



**Coral Triangle Initiative
on Coral Reefs, Fisheries and Food Security
(CTI-CFF)**

**ANNEX – 8
DECISION DOCUMENT ON:
FINANCIAL RESOURCES ARCHITECTURE**

**6th CTI-CFF SENIOR OFFICIALS MEETING (SOM6)
10-12 November 2010
Manado, Indonesia**

**Adopted 12th November, 2010
By the Governments of Indonesia, Malaysia, Papua New Guinea,
the Philippines, Solomon Islands, and Timor-Leste**

Session #6 Financial Resources Architecture

1. INTRODUCTION

The SOM has made several decisions in relation to the financing of the Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security (CTI-CFF), including the following SOM4 decisions¹ which have been assigned to the Financial Resources Working Group (FRWG) to progress:

- **Decision #2:** Region-wide CTI Financial Resources Strategy for Phase 1
AGREE by 2011, develop and formally adopt a Region-wide CTI Financial Resources Strategy for Phase 1 of CTI Implementation, covering NPOAs and the RPOA.
- **Decision #3:** High Level Roundtable on CTI-CFF Financial Resources
AGREE to organise a first High-Level Roundtable on CTI Financial Resources for Phase 1 in late 2010.

The aim of which, is noted under the last dot point of the SOM4 Decision #2:
“Financial architecture for Investment Phase. A description of options and preferences for the financial architecture that will be needed to maximise fund mobilization, ensure effective channelling of funds, and achieve sustainable financing”.

While there has been a call for CTI countries to nominate members for the FRWG, the FRWG has yet to meet. In order to progress the SOM decisions, and provide advice to SOM7 in the first half of 2011, and a Financial Resources Strategy by the end of 2011, a detailed roadmap of how to take this work forward after SOM 6 is required to guide action.

The purpose of this paper is to present the roadmap towards developing a Region-wide Financial Resources Strategy for agreement.

2. ROAD MAP PROPOSAL

FRWG ROADMAP		
DATE	ACTIVITY	PROPOSAL
2010		
11 -12 November	Second Senior Officials Meeting (SOM6)	<ul style="list-style-type: none"> ● This paper is tabled at SOM for discussion ● Agree and commit to the proposed road map, and related decisions, for taking work forward after SOM
Late November	Identify FRWG members	CT6 identify and nominate FRWG members for their country who has appropriate financial and/or budgetary knowledge.
December 2010 – January 2011	Development of a Financial Architecture Discussion Paper	<ul style="list-style-type: none"> ● Development of a financial architecture discussion paper by the Sustainable Financing Expert to facilitate discussion, and solicit answers, from the CMWG/FRWG in order to reach agreement on the Financial Architecture Issues. ● Questions that require answering are: <ul style="list-style-type: none"> ○ What is the role of regional-scale funding relative to national-scale funding? What will be funded at the regional-scale? How will regional-scale and national-scale funding inter-relate? How will alignment and complementarity be ensured? ○ How will funding needs be identified? What is the process and how will it be run (and by who)? How does this relate to strategic and project planning, RPOA actions related to financing, donor coordination processes, and monitoring and evaluation work? ○ What processes can be used to coordinate funding support? What systems are needed to manage information about funding programs and flows? ○ What mechanisms are required to hold, distribute and track funding?

¹ Note, that the proposed scope of this work excludes SOM4 Decision #1, relating to the development of National level financial planning processes. It is expected that the outcomes of this program of work will help inform the delivery of national financial planning processes, which ultimately need to be driven by each of the CT6.

		<ul style="list-style-type: none"> ○ How will the adequacy and effectiveness of funding be evaluated? How will funding programming be linked to monitoring and evaluation processes? ○ What are the capacity development and institutional strengthening needs associated with regional-scale funding? ○ What are the key existing sources of funding? What are potential future sources of funding? What processes need to be established to generate funding?
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2011		
February	Circulation of financial architecture discussion paper	<ul style="list-style-type: none"> ● Circulation of financial architecture discussion paper to CT6 countries and donors for comment. ● This process could involve visits to other countries, presentations, consultations, etc facilitated by NCCs, the CTI Secretariat, and /or relevant expert.
March	FRWG meeting to discuss the Financial Architecture Issues	<p>Stage One: Agree on Financial Architecture Issues and a process to develop a Region-wide Financial Resources Strategy</p> <ol style="list-style-type: none"> 1. Answers will be needed from the FRWG in relation to the financial architecture discussion paper and the questions outlined above. 2. The expert would also be available to help facilitate the meeting, to work through any issues and help gain consensus about financial architecture issues, and to plan a process for developing the Region-wide CTI Financial Resources Strategy for endorsement by the SOM.
March	Summary of the meeting circulated	<ul style="list-style-type: none"> ● Relevant expert develops a summary of the agreement from meeting, including decisions made about financial architecture and the process for developing the CTI Financial Resources Strategy.
–End of March beginning April	Circulation of agreement on financial architecture and advice	<ul style="list-style-type: none"> ● Circulation of agreement on financial architecture and advice on developing the Region-wide CTI Financial Resources Strategy to CT6 countries and donors for comment.
April – mid 2011	Development of a draft Region-wide CTI Financial Resources Strategy	<p>Stage 2: Development of a draft Region-wide CTI Financial Resources Strategy</p> <ol style="list-style-type: none"> 1. Expert assistance would be provided to the FRWG to develop a draft Strategy. In the process of developing the Strategy, support could be provided to facilitate a consultative process, including FRWG meetings and/or in country meetings and/or a workshop involving a broad range of stakeholders, including the CT6, development partners and other potential donors. Meetings would seek to address the topics identified in the SOM 4 Decision 2, as follows: <ul style="list-style-type: none"> ○ Comprehensive funding needs. A comprehensive estimate of funding needs for NPOAs and RPOAs, including immediate funding needs and longer-term needs broken down by phases of CTI implementation. ○ Top funding priorities. A short list and description of the top funding priorities of CT6 governments. ○ Existing and anticipated funding. A comprehensive list of existing and anticipated funding to support implementation (from all national and international sources). ○ Funding gaps. A preliminary estimate of funding gaps at national and regional levels, focused on the Investment Phase (2010-2015). ○ Contributions to poverty reduction and economic development. Contributions of CTI funding programs to Millennium Development Goals (MDGs) and national development plans, with guidelines on how CTI funding opportunities and funding programs can simultaneously support CTI implementation and achievement of the MDGs and national development plans in each country. ○ National funding. An outline of preliminary steps being taken to mobilize and increase national sources of funding. ○ External funding – individual countries. A list of external funding opportunities that will be pursued by individual governments. ○ External funding – collaboration. A list and description of collaborative funding opportunities that will be pursued jointly (ie by all CT6 governments or subsets). ○ Financial architecture for Investment Phase. A description of

		options and preferences for the financial architecture that will be needed to maximise fund mobilisation, ensure effective channelling of funds, and achieve sustainable financing.
Mid 2011	Development and circulation of draft Strategy	<ul style="list-style-type: none"> • Expert assistance provided to develop a draft strategy based on consultative meetings held in the first half of 2011 • Circulation of draft strategy to CT6 countries and donors for comment
Oct 2011	Stage 3: Finalise the Region-wide CTI Financial Resources Strategy for endorsement by SOM/MM	<ul style="list-style-type: none"> • Support would be provided to the FRWG to finalise the Strategy by the end of 2011 for presentation to SOM and MM for endorsement.
End of 2011	Stage 4: Hold a High Level Roundtable on CTI Financial Resources	<p>1. Support would be provided to convene and facilitate a High Level roundtable in late 2011, perhaps at the same time as a SOM or MM.</p> <p>This would address SOM4 decision 3. Consistent with that decision, it would involve:</p> <ul style="list-style-type: none"> - <u>CT6 government presentations</u>. To provide an opportunity for CT6 governments to present the early steps being taken to implement CTI action plans, and to present a draft of the <i>Region-wide CTI Financial Resources Strategy</i>, with initial information on funding needs and priorities for the Investment Phase of CTI implementation – at the regional level and for each country. - <u>Donor agency presentations</u>. To provide an opportunity for donor agencies to present their existing funding programs, and to outline their views regarding the preliminary draft of the <i>Region-wide CTI Financial Resources Strategy</i>. - <u>CTI Partnership Agenda on Financial Resources</u>. To consider the need for, and possible next steps of, a new <i>CTI Partnership Agenda on Financial Resources</i> – centred on mobilising and structuring the financial resources required achieving the goals of the CTI plans of action.
End of 2011	Circulation of finalised Strategy	<ul style="list-style-type: none"> • Circulation of draft strategy to CT6 countries and donors. <ul style="list-style-type: none"> ○ Endorsement of the finalised Strategy.
Start of 2012	Stage 5: Implement the of Region-wide CTI Financial Resources Strategy	<ul style="list-style-type: none"> • Commence implementation of the Financial Resources Strategy once agreed by SOM.

3. DECISIONS

This session was chaired by Malaysia. Based on the final draft presented and the discussions held on this topic at the 6th Senior Official Meeting (SOM6), the Meeting took the following decisions:

1. AGREED to support the FRWG Road Map.
2. AGREED to appoint suitable representative/s with financial expertise to participate actively in the FRWG
3. AGREED that the appointed FRWG members have authority to consult with their national governments and make the decisions required to develop the draft Financial Resources Strategy for presentation to SOM7.
4. AGREED to task the interim Regional Secretariat to arrange and coordinate assistance from partners in supporting the Financial Resources Working Group