# Country programme

# **Republic of Kiribati**

23 November 2023



# Strategic Framework and Country Program for Climate Finance in Kiribati

A document to describe Kiribati's climate finance programming priorities, and to support ongoing climate finance access, planning, and decision making.



Version date: September 2022

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List of acronyms	s and abbreviations used throughout the document
AE	Accredited Entity
AF	Adaptation Fund
ALD	Agriculture and Livestock Division
CCDRFA	Climate Change and Disaster Risk Finance Assessment
CCDRM	Climate Change and Disaster Risk Management
CFD	Climate Finance Division
CIF	Climate Investment Fund
DBK	Development Bank of Kiribati
DCC	Development Coordination Committee
ECD	Environment and Conservation Division
GCF	Green Climate Fund
GEF	Global Environment Facility
GoK	Government of Kiribati
ICSPs	Island Council Strategic Plans
IVA	Integrated Vulnerability Assessment
KANGO	Kiribati Association of Non-Governmental Organisations
KCCI	Kiribati Chamber of Commerce and Industry
КССР	Kiribati Climate Change Policy
KGE	Kiribati Green Energy
KIEP	Kiribati Integrated Environment Policy
KIER	Kiribati Integrated Energy Roadmap
KIVA	Kiribati Integrated Vulnerability Assessment
Kilga	Kiribati Local Government Association
KJIP	Kiribati Joint Implementation Plan for Climate Change and Disaster Risk Management 2019-2028
KMS	Kiribati Meteorological Service
KNEG	Kiribati National Expert Group
КРА	Key Priority Areas

KV20	Kiribati 20-Year Vision
LDCs	Least Developed Countries
LTCSS	Long-Term Coastal Security Strategy
MDB	Multilateral Development Bank
MELAD	Ministry of Environment, Lands and Agricultural Development
MFED	Ministry of Finance and Economic Development
MFMRD	Ministry of Fisheries and Marine Resource Development
MIA	Ministry of Internal Affairs
MISE	Ministry of Infrastructure and Sustainable Energy
MHMS (EHU)	Ministry of Health and Medical Services (Environmental Health Unit)
MPWU	Ministry of Public Works and Utilities
MRV	Measurement, reporting and verification
NDA	National Designated Authority
NDC	Nationally Determined Contribution
NDMO	National Disaster Management Office
NMHS	National Meteorological and Hydrological Services
NOL	???
NSA	Non-State Actors
NWRP	National Water Resources Policy
ОВ	Office of Te Beretitenti
RERF	Revenue Equalisation Reserve Fund
SCCF	Special Climate Change Fund
SIDS	Small Island Developing States
SFCP	Strategic Framework and Country Program
SLR	sea-level Rise
SOP	Standard Operating Procedures

# Acknowledgements:

The Kiribati Strategic Framework and Country Programme (SFCP) has been prepared by the Climate Finance Division (CFD) of the Ministry of Finance and Economic Development (MFED) with assistance from the DFAT sponsored **Australian Pacific Climate Partnership**, the **USAID Climate Ready Program**, which supported the technical consultancy team, and from the **Green Climate Fund Readiness and Preparatory Support Programme**, which enabled various stakeholder consultations. Photos have been sourced from the Kiribati climate finance webpage.

# PART 1

#### Introduction

Access to adequate financial resources plays a critical role in defining the ambition level of Nationally Determined Contributions (NDC) as well as achieving the targets set under climate change priorities of developing countries. The Kiribati Climate Finance Strategic Framework and Country Programme (henceforth the 'SFCP') has been developed by the Government of Kiribati (GoK) to define national climate finance priorities and guide ongoing programming.

#### Purpose

The overall purpose of the SFCP is to support and progress the **Kiribati Climate Change Policy Vision**: *"The Republic of Kiribati, her people, culture and economy will remain resilient and viable in facing the challenges of climate change".* 

#### The specific goal of the SFCP is to:

Ensure that adequate climate finance is programmed strategically and accessed effectively, contributing towards enhanced climate resilience and climate change mitigation actions of Kiribati

The objectives of the SFCP are to:

- To provide an integrated and strategic approach to access resources required towards enhancing climate resilience and climate change mitigation of Kiribati for 2022-2024
- Ensure that Kiribati has a clearly prioritized, defined and integrated pipeline of concepts and projects to progress with the Green Climate Fund (GCF) and other donors.
- Support a consultative, inclusive and transparent approach to climate finance programming by engaging stakeholders across government, private sector and the community to advise on priorities and project ideas.
- To enhance national capacities to mobilise and utilise resources required for priority climate actions of Kiribati.
- Support new climate finance to build on progress to date, making emphasis on systems thinking to avoid duplication, maximize synergies and complementarities across climate and other development initiatives.
- Enhance engagement with climate funds and development partners by providing clarity on the process for addressing clearly described climate priorities.
- Maximise synergies with other sectoral development plans and sustainable development cobenefits of climate investments.
- Provide key entry points for Public-Private Partnerships (PPPs) to integrate into climate adaptation and resilience infrastructure projects that address climate change impacts.

The SFCP will achieve its objectives by:

- Establishing and maintaining a Project Pipeline. The Pipeline will describe projects that have been agreed by the GoK to progress towards approval for funding over the next 3 years. This includes Readiness projects to be prepared for funding.
- Prioritising financing for climate change adaptation and mitigation initiatives.
- Leveraging international climate finance with Multilateral Development Banks (MDB) and private sector investments.
- Promoting private sector investments in climate actions.
- Establishing and maintaining sector-based Program Summaries. The Program Summaries will outline each priority sectors' strategic climate priorities and priority actions; and catalogue new Project Ideas for potential endorsement to the Pipeline.
- Communicating the Programming Cycle. The Programming Cycle will describe the governance and consultative engagement arrangements and decision-making criteria that are used to guide ongoing climate finance programming.
- Maintaining an open Project Portfolio Index that allows anyone to locate and identify ongoing and future interventions, increasing transparency and reinforcing synergies between initiatives.
- Enhancing national capacities to mobilise and access climate finance.
- Building wider partnerships and alliances to access climate finance.

#### Scope

- The SFCP covers the three-year period from **2022 to 2024**<sup>1</sup>.
- The SFCP targets climate finance through the Green Climate Fund (GCF), the Adaptation Fund (AF), and the Climate Investment Fund (CIF) for which the MFED is the NDA, though priorities within the SFCP may be pursued in collaboration with other donors and funds.
- As described below, additional climate finance programming is undertaken with the Global Environment Facility (GEF), coordinated by MELAD. The SFCP aims to facilitate coordination with MELAD and the GEF so that a comprehensive and complementary approach to climate finance programming can be achieved.
- The SFCP is considered a 'live' document and key elements of the SFCP (Project Pipeline and Program Summaries) will be updated (coordinated by the CFD) with a mid-term review to see the progress against the objectives and the key actions.
- A detailed action plan will be developed to implement the strategy in collaboration with all the relevant institutions and partners, building on the indicative plan of action.
- An up-to-date version of the SFCP will be located on the CFD Website: https://climatefinance.gov.ki/

#### Stakeholder linkages and engagement

The table below summarizes the key stakeholder groups that have an interest in this SFCP.

<sup>&</sup>lt;sup>1</sup> It is acknowledged that not all priorities will be addressed within this timeframe and there will be some work carried over.

Ministry of Finance and Economic Development (MFED)	The MFED is the NDA for the GCF, AF and CIF. The head of the MFED and NDA is the Honourable Vice President who is also the Minister of the MFED. The SFCP supports the NDA to deliver on its expected functions.
Climate Finance Division (CFD)	The CFD was established in 2016 under the MFED to support the country's engagement and access to climate change financing from multiple sources. The Director is the head of this division. CFD will maintain the SFCP (and Annexes). The SFCP will guide CFDs ongoing engagement with stakeholders within Kiribati and with the GCF, AF, CIF, MDB, and other funds.
The Kiribati National Expert Group (KNEG)	The KNEG is a technical committee that consists of a KNEG secretariat based in OB and includes KNEG members who are representatives from the GoK key line ministries, as well as independent experts. It has the role of advising the CFD on all technical matters related to a project proposal. The KNEG will use the SFCP (and Annexes) to guide their deliberations, and inform their review and advisory functions. The SFCP will support the KNEG in making structured and integrated recommendations by advising the Development Coordination Committee and National Designated Authority NDA.
Office of Te Beretitenti (OB) / Office of the President	There are two divisions under the OB which are The Climate Change Unit (CCU) and The Disaster Risk Management Unit (DRM) that co-operate in parallel with each other. Both divisions have the purpose of enhancing Kiribati's resilience as well as lessening its vulnerability. The OB maintains overall responsibility for climate change policy. The OB will rely upon the SFCP to understand programming priorities. Monitoring of the SFCP will also support broader KJIP monitoring.
Ministry of Environment Lands and Agricultural Development (MELAD)	MELAD serves as the Political and Operational Focal Point for the GEF. The SFCP provides a basis for coordination and exploration of complementarity between GCF and the GEF.
Other ministries and government agencies	The Program Summaries within the SFCP are maintained by CFD and provide a basis for ministries and government agencies to coordinate and describe their climate change programming priorities with the GCF. The Project Idea and Appraisal template can be used to forward project ideas to the KNEG (in coordination with CFD)
The Private Sector (KCCI); Non-government Organisations (KANGO); and non-state actors (NSAs)	The SFCP includes a Program Summary for these stakeholders and describes priorities for programming with the GCF. Other sector programs also provide transparency and entry points for engagement. These groups are represented on the KNEG
Accredited Entities and development partners	The SFCP provides clarity to Accredited Entities and development partners looking to support Kiribati.

The Green Climate Fund and other funds	The SFCP is primarily focused on identifying the priority projects that Kiribati wishes to progress with the GCF, however it also includes projects/programmes it would like to pursue with other entities.
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Table 1 – Key Stakeholders

#### Summary of the SFCP Cycle

The SFCP establishes a simple programming cycle to guide the ongoing monitoring and development of the Project Pipeline. The programming cycle is established to guide an ongoing, country-driven and managed approach to consultative, collaborative, and transparent climate finance programming, and includes the key steps as summarised in **Figure 1** below and further detailed in *Part 5* of this document.



# programming cycle.

#### Figure 1: SFCP programming cycle

#### Background

The **Ministry of Finance and Economic Development (MFED**) is the **National Designated Authority (NDA)** for Kiribati to the Green Climate Fund (GCF) and the Adaptation Fund (AF). The Government of Kiribati (GoK) has established the **Kiribati Climate Finance Division (CFD)** within MFED to coordinate Kiribati's engagement with the GCF and the AF and other sources of climate finance.

The core functions of the CFD are:

- Provide direct strategic guidance towards accessing climate finance from appropriate sources and channels.
- Coordinate Kiribati's engagement with international climate funds.
- Develop, maintain and execute the Strategic Framework and Country Programme on Climate Financing, which the Government will employ to engage with multilateral sources of climate financing.
- Create cross-cutting strategic directions that contribute to creating an enabling environment for access and utilisation of adequate finance in a more effective and predictable manner.
- Actively pursue funding opportunities from global climate funds to implement the SFCP.
- Represent and advocate for Kiribati at national, regional and international climate finance/climate change forums<sup>2</sup>

In 2017, the GCF through their Readiness programme provided funds to the GoK to strengthen the capacity of the NDA and to develop a Strategic Framework and Country Program (SFCP) that will

<sup>&</sup>lt;sup>2</sup> Kiribati Climate Finance Division Standard Operating Procedures 30 June 2020 Version 2.0.

support the GoK to gain access to climate financing, including but not limited to the GCF and the Adaptation Fund (AF)<sup>3</sup>. The Readiness project commenced in July 2018. The Government of New Zealand also provided funds to support the GoK as part of this project.

#### Development of this SFCP

This SFCP has been developed by the CFD on behalf of the MFED, supported by a team of national and international consultants. The SFCP development processes has involved consultation with over 350<sup>4</sup> government, private sector, non-state actors and development partner representatives. Consultations were undertaken via a range of bilateral meetings and workshops<sup>5</sup> and were mainly focused on:

- Raising awareness of the GCF, the work of CFD and the climate finance programming process.
- Collating input and advice from stakeholders on resilient development priorities.
- Discussing arrangements to ensure ongoing engagement and inputs to the climate programming process.

Consultations have informed key aspects of this SFCP, including prioritisation of the project pipeline<sup>6</sup>, and establishment of the programming cycle<sup>7</sup>.

#### Building on strengths and alignment

The SFCP seeks to accelerate access and delivery of climate finance to address Kiribati's climate priorities. To do this the SFCP builds upon existing processes, systems, and capabilities, and aligns to the following climate-related policies and initiatives:

- The Kiribati Climate Change Policy was established in 2019 to strategically guide, support decision-making processes, and set direction for enhanced coordination and scaled-up implementation of climate change adaptation, mitigation and disaster risk reduction. The SFCP reflects the Priority Sectors identified in the KCCP.
- The Kiribati Joint Implementation Plan 2019-2028 (KJIP) provides a comprehensive framework of climate priorities to be addressed. The SFCP promotes priorities aligned with the KJIP. It will support its implementation and promote the collection of data and information to assist with monitoring. Specifically, KJIP Strategy 10 calls for the strengthening of capacity to access finance, monitor expenditures, and maintain strong partnerships.
- The Kiribati National Expert Group is composed of representatives from key government ministries, NGOs, and NSAs including independent experts. The KNEG is mandated to consider new project proposals, provide technical advice, promote cross-sector coordination and

<sup>&</sup>lt;sup>3</sup> Development of this SFCP was only in part supported through the GCF Readiness program.

<sup>&</sup>lt;sup>4</sup> 167 females and 185 males.

<sup>&</sup>lt;sup>5</sup> The SFCP has also been informed by the GCF Country Programme Guidance document, and consideration of Kiribati's specific needs and circumstances, as documented via an initial Desk Review Report.

<sup>&</sup>lt;sup>6</sup> Consultations reinforced and validated existing priorities related to coastal protection, water and energy security.

<sup>&</sup>lt;sup>7</sup> A consultation summary report has been prepared by the local consultancy team and can be obtained through the CFD website.

advise the Development Coordination Committee. The SFCP supports the work of the KNEG by streamlining the process for pipeline development, deliberation of priorities, and clarification of its role in ongoing climate finance programming.

- The Kiribati Integrated Vulnerability Assessment (KIVA) Database catalogues vulnerability data and information for islands across Kiribati using a standardised Integrated Vulnerability Assessment methodology. SFCP will promote use of the KIVA as a key planning and decision support tool.
- The recent work completed by **Climate Analytics**, made possible through the GCF Readiness and Preparatory Support Programme, developed the following reports:
  - 1. Climate Change Risk Profile
  - 2. Climate Change Vulnerability/Risk Assessment
  - 3. Profile of Macroeconomic Risks Resulting from Climate Change

#### Overview of the Green Climate Fund

The GCF serves as the primary financing mechanism for the Paris Agreement within the UNFCCC. The GCF does not implement projects, rather it works through eligible Accredited Entities (AEs) who access funding and support the delivery of projects. Engagement with the GCF is coordinated via the NDA which is the MFED in Kiribati. A summary of key AE's and their engagement with this SFCP is provided at Annex III. The primary GCF funding windows through which Kiribati seeks support are as follows:

#### Project Preparation Facility (PPF)

- Up to USD 1.5 million to support project preparation activities including consultation, feasibility assessment and design.
- The GCF can also provide project preparation services directly to AEs through a roster of independent consultancy firms. <u>More information here:</u>.

#### **Readiness Support Program**

- Up to USD 1 million per country per year for support related to institutional capacity building, coordination, policy and planning, and programming for investment.
- Up to USD 3 million per country for the formulation of National Adaptation Plans (NAPs) and/or other adaptation planning processes. This may include support for subnational adaptation plans and/or sectoral adaptation planning processes. More information here::

#### Full Funding Proposals

- Large scale funding through grants, loans, guarantees and equity.
- Full proposals must address the GCF Investment Criteria<sup>8</sup> and align with the result areas summarised below.

<sup>8</sup> https://www.greenclimate.fund/projects/criteria

• The simplified approval process (SAP) is an application process for small scale projects of less than USD 10 million and the 'Enhanced Direct Access' modality for country-level on-granting.



#### **Direct Access Accreditation**

National direct access accreditation allows for the eligible national government and private sector entities to directly access climate funds without the need to work through an intermediary (regional or international Accredited Entity). A primary goal of direct access is, among other things, to reduce transaction costs and enhance country ownership.

Accreditation to the GCF requires a designated agency to meet substantial and strict financial, project, governance, risk management (and other) criteria. Kiribati does not yet have a Direct Access Entity though the MFED has already passed the GCF financial management capacity assessment (FMCA) required to be a Readiness and Preparatory Support Program (RPSP) grant delivery partner. The GoK is taking a measured approach towards establishing a DAA

In the interim, the Secretariat of the Pacific Regional Environment Programme (SPREP) and the Pacific Community (SPC) provide options for regionally based access with some benefits of direct access (for example accessing Simplified Approval Process grants).

#### Other Funds

This SFCP has been developed with the primary focus of guiding Kiribati's engagement with the GCF. However, important initiatives with other funds and donors are also to be pursued.

#### Adaptation Fund

The Adaptation Fund (AF) is a fund financed largely by governments, private donors and a two percent share of proceeds of the Certified Emission Reductions (CERs) issued under the protocol's Clean Development Mechanism projects. This fund finances projects and programmes that help vulnerable communities in developing countries adapt to climate change. MFED also serves as the Adaptation Fund **Designated Authority**.

The AF also offers regional (multi-country) projects. The regional project funding window includes a focus on the thematic areas of: water, food security, disaster risk and early warning systems.

The AF provides up to USD 20 million per country for eligible climate adaptation projects. Kiribati is currently completing final development for USD 9.8 million<sup>9</sup> *Enhancing the Resilience of the Outer Islands of Kiribati Project.* The AE for this WASH project is SPREP and the islands of focus are Aranuka, Makin and Tabiteuea South

<sup>&</sup>lt;sup>9</sup> Final budget TBC

#### Climate Investment Fund (CIF)

CIF is one of the world's largest and most ambitious multilateral climate finance mechanisms for developing countries seeking to shift to low carbon, climate-resilient development, and accelerate climate action. CIF is pioneering investments in five new areas which are the transition from coal, creation of climate-smart cities, nature-based solutions, industry decarbonization, and renewable energy integration, after a widespread consultation to identify next-frontier climate challenges. In 2021, the G7 committed up to USD 2 billion in additional resources for CIF, a way to recognize the urgency of the mission and demand from developing countries.

The CIF is providing USD \$3.7 million to the **South Tarawa Renewable Energy Project (STREP)** with implementation through ADB.

#### Global Environment Facility (GEF)

The GEF has a unique mandate across multiple Multilateral Environmental Agreements and its trust fund is replenished every 4 years. The most recent replenishment (GEF-7) allocates **USD 6.14 million** for Kiribati (USD 1.5 million for climate change; USD 3.14 million for biodiversity; and USD 1.5 million for land degradation focal areas).

Through the **Least Developed Countries Fund** countries can access up to USD 50 million with up to USD 10 million during the GEF-7 period (2018- 2022).

The **Special Climate Change Fund** (SCCF) has been designed to finance activities, programs and measures related to climate change adaptation and technology transfer to all eligible developing countries. The SCCF is supporting initiatives that facilitate mainstreaming of resilience and adaptation into larger initiatives supported by the GEF Trust Fund, projects that promote private sector engagement and investments, as well as the **Challenge Program for Adaptation Innovation**.

Kiribati access to the GEF is coordinated through the Environment and Conservation Division (ECD) within MELAD who serves as both the operation and political focal points. MELAD is currently working to program GEF-7 in partnership with IUCN. Kiribati also has an existing portfolio and pipeline of projects with the GEF that ongoing climate finance programming should align with. Coordination of climate finance projects will be facilitated through full and proper activation of the KNEG. Kiribati's GEF projects can be viewed on the GEF webpage and are reflected in the Program Summaries where relevant (see Part 4).

#### Other donors

Kiribati works with a range of bilateral and multilateral donors for climate finance including the Australian, and New Zealand Governments, the World Bank, Asian Development Bank, and others. A list of relevant bilateral and multilateral projects is included in each of the Program Summaries (see Part 4).

# PART 2

#### **Country Context**

#### Country Facts<sup>10</sup>

- Kiribati is comprised of 32 coral atolls and one raised coral island in the Pacific Ocean, straddling the equator; the capital Tarawa is about halfway between Hawaii and Australia
- 21 of the 33 islands are inhabited and are spread across three island groups Gilbert Islands, Line Islands, and Phoenix Islands dispersed over about 3.5 million sq km.
- Islands comprise just over 810sq km land with 1143 of coastline with a mean elevation of just 2m above mean sea-level
- Population: 119,438 (2020 census)
- Kiribati's Human Development Index value for 2019 was 0.630 which puts the country in the medium human development category positioning it at 134 out of 189 countries and territories
- Foreign aid accounts for over 30% of government spending
- Public Debt: 26.3% GDP
- Real GDP: USD 267 million (PPP, 2019). Per capita: \$1,681
- GDP by sector: Agriculture 23%; Industry 7%; Services 70%
- Public debt increased from 23% of GDP at the end of 2015 to 25.8% in 2016
- Ease of doing business Index: 78.4 (164 out of 190)
- Main industries: Fishing; handicrafts
- Agriculture products: coconuts; taro; bananas; fruit; poultry; eggs
- Exports: USD 84.75 million

#### **Development and Climate Policy Framework**

**The Kiribati 20-Year Vision 2016-2036 (KV20)**<sup>11</sup> sets a vision for Kiribati to become a wealthy, healthy and peaceful nation by the year 2036. The KV20 vision sets the overall development strategy for the country based on 4 pillars:

- 1. Wealth
- 2. Peace and Security
- 3. Infrastructure; and
- 4. Governance

<sup>&</sup>lt;sup>10</sup> Sources The World Fact Book, UNDP Human Development Reports, The World Bank, International Monetary Fund, Kiribati National Statistics Office

<sup>11</sup> https://www.president.gov.ki/resources/kiribati-20-year-vision-kv20.html

KV20 includes an emphasis on maximising the development benefits from fisheries, other natural capital, and tourism as key productive sectors, which are expected to stimulate the development of other minor sectors through a multiplier effect.

Infrastructure, private sector development, land use reform, traditional knowledge and a healthy, educated society are identified as key drivers. KV20 emphasises the need to mainstream climate change adaptation and mitigation into all programmes.

"There is a need to increase resilience in Kiribati against the impacts of climate change through measures such as environmental protection and management, disaster risk management and preservation and protection of cultural identity and heritage." *The Kiribati Development Plan (2020-2023)*<sup>12</sup> sets out 6 Key Priority Areas (KPA): Human Resources Development, Economic Growth and Poverty Reduction, Health, Environment, Governance, and Infrastructure. Climate change is identified as a major long-term challenge within the Environment KPA. A strategic and whole-of-country approach is required to build resilience against the adverse impacts of climate change.

Key policies and strategies driving Kiribati's climate-resilient and low-emissions growth and development include:

*The Kiribati Climate Change Policy*<sup>13</sup> established in 2019 strategically "guides and supports decisionmaking processes to set the direction for enhanced coordination and scaled-up implementation of CCA, mitigation and DRR." The KCCP is the overarching climate change policy directive prioritising action in the following areas:

- Coastal protection and infrastructure
- Food security
- Water security
- Energy security
- Environmental sustainability and resilience
- Health security
- Disaster risk management
- Unavoidable climate change impacts
- Capacity building and education
- Climate finance

**The Kiribati Joint Implementation Plan (KJIP)** sets out a holistic approach to integrate climate change and disaster risks management into all sectors while establishing twelve strategies and associated results aligned with the KCCP which provides clear direction on the broad actions and priorities to be accomplished.

**Island Council Strategic Plans (ICSPs)** capture and reflect specific island level priorities. The Government intends to integrate KIVA and ICSPs to inform cost action plans through the following activities which are currently underway.

 $<sup>^{12}\</sup> https://www.mfed.gov.ki/sites/default/files/KDP\%202020\%20-\%202023.pdf$ 

<sup>&</sup>lt;sup>13</sup> https://www.president.gov.ki/presidentgovki/wp-content/uploads/2019/04/Kiribati-Climate-Change-Policy.pdf



Figure 2: IVA are being undertaken to inform ICSP, which in turn will direct climate action priorities

At the sectoral level: National sectoral and government ministry plans guide sector-specific planning and implementation processes. Together with the KJIP, sector plans and strategies inform and guide ongoing climate finance programming in Kiribati.

The following key sectoral policies guide climate resilient and low emissions development in Kiribati.

#### Kiribati Integrated Energy Roadmap (KIER) 2017 -2025

The KIER serves as the comprehensive plan for energy security, including the potential to scale up renewables and energy efficiency, in the years until 2025. The roadmap includes government-endorsed energy targets.

#### Long-Term Coastal Security Strategy (LTCSS)

The LTCSS will outline a range of engineering solutions (e.g., sea walls, beach nourishment, wave dissipation measures) as well as ecosystem-based approaches (e.g protection of coral reefs, pollution control, planting mangroves) that can be considered and combined through integrated coastal zone management to ensure prolonged atoll suitability for human habitation.

#### National Water Resources Policy and the National Water Resources Implementation Plan (NWRP)

The NWRP provides a framework for leadership and coordinates the supply of safe, adequate as well as financially, technically and environmentally sustainable water services to rural, and urban communities in Kiribati. The implementation plan includes an overview of priority issues needing attention.

#### Kiribati Integrated Environment Policy (2020)

Provides high-level documentation guiding the work of MELAD and "sets a solid policy platform for long term planning and action to respond to priority environmental issues, in particular, the impacts of global climate change on our islands."

#### National Environmental Health & Climate Change and Health Action Plans

Sets out six strategic objectives including, in relation to climate information, early warning systems and climate-resilient climate health infrastructure as well as awareness and capacity. Strategic Action 1 focuses on improving environmental health responses to climate change and disaster risk management while providing support for health sector preparedness.

#### National Urban Policy

With internal migration driving high rates of urbanisation (the urban population is expected to double by 2030), a coherent plan is needed to guide urban development and growth. Efforts are needed to ensure actions are climate proofed.

#### National Agriculture Policy 2020 – 2030

Prioritises actions to deter coastal erosion, adopt new sustainable agricultural practices, introduce appropriate technologies, implement effective use of traditional agricultural knowledge, human and institutional capacity-building efforts and practices help more to mitigate climate change impact

#### **Climate Change Profiles and Vulnerability**

The Republic of Kiribati has a tropical climate with hot, humid temperatures throughout the year. Air temperature on these small, low-lying islands of Kiribati is heavily influenced by the surrounding sea Annual changes climate, temperature. in particularly rainfall patterns, are related to the El-Nino-Southern Oscillation, with El Nino years bringing wetter and warmer conditions and La Nina years bringing drier, sometimes, drought-like conditions to the region<sup>14</sup>. Kiribati is one of the world's most vulnerable nations to climate change. sea-level rise, extreme weather events, increases in annual and seasonal temperatures and changes in precipitation patterns are some of the impacts of climate change that have already been observed in Kiribati<sup>1</sup>. Climate change in Kiribati affects crop production, fisheries, disease outbreaks and fresh water supply for the people of Kiribati (see Figure 3 below).

#### Downscaled Climate Models for three Island Groups

Under the GCF technical advisory service initiative, a series of climate risk profiles were developed for each broad island group in Kiribati -- Gilbert, Phoenix and Line islands. Using five bias-corrected and statistically downscaled CMIP6 Global Climate Models under the high emission scenario SSP5-85, projections for changes to various climate variables over the 21st century were developed including temperature, maximum temperature, precipitation, flooding and drought.<sup>15</sup>

# At a glance



 El Niño and La Niña events will continue to occur in the future, but there is little consensus on whether these events will change in intensity or frequency.



 Annual mean temperatures and extremely high daily temperatures will continue to rise.



- Average rainfall is projected to increase, along with more extreme rain events.
- Droughts are projected to decline in frequency.



- · Sea level will continue to rise.
- Ocean acidification is expected to continue.
- The risk of coral bleaching is expected to increase.
- Wave height is projected to decrease in December–March, waves may be more directed from the south in October.

FIGURE 3 - CURRENT AND FUTURE CLIMATE FOR KIRIBATI, PACIFIC-AUSTRALIA CLIMATE CHANGE SCIENCE AND ADAPTATION PLANNING PROGRAM

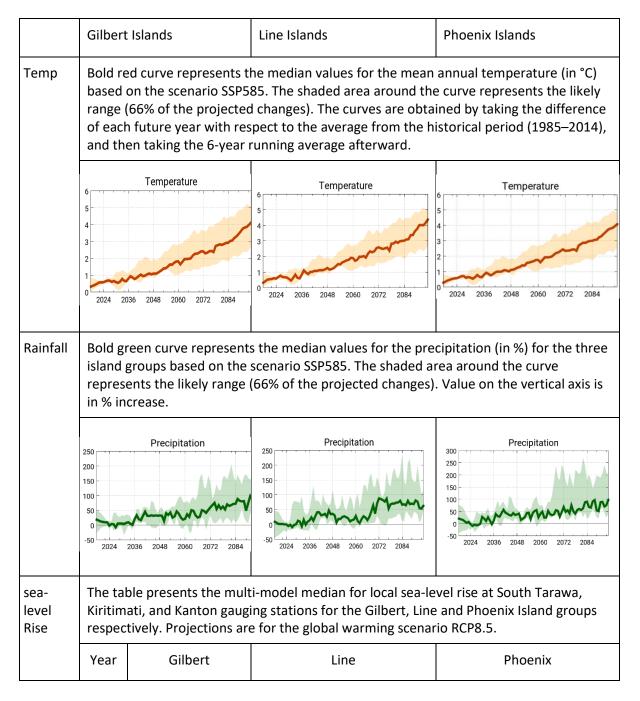
Based on the high emission SSP5-85 scenario, the results indicate a consistent **increase in temperature** of up to 4°C by the end of the century. Although the average temperature over the Line Island group is a little lower compared to the other two groups in the reference period (2000), the projected increase remains 0.2°C higher by 2080 than the other two groups. Maximum temperature also shows a similar pattern to average temperature with the 2080 values projected to 31.1°C, 30.4°C and 31.2°C over the Phoenix, Line and the Gilbert Islands respectively.

<sup>&</sup>lt;sup>14</sup> Current and future climate of Kiribati, Pacific-Australia Climate Change Science and Adaptation Planning Program, Australian Government, 2015. pp 2. http://www.pacificclimatechangescience.org/wp-content/uploads/2013/06/11\_PACCSAP-Kiribati-11pp\_WEB.pdf

<sup>&</sup>lt;sup>15</sup> Citation: Climate Analytics, (2021). *Climate Change Risk Profile: Kiribati - Technical Advisory Service for the Preparation of GCF Country Programmes.* Saeed, F. Berlin, Germany.

**Annual average precipitation** also shows a substantial increase in the median values which is consistent across the 3 island groups. In line with the increase in precipitation and flooding events, drought events are projected to decrease in the future warmer climate across all the three island groups with moderate drought events occurring in the first half of the century for the Gilbert and Phoenix group but declining after 2050.

**Sea-level rise (SLR)** is also projected to increase in all three island groups. The median value of sealevel rise is projected to increase by around 80 cm by 2100 and 200 cm by 2200 across Kiribati. The sea-level rise projections are based on the CMIP5 data for global warming scenario RCP8.5 obtained from Robert Kopp et al. (2014)<sup>16</sup>. Due to the time-lagged sea-level response to greenhouse gas forcing, SLR projections are shown up to the year 2200.



<sup>&</sup>lt;sup>16</sup> https://agupubs.onlinelibrary.wiley.com/doi/full/10.1002/2014EF000239

2030	15cm	14cm	12cm
2050	31cm	29cm	26cm
2100	87cm	84cm	77cm
2150	147cm	143cm	133cm
2200	217cm	212cm	199cm

TABLE 2 - CLIMATE VARIABLES IN KIRIBATI ISLAND GROUPS OVER THE 21ST CENTURY

#### Island Vulnerability Assessments

In line with its NDC, The GoK intends to progress capability for community-based vulnerability mapping, adaptation planning and management. It hopes to promote a whole of island approach that will build capacity in vulnerable villages for small-scale, localised adaptation actions which represents a critical contribution to the implementation and achievement of national climate change and disaster risk management policies and strategies.

Based on this, the GoK hopes to improve access to financing for community-based resilience-building projects. By fostering broader community engagement and ownership in building climate resilience at the local level, it is anticipated that long-term support will be sustained for priority adaptation interventions that address the basic needs of vulnerable villages and communities.

- Island Vulnerability Assessments have been conducted on the following islands: •
  - Abaiang

o Banaba

Beru

0

- Butaritari
- o Abemama
- Kiritimati
- o Maiana Aranuka
  - o Nikunau
  - - o Nonouti

- Tabiteuea Meang
- 0 Tabuaeran
- o Tamana
- Teraina 0

IVAs have also been conducted on Arorae and Tabiteuea Maiaki (south) but their reports are yet to be completed. The remaining islands include Makin, Marakei, Tarawa, Kuria, and Onotoa. Some Islands have established Island Development Plans.

#### Gender Risk Profile Summary

Due to traditional practices and cultural norms, women in Kiribati are highly vulnerable to the impacts of climate change and disasters, as they are primary household managers, users of water, fuel, and providers of food. However, they are often left out of decision-making instances. Based on traditional patterns, I-Kiribati women have had limited roles in community decision-making forums, such as those traditionally held in community meeting houses, maneabas. These roles belong to the unimwane (old men) who represented clans and families. Cultural norms, lack of entitlements, and unequal access to land, water and productive assets, compounded by lack of participation in decision-making have led to women being marginalised.

Climate finance programming must be responsive to the Kiribati National Policy on Gender Equality and Women's Development (2019-2022)<sup>17</sup> which prioritises the following.

To progressively implement a gender mainstreaming approach to achieve gender equality

 $<sup>^{17}\</sup> https://pacificwomen.org/wp-content/uploads/2019/07/Kiribati-GEWD-Policy.pdf$ 

- 2. To improve the economic empowerment of women
- 3. To support stronger, informed families
- 4. To improve women's political representation and leadership
- 5. To eliminate sexual and gender-based violence

Ongoing climate finance programming should also align the KJIP's Strategy 12 which calls for "Enhancing the Participation and Resilience of Vulnerable Groups Result: Members of vulnerable groups are increasingly engaged in climate change and disaster risk management initiatives and their needs are addressed."

As part of the SFCP development process, women were well represented in consultations (50%) and ongoing efforts will continue to ensure that women both equally participate in the development of projects and benefits.

#### **Economic Risk Profile**

Kiribati has few natural resources and is currently one of the least developed Pacific Island countries. Economic development is constrained by a shortage of skilled workers, weak infrastructure, and remoteness from international markets. The public sector dominates economic activity and is largely based on international aid.

However, economic growth has been strong up to the era of COVID-19. High fishing revenues have improved fiscal position, but generated pressure to increase spending. Public spending needs are large, driven by an infrastructure gap and climate adaptation costs, the country remains at high risk for debt distress. Increases in government revenue over the past decade have enabled unprecedented capital and infrastructure investment that has the potential to lift long-term economic growth and prosperity for the Kiribati people.

The revenue of Kiribati is drawn primarily from five main sources: (i) the sale of fishing licences (access fees account for more than 50% of annual government revenue and add about 22% to the GDP); (ii) official development assistance; (iii) The Kiribati Revenue Equalization Reserve Fund (RERF<sup>18</sup>), invested in overseas financial markets; (iv) general taxation; and, (v) tariffs paid by households for services.

There has been progress on fiscal and structural reforms, and for the first time in its history, the Kiribati Government, rather than any foreign development partner, is the single largest financier of public investment. However external budget support and development assistance still constitutes about 30% - 50% of the government budget.

Kiribati's geography does not allow centralised facilities of public services, raising the cost of delivery, leading to an infrastructure gap, and limiting opportunities for private sector development and diversification. Weaknesses in governance, business regulations, and access to credit exacerbate the geographical challenges.

#### **Climate Finance Profile**

The International Monetary Fund (IMF) estimates<sup>19</sup> that climate change adaptation costs alone will amount to 6% of GDP a year within the next five years, in addition to the servicing costs of the existing

<sup>&</sup>lt;sup>18</sup> The Revenue Equalization Reserve Fund (RERF) is the sovereign wealth fund of the Pacific island republic of Kiribati. The RERF was created in 1956 to act as a store of wealth for the country's earnings from phosphate mining, which at one time accounted for 50% of government revenue. <sup>19</sup> 2018 Article IV Consultation

infrastructure of around 2% of GDP. This roughly aligns with the KJIP budget estimate of AUD 103 million (approximately USD 75 million) over the period 2013–2023<sup>20</sup>.

In general, Kiribati has limited opportunities to fund adaptation and mitigation efforts other than through bi-lateral and multilateral donors, and there is a need to continue strengthening public financial management and policy and planning capabilities to maximise impact and minimise waste. The IMF notes that the "medium-term budget should include an explicit provision for climate change adaptation, up to 2 percent of GDP annually to cover the recurrent costs (including infrastructure damage repair). Longer-run plans should provide for a further increase to reach 6 percent of GDP with the remaining half of annual costs assumed to be financed by development partners".

This aligns with the NDC which notes that the implementation of the KJIP is to be, "financed through already existing strategies ranging from national budgets and other internal sources to overseas development assistance, additional climate change funding and humanitarian aid. It is expected that a considerable portion of the necessary financing will be provided in the forms of grants from the Green Climate Fund, Global Environment Facility (GEF), Adaptation Fund, and from various bi-lateral climate change programmes.

#### National Budget:

Actual overall government spending has hovered between AUD 100 million and AUD 300 million with a noticeable spike in 2015 (see Figure 4). The estimated spending on climate and disaster-related activities is averaging about AUD 21 million annually over the period being reviewed (2014–2018). Analysis suggests that to date GoK spends 8% of its recurrent budget on climate change and disaster risk management-related activities and 92% on other activities<sup>21</sup>.

However, the increasing trajectory of climate and disaster expenditures from recurrent budgets, from AUD 9 million in 2014 to about AUD 44 million in 2018 is a positive trend and in line with government ambition to increase investment.

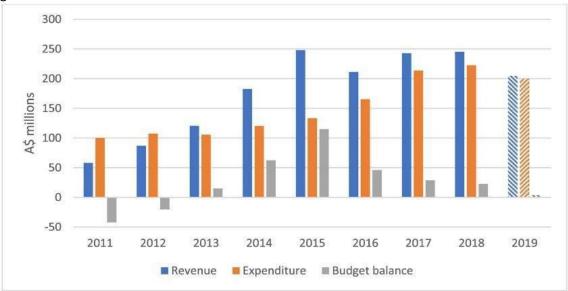


Figure 4 - Kiribati National Budget. Source MFED Audit Office Budget.

 $<sup>^{20}</sup>$  It should be noted that these cost estimates are considered conservative and outdated, and additional analysis is needed to establish a more accurate climate change action budget for the longer term.

<sup>&</sup>lt;sup>21</sup> This is consistent with the upper range of the trend observed in other Pacific Island Countries (PICs)

#### Other sources of domestic finance

Other sources of climate finance besides the national budget, climate finance funds, and donor aid are extremely limited in Kiribati. The private sector is small and has a very limited capacity to make significant investments in climate change adaptation and mitigation. However, with the establishment of the **Kiribati Chamber of Commerce and Industry** (KCCI) and ongoing reforms with divestment of SOE activities, there is a growing interest across private sector stakeholders in Kiribati's climate-resilient development pathway.

**Public Private Partnerships (PPPs)** refer to a range of possible relationships between public and private actors for the delivery of a common goal. They are commonly understood to incorporate three key elements.

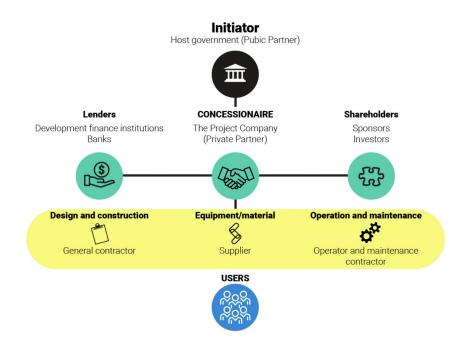
- Formalised partnership defining the respective roles and responsibilities of public and private actors. There is a spectrum of possible contractual arrangements between public and private entities. These range from relatively short term service contracts to long-term joint venture arrangements.
- *Risk-sharing among public and private actors.* PPPs offer a range of risk-sharing mechanisms. They recognise the differing characteristics of public and private actors, and seek to optimise the effectiveness of public service delivery by allocating risks to parties most suited to address them.
- *Financial reward for private parties,* in line with contractual conditions and risk-sharing arrangements.

These elements are captured in the following definition provided by the World Bank: "A long-term contract between a private party and a government agency, for providing a public asset or service, in which the private party bears significant risk and management responsibility" (World Bank, 2012, p. 11).

A significant amount of infrastructure investment is needed and PPPs are a key entry-point to mobilise private sector finance to bridge this gap. These initiatives must be resilient to climate change and work to build the resilience of the communities they serve.

PPPs can offer a number of benefits, including a whole-life costing approach that optimises construction, operation, and maintenance costs, better risk management – with the private sector taking on a level of assessed risk and rewarded for the extent of risk taken on – and efficient project delivery. Well-structured PPPs can help ensure that projects are delivered on time, within budget and at the same time generate attractive risk-adjusted returns.

#### **Typical PPP structure:**



The potential field of application of PPPs in climate finance remains very broad. Three main thematic areas are possible for public private collaboration:

- **Green infrastructure.** Where they hold the potential for enhancing the efficiency of large infrastructure investments, mobilising the resources needed to support infrastructure projects of a smaller scale, and supporting innovation as well as the emergence of new growth areas.
- **Natural resource management.** Where the importance of shared public and private ownership of natural resources to ensure shared valuation and awareness can help achieve effective compliance and enforcement.
- **Innovation.** Where public-private collaboration can result in long term certainty for private sector innovation investments, stimulate "green" entrepreneurship and help establish networks that support innovative outcomes.

Several entry points for engagement have been identified and the KCCI is motivated to explore options via a scoping project: *Improved participation of the private sector and access to modalities of GCF private sector facilities* (see Section 4 below). Possible entry points for private sector engagement include:

- Awareness. Raise awareness regarding risks associated with how climate change might relate to their businesses, to prompt thinking about the adaptation measures needed.
- **Participatory in planning and design**. Engaging the private sector in planning and design processes will facilitate opportunities to build resilience and lower emissions of business, and leverage business support.
- **Project co-financing.** There may be scope for private sector businesses to raise their own match-funding to be partners in climate change projects relevant to them.

• Leverage. The newly formed KCCI will bring together business people for information sharing, and participate in policy and project design

Other than private sector engagement, the GoK has expressed interest in exploring options for innovative financing (see Text Box 1 below)

The Government of Kiribati intends to explore options for innovative and coordinated financing to implement the KJIP and community-based adaptation plans from varied sources such as multilateral and bilateral donors and regional and national funding mechanisms. Innovative financing approaches and operations will be explored, including options such as microfinance, carbon levies, subsidies, soft loans, emergency funds, sovereign insurance, contingent credit, catastrophe bonds, and intergovernmental risk insurance. Based on lessons learned and best practices from other SIDS such as Palau and the British Virgin Islands, the Government will investigate the viability of, amongst other measures: (i) setting aside the valued added tax (VAT) charged for fuel; (ii) charging carbon levies to offset greenhouse gas emissions for international air transport to the country; and (iii) charging fees for climate change research undertaken in the country. Such fees and charges will be used to establish and finance a climate change trust fund for priority climate change measures. – NDC extract

Text box 1: Innovative Financing from NDC

### PART 3

#### Climate Finance Strategy

This section summarises priority projects to be developed and submitted to relevant funding partners (in particular the GCF, AF and CIF).

The Pipeline covers a period up until 31 December 2024 and includes projects that will be developed towards full design and funding approval within this time frame.

- Only projects reviewed through the KNEG process and approved by the National Designated Authority are included and added to the Project Pipeline.
- The Project Pipeline will be maintained by the CFD within MFED, on behalf of the KNEG and National Designated Authority.

The project pipeline has been developed with the following strategic objectives:

- Alignment: To advance Kiribati's long-term climate change strategies and plans, including the NDC and KJIP and other national and local level strategies and plans.
- **Country Ownership:** Project priorities are primarily driven by the needs and proposals of country representatives, rather than external influences.
- **Balance:** The Pipeline aims to achieve a balance of projects across different sectors to benefit a broader population.
- **Ambition:** The Pipeline has been developed and will be maintained in pursuance of Kiribati's' ambition, commensurate with the climate crisis faced by the Nation.
- **Sustainability:** Ambition will be balanced with Kiribati's capacity to sustainably and effectively deliver projects, and maintain their outcomes.
- Eligibility and likelihood of funding: Only projects that have been assessed for alignment with donor requirements, specifically the GCF's investment criteria, are elevated to the project pipeline.

# Project Pipeline

SFCP Project Pipeline – Full Funding Proposals			Version Date: 01 September 2022							
Project name	Project Summary	Priority Program Area	Status	Estimated Project Budget (\$US)	et AE	Key GoK Partner	Notes and next Steps (as of Jan 2022)	Estimated Final Submission Date for Approval		
		(sector)				(s)		2022	2023	2024
National Projects –	the Pipeline is a live document and it is expo	ected that several	other projects	s focussed on	coastal sec	urity will be	added to the pipel	ine thro	ugh 2024	4
Enhancing Resilience of the Outer Islands of Kiribati – Phase I (AF)	The overall objective of the project is to strengthen the resilience of the Outer Islands of Aranuka, Tabiteuea Maiaki, and through improved access to sustainable potable water supply, as well as improved health and sanitation conditions.	Adaptation / Water Security	Proposal being finalised	~10 m	SPREP	MISE MIA MoH	• Full proposal submitted to the AF		x	
Enhancing Resilience of the Outer Islands of Kiribati – Phase I (AF)	The overall objective of the project is to strengthen the resilience of the Outer Islands of Aranuka, Tabiteuea Maiaki, and through improved access to sustainable potable water supply, as well as improved health and sanitation conditions.	Adaptation / Water Security	Pojrect design will commence once Phase 1 (see above) is approved	~10 m	SPC (target)	MISE MIA MoH	<ul> <li>Concept note submitted</li> <li>Full proposal submitted to the AF</li> </ul>		X	x

Kiribati Coastal Security Project (GCF) Regional / multi-cou	This project will focus on the design and installation of soft and hard coastal protection measures that protect communities against sea-level rise and inundation	Adaptation / Coastal Protection Infrastructure	Min of Env from Gov of Japan has developed an initial Concept Note. Needs further developme nt and the selection of an AE which is likely to be JICA	~ 35 m	TBD	MISE MIA	<ul> <li>Engage an AE (JICA, GoJ Min of Environment, or other)</li> <li>Concept note submitted</li> <li>PPF submitted</li> <li>Full proposal submitted to the GCF</li> </ul>	X	x x	X
Adapting Tuna- dependent Pacific Island Communities and Economies to Climate Change (Cook Islands, Fiji, Kiribati, Nauru, Papua New Guinea, Solomon Islands, Tuvalu, Vanuatu)	The project will: 1) prepare small-scale fisheries to catch more tuna as the abundance of coral reef fish declines; and 2) provide governments with the information needed to adapt industrial tuna fisheries to maintain the socio- economic benefits derived from tuna.	Adaptation / Food Security	PPF application approved No Objection Letter signed by GoK	Total: 148m GCF: 116.5 m	Conserv ation Internat ional	MFMRD Fisheries	<ul> <li>PPF submitted</li> <li>Feasibility studies</li> <li>Full proposal submitted</li> </ul>	X	x	x

Climate Information and Early Warning Systems, One Pacific Programme - 14 Pacific Island Countries (GCF)	The project is focused on the delivery of capacity development of the National Meteorological and Hydrological Services (NMHS), development of communication and knowledge products on weather, climate, hydrological information and services as well as enhancing the enabling environment.	Adaptation / Climate InformationI Services	Concept Note submitted	189 m	SPREP	KMS	• Full proposal submitted		x
Pacific Climate Resilient Healthcare Project (Kiribati plus two other countries) (GCF)	This project is focussed on building the resilience of Kiribati's health systems to climate variability and change.	Adaptation / Health Security	Concept Note under developme nt	50 m	Save the Children Australia	MISE MELAD MIIA	<ul> <li>Concept note submitted</li> <li>PPF submitted</li> <li>Full proposal submitted to the GCF</li> </ul>	x x	x

Policy, Planning, and Institutional Needs (Readiness Project Pipeline)	Version Date: 01 September 2023
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To support development, progress and implementation of the Project Pipeline (above), and to more broadly enhance readiness to implement commitments and necessary climate action associated with Kiribati's NDC and the Paris Agreement, the CFD will work with relevant stakeholders to progress the following readiness projects with support from the GCF, and other partners.

Readiness Priorities	Description	Est. GCF Financing	Status / notes	Delivery Partner	Estimated Submission			
	(\$US)			Partier	2022	2023	2024	
Readiness II: Capacity building and stakeholder coordination for the development of a high-impact project pipeline in Kiribati	<ul> <li>This proposal will target the following outcomes:</li> <li>Outcome 1.1 Country NDAs or focal points and the network/systems that enable them to fulfil their roles, responsibilities and policy requirements are operational and effective.</li> <li>Outcome 1.2 DAEs have established capacity to meet and maintain the GCF's accreditation standards; and accredited DAEs have the capacity to develop a pipeline of projects and effectively implement GCF-funded activities</li> <li>Outcome 1.3 Relevant country stakeholders have established adequate capacity, systems and networks to support the planning, programming and implementation of GCF-funded activities</li> </ul>	\$1M	This project has been redeveloped by GGGI and will be submitted in early 2023	GGGI		×		

	Outcome 4.3 An increase in the number of quality project concept notes developed and submitted that target SIDS, LDCs and African states.					
NAP Sector Adaptation Strategies and Action Plans	This proposal will seek to access the GCF NAP funding envelope to develop adaptation strategies and action plans for several key and at risk sectors. Sectors likely to be included are agriculture, fisheries, coastal environments, biodiversity, water resources, human settlements and infrastructure, and the health sector.	~1.5 m	This development of this project is expected to commence in Q4 of 2022. Sectoral adaptation strategies and action plans are expected to be a key tool in guiding future programming and investments.	GGGI	x	X

#### **Program Summaries**

Seven program summaries have been developed based on the priority thematic areas outlined in the KCCP; guided by the Strategies and Results of the KJIP; and informed through SFCP consultations. Each Program Summary presents information regarding the climate priorities, gaps and barriers relevant to the pertinent area. In doing so the Program Summaries aim to provide up-to-date consultative-based and snap-shot information that can inform climate finance programming.

SFCP Summaries Explained

- Activities: A list of activities identified by stakeholders is annexed.
- Lead Ministries: The Ministries who will lead on coordinating and advising on ongoing development of the Program Summary. Together they constitute a 'task team'.
- Key Sector Documents: Identifies existing policies and plans that should guide investment.
- Key Current Projects: Identifies major projects within the sector addressing climate change.
- **Strategic climate actions:** High level summary of key strategic actions to be implemented through GCF and other funds over next 3 years.
- Summary: An overview of sectors and issues.
- Key capacity and planning gaps and barriers: Key policy, planning and capacity gaps and barriers that need to be addressed to allow strategic actions.
- **Pipeline Projects:** Projects from the sector already in the SFCP Project Pipeline.
- **Project ideas:** Project ideas that have not yet been endorsed by KNEG / NDA to progress.

1. Coastal Protection and Infrastructure		
Coastal Protection and Infrastructure Task Force: MISE MPWU MELAD MIA	Key Partners TBD	<b>Summary:</b> Coastal areas in Kiribati are extremely vulnerable due to the low-lying atoll topography. A strategic and systematic approach to protect and build coastal resilience is needed to reduce the country's exposure. A range of actions, including both soft and hard measures, such as mangrove planting, traditional seawalls and raising of ground levels is needed, supported by further strengthening policies and guidelines to ensure efficacy and sustainability. Capacity development at local levels, and technical support to enhance management of assets is needed.
Key Sector Documents -Kiribati National Coastal Policy 2016 -Long-Term Coastal Security Strategy (LTCSS) for Kiribati - National Urban Policy Key Climate Projects		<ul> <li>Strategic climate actions include:</li> <li>Further development of integrated coastal zone management strategies, plans and guidelines.</li> <li>Upgrade institutional capacities and resources to be able to inform appropriate solutions.</li> <li>Finance for priority coastal protection measures including sea walls, 'green infrastructure' such as mangroves.</li> <li>Finance for priority climate proof infrastructure including roads, air and seaports, schools and health facilities (hospitals).</li> </ul>
Underway -KAP III -Kiribati Outer Islands Transport Infrastructure Investment project -Climate Resilient Urban Development in the Pacific		<ul> <li>Seaports, schools and health facilities (hospitals).</li> <li>Project Pipeline / Next Steps:         <ul> <li>A Coastal Security Project Concept has been prepared and will be progressed by the Task force and NDA as a priority project with the GCF. A suitable AE needs to be identified with expertise in hard measures for coastal protection.</li> </ul> </li> </ul>

Food Security	Key Partners	Summary
Task Force: MELAD MHMS	FAO IFAD CI	Poor-quality soil has beset agricultural productivity, and other social, environmental and demographic pressures underpin poor food security outcomes. sea-level rise, saltwater inundation, coastal erosion and wave overtopping directly threaten agricultural productivity. As does an increasingly
Key Sector Documents -Kiribati Agriculture Strategic Plan (2020-2030). -Coastal Fisheries Roadmap		inconsistent water supply. There is also a perceived threat to the increasing reliance on imported foods as climate change impacts on food productivity and availability globally.
2019 -2036.		Climate finance priorities include
- Food and Nutrition Security Policy Key Climate Projects Underway -Enhancing National Food Security in the Context of Global Climate Change (GEF)		<ul> <li>Financial and technical support to identify sources, conduct trials and experiment on resilient crops and livestock breeds and other Climate Smart Agriculture options.</li> </ul>
		<ul> <li>Early warning systems based on soil health analysis, crop impact modelling and integration with documentation and use of traditional knowledge.</li> <li>Develop understanding of future pelagic fish distribution and impacts or food security and economy in Kiribati.</li> <li>Resource to support small-scale commercial activities through constructions and rehabilitate small-scale market vendors throughout South Tarawa and Betio.</li> <li>Access to credit and microfinance (revolving funds for cooperatives) to allow local investment in climate smart food production (including production and preserving).</li> </ul>
		Project Pipeline / Next Steps
		<ul> <li>The Adapting Tuna-dependent Pacific Island Communities and Economies to Climate Change is NDA approved in the Pipeline.</li> <li>MELAD (Ag Division) is leading discussions with IFAD on the developmen of an Adaptation for Resilient Agriculture in the Pacific (ARAP) Project. The multi-country project (Fiji, Kiribati, Samoa, Solomon Islands and Tonga) will be building the resilience of smallholder farming communities, landscapes and institutions to contend with climate change. MELAD will lead the presentation of the Project Idea/concept to KNEG and NDA.</li> <li>In addition, the task teams will be involved in the development of the 'Climate Early Warning Project' in collaboration with the health sector and KMS. See Program 7 below.</li> </ul>

# 3. Water Security

Water Security Task Force Agencies MISE MPWU MHMS (EHU) MELAD	Key Partners ADB SPREP SPC	<b>Summary</b> Climate change and related natural disasters are affecting the quantity and quality of the water available to the small island atolls of Kiribati, especially the overcrowded urban areas of South Tarawa and the growing urban villages of Christmas Island. On low-lying atolls with porous soils, the groundwater lens – the main source of water available – is highly impacted by weather conditions and is vulnerable to inundation and saltwater intrusion. During prolonged dry spells, the
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Key Sector Documents 2008 National Water Resources Policy (NWRP) and Implementation Plan South Tarawa Drought	water lens can turn brackish, and heavy rains and storm surges can lead to contamination of the lens. Priorities for potential support through climate finance funds include
Response Plan Island development Plans	<ul> <li>Technical assistance to support further modelling and monitoring of freshwater lenses.</li> <li>Ongoing implementation of fit-for-purpose freshwater lens management,</li> </ul>
Key Climate Projects -The South Tarawa Water	<ul><li>and water storage and management initiatives in the outer islands.</li><li>Strengthening of water governance at national and local levels.</li></ul>
Supply (GCF, ADB, WB) - KiriWATSAN project supported enhanced management and access to 8 outer islands -The Kiribati Outer Islands Food and Water Project (IFAD) \$11.7m focused on North Tab	<ul> <li>Project Pipeline/Next Steps</li> <li>The Enhancing Resilience in the Outer Islands project being developed by SPREP is expected to be scaled up and replicated across other islands once Phase 1 has some traction.</li> </ul>

# 4. Energy Security

Energy Security Task Force Agencies MISE MPWU KGE Solution Company	Key Partners ADB	<b>Summary</b> Energy security priorities focus on the available, accessible, reliable, affordable, clean and sustainable energy. Kiribati has ready access to renewable energy resources (e.g., solar, wind, thermal, bioenergy) which it aims to systematically exploit as part of its transition away from fossil fuels (primarily diesel). Kiribati contributes 0.0002% to total global carbon emissions. As such, Kiribati is in no position to make dramatic changes to the global total, nevertheless, Kiribati's NDC identifies a reduction in its emissions of 13.7% by 2025 and 12.8% by 2030. The goal for outer islands is a 60% reduction in fossil fuel use in all rural public
Key Sector Documents Kiribati 2009 National Energy Policy Kiribati Integrated Energy Roadmap NDC – priority actions		<ul> <li>infrastructure - 40% through the deployment of renewable energy and 20% through improvements in energy efficiency by 2025.</li> <li>Priorities include <ul> <li>Enhance solar uptake in outer islands. This includes PV-solar to replace diesel generators; rehabilitation on solar off-grid systems to rural boarding secondary schools; and delivery of new PV solutions for vulnerable rural communities, rural church headquarters, vulnerable school communities, and rural tourism sectors.</li> <li>Develop the copra based and coconut oil-based biodiesel capacity.</li> <li>Ongoing Technical support to develop standards and guidelines, and capacity (technical) for future solar photovoltaic grid-connected systems.</li> </ul> </li> <li>Pipeline Project / Next Steps <ul> <li>There may be opportunities to integrate small scale solar PV with delivery of the Enhancing Resilience in the Outer Island project (Phase II with GCF) The energy component of the project would focus on finance to support installation of PV solar on target islands.</li> </ul> </li> </ul>
Key Climate Projects -South Tarawa Renewable Energy Project (STREP) and Kiritimati Island Electricity Access Project -Rural solar off-grid utility- based electrification -Promoting Outer Island Development Integrated Energy Roadmap (GEF).		

5. Environmental Sustainability and Resilience		
Resilience Task teams Agencies MELAD	Key Partners SPREP SPC IUCN CI UNEP	Summary
		Climate changes exacerbate existing environmental challenges in Kiribati, which include waste management; biodiversity loss and habitat degradation; increased vulnerability of island biodiversity to invasive alien species; loss of and poorly managed coastal habitat.
		Major climate stressors include coastal erosion from sea-level rise and wave events; ocean warming and acidification. Resulting impacts include a decline in
Key Sector Documents Kiribati Integrated Environment Policy		biodiversity values, increased pressure on terrestrial and marine resources (including those harvested for livelihoods); and decreased quality and quantity of freshwater resources.
Integrated Environment and Natural Resources Co- Management Plans Community-based Mangrove and Natural Resources Co- Management Plan		Kiribati utilises the GEF as a key funding source to support a range of environmental management and conservation priorities, including related to biodiversity, climate change, land degradation. GEF 7 is currently being programmed with the LDCF component including a focus on protected areas (and food security).
Wanagement Fla	111	Priorities to potentially progress with climate finance support include
Key Climate Projects Underway		<ul> <li>Establishment of community based Protected Areas and support for management plan implementation, including in relation to coastal fisheries.</li> </ul>
		<ul> <li>Protection/Restoration of coastline through replanting of mangroves and coastal vegetation, with possibility of carbon offsetting.</li> </ul>
		<ul> <li>Monitoring and modelling of coastlines, carbon stores and fisheries stocks and migration trends.</li> </ul>
		Project Pipeline/Next Steps
		<ul> <li>IUCN has expressed interest in supporting Kiribati (as part of a multi- country project) to develop a Coastal and Marine Ecosystem Resilience Project (CMERP) project.</li> </ul>
		• Task teams to work with CFD to further scope the Project Idea.

# 6. Health Security

Health Security Task Teams Agencies MHMS MELAD MIA	Key Partners WHO (not an AE) SPC	Summary The health risks associated with climate change and disasters are a growing concern for Kiribati. Climate change may be directly or indirectly linked to an increase in vector-borne, waterborne and food-borne diseases and to other climate-induced and disaster-related diseases. As such, the health sector must build its capability to help reduce exposure and incidence of disease, and its capacity to respond to short- and long-term health emergencies.
<b>Key Sector Documents</b>		Health infrastructure is also at risk to climate-induced hazards such as sea-level rise
Ministry of Health and Medical		and wave inundation. It must adopt a multi-sector / multi-stakeholder approach to
Services Ministry Strategic Plan		build resilience to climate change, working closely with food, water, infrastructure
2016–2019		and health sectors. Due to the lack of capacity and resources , the majority of the

National Environmental Health and Climate Change and Health Action Plan	health facilities are not resilient to climate-induced pressures in terms of structural, non-structural and functional safety.
(NEHCCHAP)	Priorities include
·····	<ul> <li>Integration of meteorological and climate early warning information into Health Information Systems.</li> </ul>
Key Climate Projects Underway -Building Resilience of Health Systems in Pacific Island LDCs	<ul> <li>Services in selected healthcare facilities are climate-resilient, incorporating effective prevention and clinical case management of Climate Sensitive Health Risks.</li> </ul>
to Climate Change in Kiribati (GEF, LDC, WHO, MHMS)	• Enhanced delivery of vector control, food and water safety programmes and actions in selected communities.
	<ul> <li>Capacity of service delivery at community level is expanded and strengthened, with empowered communities that understand CC&amp;H impacts and can address these using community-based health adaptation strategies.</li> </ul>
	Project Pipeline Ideas
	• The health sector will look to ensure that it is engaged and informs the design of key projects in the food, water and disaster risk management sectors. In particular the health sector will be involved in the design of the Climate Information and Early Warning Systems project (see Disaster Risk Management below), which will look to build on and scale-up work planned to be undertaken in the GEF/WHO project (Building Resilience of Health Systems in Pacific Island LDCs to Climate Change in Kiribati).
	<ul> <li>In addition, the health sector will progress discussions with CFD on the undertaking of a health sector adaptation options analysis and prioritisation process.</li> </ul>

# 7. Disaster Risk Management

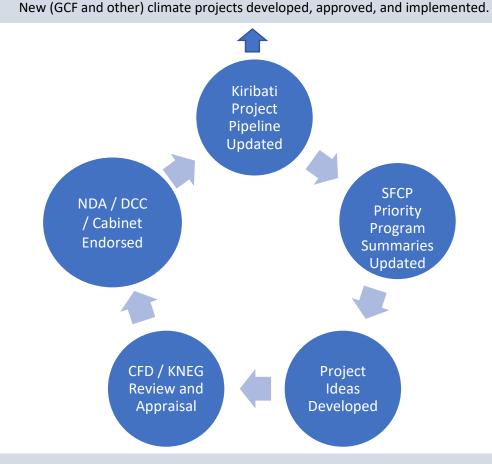
Disaster Risk Management Task Team Agencies KMS NDMO (OB)	<b>Key Partners</b> SPREP UNEP	<b>Summary</b> As the climate changes the risk posed by natural hazards is increasing. Cyclone activity within the Pacific is increasingly impacting Kiribati (through high waves combined with sea-level rise). Increased uncertainty regarding drought and flooding, and underlying threats to community resilience posed by climate change require effective disaster preparedness and response capabilities to avoid and		
Key Sector Documents KJIP National Disaster Risk Management Plan (NDRMP) 2012		minimise impacts. Kiribati has limited capacity to forecast and disseminate information on climate outlooks and potential climate-induced weather emergencies. Further, capacity to uptake and act on this information at community levels is limited. Governance and coordination, technological, and knowledge constraints need to be overcome.		
Key Climate Projects Underway UNDP- Building Resilience project on improving Early Warning supporting KMS to		<ul> <li>Priorities</li> <li>Establish early warning systems that reach communities and for sectors to allow for short, medium, and long-term planning. This includes establishing the technology, capabilities and coordination arrangements for detection, analysis, disseminating and acting on the weather warnings and climate outlook and information.</li> </ul>		

reopen selected outer stations.	<ul> <li>Replace weather and climate services stations and establish a well- equipped weather forecasting office.</li> </ul>	
WMO – CREWS – climate early warning system project	• Enhance disaster governance, including with a focus on establishing DRM Committees and Community Disaster Plans in outer islands.	
supporting KMS to update Strategic and Implementation plan and developing Meteorological bill	<ul> <li>Develop climate models and information. This includes models that conserve used nationally, or sub-nationals' scales improve monitoring, warning, and projections and enhance data collection and management regarding ocean conditions (waves, current, tides) especto outer islands.</li> </ul>	
	Project Pipeline Ideas	
	<ul> <li>Kiribati wishes to prioritise the development of a project which enhanced the capability of key sectors (agriculture, food, health, water) to access an use enhanced climate and weather information to plan and respond t climate-induced hazards. The project: Climate EWS for Agriculture Healt (and other priority sectors) will be developed and presented to KNEG NDA for endorsement to the Pipeline. This project idea needs to b reconciled with the current SPREP (regional Climate Information Service project).</li> </ul>	

## PART 5

### Programming Cycle and Governance

This part of the SFCP describes the ongoing process for climate finance programming coordination. Coordination will be driven through the Climate Finance Division of the MFED, in collaboration with the Office of the President (OB) as secretariat to the KNEG.



Accredited Entities, Development Partners, CFD provide support through the programming cycle.

### Key steps in the programming cycle

- 1. **SFCP Priority Program Summaries Updated.** The CFD will coordinate stakeholder meetings / workshops every 6 months to review and update sector priorities and document these in Program Summaries. This will allow for timely recognition of new priorities, and opportunities for engagement.
- 2. **Project Ideas Developed.** Based on priorities outlined in the Program Summaries (or else aligned with key strategies and plans e.g., KJIP, stakeholders will develop and submit project ideas using the project idea template (or similar) to the CFD.
- 3. **CFD / KNEG Review and Appraisal**. CFD will coordinate with the KNEG Secretariat the scheduling of KNEG meetings to review updates to the Program Summaries, and new Project Ideas. The CFD will undertake an initial screening to ensure alignment with key strategies, and eligibility with the relevant fund. The KNEG will then deliberate on the strategic merits of the project and provide advice to strengthen the project through identification of synergies, areas of duplication and efficiencies.

- 4. **Cabinet NDA endorsement.** The CFD will coordinate submission of the Project Proposal with KNEG recommendations / advice to the Development Coordination Committee, NDA, and Cabinet.
- 5. **Kiribati Project Pipeline Updated.** Based on NDA endorsement, the official SFCP Project Pipeline is updated and project development/design is commenced in earnest.
- 6. New Project Proposals. High quality, strategically aligned projects are submitted to the funds for approval.
- 7. Accredited Entities. Engagement of an Accredited Entity should happen as soon as appropriate within the programming cycle process. AEs are responsible for supporting design processes and can access GCF Project Preparation Funds for this purpose.

### Institutional arrangements and responsibilities

Implementation of this SFCP is designed to align with and support existing governance structures. The institutional set-up for climate change in Kiribati is summarised in Figure 5. Table 3 includes information about the key coordination, review and decision-making bodies that will drive implementation of the programming cycle.

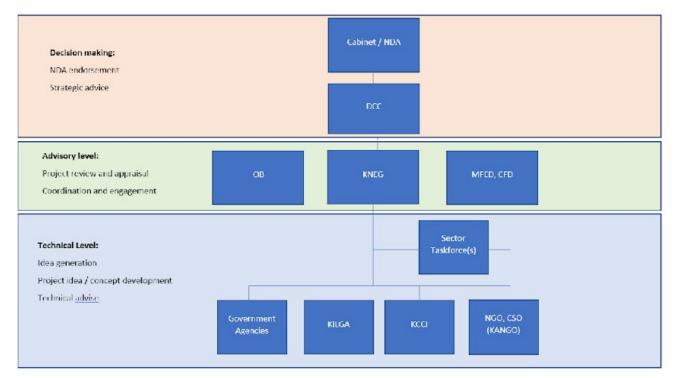


Figure 5 - Climate Change Institutional Set-up (source: KCCP)

### Key review and decision-making bodies

Cabinet	The head of the Cabinet is the President. The Vice President and Minister of Finance and Economic Development), as NDA, will consult the Cabinet for endorsement of new projects.
Development Coordinating Committee (DCC)	The DCC is a multi-stakeholder strategic level committee. Chaired by the Secretary of MFED, it will review new project proposals and make recommendations to the Cabinet.

KNEG	KNEG is the multi-stakeholder technical level committee charged with reviewing and providing advice on the development of new proposals and recommending proposals for consideration to the DCC. The KNEG is responsible for determining the suitability and feasibility of the project concept or proposal and the management of the responsible entity undertaking the project.	
CFD	The Climate Finance Division is responsible for coordinating project ideas, and documentation for consideration through KNEG, DCC, and NDA bodies outlined above. The CFD will consult with agencies and sectors, coordinate the development of new project ideas and undertake an initial screen to ensure alignment with key strategies and eligibility for relevant fund requirements. The CFD will provide support and coordination through the programming cycle.	
The Office of Te Beretitenti	The Office of Te Beretitenti has the responsibility for overall climate change and disaster risk management policy and strategy. It also serves as a secretariat to the KNEG and will work closely with the CFD in mobilising the KNEG.	
Sector Task teams	Sector Task teams are established by the KNEG and will comprise of representatives from relevant government agencies, NSA and private sector actors. Task teams are established to review Program Summaries; develop project ideas and concepts.	
Other Agencies	Other government agencies and stakeholders are responsible for bringing forward new ideas, priorities and project concepts. CFD will actively consult with these agencies and stakeholders.	

TABLE 4 - KEY REVIEW AND DECISION-MAKING BODIES

### **Project Review and Appraisal**

As outlined above, the CFD will coordinate the completion of the <u>'Project Idea Template' (Annex II)'</u> which will be used to capture information about new project ideas for consideration and inclusion in the Project Pipeline. Once a project idea has been documented, the CFD will coordinate the processing of that project idea through the KNEG, DCC, NDA (Cabinet) process outlined above. Both CFD and KNEG will perform technical assessments on Project Ideas to ensure projects are strategically aligned and feasible.

**NOTE:** The CFD will lead the ongoing development of tools and guidance to support the review and appraisal process. Additionally, a Gender Assessment and Toolkit; along with an Environmental and Social Safeguard Checklist have been developed.

### Stakeholder engagement

A critical step in the overall climate finance programming process is the engagement with private, nongovernment and community sectors. Key stakeholder groups are represented through the Kiribati Chamber of Commerce and Industry (KCCI); the Kiribati Association of NGO (KANGO), and the Kiribati Local Government Association (KiLGA).

Each of these stakeholder groups are integrated as part of the ongoing SFCP development and implementation process and should be engaged periodically. The KCCI and KANGO will be engaged deeper and benefit from the

GCF funded Readiness II project. The mechanisms for engagement will be strengthened through a variety of actions with a Climate Expert Advisor embedded in the secretariat.

Each stakeholder group (and individual constituents) has its own specific climate change priorities, and brings their own skills, resources and networks that can be integrated into broader climate change efforts.

- KANGO works with all NGOs and associations in a spirit of cooperation, collaboration, networking and
  partnering in order to facilitate the Human Development of the Kiribati Community. Its mission is to
  work with National, Regional and International organisations with the ultimate aim of improving the
  standard of living through good governance practices for the betterment of Kiribati Community. KANGO
  and members engage closely with communities across Kiribati. They are key climate action agents and
  will play an important role in ensuring the strategic programming and delivery of climate finance to build
  community resilience and achieve sustainable development outcomes. There is a strong interest in
  enhancing capacity on climate change program design and implementation at grass-roots levels.
- **KiLGA** is recognized by the central government and serves urban and rural councils. It is funded by annual subscriptions. Member councils are represented by their mayors. The Minister of Internal Affairs (MIA) is responsible for overseeing local government, which is made up of three town (urban) councils and 23 island (rural) councils. Local authorities are empowered to raise local revenue through by-laws, although this forms a much greater proportion of overall revenue for town councils than for island councils, which rely far more on transfers from central government. Local government services include early years schooling, primary healthcare, public sanitation, transport, water supply and economic regulation. KILGA is a Member of Commonwealth Local Government Association. The Island Strategic Plan is a fundamental mechanism for Island Councils that guide implementations and interventions on priority issues.
- KCCI is a Non-Government Organisation invested in promoting the interests of the Private Sector. It has over 30 Member organisations. KCCI (on behalf of members) will seek support for policy and regulatory reform, including incentivizing green procurement; supporting coordinated transition from diesel powered energy to renewable energy, and identifying new business opportunities associated with green economy; protection of infrastructure and assets and ensuring that costs of climate change impacts to business and industry are mitigated. KCCI is working with CDU to access support through the Investment Climate Reform Facility (financed by EU & UK) for technical assistance in capacity building and technical research. KCCI is also working with CDU to create a feasibility study to develop and improve investment in the climate and business environment to support public-private partnerships in Kiribati and propose new ways of engagement with the private sector to become an active player in climate readiness.

## Annexes

- I Engagement with Accredited Entities and Development Partners
- II Project Idea and Appraisal Template
- III Gender and Environmental Safeguards Assessments and Toolkit

### ANNEX I: Engagement with Accredited Entities and Development Partners Last updated by MFED CFD: 1 July 2022

As part of the SFCP development process information regarding Accredited Entities (AEs) and development partners', support for Kiribati's climate priorities has been collated, based on meetings with respective entities and review of documents. Relevant information is captured in the table below.

Climate Finance Division (CFD) will update information regularly, including based on an <u>Annual Accredited Entity</u> <u>Round Table</u>, which will be convened by the NDA and coordinated by the CFD used to:

- Provide an update to AEs on new priorities for engagement.
- Hear from AE's on their capacity to support Kiribati progress priorities.
- Align specific project priorities with AEs.

Note: not all AE's and development partners are represented at this time. As engagement increases and expands, new partners will be added.

Asian Development Bank	GCF: Large Projects. ESS category A. Project Management, Grant Award, Loan, Equity Guarantee	Contact: Cindy Cisneros Tiangco ctiangco@adb.org Dr Teatao Tira (Liaison Officer) based in Tarawa ttira@adb.org
	Guarantee	
	Development	Development ESS category A. Bank Project Management, Grant

ADB operations in Kiribati are covered in the ADB country operations business plan, 2020–2022 for 11 Pacific island countries, which is aligned with ADB's Pacific Approach, 2016–2020. The ADB program in Kiribati aims to reduce poverty and promote economic opportunity by maintaining fiscal sustainability, improving the business climate, upgrading water and sanitation services, rehabilitating roads, and addressing the effects of climate change. ADB assistance to Kiribati will focus on long-term investments to improve water supply, outer-island ports, renewable energy, and business development.

- ADB is currently supporting:
  - The South Tarawa Water Supply Project as AE to the GCF.
  - Outer Islands Transport Infrastructure Investment Projects.
- ADB supported the Road Rehabilitation Project rehabilitating 32.5 kilometres of main road and 10 km of feeder roads, and training and equipping of community-based enterprises for road maintenance.
- A new ADB Country Program is being finalised to focus on:
  - Marine Protected Area Financing
  - Infrastructure
  - WASH
  - Governance
  - COVID Recovery
- Through its existing and emerging projects there are opportunities to leverage co-financing.
- ADB is a potential AE for the Coastal Protection and Infrastructure Project

Conservation International	GCF: size=medium. ESS category B Project Management, Grant Award	Contacts: Steven Panfil spanfil@conservation.org Johann Bell jbell@conservation.org
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CI is currently engaging with Kiribati on the development of the *Adapting Pacific Island Tuna Fisheries to Climate Change* Project. Engagement is primarily with the MFMRD and the NDA (MFED/CFD). Progress to date:

- Concept with NDA support submitted in June 2019.
- Project Preparation Facility Grant is being finalised.
- Kiribati NDA on stand-by to consider No Objection Letter for PPF Grant.
- Likely full submission date: 2023.

There are no other plans to engage with CI on GCF projects in Kiribati at this time.

GIZ	GCF Size - Medium	Contact:
	ESS - Category B	Wulf Killmann
	Project Management;	wulf.killmann@giz.de
	Grant Award	Jan Henning Steffen
		jan.steffen@giz.de

Through the Climate Finance Readiness project GIZ has supported a range of capacity development initiatives across the Pacific and with Kiribati, including the Climate Change and Disaster Risk Finance Assessment. The project ended in 2020. Current projects of relevant include:

- Human mobility in the context of climate change.
- Low Carbon Sea Transport (in RMI only).
- Marine and Coastal Biodiversity Management in Pacific Island Countries (MACBIO).
- Coping with climate change in the Pacific Island region.

There is currently no active engagement between GIZ and Kiribati on GCF or other climate finance initiatives, however there are opportunities to build on and implement the recommendations of CCDRFA, and seek technical assistance related to the above-mentioned projects.

International Union for	GCF Size - Medium	Current Contact: Andrew.Foran@iucn.org
Nature Conservation	ESS - Category B	
(IUCN)	Project Management;	
	Grant Award	

IUCN is a non-profit organisation that operates internationally in over 150 countries with a wide range of members and partners. It is currently working with Kiribati on the following notable projects:

- GEF 7 Programming. IUCN is leading GEF 7 programming with Kiribati, including through development of a USD 5 million LDCF component focused on protected area management and climate smart agriculture. The project is expected to start in 2023.
- MACBIO
- IUCN has also supported some small-scale PV Solar projects in Kiribati.

IUCN has a strong focus on 'green infrastructure and nature-based solutions. It is currently working with 3 Melanesian countries to develop a Coastal and Marine Ecosystem Resilience Project for the GCF and has ambitions to replicate this with interested Micronesian countries, including Kiribati. Key priorities for engagement include:

- Exploring opportunities to achieve synergies with GEF 7 programming.
- Development of the CMERP (in the medium-long term).
   Technical assistance to ensure coastal protection and infrastructure projects integrate green infrastructure and nature-based solutions.

International Fund for Agricultural Development	GCF Size – medium Category B Project Management, Grant, Loan	Contact: Tamara Nicodeme t.nicodeme@ifad.org Taufiq El-Zabri t.elzabri@ifad.org Sakiusa Tubuna s.tubuna@ifad.org

The International Fund for Agricultural Development (IFAD), is an international organisation whose objective is to improve agricultural development and livelihoods in developing countries. The IFAD strategy in Kiribati is centred on poverty reduction, food security, improved nutrition and resilience to climate change. IFAD-funded projects support initiatives to:

- Attract new partners and additional financing to agriculture and rural development;
- Provide beneficiaries with greater access to technology and knowledge from our partners in other regions;
- Facilitate dialogue and joint initiatives in the agricultural sector.

IFAD currently delivers the following project:

- The Outer Islands Food and Water Project is a long running project currently funded (USD 10.4 million to 2023. It is currently being scaled to 24 more villages in five other outer islands of the southern Gilberts. There is an identified 'financing gap' of USD 1.03 million. The project has a focus on:
  - Development of Community Development Plans and tangible interventions such as plots; integrated farming systems, nurseries, nutrition promotion etc., as well as promotion of renewable energy including VCO and charcoal briskets.
- COVID recovery support is also in the pipeline.
- A Global Agricultural Food Security Programming is in the design phase. With a focus on water modelling and management, and market access and logistics.

In terms of supporting access to climate finance:

• IFAD has been working on a regional project including Kiribati since 2016 but status is unknown.

SPREP	GCF: Size – Medium ESS – Category B Project Management,	Contact: Melanie King melaniek@sprep.org
	Grant Award	Vitolina Samu vitolinas@sprep.org

SPREP is a key partner providing support to access climate finance. It has dedicated capacity to support scoping and design of new projects. SPREP is currently the nominated AE for the following climate finance projects:

• AF: Enhancing the resilience of the outer islands of Kiribati Project (Phase 1).

The immediate priority is to work with SPREP to finalise the Adaptation Fund Project by completing the community consultations on the 3 selected islands.

Given Kiribati's interest in progressing a EWS / Climate Information Services project, there is a need to revisit the above-mentioned regional weather and climate project, and determine the most appropriate way forward, including options to progress as a Kiribati only project.

Given SPREPs technical capacity and experience, Kiribati will also look to SPREP to support Readiness projects where needed.

SPC	GCF Size: Small Category B Project Management; Grant Awards	Contact: Dirk Snyman dirks@spc.int Vuki Buadromo vukib@spc.int Lisa Buggy lisab@spc.int
		lisab@spc.int

SPC is a key partner providing support to access climate finance. It has dedicated capacity to support scoping and design of new projects. SPC is seeking AF accreditation.

SPC has been providing support to several countries to enhance access to climate finance. The recently established Climate Finance Unit leads coordination and support. It has worked closely with FSM, including development of an SAP and EDA proposal. Through its divisions, SPC delivers a range of regional and country focused projects from which new climate finance proposals could be built.

There is currently no active engagement with SPC and Kiribati. Areas for possible exploration include: climate health project; GCF Readiness Activities.

USAID Climate Ready Project	Key Partner	Contact: Noa Seru nseru@pacificclimateready.org Trevor Ole tole@pacificcliamteready.org
		tore@pacificenaniteready.org

The USAID Climate Ready project has a focus on supporting access to climate finance through technical assistance. Support can be provided in relation to climate change policy; support access to climate finance; Project Preparation; developing capacity to implement projects. USAid Climate Ready has supported:

- Capacity within the CFD including establishing the internal SoPs, and development of the SFCP.
- Supporting UNDP with development of the GEF / UNDP
- SPREPs development of the Adaptation Fund Project

Climate Ready has also developed a range of knowledge products (see https://www.climatelinks.org/), and has capacity to provide access to accredited training in the areas of project management; climate resilience; asset management and more. Key areas for possible engagement include:

• Support for further scoping of priority Project Pipeline Projects.

UNEP	GCF Size: Small Category B Project Management; Grant Awards	Contact: Sefa Nawadra sefanaia.nawadra@un.org
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The United Nations Environment Programme (UNEP) is an international entity whose mandate is to promote sustainable development and prudent use of the global environment. UNEP has a Sub-regional office in Samoa which provides access and coordination with the region.

UNEP has recently secured GCF funding for *Enhancing Climate Information and Knowledge Services for resilience in 5 island countries of the Pacific Ocean.* It covers Cook Islands, Niue, Palau, RMI and Tuvalu. UNEP is on standby to receive requests for support from countries. Areas of support for Kiribati may include support for development of the EWS in health and agriculture sectors project. However, further exploration is required.

UNDP	GCF Size: Medium	Contact:
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Category B Project Managemen	Justin Shone justin.shone@undp.org Tuiai Tabai based in Tarawa tuiai.tabai@undp.org
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The United Nations Development Programme is an international organisation with a strong global presence and mandate concentrated on development, with a focus on sustainable development, climate change and disaster resilience, and governance. UNDP is an AE for GCF projects in Tuvalu, RMI, and Samoa.

In Kiribati UNDP is delivering

- Kiribati's Cross Cutting Capacity Development project (more commonly known as the CB2 project). This was to prepare the country to provide environmental data and information that meet the global standards of reporting. The project was to have established an environmental management information system (EMIS) for ease of collecting and collating these data. A terminal evaluation resulted in several recommendations that may be relevant to future climate finance programming.
- Enhancing National Food Security in the Context of Global Climate Change, currently under implementation and will build the adaptive capacity of vulnerable Kiribati communities to ensure food security in the face of climate change. An MTR includes recommendations that may be relevant to future climate finance programming.
- Enhancing "Whole of Islands" Approach to Strengthen Community Resilience to Climate and Disaster Risks in Kiribati will build communities resilience to climate and disaster risk. A range of activities being delivered will likely intersect with future climate finance projects (KIVA, IDS, water, and infrastructure measures)

UNDP is currently implementing a coastal protection project in Tuvalu (TCAP, 38.9m) and is developing a coastal protection project for Tonga. UNDP is uniquely placed to provide support to Kiribati to address its coastal protection priorities with the GCF and will consider its suitability to support Kiribati with the Coastal Security Concept note

World Bank GCF: size=large ESS category 1 Basic, Project Management, Grant, Loan Guarantee	Contact: Lasse Melgaard based in Fiji Imelgaard@worldbank.org Mareta Kaiteie based in Tarawa mkaiteie@worldbank.org
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World Bank is an international organisation with a strong global presence and mandate to reduce poverty by promoting sustainable economic development, through the use of various financial instruments, including grants, loans and guarantees. Over the past few years, the World Bank has provided over US\$30 billion in finance for climate change related activities globally.

WB is a financing partner together with ADB and GCF on the **South Tarawa Water Supply Project.** 

Through the International Development Association (IDA) process, WB is currently programming USD 67 million in grant finance to address issues across macro-fiscal reform, internet connectivity, water projects, outer island transport and a fisheries ocean scape project. Support is also being programmed for Covid health emergency response.

The WB currently has the following active projects in Kiribati:

- The Kiribati Outer Islands Resilience and Adaptation Project approved May 2022 will work with all 20 of Kiribati's Island Councils, together with the three urban councils across Tarawa to invest in community-level climate resilience measures that will directly support an estimated 14,000 people.
- The Pacific Aviation Investment Program has delivered major reconstruction works to airports and runways in Samoa, Tonga, Tuvalu and Vanuatu, with work continuing in each country, as well as Kiribati and Solomon Islands, helping to make air travel safer and more efficient across the Pacific.
- Kiribati Outer Islands Transport Infrastructure Investment Project (USD 30 million IDA). The project development objective is to improve the connectivity, safety and climate resilience of transport infrastructure on selected Outer Islands.
- The Pacific Islands Regional Oceanscape Program (USD 19.5 million) is helping Pacific countries coordinate sustainable management of tuna fisheries to ensure the benefits are maximised for each country's future growth and development.
- The Kiribati Adaptation Program (Phase III) (USD10.8 million) has concluded on improving the resilience of Kiribati to the impacts of climate change on freshwater supply and coastal infrastructure.

There are no immediate plans to engage with the GCF, though there are opportunities to establish synergies (and co-financing arrangements) with the above-mentioned projects, including with regard to the following Pipeline Projects: Kiribati Coastal Security Project; Outer Island Resilience Projects (water and sanitation)

JICA	GCF: size=large.	TBD
	ESS category A	Kotaro Taniguchi
	Basic. Project	Taniguchi.Kotaro@jica.go.jp
	Management. Grant	Ikeda Takashi based in Tarawa
	Award	Ikeda.takashi2@jica.go.jp

The Japan International Cooperation Agency (JICA) is an entity headquartered in Japan with a strong global presence. The applicant has been providing financial and technical support to climate change mitigation and adaptation projects, focusing on energy efficiency, renewable energy, public transport systems, stable water supply, climate- resilient agriculture, sustainable forest management, disaster risk reduction and coastal protection.

FAO	GCF: size=medium.	TBD
	ESS category B	Takayuki Hagiwara
	Basic, Project	Xiangjun Yao
	Management	

The Food and Agriculture Organisation of the United Nations (FAO) is an international organisation whose main goals are the eradication of hunger, food insecurity and malnutrition; the elimination of poverty and the driving forward of economic and social progress for all; and the sustainable management and utilisation of natural resources, including land, water, air, climate and genetic resources for the benefit of present and future generations.

Other Important	Australian Government (DFAT)				
Partners	Nuntaake Tokamauea				
	nuntaake.tokamauea@dfat.gov.au				
	Australia accounts for around 29% of all overseas development assistance to Kiribati. It has maintained a focus on improving education, governance, health and skills and employment. Across all its investments, Australia seeks to strengthen Kiribati's capacity to build climate resilience and to improve gender equality and disability inclusiveness. Notable climate change related support includes:				

There are significant opportunities for Kiribati to seek support and leverage investments made through the Australian development program, particularly through partnership with the AIFFP which may draw in other relevant partners such as ADB and WB. New Zealand Government (MFAT) Ngaina Teiwaki Ngaina.Teiwaki@mfat.gov.nz Teeringa Tiroia Teeringa.Tiroia@mfat.gov.nz
Ngaina Teiwaki Ngaina.Teiwaki@mfat.gov.nz Teeringa Tiroia
New Zealand's development cooperation with Kiribati aims to have a healthy, educated a resilient I-Kiribati population in a well-governed country that provides acceptable future choices for its population. Focus is on working to build resilience as a priority area alongs health (incl. enviro health, skills and labour mobility, economic governance). MFAT provi a range of climate related investments across the Pacific, including in Kiribati. Key Kiribati specific investments are listed below:
<ul> <li>Assisting Kiribati with climate change adaptation responses to explore options fo creating climate resilient urban land in South Tarawa (Temaiku Reclamation Proje</li> <li>Central Gov support – UNDP, DFAT and Korea for mainstreaming climate change governance (policy financing planning).</li> <li>MFAT provides support to a number of regional initiatives aimed at supporting access to climate finance, including:         <ul> <li>Technical assistance to support countries to develop climate resilient development plans GGGIand they are leading with the GoK and are focusi on agriculturedue to connections with MELAD and early days. (Remote support but also looking to recruit locally led project officers</li> <li>Access to finance through SPREP/SPC technical assistance and could be usefu supporting projects moving forward.</li> </ul> </li> </ul>
<ul> <li>NDC hub, funding through the hub;</li> <li>Support for the SPC led Strengthening Water Security in Vulnerable Island States Project (entering a second phase scaling-up initial project and looking at 4-6 oute islands).</li> <li>A project delivering analytical tools to assess sea-level rise</li> <li>Investment in Live and Learn Protecting Food Security through Adaptation to Clin</li> </ul>
<ul> <li>Change Project"</li> <li>Technical Assistance to the Tuna Fishing Program</li> <li>There are significant opportunities for Kiribati to seek support and leverage investments made through the New Zealand development program. Entry points for exploration inclu</li> </ul>

the Temaiku Reclamation Project; Technical Assistance through GGGI; SPC Water Project and integration of SLR models into future EWs

### The World Health Organisation (WHO)

A GCF Readiness Delivery partner. Strategic priority for Kiribati includes to build and strengthen national capacity for preparing and responding to public health events (e.g., infectious diseases outbreak, environmental hazards and health impacts of climate change), to analyse risks and vulnerabilities, and to develop and implement risk management plans. <u>GCF@who.int</u>

### UNICEF

Beia Tiim btiim@gmail.com Waqairapoa Tikoisuva wtikoisuva@unicef.org Dr Cyriaque Sobtafo csobtafo@unicef.org

### GGGI

GGGI's program in Kiribati provides technical support to address implementation challenges in the Whole-of Island-Approach (WOIA), particularly to identify sustainable micro-scale income generation opportunities and to improve availability and access to green infrastructure services for the achievement of development objectives. Facilitating Climate Finance Advisor placement in Kiribati 2022-2023 Daniel Munoz-Smith daniel.ms@gggi.org

# ANNEX II: Project Idea and Appraisal Template

PART 1	To be completed by the agency(s) proposing the project		
Project Title	Insert		
Lead Agency (GoK) (Delivery Partner)	nsert		
Project Origins	Describe how this project has been identified, including any consultations undertaken		
Project Description	150 words		
Project Outcomes	Summarise what is expected to be achieved by the end of the project		
Key Project Activities	What activities / key outputs will be undertaken to achieve outcomes		
Accredited Entity	Has an Accredited Entity for this project been identified		
Budget	Total Project Budget (estimate AUD)		
	GCF / Donor funding sought (estimate AUD)		
	GoK co-financing (estimate AUD)		
Next Steps	What steps are needed prior to this project being submitted to the donor (e.g. feasibility studies, consultations, etc.)		
Is GCF Project Preparation Support Required	If yes please describe likely activities		
Supporting documentation	Please list any documentation (reports, additional concept notes, evaluations, etc.) that support consideration of the Project Idea		

PART 2	To be completed with support from the Climate Finance Division				
Rationale	Please identify KJIP	Please identify KJIP Strategies and Results, and other National/Sector Policies outcomes, that the project aligns with			
Alignment with GCF Results criteria (choose relevant)	M1. Energy generation and access	A5. Health food and water security			
	M2. Transport	A6. Livelihoods of people and communities			
	M3. Buildings, cities, industries, and appliances	A7. Infrastructure and built environment			
	M4. Forests and land use	A8. Ecosystems and ecosystem services			
Summary against investment criteria	Summary against investment criteria				
1. Impact potential - number of beneficiaries	In 150 words please describe: <ul> <li>the climate threat and vulnerability that the project will address.</li> <li>The likely geographic scale / location of the interventions</li> <li>The likely size of beneficiary group(s) and mitigation potential (GHG saving/avoidance)</li> </ul>				
2. Paradigm shift - Potential for project to catalyse action beyond the GCF-funded project, and positively change current development trajectories	<ul> <li>In 150 words please describe:</li> <li>The potential for the project to influence / spark action beyond the GCF-funded project.</li> <li>How the project or its activities can be scaled up or replicated and how this might occur</li> <li>Opportunities for knowledge generation and how this knowledge would be used</li> <li>Any innovative aspects of the project</li> </ul>				

<ul> <li>3. Country ownership</li> <li>Synergies with other initiatives</li> <li>National and sectoral policy and strategy alignment;</li> <li>Political will and commitment</li> </ul>	<ul> <li>Demonstrate how the proposal aligns with national policies, strategies and/or frameworks, e.g., alignment of project activities with achievement of the NDC.</li> <li>Any stakeholder engagement and consultations that have happened so far (including with national and local</li> </ul>			
<ul> <li>4. Sustainable Development Potential</li> <li>Environmental, Economic, Social, Cobenefits</li> <li>Potential Environmental and Social Impacts</li> </ul>	<ul> <li>In 150 words please describe:</li> <li>How the project will contribute to the sustainable development of Kiribati (and the SDGs), including in terms of econom social and other benefits (beyond the climate impact).</li> <li>Refer to the Environmental and Social Safeguard Checklist (available on CFD website for further guidance)</li> </ul>			
<ul> <li>5. Needs of the recipients.</li> <li>Types (vulnerable, youth, big agribusiness vs. smallholders) of beneficiary</li> <li>Gender responsiveness</li> </ul>	<ul> <li>Why Kiribati needs additional finance for the project.</li> <li>Why Kiribati needs additional finance for the project.</li> <li>How the project responds to the priority needs of the target beneficiary group</li> <li>How the project will ensure the needs of vulnerable and often marginalised groups (women, youth, people with</li> </ul>			
<ul> <li>6. Efficiency and Effectiveness</li> <li><i>In 150 words please describe</i> <ul> <li>Why the project represents good value for money</li> <li>Co-financing and/or return on investment where applicable</li> <li>What previous projects / initiatives the project builds on and adds value too</li> <li>Ease of implementation</li> <li>Any ongoing operational / maintenance costs that will be required beyond the life of the project funding.</li> </ul> </li> </ul>				
PART 3 To be completed by / based on I	NEG meeting (with CFD / OB support)			
Scoring	Score 1 / 10			
1 To what extent does the project ali	;n with national priorities?			

2	To what extent is the project likely to result in benefits for i-Kiribati communities?
3	To what extent is the project likely to be funded by the GCF?
4	To what extent does the project fill a gap in the current project pipeline and avoid duplication with other projects?
5	To what extent does the project address the GCF Investment Criteria (see Part 2 of this form, above)
6	On a scale of 1 (low) – 10 (high) what level of priority is the project given?
7	Total Score
	KNEG Recommendation
	The KNEG does / does NOT recommend this Project be included in the official SFCP Project Pipeline and progressed as per proposed next steps
	Notes:

# ANNEX III: Environmental and Social Safeguards Toolkit

Environmental and Social Safeguards Toolkit	Yes	No				
ESS Standard 1: Human Rights						
Could the Project lead to adverse impacts on enjoyment of human rights (civil, economic, social or cultural)?						
ESS Standard 2: Gender Equality and Women's Empowerment	ESS Standard 2: Gender Equality and Women's Empowerment					
Are there any limitations within the Project of meaningful participation of women in the decision-making process?						
ESS Standard 3: Accountability						
<ul> <li>Has the Project Management Team implemented the following for all moderate and high risks:</li> <li>1. Stakeholder Engagement</li> <li>2. Environmental and Social Screening Procedure</li> <li>3. Environmental and Social Impact Assessment</li> <li>4. Environmental and Social Management Plan</li> </ul>	1 2 3 4	1 2 3 4				
ESS Standard 4: Biodiversity, Conservation and Sustainable Natural Resource Management						
Could the Project potentially cause adverse impacts to habitats or ecosystems and ecosystem services?						
ESS Standard 5: Climate Change and Disaster Risks						
Could the Project involve direct or indirect increases in the vulnerability of the project area to climate change?						

ESS Standard 6: Community Health, Safety and Security		
Do the Project Activities involve any potential risks to community health and safety?		
ESS Standard 7: Cultural Heritage		
Could the proposed project affect tangible or intangible forms of cultural heritage?		
ESS Standard 8: Displacement and Resettlement		
Could the Project potentially involve the displacement or resettlement of Stakeholders?		
ESS Standard 9: Indigenous Peoples		
Could the Project potentially negatively impact ethnic or indigenous people?		
ESS Standard 10: Labour and Working Conditions		
Could the project potentially involve or lead to working conditions that do not meet national labour laws and international commitments?		
ESS Standard 11: Pollution Prevention and Resource Efficiency		
Could the proposed Project potentially result in the generation of waste, both hazardous and nonhazardous?		