AGENDA ITEM 7B:
FEMM TECHNICAL OBSERVER APPLICATION BY GREEN CLIMATE FUND

Purpose and Recommendations

Purpose
To seek endorsement of Forum Economic Ministers of the Green Climate Fund (GCF)’s application to be accredited a Special Technical Observer of FEMM.

A. Background

FEMM has largely determined its own rules and procedures, which have developed and adapted overtime in line with existing Forum practices. The admission of technical agencies and organisations as FEMM observers is determined by FEMM in accordance with the Criteria to Guide Special Technical Observers which was endorsed by the 2011 FEMM.¹ As agreed at the 2011 FEMM, the criteria is focused on observers’ ability to contribute to economic performance and support economic growth in FICs, as well as the extent of commitment and engagement of observer agencies to specific FEMM matters. Forum Economic Ministers may agree to cancel the observer status of any special technical observer at any time, and upon such decision, the Secretary General shall notify the observer in writing.

2. The Green Climate Fund (GCF) applied to be a Special Technical Observer of FEMM on 10 June 2022. Attachment 1 of this paper provides GCF’s application letter.

B. Analysis and Discussion

3. The following table provides an analysis of GCF’s application against the Criteria to Guide Special Technical Observers of FEMM.

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<th>Criteria to Guide Special Technical</th>
<th>Does GCF meet the Criteria?</th>
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<td>2011 FEMM paper on Criteria to Guide Special Technical Observers.</td>
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¹
### Observers

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<th>(i) the organisation’s affinity and commitment to the purpose and work of the FEMM, in particular, its ability to contribute to economic performance and economic growth in FICs;</th>
<th>Established in 2015, GCF is the world’s largest climate fund, and is mandated to support developing countries to raise and realise their Nationally Determined Contributions’ (NDCs) ambitions towards low emission, climate-resilient development pathways. As declared by Forum Leaders in 2019, climate change is the greatest existential threat to the Blue Pacific and access to climate finance to invest in strengthening the resilience of Pacific countries and the lives of people is critical to economic growth, development and indeed the future of the region. In this context, it is welcome to note GCF’s role in providing climate finance to Pacific countries to support Pacific governments’ efforts to finance climate adaptation which would ultimately contribute to economic growth and resilience against climate-induced disasters.</th>
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| (ii) the nature and extent of FEMM members’ actual and/or potential engagement with the organisation concerned; | There are five (5) Accredited Entities from the Pacific who are eligible to access GCF financing directly to develop and implement projects and programmes. They are:  
- Fiji Development Bank (FDB);  
- Micronesia Conservation Trust (MCT);  
- Ministry of Finance and Economic Management, Cook Islands (MFEM);  
- Pacific Community (SPC);  
- Secretariat of the Pacific Regional Environment Programme (SPREP).  
In addition, there are nine delivery partners from the Pacific that are eligible to access and implement GCF’s Readiness and Preparatory Support Programme, they are:  
- Ministry of Finance in Samoa,  
- Ministry of Finance and National Planning in Tonga,  
- Ministry of Finance and Treasury of Solomon Islands  
- Ministry of Finance in Palau,  
- Ministry of Finance and Economic Development in Kiribati, |

2 The **five (5) criteria** were endorsed by FEMM in 2011 to assess Special Technical Observers of FEMM.
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<th>(iii) technical or specialist expertise or focus on the issue(s) under discussion by the FEMM of the organisation concerned;</th>
<th>Building adaptation and resilience in the Pacific against the impact of climate change and natural disasters has been a key issue of recent FEMM. GCF is mandated to support developing countries to raise and realise their Nationally Determined Contributions’ (NDCs) ambitions towards low emission, climate-resilient development pathways. Recognising the constraints faced by Pacific countries regarding access to climate finance for the achievements of FRDP, SDG, as well as national and sectoral development objectives in the Pacific, GCF has ongoing engagement with Forum members, as well as have made financial investments in climate adaptation projects in the region.</th>
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<td>(iv) the level of commitment on the part of the organisation to engage with Forum member countries; and</td>
<td>GCF has direct engagement with key policy makers of Forum Members, especially the nine delivery partners from the Pacific that are eligible to access and implement GCF’s Readiness and Preparatory Support Programme (listed above). Further, GCF has approved investments of over USD 493 million across 29 projects and programmes into Pacific Islands Forum member countries that support the sustainable development of the ocean, build the blue economy, and enhance their resilience to the impacts of climate change.</td>
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<td>(v) a membership inclusive of relevant persons or entities from Forum member countries.</td>
<td>In the Pacific, GCF works with National Designated Authorities and project development partners to make investments that closely align with the core mission of the Pacific Islands Forum and its Framework for Pacific Regionalism and contribute towards sustainable economic growth. GCF has 5 Accredited Entities from the Pacific who are eligible to access GCF financing directly to develop and implement projects and programmes. In addition, eight delivery partners from the Pacific that are eligible to access and implement GCF’s</td>
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C. **Entitlements and Expectations**

4. As per the *Criteria to Guide Special Technical Observers*, the following entitlements and expectations of observers will apply to GCF if its application for special technical observer status at FEMM is endorsed.

   - GCF may speak when invited to do so by the Chair, and GCF may be invited to provide written papers or submissions for the information of participants. However, GCF is not expected to participate in the taking of consensus decisions, nor is GCF expected to contribute to discussions on its own will during meetings.
   - GCF will be required to fund its own attendance to the FEMM.
   - Consistent with the Forum Leaders’ 2005 policy on observer status, GCF if granted Special Technical Observer to FEMM should not be confused with Forum Observers.

5. In addition to the analysis above, further information on GCF can be accessed through its website: [https://www.greenclimate.fund/](https://www.greenclimate.fund/).

D. **Next Steps**

6. The Secretary General will inform GCF in writing, the decision of the Forum Economic Ministers on its application to be a FEMM Special Technical Observer.

Pacific Islands Forum Secretariat
22 June 2022