



CORAL TRIANGLE INITIATIVE

ON CORAL REEFS, FISHERIES AND FOOD SECURITY

Annex – 11(2)

Decision Document on Financial Resources Working Group

The 12th CTI-CFF SENIOR OFFICIALS' MEETING (SOM-12)

**1 - 2 November 2016
Laguna Hotel, Waigani Drive
Port Moresby, Papua New Guinea**

**Adopted on 2 November 2016
by
the Governments of Indonesia, Malaysia, Papua New Guinea,
the Philippines, Solomon Islands, and Timor-Leste**

I. Background

During SOM-11, the CTI-CSO has agreed to endorse the Final Report on the CTI Financial Architecture Study and for it to serve as a guide towards the implementation of the CTI financial system. In addition, the CTI-CSO has also agreed to transfer the mandate of the FRWG to the Regional Secretariat upon the approval by CTI-COM during the upcoming 6th Ministerial Meeting on 3rd October 2016. In the interim, together with the Chair of the FRWG, the Regional Secretariat have undertaken several activities towards the achievement of the SOM-11 decisions.

The SOM-11 decisions were as follows:

1. Adopted the Final Report on the CTI Financial Architecture Study, and be guided by recommendations contained therein;
2. Requested SOM to review the discussion brief “CTI-BDU: Initial Activities” and “Structure and Mechanisms of a CTI Regional Fund” Draft Decision Document both prepared in FRWG March 2015 and submitted at SOM 11, and support continuing design activities related to the CTI Regional Fund;
3. Encouraged member countries to facilitate and complete their NPOA costing exercise;
4. Encouraged Solomon Islands, Timor-Leste, Malaysia and PNG to facilitate scoping and design activities to package “showcase” projects for potential funding under the initial activities of the proposed BDU / Project Preparation Facility;
5. Encouraged Philippines and Indonesia to confirm candidate “showcase” sites for potential funding under initial activities under proposed BDU / Project Preparation Facility;
6. Tasked the Regional Secretariat and countries to facilitate continued development of ADB/GEF concept on “Scaling Up Investments and Sustainable Financing Mechanisms in Coral Triangle”, which, if approved, will provide additional required financing for critical activities related to the Regional Secretariat, and RPOA/NPOA; and
7. Transferred responsibility for FRWG coordination to Regional Secretariat subject to CTI-COM approval.

The two main recommendations from the last SOM-11 were to review the “CTI-BDU: Initial Activities” and “Structure and Mechanisms of a CTI Regional Fund” Draft Decision Document both prepared in FRWG March 2015. In addition, the “Business Development Unit (BDU” has been agreed upon to be designated as “Project Preparation Facility (PPF)” instead.

Since then, the Regional Secretariat has reviewed both documents and proposed several amendments which have been agreed upon in the pre-SOM FRWG meeting on 31st October 2016. The proposed changes are attached with this decision document.

Additionally, activities since SOM-11 includes the conclusion of the NPOA Costing Workshop for Malaysia which is part of the proposed initial activities that the Project Preparation Facility (PPF) should focus on.

II. Decision

The CTI-CSO believes the Regional Secretariat have yet to establish capacity to take over the mandate from the FRWG. Therefore, a transition plan is needed to be developed and socialized with CTI-CSO prior to any decisions for the transfer of mandate from the FRWG to the Regional Secretariat. One of the point for the transition plan is the appointment of a Project Initiation Specialist who shall be tasked to undertake the proposed initial activities for the Project Preparation Facility (PPF).

Following, the discussion and consideration by the CTI-CSO, the SOM-12 hereby:

1. Endorsed the amendments made to the initial activities of the Project Preparation Facility (PPF) to be undertaken by the Regional Secretariat upon appointment of the Project Initiation Specialist;
2. Endorsed FRWG recommendations towards the establishment of the CTI Regional Fund upon completion of the NPOA Costing based on the latest NPOA;
3. Endorsed the Regional Secretariat to facilitate the process of scoping and design activities to package “showcase” projects for potential funding under the initial activities to be undertaken by Regional Secretariat (refer to decision 1 above);
4. Endorsed the Regional Secretariat to communicate and encourage Philippines and Indonesia to confirm candidate “showcase” sites for

potential funding under the initial activities to be undertaken by Regional Secretariat (refer to decision 1 above); and

5. Acknowledge the status of the ADB / GEF concept on “Scaling Up Investments and Sustainable Financing Mechanisms in Coral Triangle”.

Attachments:

- 11.2.1 FRWG Progress Report for SOM-11 (PowerPoint presentation)
- 11.2.2 Revised documents on (1) Project Preparation Facility; and (2) Structure & Mechanism of a Regional Trust Fund