

## Climate change finance need of Pacific island countries

This brief summary has been prepared by the Secretariat of the Pacific Regional Environment Programme (SPREP), the Pacific Islands Forum Secretariat (PIFS), the Pacific Community (SPC), the University of the South Pacific (USP), the Pacific Islands Development Forum, and the United Nations Development Programme (UNDP).

As a summary it seeks to highlight climate change finance needs in broad terms, on the understanding that needs arising from Nationally Determined Contributions (NDCs) may alter in light of revisions, and whilst full adaptation costs is currently projected to be in \$100 millions, in a global scenario where in-action is predominant and reduction in global emission is static or negative, we should expect the current projected costs for adaptation measures to be significantly exceeded.

### **Climate services**

The regional work on climate services is a crucial underpinning to climate change knowledge and information, early warning systems, short and medium term predictions, and long term projections. This requires improvement in coordination, continuity and integration of projects, programmes and initiatives that support climate services at national, regional and global levels. There is also a need to strengthen the basic and core functions and capabilities of national meteorological services for robust and sustained data collection and management, analysis of data and quality assurance, production and dissemination of products, research and modelling. In addition the region is looking to enhance avenues and modes of multi-way communication and feedback between climate services providers and users to enhance the uptake and use of relevant and tailored climate services down to the communities and individuals.

There has been some progress in terms of funding the Pacific Islands Roadmap for Climate Services adopted in 2017, which sets out regional priorities and actions on climate services as outlined by the needs identified above. Through the Global Climate Change Alliance Plus resources have been received, but it is estimated that a further USD 50 million will be required to carry out all the tasks identified at the regional level. At the national level, there would be funding requirements ranging from USD 100,000 to USD 2 million per annum in the 14 countries.

### **Adaptation**

As mentioned in the introduction, long term adaptation finance needs are still largely unknown, as it will be dependent on at what level global greenhouse gases are stabilized at. Practical adaptation measures in the Pacific have been undertaken at the project level since 2004, at the scale of a community or village. However, these were not comprehensive or holistic adaptation measures, but for the most part focussed on a single sector. These projects had budgets of

around USD 1 million. Considering that there are tens of thousands of communities in the Pacific this would be a daunting approach.

The Green Climate Fund (GCF) coastal adaptation project in Tuvalu has taken a whole of island approach for Funafuti Atoll (USD 38.9 million), which is indicative of the costs for the other 7 atolls of the country. However, there is a lot more background research and studies on adaptation needs in Funafuti than on the other atolls. The World Bank/GCF Marshall Islands project is also about atoll adaptation in the context of climate change impacts. Similar also to the recently approved ADB/WB/GCF project in Kiribati on water security – it is also about adapting to climate change in the context of an atoll island. The costs as per these projects given they are only focusing on one atoll island out of the remaining islands of these countries should provide indication of the surmountable adaptation costs that very small island development states particularly if we factor in the fragmentation of these countries.

National Adaptation Plans can be seen as a subset as well as a key building block for adaptation finance needs. SPREP has been working with Members to develop NAP proposals, through readiness funds. While the work to develop NAPs is estimated to USD 1-3 million per country, implementation of the NAPs is expected to track the costs of adaptation projects generally. Adaptation costs are likely to run into the hundreds of millions per country. One aspect that requires emphasis is the need for targeted support to not only develop NAPs, but also to develop the details of funding proposals for NAP activities.

### **Nationally Determined Contributions**

Of the 14 NDCs, all had an automatic conversion from the INDC to the NDC upon ratification of the Paris Agreement, with the exception of Fiji and Marshall Islands who have submitted revised NDCs. Most (71%) have both a conditional and unconditional component. In terms of typology, they are fairly evenly split between absolute emissions reduction, BAU reduction, and policies and actions: four (29%) absolute, five (36%) Business-as-Usual, and five (36%) policy and actions.

Target years are almost evenly split between 2025 and 2030. Three (21%) describe 2050 targets. There is also differences in reference years.

In terms of target sectors, all mention electricity generation (100%), and nine (64%) mention transport. Further common themes between these NDCs include a focus on electricity generation from renewable sources (mentioned in 5 NDCs) and seeking to improve transport through biofuel.

Main adaptation priority sectors include water and agriculture. The main vulnerable sectors are water, natural disasters, health, ecosystems (coast/land), and agriculture. Key impacts are sea level rise and extreme weather events, droughts, and storms/typhoons/cyclones.

In terms of costing, all 14 NDCs have components that are conditional to external resources. However, not all NDCs have attempted to estimate the actual financial requirements. Fiji USD 500 million; Kiribati USD 120 million; Nauru USD 50 million; Palau USD 500,000 (for assessment and preparation of plans); Solomon Islands USD 170 million; Vanuatu USD 180 million. It should be noted that even where costs are indicated, there are no specifications around what activities specifically will be required.

It should be noted that these cost estimates are based on rapid assessments rather than in-depth studies.

### **Loss and damage, and climate change insurance**

Like adaptation, loss and damage is also contingent upon emissions. Capacity needs assessments were carried out for three countries in the region, and the cost of producing these gap reports amounted to USD 400,000 for all three. However, the findings of these assessments indicate the need for programmes ranging from USD 12 to 20 million, in order to prepare countries for loss and damage scenarios, and to build the necessary capacity to actually respond in an informed manner.

### **Capacity Building**

Capacity building is crucial for the success of climate change action in the Pacific, both for adaptation and mitigation. Given the limited human and financial resources of PSIDS, as well as professional mobility within national public services and regional organisations, capacity building is an ongoing necessity. It is ongoing in the sense of replenishing the cadre of trained personnel, as well as for ensuring that existing personnel are upgraded in their skills and capabilities.

Regular capacity building programmes are organised in the Pacific by regional agencies. These also need to be followed up with in-country training programmes as well as tertiary education programmes. However, it will require broader thinking around how to build better systems, and how to incentivize staff retention and provide mentoring programmes.

Regionally delivered capacity building currently requires around USD 1 million per year per thematic area (adaptation, mitigation, etc.).

Nationally delivered programmes requires USD 1 million per year.

Tertiary programme scholarship needs are around USD 10 million per year, but also needs to consider the costs of developing or updating new and existing programmes and curricula.

### **Institutional strengthening**

The GCF provides Readiness programmes (USD 1m per country annually) to assist in strengthening national policies and systems for better engagement with donors, partners and stakeholders. These compliment capacity building. Readiness programmes are at regional and national levels.

### **Project /Programme Design and Development**

Resources are required to design and develop projects /programmes to access climate financing. The GCF through its Project Preparation Facility provides such assistance