



CORAL TRIANGLE INITIATIVE

ON CORAL REEFS, FISHERIES AND FOOD SECURITY

Annex –11(b)

Decision Document on

Financial Resources Working Group (FRWG)

The 11thCTI-CFF SENIOR OFFICIALS' MEETING (SOM-11)

2 - 3 December 2015

**The Coral Triangle Information and Learning Center
(the CTI Learning Center) Building
Manado, North Sulawesi, Indonesia**

Adopted on 3rdDecember 2015

by

**the Governments of Indonesia, Malaysia, Papua New Guinea,
the Philippines, Solomon Islands, and Timor-Leste**

I. Background

The Financial Resources Working Group (FRWG) has always maintained its objective for developing a sustainable financial mechanism for all of CTI-CFF work and programmes. Over the years, several measures and initiatives were undertaken towards that objective.

To recap, SOM 10 has approved the following decisions:

1. Acknowledged the progress report of the Financial Resources Working Group.
2. Noted the development of framework for project structuring and prioritization presented in the Situational Assessment and Recommendations Report for further in-depth project design under the financial resources study for approval in the next SOM.
3. Tasked the Coral Triangle Countries to evaluate and complete missing data in the long list of projects compiled through the study on financial resources (Annex 3 and 4 of the Situational Assessment and Recommendations Report) by end of November 2014.
4. Endorsed the following sites for Showcase Projects:
 - a. Malaysia : Tun Mustapha Park and Turtle Island Park
 - b. Papua New Guinea : Kimbe Bay
 - c. Solomon Islands : Choisuel MPA Network
 - d. Timor-Leste : Nino Konis Santana National Park.
5. Noted the following sites for further review by respective member-countries:
 - a. Indonesia : Wakatobi National Park
 - b. Philippines : Palawan and Davao
6. Tasked the FRWG to work with the necessary experts in developing the structure and mechanism of the CTI-CFF Fund or Special Fund in the form of trust or other types of fund as discussed in the Situational Assessment Report for review by the CTI Committee of Senior Officials at its 11th Meeting in 2015.
7. Endorsed the establishment of the CTI-CFF Business Development Unit (BDU) to coordinate initiatives and efforts in financial resources

and business development, and that it is initiated upon agreement of the terms of reference by the FRWG, with progress to be reported to the CTI Committee of Senior Officials at its 11th Meeting in 2015.

8. Acknowledged the Stock-take of CTI-CFF Programs and Projects Final Report and recommended that CTI project pipeline for future investments be guided by the recommendations contained therein.
9. Tasked the FRWG to take advantage of the 3RD CTI-CFF Local Government Network Forum (in Papua New Guinea) and the 4TH CTI-CFF Regional Business Forum (both in 2015) to initiate activities that engage the tourism sector in generating revenues to support CTI regional and/or national priorities.
10. Tasked the FRWG to draft its terms of reference for review by CTI Committee of Senior Officials at its 11th Meeting in 2015.

II. Activities

Following the SOM10 in Timor-Leste, the Financial Resources Working Group (FRWG) has convened a meeting in Manila, Philippines on 19th March 2015 to review the Draft CTI-CFF Financial Architecture Report. The decisions made during the meeting were:

1. The process of prioritizing and costing of the NPOA and RPOA should continue and when possible, the priority sites as endorsed during SOM10 should be costed first. The process should be completed by the third quarter of 2015.
2. The consultant will draft a broad term sheet for a CTI Fund as part of its final report, to be reviewed by the FRWG as a first guideline, for review by CTI CSO at SOM11.
3. Consultants will finalize the structure, mechanisms of the Business Development Unit (BDU) based on the feedback of the FRWG meeting to be reviewed by the FRWG and present at SOM11.

Since then, on 30th March 2015, the final report of the study was submitted to the Chair and on 20th May 2015, it was circulated to all CT6 focal points and CTI Partners for comments.

An earlier GEF medium-sized project proposal entitled “Enhancing Financial, Monitoring and Evaluation Capacity of the CTI-CFF Regional Secretariat” has since been widened in scope, based upon consultation with GEF Secretariat.

ADB, in consultation with CTI-CFF RS, several CT countries, development partners and other stakeholders, has prepared a preliminary concept development proposal entitled “Scaling Up Investments and Sustainable Financing for the Coral Triangle”, which has three (3) components:

1. Component 1: M&E Systems Operational at Regional Scale
2. Component 2: Sustainable Financing Mechanisms
3. Component 3: Investments in Fisheries Value Chain Development

Following SOM10, ADB shall continue to engage with CTI-CF RS, country members and stakeholders to refine the proposal.

III. Decisions

Based on the presentation by the Chair of the Financial Resources Working Group (FRWG) and the ensued discussion in Session 11 for “*Governance Working Group Report*” on progress for FRWG, the Senior Officials, hereby, agreed upon on the following:

1. Adopted the Final Report on the CTI Financial Architecture Study, and be guided by recommendations contained therein;
2. Requested SOM to review the discussion brief “CTI-BDU: Initial Activities” and “Structure and Mechanisms of a CTI Regional Fund” Draft Decision Document both prepared in FRWG March 2015 and submitted at SOM 11, and support continuing design activities related to the CTI Regional Fund;
3. Encouraged member countries to facilitate and complete their NPOA costing exercise;
4. Encouraged Solomon Islands, Timor-Leste, Malaysia and PNG to facilitate scoping and design activities to package “showcase” projects for potential funding under the initial activities of the proposed BDU / Project Preparation Facility;

5. Encouraged Philippines and Indonesia to confirm candidate “showcase” sites for potential funding under initial activities under proposed BDU / Project Preparation Facility;
6. Tasked the Regional Secretariat and countries to facilitate continued development of ADB/GEF concept on “Scaling Up Investments and Sustainable Financing Mechanisms in Coral Triangle”, which, if approved, will provide additional required financing for critical activities related to the Regional Secretariat, and RPOA/NPOA; and
7. Transferred responsibility for FRWG coordination to Regional Secretariat subject to CTI-COM approval.

Attachment:

Attachment 11.2 FRWG Progress Report for SOM-11 (PowerPoint presentation)