

Review of Vanuatu's Climate Change Finance Actions

Introductory Workshop

Monday 26th June 2017

Ramada Resort, Port Vila, Vanuatu





PACIFIC ISLANDS



Introductions and Approach

Lisa Buggy
Climate Change Adviser
SPC

Why this Climate Change Finance Review?

- ❑ Priority identified in Vanuatu Budget Policy Statement 2018, Vanuatu CC & DRR Policy and Objective 3.6 of the NSDP
- ❑ Clarify key funding sources that Vanuatu has accessed for climate change and any missed opportunities.
- ❑ Assess policies, human capacity, institutions and public financial management systems to identify areas that could be strengthened.
- ❑ Development Effectiveness – review and identify opportunities that partners can harmonize their CC support to country priorities.

Builds On & Compliments Existing Work

- Vanuatu Climate Finance Road Map
- Risk Governance Assessment & CPEIR 2014
- Vanuatu Climate Change and Disaster Risk Reduction Policy 2016-2030
- Public Financial Management Reform Roadmap 2017-2021
- National Gender Equality Policy 2015-2019
- Strategic engagement with global funds (GCF, Adaptation Fund etc)



The Frameworks: CPEIR and PCCFAF

Climate Public Expenditure and Institutional Review

Analysis of how climate finance is taken up and delivered by national systems

Applied in Samoa, Vanuatu and Fiji

3 key pillars:

1. Policy Analysis
2. Institutional Analysis
3. Climate Public Expenditure Analysis

Pacific Climate Change Finance Assessment Framework

Builds on and complements existing global and regional assessment tools

Applied in Nauru, RMI, Tonga, Solomon Islands & Palau

7 key pillars:

1. Policies and Plans
2. Institutions
3. Funding Sources
4. Public Financial Management and Expenditure
5. **Human Capacity**
6. **Gender & Social Inclusion**
7. **Development Effectiveness**

PCCFAF & CPEIR Status in the Pacific

Country	Complete	Underway	Pipeline	Notes
Samoa	CPEIR-2012			CC finance
Nauru	PCCFAF-2013			CC finance
RMI	PCCFAF-2014			CC finance
Vanuatu	CPEIR-2014	CPEIR Review + PCCFAF Pillars		CC finance +GSI
Fiji	CPEIR-2014			CCDR finance
Tonga	PCCFAF-2015			CCDR finance + GSI
Solomon Is	PCCFAF-2016			CCDR finance + GSI + Provinces
Palau		PCCFAF-2017		CCDR finance + GSI
FSM			PCCFAF-2018	
Kiribati	Budget Review 2013		PCCFAF-2017	

Two Key Principles

1. Ownership

Government of Vanuatu ownership of the work and validation of the findings

2. Participation/Inclusivity

Extended participation/consultation beyond the core climate change Ministries, Bureaus and agencies. Consultations will also include NGOs, donors, private sector, CSOs etc.

During Today's Workshop and Beyond

- We invite you to share your experiences, expertise and comments
- We would like to have an open dialogue about climate change and climate change financing in Vanuatu
- We welcome your questions and insights

A Coordinated Approach

Partners for Vanuatu Assessment

Core Partners:



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FORUM SECRETARIAT



Pacific
Community
Communauté
du Pacifique



giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH



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FROM THE AMERICAN PEOPLE

**Australian
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Supported by:



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PACIFIC ISLANDS
FORUM SECRETARIAT



Pacific
Community
Communauté
du Pacifique



german
cooperation
DEUTSCHE ZUSAMMENARBEIT



Deutsche Gesellschaft
für Internationale
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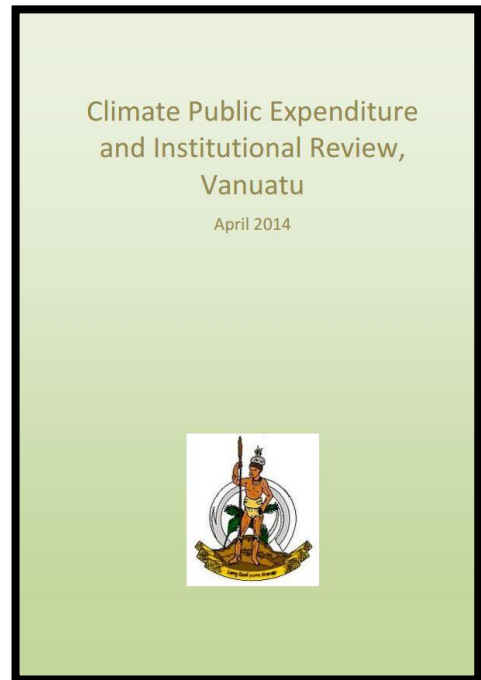


Vanuatu & Climate Finance



Anna Bule
NAB Secretariat

Building on from the CPEIR 2014 Assessment





Policies and Plans

Lisa Buggy
Climate Change Adviser
SPC

... And then there was a
change of government,
and climate change
just... went away!

Hooray!

W. Cox



CPEIR Policy Conclusions

Need to integrate strategies to address climate change vulnerability, as a cross-cutting development issue, into the proposed replacements for the <i>Priorities and Action Agenda</i> and the <i>National Adaptation Plan of Action</i>	√ NAP Pending
Need for the Ministry of Climate Change to be more strategic, rather than project-driven	?
Need for Ministry of CC Corporate Plan with linkages to NDS	?
Need to build policy capability and cross-agency relationships	? Role of NAB
No formalised data management system to support evidence-based policy making and prioritization of CC/DRR strategies, programs and projects	National Vul f'work proposed
Absence of an effective monitoring and evaluation system	Dev of M&E f'work proposed

Current CC Policy Landscape

**Vanuatu 2030 – The People’s Plan:
National Sustainable Development Plan 2016 to 2030**

CLIMATE CHANGE RELATED POLICIES

- Vanuatu Climate Change and Disaster Risk Reduction Policy 2016 – 2030**
- Vanuatu National Environment Policy and Implementation Plan 2016 – 2030**
- Vanuatu INDC Submission 2015**
- Vanuatu National Energy Road Map 2013 – 2020**
- Rural Electrification in Vanuatu (NAMA)**
- NAPA 2007 [*Proposed NAP to replace NAPA*]**

SOCIAL SECTOR

- National Gender Equality Policy 2015-2019**

OTHER SECTORS

**Tourism
Agriculture
Forestry
Fisheries etc**

**SUB-NATIONAL
Provincial Plans**

Identified Priorities / Recommendations – Climate Finance Roadmap

- Development of National Vulnerability Framework
- Development of Climate Finance Communication Plan
- National Coordination Guidelines for CCDRR Finance
- CCDRR M&E Framework and Project Management Manual, Guidelines, etc

Additional Information / Areas for Review

- Sectoral policies, external partner strategies and work plans
- Policy implementation – what are the challenges? (may be linked to other pillars such as institutions or human capacity)
- Horizontal and vertical integration – progress made, current challenges
- Effectively monitoring and evaluating policy implementation progress – indicators, M&E plans etc.
- Other?



Funding Sources

Ledua Vakaloloma
Climate Change Finance Officer
GIZ

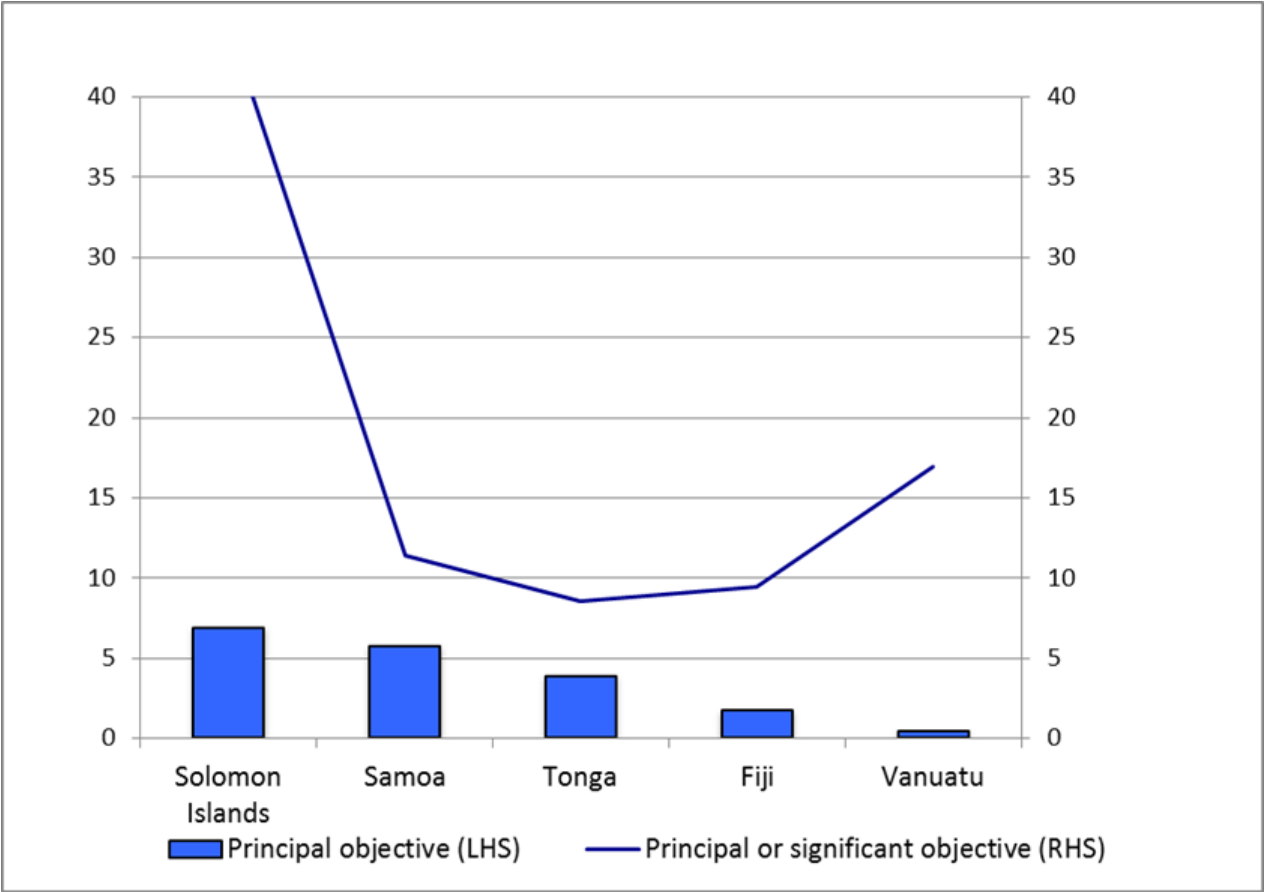
Key Issues



- Funding source was not reviewed as a stand-alone pillar in the 2014 CPEIR.
- According to the report, Vanuatu had been receiving lower share of CC adaptation funding than most PICs (OECD IDS database).
- Funding received from Government, bilateral and multilateral sources (2008-2012, sourced largely from bilateral donors).
- Challenge of accessing climate change funds due to complex requirements and capacity constraints.

Vanuatu's share for adaptation funding is low.

US\$ million



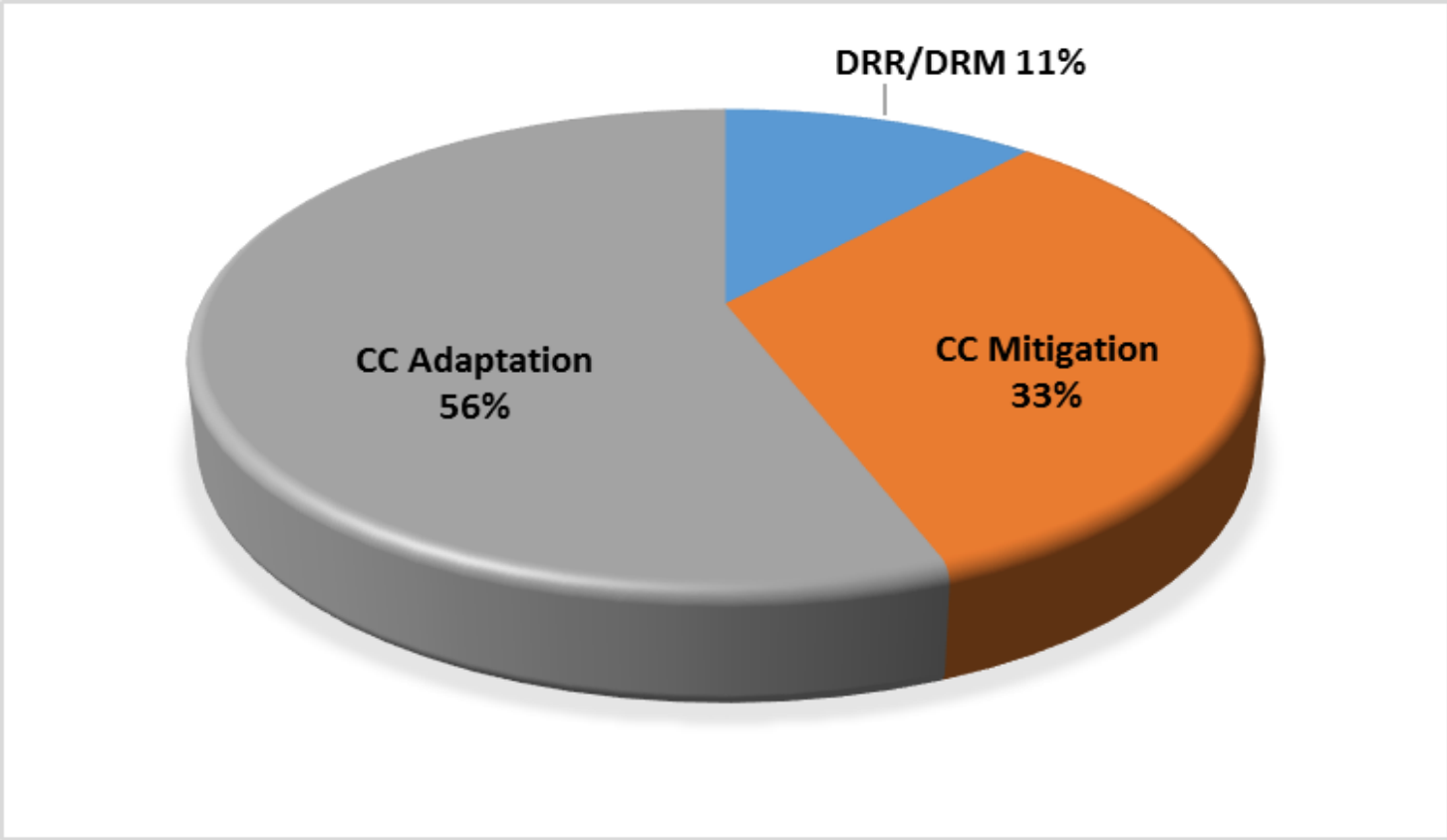
Source: OECD

How will the FS review assist the GoV?



- Assess previous and existing funding sources tapped by Vanuatu.
- Demarcate adaptation and mitigation funding to assist with efficient allocation of resources.
- Leverage participation of other sectors such as the private sector and civil society.
- Help inform the Government and national stakeholders how much CC related funding Vanuatu is accessing including how they have been utilised.

Breakdown of Adaptation, Mitigation and Disaster Risk Reduction/Management against the projects assessed.



Source: SI CC/DRM Finance Assessment Report

What kind of information is required?



- List of CC projects funded through the budget and externally between 2014-2016.
- Relevant project documents and reports.
- Total development assistance (cash & AIK) received.
- Budget documents (2014-2016).
- Other public information and reports on climate change.



PFM & Expenditure

Ledua Vakaloloma
Climate Change Finance Officer
GIZ

Key Issues



- General sound level of fiscal discipline due to a centralized system of public finance and budgetary control.
- Lack of financial management skills in some agencies.
- PFM reviews contributed to improvements in areas where assistance was provided.
- Non-compliance in certain ministries and poor expenditure control.

How will the PFM review assist the GoV?



- Provide an updated expenditure analysis from 2014-2016 by:
 - Examining the linkage of expenditure to the NSDP and existing policies;
 - Identifying expenditure in the national budget that involves climate change (directly/indirectly);
 - Examining adequacy of budget controls and effectiveness of financial management using PEFA as a reference; and
 - Evaluating PFM information that is made available to the stakeholders and the general public.

What kind of information is required?



- National Sustainable Development Plan.
- Climate Change & Disaster Risk Reduction Policy.
- Budget documents (2014-2016).
- PEFA reports.
- Corporate plans for key ministries involved in climate change.
- Sectoral plans and strategies relevant for climate change.
- List of major on-going and pipeline climate change projects.

Other issues

Country ownership



- Involvement of key decision makers in the review and development of recommendations.
- Active and continuous participation of technical people from key ministries such as MFEM, MCC etc.
- Contextualization of recommendations and to align to the Climate Finance Roadmap.



Institutions

Lisa Buggy
Climate Change Adviser
SPC

**Coordination & Collaboration
Integrated Decision Making Platforms
Political, Legal and Cultural Frameworks**

National &
Provincial
Government

Donors

Civil Society &
Non-
Governmental
Organisations

Private sector

Regional and
Multilateral
Organisations

**Organisational Structure & Processes
Internal Coordination
Infrastructure**

Vanuatu Meteorology and Geo-
hazards Department
(Meteorology Act 2006)

National Disaster Management
Office
(Disaster Management Act 2006)

**National Advisory Board on
Climate Change and
Disaster Risk Reduction**

Department of
Protection and
(Environment Conservation Act 2006)

**Climate Finance Working
Group**

Energy

Local Government
Area Councils
(Decentralization Act)

Provincial Disaster
Management Committees

CPEIR Institutional Analysis Conclusions

- Lack of MoCC Corporate Plan, Human Resources Development Plan and overall M&E system
- Need for legislative changes to clarify responsibilities of Departments within Ministry
- Making better use of planned establishment of provincial offices by the NDMO (reduce duplication)
- NAB – M&E capacity and linkage to Govt system (PMO) and Vanuatu statistics office
- Resourcing of Area Secretaries and Councils to enable implementation of Decentralization Act
- Challenges for planning at the provincial / area council level
- Difficulty of monitoring progress on projects at community-level as bypass local government systems

NIE Accreditation

Prioritised in the CC&DRR Policy and identified as key activity in Climate Finance Road Map

- CPEIR identified the Ministry of Climate Change as the most logical, and the Vanuatu Project Management Unit as a back up (track record in project management and financial management but lack of staff)
- 2016 update re NIE Capacity requirements and progress made
- Other entities? NGOs?
- GCF Self Assessment Tool – key criteria: Fiduciary Standards, Special FS, Environmental and Social Safeguards, Gender Policy

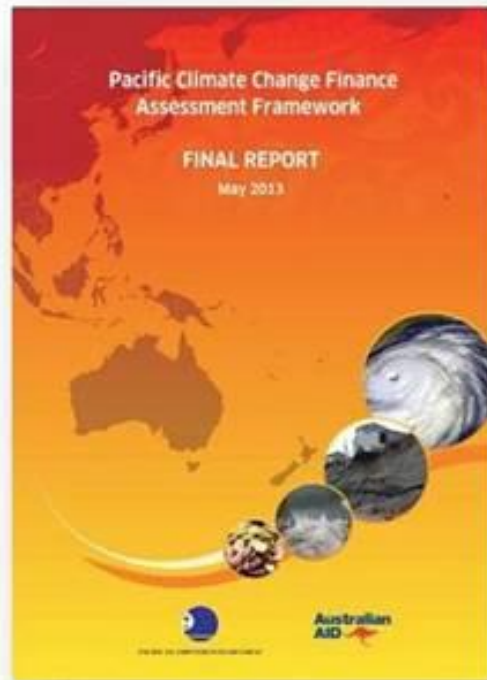
GCF ACCREDITATION
SELF-ASSESSMENT TOOL



Group Discussion

1. What progress has been made since 2014 in these areas?
2. What have been the challenges for implementation of the CPEIR recommendations?

New Pillars for Assessment





Human Capacity

Exsley Taloiburi
Climate Change Finance Adviser
PIFS

Why is this important?

- Finance may be the vehicle to implement Vanuatu's national climate change finance priorities, but HUMANS are the wheels to move the vehicle.
- Human Capacity is an essential aspect of Vanuatu's effort to access and manage climate change finance.
- Identifies whether Vanuatu has the necessary human capacity to absorb external climate finance, particularly large scale funding such as the GCF.

What kind of information we after?

- Organization Structure for Ministries.
- Copy of TOR for climate change-related positions.
- Verbal overview/info about staffing and qualifications in relevant agencies.
- National Training/capacity Development Plan.
- Copy of Corporate Plans, Ministry Newsletters, and/or budgets.

What info will be clarified through this Pillar?

- How much of Vanuatu's human resource budget has been allocated to climate change work?
 - Volume of funds
 - Number of people (women and men)
- How does Vanuatu's human resource allocation for climate change compare with resources allocated for other priorities (e.g. health, education etc).
- What capacity development activities have been implemented in Vanuatu?
- Processes and incentives in place to build, manage and retain human capacity and expertise.



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Gender & Social Inclusion

Lilika Fusimalohi
PRRP Consultant
UNDP

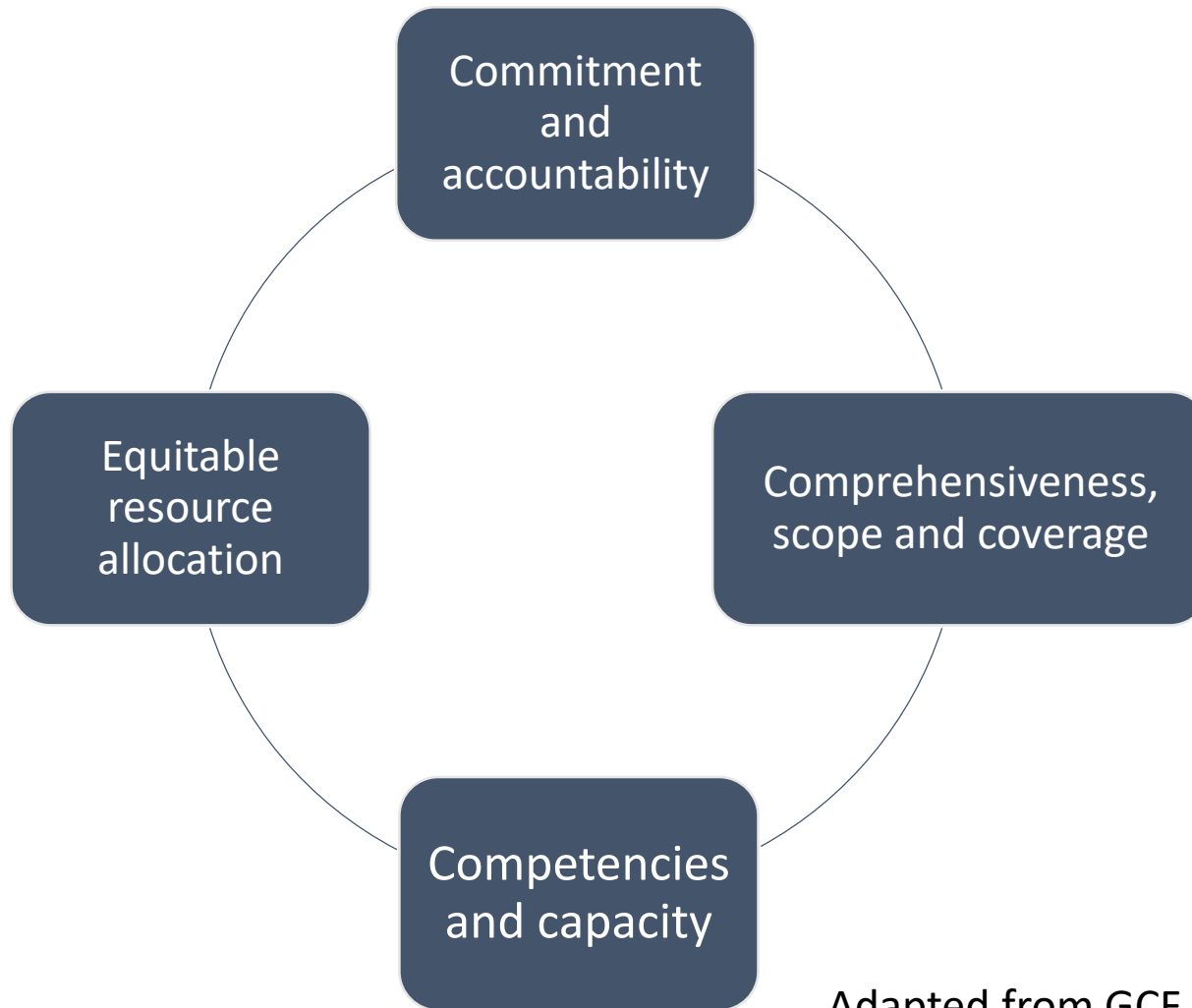
Why include GSI?

- Climate change and disasters **impacts people differently** - women , men, young and old, people with disabilities
- Some sections of the population have a **greater vulnerability** to climate change and disaster –GSI analysis will help identify and address risks
- **Build everyone's resilience** to climate change and disasters
- Diverse groups can all contribute to combatting climate change and reducing disaster risk

Why include GSI?

- Institutions seeking to be accredited to the GCF need to be able to show that they can implement the Performance Standards (environmental and social safeguards) and the GCF Gender Policy.
- To strengthen Vanuatu's prospects in the project approval process which "may consider giving additional weight to projects with well-designed gender elements".
- Assist Vanuatu to respond to existing gender commitments (e.g. CEDAW obligations)

Using a systematic approach to assess GSI



Adapted from GCF gender policy

What the GSI pillar aims to clarify

- Policy commitments to gender, youth and other groups in CC
- The extent of GSI element in CC programs: from no GSI element to significant GSI element
- What is in place to ensure women, youth and others are included in decision-making
- The capacity across ministries, programs to implement GSI-sensitive programs
- How GSI components of policies and programs are resourced



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Development Effectiveness

Exsley Taloiburi
Climate Change Finance Adviser
PIFS

Why is this important?

- Donor fragmentation and duplication is high in PICs – need for donor alignment and harmonization with national priorities.
- How to address different reporting templates for different donors – consumes a lot of time for capacity constrained agencies.
- Some donors are dealing directly with line agencies/NGOs etc – some support will fall outside the direct purview of national systems (budget) and is difficult to track and report on.

What kind of information we after?

- Vanuatu 2030 NSDP, Annual Development Report, Report from Vanuatu-Donor Forum/Roundtable etc.
- National perspectives of donor engagement and approaches in Vanuatu as identified through the face-to-face consultations.
- Copies of Budgets reflecting development assistance.
- Procedures/guidelines/SOPs for donors wishing to engage with Vanuatu.

What info will be clarified through this Pillar?

- Ownership & leadership – does Vanuatu drive its own Climate Change policies and programs?
- Alignment and harmonization – do development partners/donors align their climate change support with Vanuatu's priorities and use local systems?
- Managing for results & mutual accountability – what are the mechanisms, processes and frameworks for monitoring the impacts of implementing Climate Change policies and plans?



Group Discussion

In relation to the Human Capacity, GSI and Development Effectiveness pillars:

1. What is currently in place and working well?
2. What are the current gaps that require support?



Next Steps

- Focus group sessions: Tuesday 27th – Friday 30th June
- Circulation of Final Draft Report (including recommendations) to all stakeholders for input
- Consolidation of inputs and Final Report presented to Government of Vanuatu for approval

THANK YOU!

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