

Fiji National Designated Authority (NDA)
Climate Finance Sector Working Groups (SWG)
Frequently Asked Questions (FAQ)

Q: Who will approve the project proposal? Does the SWG approve or only provide advice and recommendations on a project proposal?

A: The SWG will only provide technical advice and recommendations to improve the concept note and funding proposal. Approval of a proposal can only be done by the Green Climate Fund (GCF) with endorsement from the NDA through the issuance of a No Objection Letter (NOL).

Q: What will be the monitoring of how advice from the SWGs is considered by the NDA?

A: There will be a record kept of communication to and from the SWG and NDA. NDA will acknowledge and respond to SWG advice.

Q: Is there a need for agreement/consensus on the advice between the different members of the SWG?

A: There is no need for agreement, all opinions/voices need to be heard so differences in views can be noted in the SWG advice/notes/recommendations back to the NDA. So, there is no need for a vote or agreement on things.

Q: Will the SWG consultative meetings always be conducted in joint sessions with the other SWGs or will there be sector specific consultative meetings in the future?

A: It depends on the nature of the topic. For projects that are cross-cutting, members of the relevant SWGs will be invited to a joint meeting to assess Concept Notes (CN) and Funding Proposals (FP).

Q: Do we need to sign a confidentiality declaration form every time there's an appraisal session?

A: Yes, as the documentation shared will be specific each time and a specific confidentiality agreement will be needed, with details of the date, topic, documents shared and purpose of the appraisal session.

Q: What is the difference between a climate change project and a purely development project?

A: This is a difficult question which has caused much debate, controversy and even confrontation within the development community and GCF (even at GCF Board Meetings!). Many people feel that the size of countries like Fiji and the proven vulnerability of SIDS to

climate change, creates a situation where every development project is a climate change project and vice versa. However, GCF requires that every project must demonstrate how it is making a difference to climate change mitigation and/or adaptation. For mitigation, it is relatively easier to show the difference – if the project is making a significant reduction in CO2 emissions (relative to the country's overall emissions) then it is clearly a climate change project. For adaptation, the distinction is harder to make. A project must show that it is addressing a climate change impact that is clearly documented and proven to be happening. So, a question to ask is – is the problem due to climate change or are there other underlying causes also creating this problem (which the project aims to solve). If there are other causes, which is the dominant one? Is it climate change? Then the project is a climate change project. If climate change is not the dominant cause of the problem but is contributing, then is GCF funding being requested to respond to all the different underlying causes, or to address specifically the solution for the climate change part of the impact? Perhaps with other financing co-financing addressing non-climate change issues. The project could still seek funding from GCF, but not for all its activities. If the problem is predominately caused by non-climate related issues, the GCF is unlikely to be the right funding mechanism to seek finance.

Q: Are the accredited entities aware of the new structure in terms of Letter of Support (LoS)/NOL pathway if they are putting in a proposal?

A: Yes, to some degree they are aware of the new changes to the LoS/NOL process, but the plan is to present the revised procedures at the open SWG meetings and create more awareness around it. Accredited Entities (AEs) can also contact the NDA at any time for an update on the LoS/NOL procedures.

Q: Will the SWGs also be appraising concept notes from other Pacific Island Countries?

A: No, the 4 SWGs will only be appraising concept notes submitted to the Fiji NDA.

Q. Is the [Net-zero emissions] framework in Fiji synchronised across the pacific...so the Pacific can demonstrate progress towards net zero emissions to demonstrate leadership at the global stage?

A. There is no regional-level net-zero emission target at the moment, however, Pacific Island Countries have been working together at several COP Conferences to put across joint/common messages such as the "1.5 to stay alive". Another example of the Pacific region working together is the Ocean negotiations at COP26. Pacific SIDS worked together to get oceans into the agreement. Marshall Islands, Fiji and Tonga are Pacific Countries that have Long-term Low Emission Development Strategies but there isn't a region-wide strategy around this...yet!

In relation with the Climate Finance Strategy (CFS), the Ministry of Economy are in communication with Pacific Islands Forum Secretariat (PIFS) and other Pacific islands on the development and information sharing on CFS.

Q. Can you specify where sector and sub-sector targets are sitting [in the Nationally Determined Contributions (NDC) investment plan] and breakdowns of where we think funding will come from and if this has started how are we tracking?

A. Further details will be made available when the NDC Investment Plan for Transport and Energy Efficiency is published. It is currently in draft form. Now, the NDC Investment Plan presents 20 primary mitigation opportunities, and 11 secondary mitigation opportunities, and only the primary mitigation opportunities are fully addressed in terms of potential planning for implementation and financing. The primary mitigation opportunities consist of 11 opportunities in the transport sector, and 9 opportunities in the energy efficiency sector as shown in the Webinar presentation slides. The NDC investment plan does not itself set sector or sub-sector targets but indicates CO2 emission reduction potential and investment needed in different sectors and sub-sectors. There may be changes in the final version when published. Information on potential sources of funding will be available in the final NDC Investment Plan when published. However, potential sources of funding are many and are constantly changing and new opportunities presenting themselves, so this is an area where the document will provide guidance, but project developers would also have to research, analyse, and pursue funding opportunities on a case-by-case basis. Finally, for information on ongoing initiatives, the National Climate Finance Strategy, which will be published soon will have this information. For information on how much and where financing is flowing currently in Fiji, please [download the Climate Finance Snapshot](#) which covers 2016 to 2019.

Q. How well is the NDA funded? It appears to have a large set of responsibilities which needs a lot of human resources, technical and financial skilled persons to support those outcomes?

A. The responsibilities are embedded within the Climate Change and International Cooperation Division (CCICD) staff responsibility which is government funded. However, we are also receiving support from the GCF through Readiness Support Grants and other developing partners such as WRI. Furthermore, our CCICD Team is growing and will be able to grow our role as the NDA as well.

Q. In its net zero plan, Australia will achieve 10% reductions through international and domestic offsets. Has Fiji considered making a bid for this funding?

A. Our net zero has a 2050 timeframe; details of specific funding and access modalities are still to be worked out. The Fiji Government are collaborating closely with Australia on climate finance in general and through the Indo Pacific Carbon Offsets Scheme, which is under development, we are also discussing the offsets market.

Q. What sort of indicative timelines are to be expected for each organisation to allow for funding? Is there a key performance indicator (KPI) for each organisation in the process?

A. There are several organisations involved in the whole GCF project cycle and several steps from project idea to concept note development to full funding proposal development, submission and approval. As mentioned during the Webinar, the development of a concept note by a project proponent can take between 1 to 3 years. The NDA draft Letter of Support

(LoS) procedure aims to provide feedback on a formally submitted concept note within 6 weeks. If approved and submitted to the GCF, the GCF concept note approval process is estimated at 3- 6 months but can take longer depending on the concept note. If the concept note is approved, the project proponent must then navigate the development and submission of the full project proposal. This again can take 1-3 years as there are many partners involved, feasibility studies and other studies such as Environmental and Social Safeguards to be carried out and usually a number of rounds of revision of the proposal before it is submitted to the NDA for the No Objective Letter (NOL). The NDA draft NOL procedure aims to give feedback on a formally submitted project proposal within 2 months. If the proposal is approved and submitted to the GCF, again this can take 3-6 months or more to be approved. Therefore, it is a long process from concept note to project approval. The GCF is looking for ways to streamline its processes but there is no KPI for the GCF on providing feedback or approvals of projects at the moment.

Q. Are national accredited entities such as Fiji Development Bank (FDB) geared up towards supporting this level of support?

A. FDB is growing its team and skills in relation to climate finance and the GCF welcomes interested organisations to contact FDB directly to discuss project ideas. Especially those aligned with its new project pipeline as presented in Session 4 of the Webinar. There are several international (Asian Development Bank (ADB), World Bank, International Union for Conservation of Nature (IUCN), UNICEF, Food and Agriculture Organisation of the United Nations (FAO) and others) and regional (Pacific Community (SPC), Secretariat of the Pacific Regional Environment Programme (SPREP)) accredited entities which can also provide support and project proponents can discuss with different accredited entities to find a good fit for a given project proposal.

Q. Who are members of the SWG?

A. The Open SWG is a Community of Practice – so the members are those who have joined the Webinar today and others who have expressed their interest. You can meet members by joining future Open SWG events and the Terms of Reference (TOR) for the Open SWG has been shared. The Consultative SWG is a smaller group that provides advisory support to the NDA. The NDA can share details of the membership of the consultative SWGs along with their TOR. Both the Open SWG and Consultative SWG includes a mix of Government, Civil Society Organisations (CSOs), Private Sector and Academia.

Q. Who are the Consultative SWG? and how/when was it setup?

A. The consultative SWG was established in January 2021. The consultative SWG are split into four thematic groups:

SWG 1 - Sustainable Livelihoods and Healthy Communities (Access to food, water and health security)

SWG 2 - Ecosystems and Ecosystem Services and Sustainable Resource Management

SWG 3 - Climate Resilient Infrastructure, Sustainable Energy and Built Environment

SWG 4 - Sustainable Transport

An Expression of Interest was opened from November to December 2020 for both the Open group and the consultative groups and the selection was based on those Expressions of Interest (EOI's) received. Several criteria were used aimed to achieve a balance between type of organisation, public and private organisations, gender, and diversity as well as have the relevant experience and knowledge in each group relevant to the thematic area. Each thematic group has 12 members. In 2021 there were 3 meetings of the Consultative SWG which provided feedback on the LoS and NOL procedure, the assessment methodology for concept notes and the development of the NDA Portal.

Q. Are there provisions for further EOIs to join the SWG? And when are the next Consultative Working Group meetings intended to take place?

A. The EOI for the Open SWG will be annual. The NDA periodically reviews membership of the Consultative SWG and when needed selects members from the Open SWG to join the Consultative SWG to maintain membership of 48 in the Consultative SWG. The next Consultative SWG meeting will be in Q1 2022, dates to be confirmed later but is strictly for the confirmed consultative group members.

Q. For Indicative Co-Financing in the SAP CN stage, who is responsible to secure/lock in development partners for co-financing? Project Proponent? AEs or NDA?

A. For Co-Financing for Simplified Approval Procedure (SAP) projects, at the concept note stage or even at later stages, the project proponent (PP) and the accredited entity (AE) (sometimes these are the same organisation, sometimes not) are responsible to secure co-financing. If the PP and AE are different, they work together to secure co-financing. The NDA can also support by providing information on potential partners or co-financing but the NDA is not responsible to securing the co-financing.

Q. For a field which has been declared an "Emergency at the global stage", should we be accepting such large timelines (3 years) to start such critical projects? Is there a method to speed up the GCF process within their organisation?

A. This same question has been asked by Small Island Developing States (SIDS) and Least Developed Countries (LDCs) government groups many times at the climate change negotiations including the COPs over the years and also many times at formal and informal dialogue meetings with the GCF and other funders. However, there has not been much progress in streamlining procedures. The Pacific governments continue to press for shorter and simpler procedures to access funds. The GCF has said it is looking again at its procedures to see where improvements can be made.

Q. What is the aim of the Ovalau solar project?

A. This project aims to overcome barriers of financing, technical capacity, and limited availability of land by supporting an innovative technology that combines photovoltaic power generation and agricultural production. It will do this by financing a 4 MW solar

agrophotovoltaic (APV) system and 5 MW battery energy storage system (BESS) in Ovalau, Fiji's sixth largest island. It will develop solar power generation simultaneously with battery storage and, as a co-benefit, boost local agricultural production. A key feature of this initiative is the way it will provide technical assistance to strengthen the capacity of local communities while also establishing a climate project financing facility within Fiji's Development Bank (FDB).

Q. What is the minimum value of a project that is viable to go through this process?

A. Each project proponent must consider the cost of putting together the proposal and what they are willing to invest in time and money from their side against the potential benefits, climate-wise, social, economic, and financial. Although we've been talking about GCF specifically there are also lots of other sources of climate finance for lower value projects where transaction costs may be lower and therefore more suitable sources of funding for small projects (under 5m USD). GCF Micro level projects is 10M, small project is 50M, Medium project threshold is 50-250M and large projects is 250M and above. GCF encourages large projects due to transaction costs and any project under 5M USD should consider other sources, as it is probably too small for GCF. Most GCF projects in SIDS are over 20 M USD.

Q. Are there considerations for facilities other than the GCF that might address smaller ticket sizes?

A. Yes, there are many other potential sources of funding. Some of these also go through government, such as the Adaptation Fund and the Global Environment Facility (GEF), others can be accessed directly, such as the United Nations Development Programme (UNDP) -GEF Small Grants Programme which gives grants of up to 100,000 USD. There are also other funders for smaller tickets sizes such as United Nations Capital Development Fund (UNCDF) and others. If you are a private sector entity, you can get support to access other climate finance sources from organisation like GET. Invest, the Climate Finance Access Network (CFAN) and the Private Financing Advisory Network (PFAN) – all of which are active in the Pacific. These organisations and others can assist in making your project/programme bankable. If you interested the NDA can introduce you to them.