



SESSION 11: FINANCIAL RESOURCES WORKING GROUP REPORT

CTI-CFF 11TH SENIOR OFFICIALS' MEETING (SOM11) | 2-3 DEC '15 | MANADO, INDONESIA



**CORAL TRIANGLE
INITIATIVE**
ON CORAL REEFS, FISHERIES AND FOOD SECURITY

presented by: **Chair for FRWG (Indonesia)**

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BACKGROUND

The second meeting of the Financial Resources Working Group (FRWG) in Kuala Lumpur which was held on 19th to 23rd November 2012 started the discussion on the establishment for a “*financial architecture*” of funding mechanism and processes to ensure sustainable long-term financing of the CTI-CFF.

SOMIO DECISIONS

1. Endorsed the following sites for Showcase Projects:

- Malaysia : Tun Mustapha Park and Turtle Island Park
- Papua New Guinea : Kimbe Bay
- Solomon Islands : Choisuel MPA Network
- Timor-Leste : Nino Konis Santana National Park.

2. Noted the following sites for further review by respective member-countries:

- Indonesia : Wakatobi National Park
- Philippines : Palawan and Davao

SOMIO DECISIONS

3. 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.
4. 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.
5. Tasked the **FRWG to draft its terms of reference** for review by CTI Committee of Senior Officials at its 11th Meeting in 2015.

2015 HIGHLIGHTS

2015 HIGHLIGHTS: FRWG MEETING

- ✓ The Financial Resources Working Group (FRWG) have met in Manila, Philippines on 19th March 2015 and reviewed the Draft CTI-CFF Financial Architecture Report.
- ✓ The final report of the study was submitted to the Chair on 30th March 2015 after taking into consideration comments and recommendations from the meeting.
- ✓ On 20th May 2015, it was further circulated to all CT6 focal points and CTI Partners for comments.

2015 HIGHLIGHTS: CONCEPT DEVELOPMENT GEF6

- ❑ Based on the feedback from GEF, the medium-sized project that was proposed during SOM10 (Enhancing Financial, Monitoring and Evaluation Capacity of the CTI-CFF Regional Secretariat) has since been scaled-up.
- ❑ ADB has prepared a concept development proposal -----
“Scaling Up Investments and Sustainable Financing Mechanisms for the Coral Triangle”

2015 HIGHLIGHTS: CONCEPT DEVELOPMENT GEF6

COMPONENT 1: M&E SYSTEMS OPERATIONAL AT REGIONAL SCALE

OUTCOME:

CTI-CFF M&E systems in place to ensure region-wide monitoring, evaluation, knowledge sharing / transfer and support to investment-related decision-making processes

OUTPUTS:

- Indicators developed and internalized within institutions
- Trained users of system at local – national – regional levels
- Databases and mapping tools interoperable between NCCs and RS M&E management capacity strengthened in RS
- Information supports policy and investment-related decisions

2015 HIGHLIGHTS: CONCEPT DEVELOPMENT GEF6

COMPONENT 2: SUSTAINABLE FINANCING MECHANISMS

OUTCOME:

Strengthened long term financial management and resource mobilization capacity of the CT6 national and sub-national governments and CTI-CFF Regional Secretariat

OUTPUTS:

- CTI-CFF Financial architecture endorsed by CTI-CSO
- Project preparation capacity developed and internalized into operations of stakeholder agencies
- CTI-CFF Regional Trust Fund, or similar mechanism defined, endorsed by the CTI-CSO and initiated
- Capacity to manage a Regional Trust Fund developed
- Pipeline of potential priority investment opportunities created and vetted for each TWG (e.g. Seascapes, EAFM, MPAs, CCA and TS)
- Number of programs / projects addressing RPOA/NPOA goals packaged, funded and initiated

2015 HIGHLIGHTS: CONCEPT DEVELOPMENT GEF6

COMPONENT 3: INVESTMENTS IN FISHERIES VALUE CHAIN DEVELOPMENT

OUTCOME:

Candidate sites demonstrate multiple benefits, including:

- % decrease in post harvest losses from baseline
- improved financial, socio-economic and climate resilience
- ecosystems-based approach to fisheries management adopted and supported by USAID-supported CDT system at selected sites
- fisher-inclusive PPPs established to provide market-based and other support services
- diversification of sources of income for fisher-based households in selected areas (e.g. small scale aquaculture, upstream value-added processing, etc.)

2015 HIGHLIGHTS: CONCEPT DEVELOPMENT GEF6

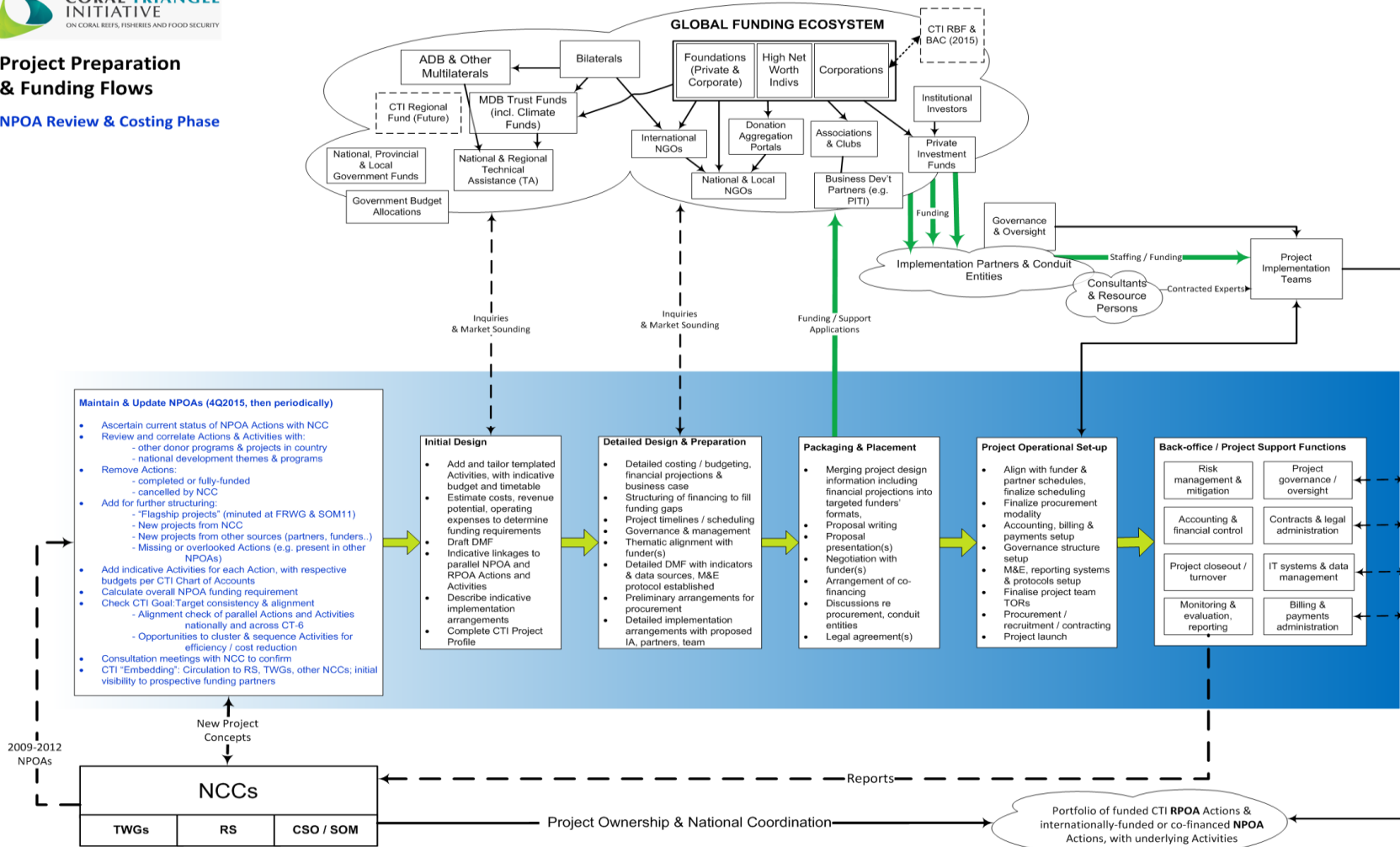
COMPONENT 3: INVESTMENTS IN FISHERIES VALUE CHAIN DEVELOPMENT

OUTPUTS:

- Sites selected based on established criteria (e.g. stress reduction, institutional / community support, basic infrastructure, policy / regulatory, small scale, municipal)
- Catch documentation and traceability (CDT) tools and instruments validated
- Comprehensive assessments conducted for each site, to include climate change / vulnerability, gender, social and spatial mapping, fisheries stocks, economic and financial analysis, input/output logistics etc.
- Capacity building and training on EAFM / catch documentation, conducted
- Investments in fisheries development hubs (e.g. landing centers, port facilities, fisheries services and operations, cold chain logistics , information services etc.)
- Other infrastructure investment opportunities identified and assessed

Project Preparation & Funding Flows

NPOA Review & Costing Phase



2. NPOA COSTING STATUS

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INDONESIA: in process under the ADB TA 7813 REG: Coastal and Marine Resources Management in the Coral Triangle. Preliminary estimates to CTI Goal 1 was done during the Seascapes TWG meeting in Jakarta in February 2015.

MALAYSIA: Request assistance for support

PAPUA NEW GUINEA: initial work has begun under the ADB Pacific Division RETA

PHILIPPINES: DONE

SOLOMON ISLANDS: initial work has begun under the ADB Pacific Division RETA

TIMOR-LESTE: to begin 1Q of 2016 done under the ADB Pacific Division RETA

3. SUPPORT FOR PROJECT FACILITATION CAPACITY

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- The Business Development Unit (BDU) has been revised into Project Preparation Facility where support for a Financial Management Specialist (with significant experience in donor and other international development project development expertise) will be provided and based in Regional Secretariat.
- The Specialist shall assist in proposal developments; its preparations and securing funds for selected Showcase Projects. He/she shall also provide training for RS in relation to project development and preparation.

4. STRUCTURE AND MECHANISM FOR CTI FUND

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- The CTI-CFF Financial Architecture Study has recommended several possible structures which CTI could use for the Fund at either regional or national (or both) level.
- HOWEVER, this can only be determined once the RPOA and NPOA costing exercise has been completed with sufficient detail.
- The options for the Funds includes: **ENDOWMENT FUNDS; REVOLVING FUNDS; SINKING FUNDS; UMBRELLA FUNDS;** and **NATIONAL FUNDS.**
- However, the recommended structures for the Funds shall need to be further reviewed by CT6 and RS.

5. FRWG Terms of Reference (TOR)

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- ❑ The FRWG recognised the urgent need for the development of the Terms of Reference for FRWG to be presented during SOM12.
- ❑ This can be done with close communication with Regional Secretariat so that both FRWG and RS complement each other.

PROPOSED SOMI I RECOMMENDATIONS

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1. Noted the progress made by the FRWG;
2. Noted the submission of the Final Report on the CTI Financial Architecture Study;
3. Acknowledged and request support for country-level capacity-building to continue the NPOA and RPOA costing process;
4. Prioritization of RPOA and NPOA activities and concept development for selected priority sites;

PROPOSED SOM I RECOMMENDATIONS

5. Acknowledged that the draft structure and mechanism for a CTI Fund requires further review and consultation; and
6. Tasked the FRWG to prioritise the development of the Terms of Reference (TOR) for the Financial Resources Working Group (FRWG) to be presented to SOM12.
7. Acknowledged that the scaled up proposal by ADB under the GEF6 entitled *“Scaling Up Investments and Sustainable Financing Mechanisms for the Coral Triangle”* would significantly benefit the CTI-CFF.



Terima kasih — Maraming Salamat — Terima Kasih — Tagio Tumas — Obrigado — Tank iu



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