. The tool was developed by the UK firm

Acclimatise. It can be used for specific development projects e.g. whether to raise the height of the road link from Kingston Airport (Jamaica) to the mainland.

Discussion points included:

- The tool first determines the risk level and then this triggers different scenarios for the user to select, so whilst there is some level of quality control, results will also depend on the user.
- A database of experts is being established in the region.
- Completion, training and roll out of the tool will cost a total of USD 1.1 million.
- The Caribbean Catastrophic Risk Insurance Facility has participated in the development of tool.

### **2.3 Presentations and Discussion on Day 3, 27<sup>th</sup> September 2013**

*Introduction to the final day: How can the GCCA: PSIS Project assist countries seeking to use budget support modalities for climate finance? Dr Gillian Cambers, Project Manager, GCCA: PSIS Project*

This short presentation outlined the different aspects of mainstreaming:

- **climate change objectives are present** in national development and environment policies, as well as in key sectoral policies
- **policies and plans are coherent on the issue of climate change**
- **specific climate-related activities** are contained in these documents
- **responsibilities for responding to climate change** are defined
- **activities are budgeted**
- **clear mechanisms for reporting, monitoring and evaluation** exist
- policies, plans and proposed activities are accepted, supported and promoted **by a wide spectrum of stakeholders**, including civil society

The different types of support that can be provided by the GCCA: PSIS project for advancing budget support were outlined: technical assistance to strengthen sector/national planning that incorporates climate change; specific national requests for technical assistance relating to climate finance, e.g. accreditation as a national implementing entity under the Adaptation Fund; training and attachments.

*Overview of the regional review into national and sector policies in relation to budget support modalities by Mr Matt McIntyre, Sustainability Planner, Planning for Sustainable Development and Ms Frances Toomey, Strategic Planner, Planning for Sustainable Development*

Drafts of climate change mainstreaming profiles were provided to each country. These were based on a review of the national and sector policies and plans in each country and the extent

to which climate change is mainstreamed. The profiles included an appraisal of the links between policy platforms and public finance management systems, finance modalities and budgeting. Non-availability of targeted information was a key constraint in the preparation of these profiles. While sufficient information was available to appraise policy development, limited information was available on links to budgeting processes, priority setting annual or mid-term budgets. There is however some promising work across the Pacific to rectify this situation. The results showed a high-level political commitment to climate change and it was consistently highlighted in national and sector plans and policies although usually as an environmental issue. Linkages between national development plans and sector plans and policies need clearer definition and generally there are few implementation plans backed up by monitoring and evaluation frameworks.

Discussion points included:

- There was a discussion about the amount of funds that can be delivered by direct budget support. Budget support for GCCA projects has ranged between €1 million in Seychelles to €3 million in Rwanda. However, in many countries there is a history of larger amounts being provided through direct budget support not linked to climate change. Samoa's experience was that there were no set thresholds rather a case by case basis was adopted involving dialogue and negotiations.
- There was discussion about how donor funding can be used to directly address country priorities. In Tonga's experience, the existence of clear policies and plans, e.g. with the JNAP, meant that development partners are willing to come to the table to listen and negotiate.

***Small group session: Countries planning future work for accessing climate change finance including through budget support.***

Participants worked in national small groups to:

- Review the draft country mainstreaming profiles and identify any gaps in information

Then, given that meeting the criteria for budget support will also equip countries for other forms of climate finance (e.g. trust funds, NIE accreditation), they worked to:

- Identify what are the country's next steps to improve accessing climate finance via non-project modalities (e.g. budget support, national trust funds, international facilities)
- Identify specific actions to meet your priorities for accessing climate finance through your preferred modalities over the next two years
- Identify how the SPC GCCA: PSIS, ADB, PFTAC, PIFS, SPREP, UNDP can help with the next steps.

The feedback from the small group discussion sessions is summarised below.

### ***Cook Islands***

- Further work is required to consult with other colleagues about the Climate Change Mainstreaming Profile although there was “in principle” agreement with the recommendations. They plan to try and get political buy-in to support the recommendations of the profile.
- The climate change policy and the national policy need to be better aligned and the need for capacity building needs to be addressed.
- There is a need for a regional approach by Pacific leaders to consolidate mechanisms to access climate change funding at the national, regional and international level.

### ***FSM***

- FSM identified renewable energy and the water sector as the sectors most advanced.
- They proposed developing a water sector plan (with a clear narrative, budget, prioritised investment plan and M&E framework) for one state and to use this as a model for the other states of FSM. (This could be linked to the ongoing GCCA: PSIS adaptation project in Yap which is focused on the water sector).
- FSM are re-evaluating their strategic development plan and are very much interested in budget support. PFTAC is supporting FSM to undertake a PEFA assessment and develop a PFM roadmap in 2012-2014. Support from PIFS has been requested to prepare a macroeconomic framework.

### ***Kiribati***

- Kiribati is working with PFTAC and ADB to advance and complete their PFM roadmap.
- The National Climate Change Framework needs to be linked to the Kiribati Joint Implementation Plan.
- They propose to have more regular development partner roundtables so as strengthen the relationship and dialogue with development partners.

### ***Marshall Islands***

- Marshall Islands saw the need to improve communications across government ministries and also between government and development partners.
- Establishing a ministry for climate change and energy is under consideration.
- They would like to receive technical assistance to incorporate climate change into the Compact Agreement, particularly energy and infrastructure
- They recognised there was a need for an implementation plan for the National Development Policy and also to align climate change across national policies and sector plans.

### ***Nauru***

- Nauru noted that there were several other documents that should be included in the Climate Change Mainstreaming Profile.
- In the macroeconomic context Nauru needs to move away from reliance on secondary phosphate mining and servicing the asylum seekers.
- They identified a need for more engagement with development partners.
- Technical assistance is required to incorporate climate change into national and sector plans, to undertake M&E, and to fully incorporate climate change into the national budget process so that all climate change expenditures can be fully tracked.

### *Niue*

- Establishment of a Climate Change Division under the Department of the Environment has been approved.
- Linking policy and public finance management, improving coordination among sectors and improved M&E were seen as key needs
- Next steps included establishing better linkages between plans and budgets and strengthening engagement with development partners.
- Niue was interested in identifying trust fund options.

### *Palau*

- They expressed gratitude for the Climate Change Mainstreaming profile especially as it can supplement existing institutional memory.
- Palau's next steps include completion of the climate change policy, preparation of an investment plan and national steering committee for the JNAP, preparation of a ten-year tourism plan, and several sector specific activities including investigation of a green fee for climate change.
- Palau was also interested in pursuing NIE accreditation
- One goal is to respond to those regional and international initiatives that will provide most benefit to Palau.

### *Tonga*

- Tonga have their own climate change trust fund and they are looking at this to supplement sector specific activities especially at the community level.
- NIE accreditation is another area they would like to progress, particularly how this could also help them access other forms of funding such as direct budget support.
- They plan to continue strengthening national systems, mainstreaming climate change into sector policies, and encouraging development partners to use their national systems.

### *Tuvalu*

- Tuvalu identified several ongoing activities including passage of the procurement act, expenditure control, and compliance and enforcement issues.
- They recognised a need to strengthen dialogue with development partners

- One proposal was to access technical assistance incorporate climate change and the different financing modalities into the Tuvalu Trust Fund.

### *Closing of the Meeting*

Following the country presentations, development partners had the opportunity to respond on ways they could assist countries. The workshop was closed by Ms Lu'isa Tu'i'afitu-Malolo who thanked everyone for participating and noted particularly the support of the EU for funding this meeting.

### *Evaluation of the Meeting*

The results of the meeting evaluation are presented as Annex 3. Around 80% of the participants found the presentations and the expert panel very useful and interesting. In particular the participants singled out the exchange of experiences with countries from the Pacific (Samoa and Solomon Islands) which had already accessed budget support as being particularly useful. They also highlighted the Caribbean risk management tool as having potential for the Pacific.

“Experience from other Pacific Island Countries with budget support is very helpful as the lessons learnt will help those without budget support in making well informed decisions on the funding modalities available and most viable and applicable to the respective Pacific Island Countries”.

“The CCORAL tool presented by Mr McGann from Jamaica may be useful for Pacific countries to adopt. This is one way of consolidating information which is currently scattered in many countries throughout various ministries”.

Most of the participants found the small group planning session on the third day useful:

“I think this was the most useful of all the exercises because it helped me to narrow down (identify) more specific next steps and how the regional agencies may be able to help with some of them.”

The GCCA: PSIS project together with other development partners will continue to work with the countries in the area of climate change finance.

### Annex 1 Participant List

| Country/ Organisation | Name                 | Position   | Email  |
|-----------------------|----------------------|--|--|
| Cook Islands          | Dr Teina Rongo,      | Climate Change Advisor Cook Islands, Office of the Prime Minister  | teina@pmoffice.gov.ck;<br>teina.rongo@cookislands.gov.ck   |
| Cook Islands          | Ms Dorothy Solomona  | Director, Pearl Support Division, Ministry of Marine Resources   | <a href="mailto:d.solomona@mmr.gov.ck">d.solomona@mmr.gov.ck</a> ;<br><a href="mailto:dorothy.solomona@cookislands.gov.ck">dorothy.solomona@cookislands.gov.ck</a> |
| Cook Islands          | Mr George Turia      | EU Programme Manager, Development Coordination Division, Ministry of Finance and Economic Management   | george.turia@cookislands.gov.ck  |
| FSM                   | Mr John Sohlieth     | Deputy Director, Yap Resources and Development   | jsrd@mail.fm   |
| FSM                   | Mr Gillian Doone     | Assistant Director for Overseas Development Assistance, Statistics, Budget, and Economic Management, Division of Budget, Ministry of Finance | gdoone@sbc.fm  |
| Kiribati              | Mr Tebao Awerika     | Permanent Secretary, Office of the President   | awerika@ob.gov.ki  |
| Kiribati              | Mr Tokira Korieta    | Ministry of Finance and Economic Development   | korietatokira0@gmail.com   |
| Marshall Islands      | Mr Ywao Elanzo       | Finance Advisor, Office of Environmental Planning and Policy Coordination  | elanzo28@gmail.com;<br>ye28@yahoo.com  |
| Marshall Islands      | Mr Jefferson Bobo    | Civil Engineer, Ministry of Public Works   | <a href="mailto:jefferson.bobo@gmail.com">jefferson.bobo@gmail.com</a>   |
| Marshall Islands      | Mr Waylon Muller     | Chief of Procurement and Supply, Ministry of Finance   | prosupply@ntamar.net   |
| Nauru                 | Ms Claudette Wharton | Project Office/GCCA, Department of Commerce, Industry and Environment  | claude.s.wharton@gmail.com   |
| Nauru                 | Ms Lucy Duburiya     | Secretariat, Department of Commerce Industry and Environment   | lucy.duburiya@naurugov.nr  |
| Nauru                 | Mr John Limen        | Ministry of Finance  | john.limen@naurugov.nr   |

| <b>Country/ Organisation</b> | <b>Name</b>                 | <b>Position</b>  | <b>Email</b>   |
|------------------------------|-----------------------------|--|--|
| Niue                         | Ms Doreen Siataga           | Accountant, Department of Treasury   | doreen.siataga@mail.gov.nu   |
| Niue                         | Mr Haden Talagi             | PACC Project Coordinator, Department of Environment  | haden.talagi@mail.gov.nu   |
| Palau                        | Ms Charlene Mersai          | National Environmental Planner and Climate Change Coordinator, Office of Environmental Response and Coordination | charmairsai@gmail.com  |
| Palau                        | Ms Clarissa Adelbai         | Grants Manager, Water and Wastewater Operations  | Adelbai@palauwsc.com   |
| Palau                        | Ms Judy Dean,               | Grants Coordinator, Office of the President  | judyd@palaugov.org   |
| Tonga                        | Mr Asipeli Palaki           | CEO, Ministry of Lands, Environment, Climate Change and Natural Resources (MLECCNR)                              | apalaki@gmail.com  |
| Tonga                        | Ms Lu'isa Tu'i'afitu-Malolo | Deputy Director Climate Change, MLECCNR  | <a href="mailto:ltuiafitamalolo@gmail.com">ltuiafitamalolo@gmail.com</a> |
| Tonga                        | Ms Lupe Matoto              | Deputy Director Environment, MLECCNR   | <a href="mailto:lupe.matote@gmail.com">lupe.matote@gmail.com</a>         |
| Tonga                        | Mr Sione Fulivai            | Climate Change Finance Officer, JNAP Secretariat, MLECCNR  | <a href="mailto:talo_is@hotmail.com">talo_is@hotmail.com</a>             |
| Tonga                        | Mr Manu Manuofetoa          | Climate Change Coordinator Tonga, MLECCNR  | <a href="mailto:manuofetoa_m@yahoo.com">manuofetoa_m@yahoo.com</a>       |
| Tonga                        | Ms Balwyn Fa'otusia         | Acting CEO, Ministry of Finance and National Planning  | <a href="mailto:bfaotusia@finance.gov.to">bfaotusia@finance.gov.to</a>   |
| Tonga                        | Sunia Masalu                | Project Officer, Ministry of Finance and National Planning   | <a href="mailto:soamasalu@gmail.com">soamasalu@gmail.com</a>             |
| Tonga                        | Pesalili Tu'iano            | Director for Engineering, Ministry of Infrastructure   | <a href="mailto:pesalilituiano@gmail.com">pesalilituiano@gmail.com</a>   |
| Tonga                        | Sifa Malolo                 | (Acting Secretary)- Ministry of Foreign Affairs  |  |
| Tonga                        | Losana Latu                 | Conservation Officer, MLECCNR  | <a href="mailto:latulosana@gmail.com">latulosana@gmail.com</a>           |
| Tonga                        | Siosi Fifita                | Administrative Assistant, MLECCNR  | <a href="mailto:joycefifita@gmail.com">joycefifita@gmail.com</a>         |

| <b>Country/ Organisation</b>                                      | <b>Name</b>           | <b>Position</b>  | <b>Email</b>  |
|---|-----------------------|--|---|
| Tuvalu  | Mr Faoliu Teakau      | National Climate Change Coordinator, MLECCNR   | fteakau@gmail.com   |
| Tuvalu  | Mr Temate Melitiana   | Permanent Secretary, Ministry of Finance   | tmelitiana@gov.tv   |
| Solomon Islands   | Mr Chanel Iroi        | Under Secretary, Ministry of Environment, Climate Change, Disaster Management and Meteorology        | c.iroi@met.gov.sb   |
| Samoa   | Ms Frances Reupena    | Water and Sanitation Coordinator, Ministry Natural Resources & Environment                           | frances.reupena@mnre.gov.ws   |
| Asian Development Bank  | Mr Saia Faletau       | Focal Officer, ADP/World Bank Tonga Joint Office   |   |
| Asian Development Bank  | Ms Ana Fonoa          | ADB consultant in Tonga, and National Team Leader, ADB Tonga Strategic Program on Climate Resilience | <a href="mailto:anabinyfonua@gmail.com">anabinyfonua@gmail.com</a>  |
| Pacific Islands Forum Secretariat                                 | Mr Exsley Taloiburi   | Climate Change Coordination Officer  | ExsleyT@forumsec.org.fj   |
| Pacific Islands Forum Secretariat                                 | Mr Scott Hook         | Economic Infrastructure Advisor  | scotth@forumsec.org.fj  |
| Pacific Financial Technical Assistance Centre                     | Mr Ron Hackett        | Public Financial Management Adviser  | RHackett@imf.org  |
| Secretariat of the Pacific Regional Environment Programme (SPREP) | Dr Netatua Pelesikoti | Director, Climate Change Division  | netatuap@sprep.org  |
| United Nations Development Programme                              | Mr Kevin Petrini      | Regional Climate Change Advisor  | kevin.petrini@undp.org  |
| Caribbean Community Climate Change Centre                         | Mr Joseph McGann      | Caribbean Programme Manager, EU ACP GCCA Caribbean Project   | <a href="mailto:jomac31@yahoo.com">jomac31@yahoo.com</a> and <a href="mailto:jmcgann@caribbeanclimate.bz">jmcgann@caribbeanclimate.bz</a> |
| Planning 4 Sustainable Development                                | Mr Matt McIntyre      | Sustainability Planner, Planning 4 Sustainable Development, Australia                                | mattmcintyre@planning4sd.com  |
| Planning 4 Sustainable Development                                | Ms Frances Toomey     | Strategic Planner, Planning 4 Sustainable Development, Australia                                     | francestoomey@planning4sd.com   |

| <b>Country/ Organisation</b> | <b>Name</b>                 | <b>Position</b>   | <b>Email</b>   |
|------------------------------|-----------------------------|---|--|
| 4Assist Network              | Mr George Plant             | Consultant, 4Assist Network of Experts, Australia   | georgeplant@ninet.nf                                   |
| F&P Consulting               | Ms Chiara Faglia            | Monitoring & Evaluation Consultant, F & P Consulting, Austria                               | fp.consulting@iname.com                                |
| SPC                          | Dr Gillian Cambers          | Project Manager, GCCA: PSIS   | <a href="mailto:GillianC@spc.int">GillianC@spc.int</a> |
| SPC                          | Ms Juliana Ungaro           | Climate Change Adviser, GCCA: PSIS  | <a href="mailto:Julianau@spc.int">Julianau@spc.int</a> |
| SPC                          | Ms Pasha Carruthers         | Climate Change Adviser, GCCA: PSIS  | <a href="mailto:PashaC@spc.int">PashaC@spc.int</a>     |
| SPC                          | Mr Sheik Irfaan             | Finance Officer, GCCA: PSIS   | <a href="mailto:SheikI@spc.int">SheikI@spc.int</a>     |
| SPC                          | Mr Sanivalati Tubuna        | Project Liaison Officer, GCCA: PSIS   | sanivalati@spc.int                                     |
| SPC                          | Mr Aaron Atteridge          | Climate Change Adviser, GCCA: PSIS  | aarona@spc.int   |
| SPC                          | Ms Victorina Loyola-Joab    | Administrative Assistant, GCCA: PSIS  | victorinalj@spc.int                                    |
| SPREP                        | Ms Tagaloa Cooper-Halo      | Climate Change Coordination Adviser, GCCA: PSIS   | tagaloac@sprep.org                                     |
| SPC                          | Mr Sean Hobbs               | Climate Change Communications and Information Officer, SEPPF                                | <a href="mailto:SeanH@spc.int">SeanH@spc.int</a>       |
| SPC                          | Ms Colleen Oakes            | Monitoring & Evaluation Officer, SEPPF  | ColleenO@spc.int                                       |
| SPC                          | Mr Andrea Volentras         | Climate Change Advisor, Noumea  | andreav@spc.int  |
| SPC                          | Mr Kilifi Talakatoa O'Brien | Assistant Secretary, Ministry of Home Affairs, Tuvalu; recipient of Greg Urwin Award at SPC | kilifiobrien@gmail.com                                 |

## Annex 2 Meeting Agenda

| <b>25<sup>th</sup> September 2013: Setting the context for climate change finance</b> |  |
|---|--|
| <b><i>Opening ceremony and introductions</i></b>                                      |  |
| 09.00 – 9.30  | <p style="text-align: center;">Opening ceremony</p> <p>Chair-person: Ms Lu'isa Tu'i'afitu-Malolo, Deputy Director Climate Change, Ministry for Lands, Environment, Climate Change and Natural Resources.</p> <p>Opening Prayer: Rev. Penisimani Pisila</p> <p>Opening address: Lord Ma'afu Tukui'aulahi, Minister for Lands, Environment, Climate Change and Natural Resources</p>   |
| 09.30 – 10.00   | <p>Introduction to the Global Climate Change Alliance: Pacific Small Island States project</p> <p style="text-align: center;">Dr Gillian Cambers, Project Manager, GCCA: PSIS Project</p>  |
| 10.00 – 10.30   | MORNING TEA  |
| <b><i>Icebreaker and Climate finance address</i></b>                                  |  |
| 10.30 – 11.00   | <p>Icebreaker and introductions</p> <p style="text-align: center;">Ms Pasha Carruthers, Climate Change Adviser, GCCA:PSIS Project</p>  |
| 11.00 – 11.45   | <p>Climate change finance</p> <p style="text-align: center;">Ms Pilimilose Balwyn Fa'otusia, A/g Chief Executive Officer, Ministry of Finance and National Planning, Tonga</p>   |
| <b><i>Sectoral planning and budget analysis</i></b>                                   |  |
| 11.45 – 12.30   | <p>Integration of planning and budgeting</p> <p style="text-align: center;">Mr Ron Hackett, Public Financial Management Adviser, Pacific Financial Technical Assistance Centre</p>   |
| 12.30 – 1.30  | LUNCH  |
| <b><i>Expert panel session on climate finance</i></b>                                 |  |
| 1.30 – 2.15   | Small group session to share experiences with programming and budgeting for climate change in national processes   |
| 2.15 – 2.45   | Small group session to prepare questions for the Expert panel  |
| 2.45 – 3.00   | AFTERNOON TEA  |
| 3.00 – 4.30   | <p>Expert panel session:</p> <p>Asian Development Bank (ADB): Mr Saia Faletau, Focal Officer, ADB/World Bank Tonga Joint Office</p> <p>Pacific Financial Technical Assistance Centre: Mr Ron Hackett, Public Financial Management Adviser</p> <p>Pacific Islands Forum Secretariat: Mr Scott Hook, Economic Infrastructure Advisor, Mr Exsley Tabouri, Climate Change Coordination Officer</p> <p>Secretariat of the Pacific Regional Environment Programme: Dr Netatua Pelesikoti, Director, Climate Change Division</p> <p>United Nations Development Programme: Mr Kevin Petrini, Regional Climate Change Advisor</p> |

|      |                                |
|------|--------------------------------|
| 4.30 | Day 1 close                    |
| 7.00 | Welcome dinner at Scenic Hotel |

| <b>26<sup>th</sup> September 2013: Experiences with budget support modalities for climate change finance</b> |  |
|--|--|
| <i>Climate finance overview and criteria for accessing budget support</i>                                    |  |
| 9.00 – 9.30  | Overview of climate finance: sources, channels, modalities and challenges<br>Mr Aaron Atteridge, Climate Change Adviser, GCCA:PSIS Project   |
| 9.30 – 10.30   | Accessing climate change funds via budget support using the Global Climate Change Alliance<br>Mr George Plant, Budget Support Specialist, 4Assist Network of Experts   |
| 10.30 – 11.00  | MORNING TEA  |
| <i>Sharing experiences with climate change finance through budget support within the GCCA</i>                |  |
| 11.00 – 11.45  | Global Climate Change Alliance sector budget support – the case of Samoa<br>Ms Frances Reupena, Water and Sanitation Sector, Ministry Natural Resources and Environment, Samoa   |
| 11.45 – 12.30  | Global Climate Change Alliance general budget support – the case of Solomon Islands<br>Mr Chanel Iroi, Under Secretary, Ministry of Environment, Climate Change, Disaster Management and Meteorology, Solomon Islands      |
| 12.30 – 1.30   | LUNCH  |
| 1.30 – 2.15  | Global Climate Change Alliance general budget support – the case of Mauritius<br>Presented by Mr George Plant on behalf of Ms Usha Beegun Ramdany, Senior Analyst, Ministry of Finance and Economic Development, Mauritius |
| <i>Small group sessions to discuss budget support</i>  |  |
| 2.15 – 2.45  | Small group session: Key lessons for climate change finance through general and sector budget support  |
| 2.45 – 3.00  | AFTERNOON TEA  |
| 3.00 – 4.00  | Small group session continued: Key lessons for climate change finance through general and sector budget support and report back to Plenary   |
| <i>Risk management</i>   |  |
| 4.00 – 4.45  | Building a risk ethic: Caribbean Climate On Line Risk and Adaptation Tool (CCORAL)<br>Mr Joseph McCann, Caribbean Programme Manager, EU Intra-ACP GCCA Caribbean Project, Caribbean Community Climate Change Centre        |
| 4.45   | Day 2 close  |

|  |                                     |
|--|-------------------------------------|
|  | Evening – participants on their own |
|--|-------------------------------------|

| <b>27<sup>th</sup> September 2013: Advancing the use of budget support for climate change finance</b>      |  |
|--|--|
| <i>Readiness for climate change finance through budget support: regional overview</i>                      |  |
| 9.00 – 9.30  | Introduction to the final day: How can the GCCA: PSIS Project assist countries seeking to use budget support modalities for climate finance?<br>Dr Gillian Cambers, Project Manager, GCCA: PSIS Project  |
| 9.30 – 10.30   | Overview of the regional review into national and sector policies in relation to budget support modalities<br>Mr Matt McIntyre, Sustainability Planner, Planning for Sustainable Development<br>Ms Frances Toomey, Strategic Planner, Planning for Sustainable Development |
| 10.30 – 11.00  | MORNING TEA  |
| <i>Small group session to plan future work for accessing climate change finance through budget support</i> |  |
| 11.00 – 12.30  | Small group session: Countries planning future work for accessing climate change finance including through budget support  |
| 12.30 – 1.30   | LUNCH  |
| 1.30 – 2.30  | Small groups reporting back to plenary   |
| <i>Next steps</i>  |  |
| 2.30 – 3.15  | Future steps and responses from regional projects and organisations<br>Expert Panel (as on Day 1)  |
| 3.15 – 3.30  | AFTERNOON TEA  |
| 3.30 – 4.00  | Workshop evaluation  |
| 4.00 – 4.30  | Workshop closing   |
| 7.00   | Dinner at Liku'alofa Beach Resort  |

### Annex 3 Evaluation of Meeting

Gender Male 23 Female 13

#### Day 1, 25 September 2013

1. How would you rate the Expert Panel session on the afternoon of the first day on a scale of 1-5, with 5 being the highest and 1 the lowest:

Interesting      Ranking of 5: 16 persons  
                         Ranking of 4: 11 persons  
                         Ranking of 3: 5 persons  
                         Ranking of 2: 2 persons  
                         2 persons did not answer

Relevant to my work/project  
                         Ranking of 5: 13 persons  
                         Ranking of 4: 14 persons  
                         Ranking of 3: 3 persons  
                         Ranking of 2: 1 person  
                         4 persons did not answer

#### Comments:

- Experience shared is an essential knowledge gain for my smaller PIC to enable direct budget support modality
- Highly relevant but require further assistance in identifying donor assistance as well as "how" & "what" is required to acquire and & implement budget support for climate change financing.
- It would've been more useful if the panel answered each question as they were posed.
- I think all the panellists were very helpful and knowledgeable and I particularly appreciated that they have had many years of experience in the region
- Excellent (2 responses)
- Very helpful-An eye opener for me given that I come from a climate change background. So I see this meeting very relevant to my area of work
- Database (SPREP) information was very helpful. It helped move the mindset from climate change alone to climate change PLUS finance!!!
- Of all the regional CC finance meetings this has by far been the most rewarding experience due to clarity, and especially forward motion in addressing the PIC needs and gaps.
- Good highlight of issues
- It was a great panel.
- It would have been more interactive if it was in a smaller group than open plenary questions/answers session.
- Suggest to keep this protocol in any future regional workshop or training
- Resource people responded to the questions that were asked from countries excellently

- Insightful and very interested in the "one-stop shop" theory that was presented
- Tonga's example was a good one which indicated the steps needed to handle donors support
- In general a very good idea, but it would have been much better (and more productive) to reverse day 1 and day 2! Starting with the roundtable was not good as not everyone had enough knowledge to understand and ask questions. Too much jargon. Aaron's presentation should have been the 1st thing to "get all on track" on 25 September.
- Such a wonderful discussion session. And an opportunity for us to understand more about how to become eligible to access to budget support.
- Questions could be grouped e.g. financial, projects, budget support, NIE etc.
- Excellent panel members with wide experience. A very good session. Responses were excellent too.
- Very good but should have come after Aaron Atteridge and George Plant's presentation.
- Specific response is helpful but maybe also flexible response on their work they do
- Very informative session from different organisations. Helped understanding on criteria for climate finance eligibility

## Day 2, 26<sup>th</sup> September 2013

2. How did you find the presentations on budget support and the case studies relating to budget support from other small island countries? Please use a scale of 1-5 with 5 being the highest and 1 the lowest.

The presentations were interesting

Ranking of 5: 17 persons  
 Ranking of 4: 14 persons  
 Ranking of 3: 1 person  
 Ranking of 2: 1 person  
 3 persons did not answer

The presentations were useful

Ranking of 5: 19 persons  
 Ranking of 4: 10 persons  
 Ranking of 3: 1 person  
 Ranking of 2: 2 person  
 3 persons did not answer

I heard several things in the presentations that I can use in my work/job

Ranking of 5: 12 persons  
 Ranking of 4: 17 persons  
 6 persons did not answer

3. Please mention two highlights from the presentations that you found particularly interesting:
  - Many participants highlighted the case studies from other Pacific and Caribbean countries:

- Terrific progress by PICs like Samoa, Cook Islands, Tonga. Vulnerability tool - Caribbean. Chanel Iroi & Frances Reupena's presentations - good messages
    - 1) strong locally driven pathways
    - 2) difficult and complex process-takes time and money
  - Experience from other PICs with budget support is very helpful as the lessons learnt will help those without BS in making well informed decisions on the funding modalities available and most viable and applicable to the respective PICs.
  - National experiences from Samoa and Solomon Islands on budget support
  - The case study reinforced the lessons locally.
  - Useful to hear of concrete problems and undertaking of changes within countries for budget support readiness.
  - Good to include presentations from countries implementing budget support modalities
- 10 participants highlighted the Samoa project; additional comments below:
    - Presentation from Samoa- was an excellent 'how to ' case study
    - Samoa especially for covering areas of building capacity and motivation, covering all areas.
    - Presentation of Samoa and other case studies brought it closer to home. Provides a comparative snapshot where we could learn from, and address gaps we still lack.
    - The presentation that was delivered by the Samoan representative and Solomon Island because it clearly reflects the reality of how business are done at the national level
    - Samoa's effort to consolidate their system was encouraging.
    - Samoa presentation - learning from the success of Samoa.
    - Financial Flow chart (SAMOA)
  - 4 participants highlighted the Solomon Islands project, additional comments below:
    - Solomon Islands presentation, learning about the difficulty Solomon Islands encountered in meeting conditions and their response.
  - 4 participants highlighted the CCORAL risk tool described by Mr McGann, additional comments below:
    - CCORAL was very informative and would like to look more into its online tool.
    - The CCORAL presented by Mr Gramm from Jamaica maybe useful for Pacific countries to adopt. This is one way of consolidating information which are currently scattered in many countries throughout various ministries.

Other highlights were as follows:

- Showing at least progress of PFM reform may fast-track or enable direct budget support
  - Clearly highlighting climate change related strategies/activities in existing national or sectoral plans.

- The fact that budget support exist through the EU with regards to overall government operations.
- Began to understand a little on direct budget supports
- Overview of climate finance: sources, channels, modalities, and challenges by Aaron Atteridge.
- My country doesn't use budget support or any other kind of programmed climate financing. We use climate finance via project modalities.
- My country's national budget is through U.S. Compact Funds. Once Compact Funds stop in the future, budget support could be the next step.
- Integration of planning and budgeting.
- Programming and budgeting for climate change in national processes.
- The tools available for assessing national capacity for meeting budget support criteria would be extremely helpful.
- Details on direct budget support & a funding modality for climate change
- Getting to know the standard and progress from Pacific Countries.
- Options and experiences from different countries, including the pathways they went through.
- Amount of work that countries need to do internally.
- Different approaches used by the national governments for budget support from GCCA.
- Good practices can be adopted by countries
- Countries capacities to be enhanced towards directly accessing budget support.
- Pros & Cons –budget support not all easy and always useful modality as it (often) requires major reforms.
- Share their experiences of how they meet the requirements in order to eligible
- Their efforts in making the work done. Set examples to other Pacific Small islands.
- Highlighted gaps that are in our country plans. Enable better understanding of flow of financial modalities of donor and national expectations
- Learnt some new tools and mechanisms that would be useful for our country
- Requirements to be in place to ensure access finance through budget support
- General budget versus sector budget - depends on country situation & the systems to access such support.
- Good to hear from expert studies and findings and relating this to in-country situations
- Interactive session and group work in country groups was very useful.
- Challenge of building up national systems and the long term commitment required. The frustrations on the relationship building and the actions being less than expected
- Budget support help to operate our main public sector like health and education.

### **Day 3, 27<sup>th</sup> September 2013**

4. How did you find the small group planning sessions on the third day:

- Really productive, we were able to understand each place, challenges, way forward and weakness.

- Quite difficult to develop practical actions given the level of expertise and organizational roles of group members
- Good outputs: vetted some profile outcomes and added clarity/corrections, local/national flavour to needs
- It was highly engaging, technical advisors were helpful in clarifying issues for discussion or key lessons to be learnt.
- Very interesting and useful
- Useful to have an expert assisting with the discussions (providing clarification)
- Useful: Having a 3rd party do a rough assessment on existing policies gave us a view on our policies that were not so apparent previously. Gave us clearer ideas on areas within national policies that need to be reformed.
- I think this was the most useful of all the exercises because it helped me to narrow down (identify) more specific next steps and how the regional agencies may be able to help with some of them.
- It was good and useful because we learned about the situation/challenges in other PICs in regards to climate financing and climate change initiatives.
- Excellent (5 responses)
- I find the small group planning session very informative in the sense that it has given me a firsthand experience in planning
- Very useful and effective because we were able to openly share our views and equally important it helps us to better understand experiences from other countries.
- I found it relevant and important to have a regional organization facilitate our group. It helps us focus on the key discussion points.
- Extremely helpful via the lessons learned from within the region and from the Caribbean. Inter-regional experience goes a long way forward adoption and application of these lessons.
- Good and engaging
- Very interesting and useful as I can relate our country's plan to others and try to fill the gaps together with what to do next in the future.
- Need more time to read documents or documents need to be received earlier for discussion in-country in terms of country profiles (drafts)
- Very helpful, very comprehensive.
- Very interesting and a good strategy used by GCCA. Other Regional Organizations should follow this strategy in their meetings, workshops. This gives opportunities for each country to share experience and good practices with others.
- Found this very fruitful as it gathered country stakeholders to talk and ask questions so all will be on the same platform.
- It was effective because it allowed the team to put together what we've learned in the last 3 days and that links with our current systems
- Tasks were not clear. Next time: Short, clear questions and one SPC person per table to help guide discussion. Presentations too long. Next time: clear instructions, 5 mins (timekeeping) max.
- Really useful especially since I do not have a financial background. I now understand some of the financial profile of my own country.
- Ok- but should have been more time to discuss responses from each country with input from donor and regional organisations on how countries can meet/address identified gaps and way forward.

- Weakest aspect, there needed to be better guidance rather than a lot of complicated questions. Maybe fewer questions and more time for long discussions countries don't all need to have a go.
- Quite interesting to discuss the issues that our countries lack.

5. How could the meeting have been improved?

- I thought that the balance of presentations and discussions was good; discussion was perhaps limited by above factors but hard to see how this could be addressed except by getting the right people to the table.
- Attendance level (always hard) balancing: exposure to new younger players, more experienced player across central and sector agencies, donor partner attendees - poor.
- More expert panel answers and question sessions.
- 1. Provide a list of definitions for recurring themes/topics. i.e. Climate Financing, Mainstreaming, etc.. 2. Continue having a non-regional special guest (e.g. Mr Joseph McGann from Caribbean)
- Upon arrival all documents for the meeting should be given to participants prior the meeting.
- Meeting documents must be given to participants prior to the meeting start.
- Perhaps involve more of actual decision makers like members of the Parliament and the likes. It will certainly make support staffs endeavours more appreciated.
- It would be really useful if the presentation and documents e.g. Island Mainstreaming Profiles can be given to participants in advance so that participants can better understand and this may provide a much fruitful and productive feedback discussion
- All is well. Just wanted to thank GCCA team for the great efforts. Well done! And I particularly loved the ice-breaker activities.
- No improvement necessary. However it would be very much appreciated for further follow-up meetings that can build on the discussions raised in Tonga.
- Timing for each presentation.
- More finance people
- For me nothing to be added as this was an excellent, well planned workshop. Everything was discussed well, it will be useful at the work.
- Faster internet for work back in-country -smaller groups to ask expert panel questions
- If the venue is closer to town, more time for the meeting
- Focused, less power point presentations and more group work. To me, this is better than other regional workshops that I attended so far.
- Found the agenda very good, more interaction, less presentations. Venue too far from town.
- Ensure that the right participants attend. But overall a great meeting (2 responses)
- Meeting very well organised with representation from key Development Partners, Regional Organisations etc. Job well done.
- Maybe provide countries with a written matrix of all the details.
- Meeting fine with me.
- Ask country reps to moderate sessions? It's the same people talking most of the time! Time management - sessions should have been kept much shorter and not dragged out as much. I am not sure the main target audience (country reps) was sufficiently "taken along"-a lot of jargon by donors and regional agencies, questions (in small groups) show a lot of country reps do not follow the level of discussions. It would be good if

respective CC Advisors (GCCA) sit down with "their" countries and discuss challenges, gaps and next steps - much more practical face to face assistance needed! Thanks for the interesting workshop!

- Invite ministers, because they are the ones who have the final say in approval of things.
- Logistically - would be great if the venue of the meeting is held in centre of Nukualofa-close to shops, etc. otherwise great and effective arrangements. Thumps up for SPC/GCCA team and local committee members. Thank you.