**Annex 3**

**Discussion on resuming the draft Terms of Reference (TOR) for FRWG**

**DRAFT OUTLINE FOR FRWG TERMS OF REFERENCE (TOR)**

***Working Draft as at 14th April 2017***

1. **BACKGROUND & OBJECTIVES**

Background

The establishment of the Financial Resources Working Group (FRWG) was first mooted in the 2nd Senior Officials’ Meeting (SOM-2) in 2008 which was hosted by the Government of Philippines. Its main task was to analyse relevant information, conduct preliminary assessments & feasibility studies, and develop financial management tools. This working group were to be led by Indonesia, and has been so since then. The FRWG are guided by the Regional Plan of Action (RPOA) in Section V on Financial Resources for CTI-CFF to establish a realistic, workable and sustainable financial architecture. Over the years, activities of the FRWG are geared to achieve this target[[1]](#footnote-1). By the 10th Senior Officials Meeting (SOM-10), several critical recommendations were made based on the results of several FRWG meetings working towards the establishment of a financial architecture. Several critical acknowledgments and recommendations were made: (i) Tasked the FRWG to work with the necessary experts in developing the structure and mechanism of the CTI-CFF Fund or Special Fund in the form of trust or other types of fund as discussed in the Situational Assessment Report for review by the CTI Committee of Senior Officials at its 11th Meeting in 2015; (ii) Endorsed the establishment of the CTI-CFF Business Development Unit (BDU) to coordinate initiatives and efforts in financial resources and business development, and that it is initiated upon agreement of the terms of reference by the FRWG, with progress to be reported to the CTI Committee of Senior Officials at its 11th Meeting in 2015; (iii) Acknowledged the Stock-take of CTI-CFF Programs and Projects Final Report and recommend that CTI project pipeline for future investments be guided by the recommendations contained therein; and (iv) Tasked the FRWG to draft its terms of reference for review by CTI Committee of Senior Officials at its 11th Meeting in 2015. The Final Report of the CTI Financial Architecture Study was adopted at the 11th Senior Officials Meeting (SOM-11) in 2015; followed by recommendations in the following 12th Senior Officials Meeting (SOM-12) for Member Parties and the Regional Secretariat to work on; such as the setting up of a Project Preparation Facility (previously known as the “Business Development Unit”) upon the appointment of the Project Initiation Specialist (PIS); establishment of the CTI Regional Fund upon completion of all Member Parties’ National Plan of Actions (NPOAs); and to further pursue other sources of funds to implement the Regional Plan of Action (RPOA).

**Objectives**

The FRWG shall be guided by the guidelines in **Section V (Financial Resources) of the RPOA. In conformity of the RPOA, the objectives of the** Financial Resources Working Group (FRWG) are as follows:

1. To ensure mechanisms / procedures are in place to undertake systematic financial planning are in place to estimate funding needs and gaps, and identify funding options (including sustainable finance options);
2. To ensure that an efficient and effective system is in place for funds mobilization; and
3. To ensure the development and implementation of a financial architecture that considers **systematic approach to determining the most effective way to channel financial resources. It should also consider to establish structure and coordinate funding flows to effectively support priority activities and programs.**
4. **ROLE AND RESPONSIBILITIES**
	1. Provide strategic leadership in the development, implementation and sustainability of financial resources of CTI RPOA and other relevant programs;
	2. Engage with external funding institutions for implementation of the Regional Plan of Actions (RPOA) and other relevant programs;
	3. Assess funding needs, gaps and options of the Regional Plan of Actions (RPOA) and the respective Member States’ National Plan of Actions (NPOAs) – work with the Coordination Mechanism Working Group (CMWG);
	4. Mobilize funds for RPOA implementation and other relevant programs; and
	5. Develop a sustainable Financial Architecture and guide in the establishment of the Project Preparation Facility (PPF) within the Regional Secretariat.
5. **MEMBERSHIP**

The FRWG shall be composed of at least two representatives from each of the CT6 (Indonesia, Malaysia, Papua New Guinea, Philippines, Solomon Islands and Timor-Leste). The NCC of CT6 countries shall designate representatives to the FRWG meetings.

Resource persons may be identified and appointed as per needs basis; e.g. Development Partners and CTI-CFF Regional Secretariat.

1. **TERM OF CHAIR AND VICE CHAIR**

The term of the Chair and Vice Chair shall be two years starting on 01 January of the year. The start date shall be in effect upon endorsement by CTI-CSO at SOM.

1. **ELECTION OF CHAIR AND VICE CHAIR**

The appointment of the Chair and Vice Chair shall be on consensus basis among the FRWG members. This shall be communicated / informed during the subsequent Senior Officials’ Meeting (SOM).

1. **SCOPE OF WORK**

Working with the other Working Groups in the CTI network (Five Technical Working Groups, Coordination Mechanism Working Group (CMWG), Monitoring & Evaluation Working Group, and Cross-Cutting Themes to:

1. Provide strategic leadership in the development, implementation and sustainability of financial resources of CTI RPOA and other relevant programs;
2. Engage with external funding institutions for implementation of the Regional Plan of Actions (RPOA) and other relevant programs;
3. Assess funding needs, gaps and options of the Regional Plan of Actions (RPOA) and the respective Member States’ National Plan of Actions (NPOAs);
4. Mobilize funds for RPOA implementation and other relevant programs; and
5. Develop a sustainable Financial Architecture.
6. **AGENDA ITEMS**

Upon consultation with the Chair of FRWG, all agenda items will be forwarded by the Regional Secretariat to the FRWG Members by close of business thirty (30) working days prior to the next scheduled meeting for comments and feedback. Upon receipt of feedback, the provisional agenda, with attached meeting papers, will be distributed at least fourteen (14) working days prior to the next scheduled meeting.

1. **Minutes and meeting papers:**

The minutes of each meeting will be prepared by the Regional Secretariat; approved by the Chair and distribute to all NCCs upon the approval.

Full copies of the minutes, including attachments, will be provided to all members no later than fourteen (14) working days following each meeting for comments from members. The comments should be sent to the Regional Secretariat within fourteen (14) days from the date of the submission of the minutes for further action. Upon receipt of comments and feedbacks, and consultation with the Chair, the Regional Secretariat shall re-distribute the minutes with amendments (if any) and its accompanying attachments to all members for their reference.

1. **DELIVERABLES**

The deliverables for the FRWG are the activity report and recommendations made during FRWG meeting to the Council of Senior Officials (CTI-CSO) during Senior Officials Meetings (SOMs).

1. **REGIONAL SECRETARIAT SUPPORT**

~~The administrative support for the FRWG shall be provided by the country chairing the FRWG. Coordination with other CT6 countries pertaining to schedules of activities, collaboration with other countries and other related activities should be coordinated with the Regional Secretariat.~~

1. Program Implementation: The Regional Secretariat shall provide assistance to the FRWG in mobilizing financial resources to support the implementation of the annual work plan on CTI programs as well as the operations of TWGs.
2. FRWG Meeting: Support for organization of the FRWG meeting (such as meeting package, travel and accommodation) are shared between the Host Country and Regional Secretariat. The FRWG should also seek additional / alternative support from Development Partners to organize the meeting.
3. **REPORTING**

The FRWG shall report to the Council of Senior Officials (CTI-CSO) during Senior Officials Meetings (SOMs).

1. **MEETING ARRANGEMENTS**

The FRWG shall conduct at least one meeting annually to assist Regional Secretariat to prepare the financial reports on program implementation and other financially related matters for program implementation and submit to the SOM. The schedule of the meetings will take into consideration planned CTI regional events and SOM / MM meetings. In addition to the annual meeting, conference calls may be arranged among the FRWG focal points to keep the CT6 abreast with the developments on the FRWG work plans across the CT6. The Chair shall inform the FRWG focal points of all CT6 Member States at least two weeks prior to the date of the conference call.

Meetings shall be chaired by the appointed Chair and supported by the vice-chair with secretarial assistance from the Host Country and Regional Secretariat.

Report of meeting shall follow a pre-determined template (Attachment 1).

1. **AMENDMENTS**

The content of this Terms of Reference (TOR) can be amended as and when needs arises upon consensus of members of the FRWG and to be forwarded to the Council of Senior Officers (CTI-CSO) for approval and endorsed by the Council of Ministers (CTI-COM). The proposer shall write to the Chair of FRWG of the recommended change and this shall be communicated to all members of FRWG for deliberation.

1. **REFERENCES**

**FOCAL POINTS:**

**Indonesia**

Mr. Agus Darmawan,

Secretary of Marine Spatial Planning Directorate General,

Ministry of Marine Affairs and Fisheries.

**Malaysia**

1. Mr Mohd Rosli bin Haji Abdullah

Under Secretary of Strategic Technology and S&T Application Division

Ministry of Science, Technology and Innovation (MOSTI)

1. Ms Mareena binti Mahpudz

Under Secretary of Finance Division

Ministry of Science, Technology and Innovation (MOSTI)

**Papua New Guinea**

NCC Papua New Guinea

**Philippines**

NCC Philippines

**Solomon Islands**

NCC Solomon Islands

**Timor-Leste**

n/a (representative did not attend the meeting due to logistical issues)

**ATTACHMENT 1: MINUTES OF MEETING TEMPLATE**

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**Financial Resources Working Group (FRWG) Meeting Report**

**[date]**

**[location]**

1. **Background**

*(to be inserted by Regional Secretariat)*

1. **Objectives**

*(to be inserted by Regional Secretariat)*

1. **Opening Session**

*(to be inserted by Regional Secretariat)*

1. **Proceeding of the Meeting**

*(to be inserted by Regional Secretariat)*

1. **Meeting Outcomes and Recommendations**

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* 1. …
	2. ---

Attachments

*List of Participants*

*Presentations*

*Relevant Documentations*

1. Please refer to Annex 2.a for the historical journey of the FRWG and its activities. [↑](#footnote-ref-1)