



CORAL TRIANGLE INITIATIVE

ON CORAL REEFS, FISHERIES
AND FOOD SECURITY

Annex 9.2

Decision Document on

Session 9.2

Financial Resources Working Group (FRWG)

The 13th CTI-CFF SENIOR OFFICIALS' MEETING (SOM-13)

**29 – 30 November 2017
Dusit Thani Manila Hotel
Makati City, Philippines**

Adopted on 30 November 2017

by

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

I. Background

Since the last 12th Senior Officials' Meeting in Port Moresby, Papua New Guinea, the Regional Secretariat have worked with the Financial Resources Working Group (FRWG); Development Partners and NCCs to carry out the decisions.

To recap, SOM-12 decisions with reference to the Financial Resources Working Group (FRWG) are as follows:

Decision 11.2. Financial Resources Working Group (FRWG)

11.2.1. Endorsed the amendments made to the initial activities of the Project Preparation Facility (PPF) to be undertaken by the Regional Secretariat upon appointment of the Project Initiation Specialist;

11.2.2. Endorsed FRWG recommendations towards the establishment of the CTI Regional Fund upon completion of the NPOA Costing based on the latest NPOA;

11.2.3. Endorsed the Regional Secretariat to facilitate the process of scoping and design activities to package "showcase" projects for potential funding under the initial activities to be undertaken by Regional Secretariat (refer to decision 1 above);

11.2.4. Endorsed the Regional Secretariat to communicate and encourage Philippines and Indonesia to confirm candidate "showcase" sites for potential funding under the initial activities to be undertaken by Regional Secretariat (refer to decision 1 above); and

11.2.5. Acknowledged the status of the ADB / GEF concept on "Scaling Up Investments and Sustainable Financing Mechanisms in Coral Triangle".

Following SOM-12, the Regional Secretariat facilitated the Financial Resources Working Group (FRWG) meeting on 29th March 2017 in Manila, Philippines. The recommendations made during the meeting are as follows:

- a) Acknowledged the challenges to implement the recommendations in the Financial Architecture Report with regards to the Business Development Unit (BDU) / Project Preparation Facility (PPF), the Regional Trust Fund and Showcase Projects without the appointment of the Project Initiation Specialist (PIS). Once the Project Initiation Specialist (PIS) is appointed, the PIS shall develop workplan, timeline and procedures for the establishment of the Project Preparation Facility (PPF) and implementation of the initial activities¹;
- b) Acknowledged the issue of continued employment of the Project Initiation Specialist (PIS)/ Financial Advisor (FA) taking into consideration that the appointment shall be for a period of six (6) months; which shall end in September 2017, as this position is supported through the Asian Development Bank's Technical Assistance on "Coastal and Marine Resources Management in the Coral Triangle – Southeast Asia Project (RETA 7813), which shall end by 2017;

There are two (2) options that can be considered to ensure the continued services of the PIS / FA; there are:

- i. To seek for further support from other Development Partners; or
 - ii. To consider this position to be absorbed as part of the Operational Plan and Budget of the Regional Secretariat.
- c) Urged the CTI-CFF Member States to complete the National Plan of Action (NPOA) Costing and its analysis to identify financial gaps and thus be in a better position to seek for financial support;
 - d) Recognized that CTI-CFF Member States may identify its own Showcase sites, while continuing its NPOA Costing exercise;
 - e) Recognized the need of specialists in the CTI-CFF Pacific Member States to assist in the review process of their respective National Plan of Actions (NPOAs);

¹ The term Business Development Unit (BDU) was recommended in the Final Report on CTI-CFF Financial Architecture which was discussed at length in several FRWG meetings prior to its adoption in SOM-11. However, the BDU was re-branded as a Project Preparation Facility (PPF) to reflect a more realistic expectation of its role, function and outputs due to the funding limitation to affect the recommendations in the Financial Architecture Report.

- f) Note and take into consideration the support offered by the Asian Development Bank (ADB) to assist the FRWG in facilitating briefing sessions to understand GEF funding application procedures;
- g) In term of ADB's support for the CTI-CFF Pacific countries:
 - i. Noted that the CTI-CFF Regional Secretariat shall communicate with Pacific Member States on the importance of continuing the ADB-RETA 7753 on "**Strengthening Coastal and Marine Resources Management in the Coral Triangle of the Pacific**" which ends by end of 2017;
 - ii. Noted that most CTI-CFF Pacific Member States have limited capacity to undertake its own national level NPOA costing exercises;
 - iii. Acknowledged the efforts of CTI-CFF Regional Secretariat to encourage the administration of ADB to align the supports for both Southeast Asian and Pacific Member States to strengthen ADB's support to CTI-CFF as a region.
- h) Noted the planning for a Partners' Meeting from 22nd to 23rd May 2017 in Manado, Indonesia;
- i) Noted the processes of the establishment of the FRWG and the urgency to have the Terms of Reference (ToR) for FRWG. In this regard, the Meeting agreed on the draft outline of the ToR as attached for ready reference. The Meeting requested the CTI-CFF Member States to submit their input on the draft ToR within fourteen (14) working days (by 21st April 2017) to the Regional Secretariat for collation to produce a comprehensive TOR. The collated draft ToR shall then be further discussed and considered during the pre-SOM13 FRWG meeting.

Since the FRWG meeting, with the support of the Asian Development Bank, the Regional Secretariat engaged the Project Initiation Specialist (PIS) for a period of three (3) months starting from 1 May and extended for another three (3) months to end of October 2017. The deliverables include drafts of:

- a) Grant Opportunities 2017-2020 document;
- b) Logical Framework Analysis (LFA) document;
- c) Sample proposal for Climate Change Adaptation;

- d) Programme Manual; and
- e) Cost Benefit Analysis (CBA)

These drafts shall need further revision, however provides for fundamental basis towards the establishment of the Project Preparation Facility (PPF) and the subsequent set-up of the CTI-CFF Trust Fund. Upon full revision and assessment of the deliverables, it will be circulated to all NCCs before the next FRWG meeting scheduled for April 2018.

II. Decision

Referring to the discussion and consideration among the SOM-13 in session nine (9) for Financial Resources Working Group (*Attachment 9.2.a*); the Senior Officials hereby:

1. Acknowledged on the following matters:
 - a. Progress and status of respective NCCs' NPOA costing activities and identification of showcase sites; and
 - b. The importance of a Financial Management Advisor position within the Regional Secretariat to oversee the establishment of the Project Preparation Facility (PPF) and implement the proposed initial activities as set out in the CTI-CFF Financial Architecture Report.
2. Urged the Regional Secretariat to continue seek funding for the Financial Management Advisor position;
3. Agreed on the following matters:
 - a. Together with ADB-GEF Focal Point design briefing session with regards to GEF funding application procedures and similarly through accredited bodies of other funding organizations on its respective funding applications to be organized in April 2018;
 - b. Endorsement to SOM-14 the final Terms of Reference for Financial Resources Working Group (FRWG); and
 - c. Regional Secretariat to provide periodic reporting according to the needs of FRWG every one (1) month.

4. Agreed and endorsed the FRWG 2018 Workplan; and
5. Proposed to deliberate on the findings of the Cost Benefit Analysis Report in the next FRWG meeting in March/April 2018 to be held in Indonesia.

Attachment

9.2.a. SOM-13 FRWG presentation