

Project Document

Denmark's support to the Pacific Community (SPC) on loss and damage in Pacific Small Island Development States

30 November, 2023

Ministry of Foreign Affairs, Denmark

File No.: 23/23751

Denmark's support to SPC on loss and damage in Pacific Small Island Development States

Key results:

-Pacific Small Island Developing States (PSIDS) have digital representation of potential coastal inundation sites, and evidence of the nature and scale of actual and likely future climate induced loss and damage.
-At least 9 PSIDS have country-level national strategies, policies, and plans developed through demand-led institutional support, resulting in strengthening national institutional readiness to address loss and damage including to solicit external funding.

Justification for support:

-The support matches priorities in “The World We Share” by addressing loss and damage in SIDS where climate induced impacts are significant. 55% of Pacific’s population lives less than 1 km from the sea where people live under climate vulnerable conditions.

-SPC is a regional organization that provides PSIDS with the capacity to deploy approaches to address climate change and make analysis and knowledge accessible and relevant to member states. Support to SPC builds a regional capacity, available to all target states and provides evidence that will help access international funds to e.g. prepare for insurance mechanisms that will be ready for both rapid onset (i.e. disasters) and slow onset (e.g. sea level rise) damage, that cannot be prevented by mitigation or adaptation.

-SPC’s Climate Change Flagship Program (CCFP) is supported by New Zealand. Denmark’s contribution will constitute around 23% of the initial support to the CCFP and be earmarked to the loss and damage component, a significant contribution to address this new focus area in climate change both for SPC and the PSIDS.


















Major risks and challenges:

- It is the first time Denmark works with SPC, but SPCs international repudiation and endorsement from trusted development partners reduce this risk.

- Not sufficient international funds available to countries for them to implement plans developed by the project.

-Information developed by the project is insufficient to allow planning future actions and applying for international funds

- Failure to deliver project outputs and outcome due to low implementation capacity or mismanagement of funds will reflect negatively on Denmark.

File No.	23/23751				
Country	Pacific Small Island Developing States				
Responsible Unit	GDK				
Sector	Climate finance				
Partner	Pacific Community (SPC)				
DKK million	2024	2025	2026	2027	TOTAL
Commitment	37.347				37.347
Projected disbursement	7.490	10.299	11.800	7.758	37.347
Duration	4 years				
Previous grants	NA				
Finance Act code	06.34.01.75				
Head of unit	Karin Poulsen				
Desk officer	Christian Knudsen				
Reviewed by CFO	YES: Rasmus Thorup Evald				
Relevant SDGs [Maximum 1 – highlight with grey]					
 No Poverty	 Hunger	 Good, Health, Wellbeing	 Quality Education	 Gender Equality	 Clean Water, Sanitation
 Affordable Clean Energy	 Decent Jobs, Econ. Growth	 Industry, Innovation, Infrastructure	 Reduced Inequalities	 Sustainable Cities, Communities	 Responsible Consumption & Production
 Climate	 Life below	 Life on	 Peace &	 Partnerships	

Development Objective: The Climate Change Flagship Program addresses loss and damage of PSIDS

Environment and climate targeting - Principal objective (100%)

	Climate adaptation	Climate mitigation	Biodiversity	Other green/environment
Indicate 0, 50% or 100%	100%			100%
Total green budget (DKK)	37 347 745			37 347 745

Justification for choice of partner:

SPC is the oldest and largest international development organization in the Pacific. SPC’s internationally recognized expertise in science and research makes SPC a key regional partner for a wide range of countries and organizations. It has the capacity to deploy a multi-sectoral approach to address climate change, and to coordinate the efforts of its members. This leads to concrete solutions across the entire range of sectors that are impacted by climate change in the region. SPC is committed to helping PSIDS address the risks posed by climate variability and climate change through its sectoral work and its ‘whole of organisation’ approach.

Summary:

The project will provide an overall picture of the types, locations, scale, affected assets, and communities afflicted by climate induced loss and damage in the Pacific region and the resilience of islands. This will be done by providing evidence on the nature and scale of potential loss and damage in selected local environments and sectors, based on case studies. Potential losses at household or small-scale economic development sector level, will be identified based on survey data. With this information as a baseline, PSIDS’ capacity will be strengthened in key areas (e.g. planning, policy, readiness to receive and utilize funding to address loss and damage) through country driven targeted national loss and damage institutional strengthening support projects.

Budget:

1: Scoping of L&D key issues nature and scale	DKK 9.0 million
2: Impacts of CC at household level (L&D focus)	DKK 6.0 million
3: Small scale demand led fund	DKK 15.0 million
Communication of results	DKK 0.8 million
Other direct costs	DKK 3.6 million
Admin./Overhead (7%)	DKK 2.4 million
Mid-term reviews	DKK 0.5 million
Total	DKK 37.3 million

Abbreviations

AF	Adaptation Fund
AusAID	Australian Development Assistance
CCES	Climate Change and Environmental Sustainability Programme – in SPC
CCFP	Climate Change Flagship Program
CDP	UN Committee for Development Policy
CFU	Climate Finance Unit – in SPC
COP	Conference of Parties – of the UNFCCC
CRGA	Committee of Representatives of Governments and Administrations
CROP	Council of Regional Organisations of the Pacific
EU	European Union
FSM	Federated States of Micronesia
GDK	Green Diplomacy and Climate Department of the Danish Ministry of Foreign Affairs
GFC	Green Climate Fund
GIS	Geographical Information System
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GNI	Gross National Income
GSSP	Global Shield Solutions Platform
HRBA	Human Rights Based Approach
IAR	Internal Audit and Risk Committee of SPC
IPCC	Intergovernmental Panel on Climate Change
KFA	Key Focus Area
KRA	Key Results Area
LDC	Least Developed Countries
L&D	Loss and damage
LGBTQIA+	Lesbian, gay, bisexual, transgender, queer, questioning, intersex, or asexual
LMICs	Lower Middle-Income Countries
MVI	Multidimensional Vulnerability Index
MVR	Monitoring, verification and reporting
NBS	Nature Based Solutions
NDA	National Designated Authority
NDC	Nationally Determined Contribution
NZ-MFAT	New Zealand – Ministry of Foreign Affairs and Trade
ODA	Overseas Development Assistance
OECD-DAC	Organisation for Economic Co-operation and Development – Development Assistance Committee
PICAP	Pacific Insurance and Climate Adaptation Programme
PICT	Pacific Island Countries and Territories
PIF	Pacific Island Forum
PROTEGE	Pacific Territories Regional Project for Sustainable Ecosystem Management
PSIDS	Pacific Small Island Developing States
SDG	Sustainable Development Goals
SIDS	Small Island Developing States
SPC	Pacific Community
SPREP	Secretariat of the Pacific Regional Environment Programme
UMIC	Upper Middle-Income Countries
UNFCCC	United Nations Framework Convention on Climate Change
USAID	United States of America International Development

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1 Introduction

The present project document outlines the background, rationale and justification, objectives and management arrangements for development cooperation concerning Denmark's support to the Pacific Community (SPC) on loss and damage in Pacific Small Island Developing States (PSIDS) over the coming three years as agreed between the parties: The Pacific Community (SPC) and Department for Green Diplomacy and Climate in the Ministry of Foreign Affairs of Denmark. The project document is an annex to the bilateral agreement with the implementing partner and constitutes an integral part hereof together with the documentation specified below.

"The Documentation" refers to the partner documentation for the supported intervention, which is *DRAFT (September 2023) Climate Change Flagship¹ – Design Overview* and SPCs *STRATEGIC PLAN 2022– 2031 Sustainable Pacific development through science, knowledge and innovation²*

2 Context

Climate change is expected to have a significant impact on vital social, economic, and environmental conditions of island communities in the Pacific and other vulnerable island states. Fisheries, crops, and tourism are already directly threatened. Also, climate change threatens the availability of food and clean water, the productivity of ecosystems and breeding grounds, reef and fisheries resources, population health and well-being, and the effectiveness of natural coastal defenses. According to the Intergovernmental Panel on Climate Change (IPCC) scenarios for Small Islands³, the Pacific's high vulnerability could lead to widespread food and water insecurity, increased health risks, lack of access to social services, and even forced displacements in some cases.

In Pacific Island Countries and Territories (PICTs), including Small Island Developing States (SIDS), 55% of the Pacific's population live less than 1 km from the sea. These people are threatened by severe weather and natural hazards, strong dependence on their natural resources, and the limited diversification of their economies and are amongst the most vulnerable to climate change in the world.

PICTs have underscored the importance of adaptation measures in their particular context, calling for significant financial and technical support in that regard. Addressing these Pacific challenges requires multilayered action at all governance levels. Local biophysical, social, economic, political, and cultural circumstances must be taken into account when designing adaptation and mitigation options.

¹ https://spccfpstore1.blob.core.windows.net/digitallibrary-docs/files/bb/bbee79e31e472bc7265ffa9a49acb304.pdf?sv=2015-12-11&sr=b&sig=ESm0i9NAOPCvW7lbbwGx6od-PIDz6H7jYrwTxHKmGwkA%3D&se=2024-03-21T19%3A03%3A03Z&sp=r&rsc=public%2C%20max-age%3D864000%2C%20max-stale%3D86400&rsct=application%2Fpdf&rscd=inline%3B%20filename%3D%22HoF15_IP3_EN.pdf%22

² https://spccfpstore1.blob.core.windows.net/digitallibrary-docs/files/45/459e836fa279604833a2ce7b7e375bdc.pdf?sv=2015-12-11&sr=b&sig=AoCk4PzX5RvlpB5KoxWZ4eVraeAmFG9Wc%2FRt2vjCQLs%3D&se=2024-02-15T11%3A31%3A29Z&sp=r&rsc=public%2C%20max-age%3D864000%2C%20max-stale%3D86400&rsct=application%2Fpdf&rscd=inline%3B%20filename%3D%22Strategic_Plan_2022_2031.pdf%22

³ https://www.ipcc.ch/site/assets/uploads/2018/02/WGIIAR5-Chap29_FINAL.pdf

Denmark's development strategy *The World We Share*⁴ includes a pillar to strengthen action to support for climate change adaptation, nature, the environment, and resilience in the poorest and most vulnerable countries. A specific objective under this pillar includes to: *"Contribute to preventing and reducing the risk of loss and damage due to the impacts of climate change, and support recovery if climate disaster strikes."*

To scale up the support to vulnerable countries facing increasing risks of losses and damages related to climate change, Denmark intends to explore prospects of supporting climate vulnerable SIDS in the Pacific that are multi-dimensionally vulnerable (Annex 1) through a relevant regional organization.

2.1 Development challenges for PSIDS

Climate change is the single greatest threat facing PICTs⁵ who are amongst the most at risk in the world to climate change-related sea level rise, warming oceans, and natural disasters. Pacific Island Forum (PIF) leaders have recently declared a climate emergency noting the livelihoods, security, and health and well-being of Pacific people and ecosystems are under serious and mounting threat; and these challenges exacerbate the region's existing vulnerabilities and dependencies.

Physical climate change impacts are already being experienced in the region, including: increased severity of weather extremes (e.g. cyclones, floods, and droughts); rising temperatures and increased heatwaves; sea-level rise and wave inundation; increasing ocean temperatures and ocean acidification. This threatens all sectors and communities through impacts on livelihoods and economic opportunities, health, safe water availability, food security, coastal infrastructure, marine and terrestrial ecosystems, fisheries, natural resources, climate-related mobility, and security of maritime zones - often exceeding adaptive capacity and causing irreversible loss and damage. Climate change also has critical impacts on social dimensions such as culture and traditional practice and knowledges, displacement and land tenure, and gender equality and human rights. For the most at-risk communities in society, there is a disproportionate impact often eroding previous development gains and exacerbating poverty and vulnerability. Regardless of any reductions in global emissions, Pacific islands countries and communities need to adapt and build resilience to the changes occurring now.

The International Monetary Fund (IMF) has estimated that PICTs each need between 6.5% and 9% of their Gross Domestic Product (GDP) per year in financing on average for adaptation infrastructure. This equates to almost USD1 billion per year⁶. Much of what is committed goes to mitigation rather than adaptation, which is arguably the greater need in a region with low emissions that is already feeling the impacts of climate change. Total annual climate finance commitments to the region fall well below the needs. The gap between required and accessed and disbursed climate funds is large and continues to widen as adaptation and mitigation costs increase.

While PICTs are highly motivated to address the impacts of the changing climate, reduce greenhouse gas emissions and transition to low carbon economies, they are constrained by limited capability and capacity and access to necessary climate finance and appropriate technology.

It is often difficult and uneconomic for countries to recruit and retain the kind of skilled technical and policy workforce needed to design and deliver climate change measures, including in areas such as loss and damage, leveraging climate finance, gathering science and information, and MVR (monitoring, verifying and reporting climate change interventions). Regional skills shortages in highly technical areas also play into this capacity shortfall dynamic.

⁴<https://amg.um.dk/policies-and-strategies/strategy-for-danish-development-cooperation>

⁵ Boe Declaration 2018 and Kainaki II Declaration on Climate Change Action in 2019

⁶ IMF (2021) Unlocking Access to Climate Finance for Pacific Island Countries

2.2 Pacific Community (SPC)

2.2.1 Overall description of SPC

The Pacific Community (SPC), formerly the South Pacific Commission, is an intergovernmental organization founded by treaty (the Canberra Agreement) in 1947. SPC is governed by 27 member countries, including 22 PICTs around the Pacific Ocean, with 9 Small Island Development States (PSIDS) that meet the OECD criteria for receiving ODA (please ref. to Chapter 3 and Annex 1 of this document). SPC supports sustainable development by applying a people-centered approach to science, research and technology across all of the Sustainable Development Goals (SDGs). SPC serves its members by interweaving and harnessing the nexus of climate, ocean, land, culture, rights, and good governance; through trusted partnerships; investing in Pacific people; and understanding Pacific contexts.

SPC's vision *We are voyaging towards a resilient Pacific. A region of peace, harmony and prosperity, where all our people and communities live safe, free, healthy, sustainable, and productive lives. As way finders, our paths are intertwined with the culture, environment, and resources of our Blue Pacific Continent. We recognise our role as stewards of our Pacific Ocean and are responding with urgent collective action to the threat of climate change.*⁷

SPC is the oldest and largest international development organization in the Pacific. SPC's internationally recognized expertise in science and research makes SPC a key regional partner for a wide range of countries and organizations. It has the capacity to deploy a multi-sectoral approach to address climate change, and to coordinate the efforts of its members. This leads to concrete solutions across the entire range of sectors that are impacted by climate change in the region.

SPC is committed to helping PICTs address the risks posed by climate variability and climate change through its sectoral work and its 'whole of organisation' approach, in partnership with other members of the Council of Regional Organisations in the Pacific (CROP). The Climate Change and Environment Sustainability Division, with the support of other SPC sectorial divisions, has in-house capacity to assist PICTs to develop and implement both tailored climate change mitigation measures and climate change adaptation responses.

2.2.2 SPC's Climate Change and Environment Sustainability Division

SPC's climate activities are implemented through the SPC division: Climate Change and Environmental Sustainability (CCES) headed by a director that reports to the Deputy Director General of Operations and Integrations.

CCES is both a cross-cutting program and a service centre for members and all SPC divisions. Its overall goal is to provide organisation-wide leadership, coordination, and technical oversight of SPC's climate change programs and activities thought leadership on issues relating to climate change and environmental sustainability and provide program management of integrated resilience projects, and support for accessing climate finance.

CCES aims to ensure that climate change and environmental impacts are considered in all SPC's operations and development programs as a critical part of the integrated programming approach, and to strengthen implementation of member countries' initiatives in this area through the delivery of integrated resilience and climate change projects.

CCES also contributes to raising national, regional and international awareness of the challenges of climate change for SPC members, and to mobilizing resources to help member countries adapt to and mitigate the impacts of climate change.

⁷ <https://www.spc.int/about-us>

2.2.3 Climate Change Flagship Program

The Climate Change Flagship Program (CCFP) is a program support platform that endeavours to elevate climate action planning, stimulate large-scale transformation, catalyze impactful development, and epitomize SPC's vision of a resilient Pacific by 2050⁸. The CCFP is a relatively new program within SPC to which Danish support will be channelled.

The CCFP is being developed and aims to inspire a paradigm shift in climate action to provide a more strategic and integrated approach to climate change, seeking to enhance climate change services and capability in a more holistic, strategic, and cohesive way. CCFP will bring together deep sectoral expertise, research, relationships, and implementation experience into an integrated program. The CCFP is intended to accelerate efforts to address the challenges and opportunities facing the Blue Pacific in the 21st century.

The CCFP is directly aligned to the implementation of SPC strategic plan KFA 1: Resilience and Climate Action which is at the centre of the new SPC Strategic Plan.

A key area to be developed as part of the CCFP is *Loss and Damage & Climate Justice*.

Key areas to be covered will include:

- Formulate and implement a comprehensive framework for addressing loss and damage, integrating innovative solutions
- Develop mechanisms to accurately measure and report loss and damage caused by climate impacts
- Advocate for international recognition of loss and damage for the Pacific Region,
- Secure financial support for measures to address loss and damage
- Improve understanding of what loss and damage looks like in the Pacific and use this knowledge to inform planning and pre-emptive actions.

2.2.4 Regional Pacific NDC-Hub

SPC is coordinating its efforts with other regional partners through the Regional Pacific Nationally Determined Contribution (NDC) Hub.

The Pacific NDC Hub is a coordinated regional support mechanism for PICTs to enhance, implement and finance their climate commitments.

SPC has been an implementing partner for the Hub since 2019 through which it provides strategic support to help PICTs achieve their climate ambition by:

- Providing technical assistance, including for **NDC planning, policy, legislation**
- Enhancing sharing of **information and knowledge** management
- Showcasing Pacific **climate leadership** in key regional and global fora.

The Climate Change and Environmental Sustainability Programme (CCES) received a grant from Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), who has been managing the NDC hub since 2019, to

⁸ The 2050 Strategy for the Blue Pacific, has "climate change and disasters" as one of 7 thematic areas
<https://www.forumsec.org/wp-content/uploads/2022/08/PIFS-2050-Strategy-Blue-Pacific-Continent-WEB-5Aug2022.pdf>

ensure the **coordination** with the relevant SPC Divisions for the successful implementation of SPC's support and to provide technical oversight.

The Pacific NDC Hub carries out activities based on specific country requests from member Pacific Islands and these activities are implemented by the four partners of the Hub. These are the GIZ (lead partner), SPC, the Global Green Growth Institute (GGGI) and Secretariat of the Pacific Regional Environment Programme (SPREP).

In August 2023, the NDC hub steering committee decided that the management of the NDC Hub will be passed from GIZ to SPC, entrusting SPC with the responsibility of managing the Hub from September 2024 onwards.

2.2.5 SPC's experience and lessons in climate change actions

SPC's new Strategic Plan 2022-31⁹ has climate change as a Key Focus Area (KFA)1: 'Resilience and Climate Action'. It is working across seven key dimensions of climate change action (1-3) and critical enabling activities (4-7):

1. Adaptation (adapting to life in a changing climate and building resilience)
2. Mitigation (reducing greenhouse gas emissions, increasing sequestration and energy security)
3. **Loss and damage** and climate justice (identifying limitations to adaptive tipping points and equitable distribution of the burdens and benefits of climate change)
4. Supporting informed policy, advocacy and leadership
5. Leveraging climate finance (SPC is accredited to the Green Climate Fund (GCF) and Adaptation Fund (AF), and delivers the largest annual regional programming budget of all the CROP Agencies)
6. Developing robust climate science, information, and modelling for Pacific countries
7. Supporting growing monitoring, reporting and verification requirements in climate action (MRV).

SPC develops **multi-sectoral responses to climate change and disasters**. Using integrated approaches based on education, ocean and coastal geoscience, risk assessment, GIS and related technologies, SPC helps countries develop climate resilience initiatives and management techniques, as well as tools to improve adaptation and enhance the resilience of local livelihoods.

The **Climate Change Engagement Strategy for SPC**¹⁰ provides an overarching framework for SPC's climate change work, sets organizational objectives and identifies key result areas against which progress can be monitored, with **the Goal** that: *Pacific Island countries and territories are able to effectively manage the risks presented by climate change*.

The climate change engagement strategy targets three strategic outcomes:

- Strengthened capacity of Pacific Island communities to respond effectively to climate change.
- Climate change integrated into SPC programs and operations.
- Strengthened partnerships at the regional and international level.

⁹ Strategic Plan 2022- 2031 – sustainable development through science knowledge and innovation (2022)

¹⁰ <https://www.spc.int/sites/default/files/wordpresscontent/wp-content/uploads/2017/01/climate-change-strategy-20120516.pdf>

SPC is carrying out a variety of climate change activities through its 8 technical divisions¹¹, its integrated programs, its flagship programs and its Strategic Engagement, Policy and Planning Facility.

SPC provides support to PICTs in accessing **climate finance through its climate finance unit (CFU)**. SPC is an accredited entity of the GCF and the AF and the CFU provides technical assistance to the development, management and implementation of climate change projects with the GCF, AF and other funding mechanisms. CFU also supports SPC's technical divisions in enhancing their familiarity with the modalities of the GCF and AF, and in formulating climate change project proposals.

The loss and damage discipline is relatively new within SPC. A new recruitment specifically dedicated to loss and damage is in process.

Some relevant lessons have been learned from implementation of SPC activities, including:

- **Political will for climate action:** There is strong political will for climate action in the region as observed from the demand for services from facilities like the NDC Hub. PICTs are eager to fully implement their NDCs through policy clarity, institutional capacity building, and improvements in governance mechanisms that serve as the basis for crowding in new and additional financial resources for climate action.
- **Greater alignment with the national development agenda:** The alignment of the climate change agenda with national development and sectoral plans fosters greater ownership of the plans and action by stakeholders. Such an approach will maximize benefits for PICTs in terms of synergies and resource mobilization.
- **Coordination with key agencies and relevant national institutions:** A regional platform such as the NDC Hub is key for coordinating efforts across regional and international development agencies operating in the region, especially on the climate agenda. To avoid duplication of efforts and to better utilize the expertise of development agencies, a coordination platform is critical.

2.3 Development partner financed programs and projects with SPC

Through the CCES, SPC is implementing a number of donor funded programs and projects, including:

- the **Pacific NDC Hub**, which provides targeted support to 15 countries in the Pacific region to enhance and implement their climate targets as per the Paris Agreement.
- the **Kiwa Initiative**, a multi-donor initiative for biodiversity protection and climate change adaptation using Nature-based Solutions in the Pacific.
- **Coping with Climate Change in the Pacific Island Region** implemented in partnership with GIZ.
- **Global Climate Change Alliance: Pacific Small Island States (GCCA: PSIS)** Implemented by SPC and funded by the European Union.
- **International Climate Change Adaptation Initiative:** Building resilience in fisheries, agriculture and health implemented by SPC and funded by AusAID.
- **Vegetation and Land Cover Mapping** and Improving Food Security for Building Resilience to a Changing Climate in Pacific Island Communities Implemented by SPC and funded by USAID.
- **PROTEGE** ("Pacific Territories Regional Project for Sustainable Ecosystem Management") is an initiative designed to promote sustainable and climate-change-resilient economic development in the European Pacific overseas countries and territories (OCT) by emphasizing biodiversity and renewable resources. PROTEGE is a regional cooperation project that supports the public policies of the four Pacific OCTs, i.e. New Caledonia, French Polynesia, Wallis & Futuna, and Pitcairn.

¹¹ Climate change and sustainability; Geoscience, energy and Maritime; Educational Quality and assessment; Fisheries, Aquaculture and Marine Ecosystems; Land Resources; Public Health; human Right and social development; Statistics for development.

- **GCF projects implemented through the SPC includes:**
 - Climate change adaptation solutions for Local Authorities in the Federated States of Micronesia (FSM)
 - Building capacity of regional direct access entity and national designated authorities to foster climate action in the Pacific
 - NDA strengthening and country programming support for the FSM – Readiness phase I and II
 - Water project to increase water security for 215,000 people in Vanuatu

Project name	Funding donors	Years of support	Total project costs '000 EUR
Implementing the regional Pacific NDC Hub-Fiji , Phase III	GIZ/MFAT	2022-2023	354
Implementing the regional Pacific NDC Hub-Fiji , Phase III	GIZ/EU	2023-2024	610
The Kiwa Initiative – Technical support for project development	AFD	2020-2025	1,050
PACRES – Climate Change in the Pacific ACP	EU	2018-2024	2,500
PROTEGE -- Pacific Territories Regional Project for Sustainable Ecosystem Management	EU	2019-2024	30,900
Climate change adaptation solutions for Local Authorities in the Federated States of Micronesia	GCF	2021–2027	15,413
Building capacity of regional direct access entity and national designated authorities to foster climate action in the Pacific	GCF	2022–2025	1,734
Institutional capacity and coordination for pipeline Strengthening – Readiness phase III	GCF	2022–2025	1,560
Water project to increase water security for 215,000 people in Vanuatu	GCF	2023–2028	21,669

3 Denmark's support to SPC

3.1 PSIDS eligible for Danish support through SPC

All SPC members are eligible for support from SPC. Some of the SPC countries have graduated from the Upper Middle Income Country (UMIC) list and no longer receive ODA. Others are territories administered by France, UK, United States and New Zealand. Please refer to Annex 1 for the full assessment.

Denmark's support to SPC is earmarked to PSIDS eligible to receive ODA. Hence, the support must only focus on PSIDS that are: Fully independent, eligible for ODA during the project period (2024-2027), and members of SPC. As of November 2023, the PSIDS meeting these criteria are:

Least Developed Country (LDCs)	Lower-middle Income (LMICs)	Upper-middle Income (UMICs)
Kiribati	Federated states of Micronesia	Fiji
Tuvalu (although UMIC)	Papua New Guinea	Republic of Marshall Islands
	Samoa	Tonga
	Vanuatu	

3.2 Danish interests, links and synergies

It is of clear interest for Denmark to help people when climate induced disasters hit, especially the most vulnerable groups of people. Supporting SPC will pursue this by having a specific focus on PSIDS that are eligible to ODA and which have a clear data collection strategy that pays specific attention to income level, gender, and vulnerability.

The support to SPC's CCFP on loss and damage has clear links to Denmark's support to climate change in general, to Denmark's support to humanitarian assistance in areas hit by climate disasters. Several Danish International NGOs have worked with response to the global climate crisis and environmental degradation by increasing the adaptive capacities of people affected by climate disasters and help the affected people when disasters hits, also in SIDS.

Denmark's support to SPC's CCFP on loss and damage also has clear links to the Global Shield Solution Platform (GSSP). And Denmark will encourage development of synergy between the support to GSSP and to SPC whenever an opportunity arises.

The Danish civil society organizations have advocated for Denmark to engage in loss and damage and have showed interest in following development of support to loss and damage, also to SIDS. Danish support to SPC could encourage Danish civil society organizations to engage with NGOs in the Pacific Islands Climate Action Network.

3.3 Rationale for Danish support to SPC

PSIDS are in dire need of access to international public and private funding to address climate induced loss and damage, to make PSIDS more resilient, safeguard sustainable development, and to protect lives and livelihoods of the most vulnerable people in these countries. To do so, the PSIDS need support to enhance their understanding and mapping of possible loss and damage impacts in the Pacific Region and use this knowledge to inform planning and pre-emptive actions and to mobilize international funding. This can effectively contribute to the efforts for averting, minimizing and addressing losses and damages associated with climate change impacts.

SPC is the largest international development organization in the Pacific and is recognized across the region as the principal scientific and technical organization. SPC has the capacity to deploy a multi-sectoral approach to address climate change, and to coordinate the efforts of its members to lead to concrete solutions. SPC's mandated areas of technical and scientific work cover the entire range of sectors that are impacted by climate change in the region.

Denmark's support will assist PSIDS in responding to loss and damage associated with the adverse effects of climate change specifically targeting the most vulnerable communities.

The support therefore is highly effective in contributing to reach several core elements of *The World We Share*¹² – including “Contribute to preventing and reducing the risk of loss and damage due to the impacts of climate change, and support recovery if climate disaster strikes.” Indirectly, Denmark's support will also contribute to the objectives of the Santiago Network¹³ and the Glasgow Dialogue¹⁴, which are two UNFCCC initiatives that aim to facilitate support for loss and damage in vulnerable developing countries.

The support is well aligned with the *The World We Share* and the Danish long-term strategy for global climate action *A Green and Sustainable World*¹⁵, including:

- *Development cooperation must fight poverty and inequality and promote democracy, sustainable development, peace and stability*
- *Take the lead on implementing the Paris Agreement and contribute to creating sustainable development and growth for the world's poorest*
- *Meet our (Denmark's) international climate commitments, including in relation to climate finance*

Denmark and New Zealand are currently the only development partners to support the CCFP, with Denmark's contribution of DKK37 million over four years constituting around 23% of the initial support to CCFP. New Zealand's support is approx. DKK 120 million over three years¹⁶. Denmark will be the sole donor to the specific loss and damage component of the CCFP. It is anticipated that the leverage factor of Danish support will become significant when the PSIDS starts to apply their increased understanding of what loss and damage looks like in the Pacific and use this knowledge to inform planning and pre-emptive actions and mobilize international funding to address loss and damage.¹⁷

3.4 Justification of support according to DAC criteria

The support to SPC's implementation of the CCFP on loss and damage will be channelled through SPC's implementation architecture and connection throughout the Pacific Region to ensure that: all interventions would be relevant to the context, achieve their climate change related objectives, deliver results in an efficient way, and have positive impacts that last. The Danish support to CCFPs loss and damage agenda is earmarked to OECD-DAC eligible countries only, however, recognizing the wider SPC use of knowledge generated from these countries.

SPC generates a wealth of knowledge and information on climate change and is well connected throughout the Pacific Region. Through knowledge generated from the support SPC will be able to assist PSIDS to have

¹² <https://amg.um.dk/policies-and-strategies/strategy-for-danish-development-cooperation>

¹³ <https://unfccc.int/santiago-network>

¹⁴ <https://unfccc.int/event/glasgow-dialogue>

¹⁵ https://www.regeringen.dk/media/10084/a_green_and_sustainable_world.pdf

¹⁶ New Zealand support the CCFP with NZD30 million over 3 years, equivalent to DKK40 million per year.

¹⁷ Edited medium term (8 year) development outcome target of the CCFPs

access to increased evidence and a mechanism on loss and damage in the Pacific that will be able to assist policy development and access international climate funding.

The support is also justified against the OECD-DAC evaluation criteria¹⁸ as follows:

Relevance: 55% of Pacific's population (excluding Papua New Guinea) lives less than 1 km from the sea. Small islands are, according to the latest IPCC report¹⁹, increasingly affected by increases in temperature, the growing impacts of tropical cyclones (TCs), storm surges, droughts, changing precipitation patterns, sea level rise (SLR), coral bleaching and invasive species. Intense TCs have threatened human life and destroyed buildings and infrastructural assets in small islands. Destruction from TC Winston in 2016 exceeded 20% of Fiji's current GDP. TC Pam devastated Vanuatu in 2015 and caused losses and damages to the agricultural sector valued at USD 56.5 million (64.1% of GDP). Also, coast-focused tourism is extremely impacted by more intense TCs. In addition, freshwater systems on small islands are exposed to dynamic climate impacts and are among the most threatened on the planet.

Addressing these Pacific challenges requires multilayered action, at all governance levels. SPC's mandated areas of technical and scientific work cover the entire range of sectors that are impacted by climate change in the region. Denmark's support will address the pillar on loss and damage, and climate justice within the CCFP. This will include evidence-based information gathering from selected PSIDS and with dissemination of information and mechanisms to address climate induced loss and damage to all member states.

Coherence: SPC is the largest international development organization in the Pacific. It has the capacity to deploy a multi and cross sectoral approach to address climate change, and to coordinate the efforts of its members to lead to concrete solutions and so that synergies (or trade-offs) between interventions can be identified.

SPC pays specific attention to the need of reducing impact on the most vulnerable groups in the PICTs when climate disasters hit.

Internally in SPC the CCFP cuts across all sectors encouraging a coordinated approach, aligning diverse projects towards the common objectives of the CCFP, including on loss and damage.

Denmark also support GSSP. Through this support Denmark will encourage/facilitate cooperation/exchange of information between SPC and GSSP, e.g. by SPC getting direct access to GSSP knowledge on insurance mechanism and for GSSP to access evidence-based information on loss and damage in PSIDS.

Denmark will through its engagement also work closely with New Zealand to maximize benefits from the implementation of the CCFP and encourage cooperation with other national, regional and international institutions on adaptation and disaster risk reduction.

Effectiveness: Generation of high-quality evidence-based information to inform PSIDS on knowledge and mechanisms to address loss and damage as a critical first important step for PSIDS (and other SPC members) to be able to make well informed planning and prepare pre-emptive actions that addresses loss and damage. The support to CCFP's loss and damage component is therefore likely to be one of the most effective development initiatives contributing to address loss and damage in PSIDS. The support will ensure that analysis and knowledge is accessible and relevant to all relevant stakeholders in PSIDS. The support is focused on information gathering and transforming this into tangible actions for planning and pre-emptive actions. SPC

¹⁸ <https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>

¹⁹ <https://www.ipcc.ch/report/ar6/wg2/>

works to help PSIDS achieve stronger results on sustainable development by applying a people-centered approach to science, research and technology to new and existing challenges within climate change.

Efficiency: With an approach of research and evidence-based information gathering, focus will be to identify interventions that can add most value. The specific focus on loss and damage will add value and make results tangible and will be made applicable across the PSIDS. Mechanisms to address loss and damage will be tailored to fit the PSIDS and made affordable to those who stand to benefit from them, including the most vulnerable PSIDS and individuals.

To ensure economies of scale the SPC will apply its multi-sectoral approach to address loss and damage across sectors and integrate support from across the CCFP.

Impact: The PSIDS currently have limited data and credible information on climate induced loss and damage but with a large number of people living under climate vulnerable conditions that will be severely affected if a climate induced disaster hits. The support to SPC can, in addition to generating and disseminating knowledge and propose innovative tools to address loss and damage, be used to access international public and private funds to e.g. establish insurance mechanisms that will be ready when a disaster hits.

Sustainability: All outcomes will be targeted to cater specifically to address the PSIDS challenges on loss and damage, created in a consultation process with selected PSIDS. Outputs will be developed so they are directly replicable in all PSIDS, for PSIDS to apply the generated knowledge in their planning and pre-emptive actions to address their country's loss and damage. This would involve developing capacity (e.g., to understand, formulate, implement, maintain, and monitor resilience and loss and damage strategies and activities) for relevant stakeholders and institutions, which will enable tangible, lasting change in the lives of those most vulnerable to climate induced impacts in PSIDS.

3.4.1 Contribution to the International agenda and SDGs

The Paris Agreement²⁰ is the overall strategic framework that guides implementation of the CCFP. SPC's climate change actions are also aligned with the goals of the Glasgow Dialogue²¹ and aims at collaborating with the Santiago Network on Loss and Damage²².

All the SDGs are applied across SPC approaches to science, research and technology. Denmark's support to CCFP will specifically focus on SDG13 (Climate Action), but also target SDG1 (No poverty) and SDG10 (Reduce inequality).

3.4.2 Addressing cross cutting issues

SPC is well aligned with Danish cross-cutting priorities. SPC has a dedicated vision related to address Human Rights and Social Development this include high level of research and awareness activities in HRBA, LGBTQIA+, and gender issues at large²³.

SPC contributes to strengthening institutional capacities to uphold human rights and social development commitments and to bring 'people to the centre' across scientific and technical divisions; enhancing participation, inclusion, capabilities, leadership, and access to opportunities for civil society, especially women and

²⁰ https://unfccc.int/sites/default/files/english_paris_agreement.pdf

²¹ <https://unfccc.int/event/glasgow-dialogue>

²² <https://unfccc.int/santiago-network>

²³ <https://hrsd.spc.int/>

young people; provides culturally and contextually responsive practice, and cultural protection; and generation and application of data, knowledge and innovation. The principles highlight that no one should be left behind and that the poor and vulnerable communities should receive support to carry the burden of increased climate risks.

Specifically, the CCFP is committed to weaving principles of gender, social inclusion, human rights, and Pacific (cultural) values into its operations and will make full use of the upcoming Gender Equality, Disability, and Social Inclusion Flagship program.

The loss and damage interventions data collection are made sensitive to vulnerability and will be particularly sensitive to various income-groups and will pay specific attention to women, girls, and youth. Relevant data will be disaggregated in categories related to e.g. assess specific vulnerability to climate induced impacts across specific groups of people and gender and to enable that innovative interventions on loss and damage can be directed to target the most vulnerable groups.

4 Project Objective

Following up from the Identification Report,²⁴ Denmark intends to support climate vulnerable SIDS in the Pacific to address loss and damage related to climate change. The overarching objective is to further Danish long-term strategy for global climate action (set out in *A Green and Sustainable World*²⁵) and contribute to core elements of the vision for Denmark's development cooperation (outlined in *The World We Share*²⁶) including to:

- *fight poverty and inequality and promote democracy, sustainable development, peace and stability*
- *take the lead on implementing the Paris Agreement and contribute to creating sustainable development and growth for the world's poorest*
- *meet our (Denmark's) international climate commitments, including in relation to climate finance, and, in particular, to "Contribute to preventing and reducing the risk of loss and damage due to the impacts of climate change".*

This will be accomplished through carefully targeted support to SPC and the CCFP to serve as a strategic framework for its climate action activities from 2023 to 2031. SPC's long term ambition is to *support all Pacific peoples to remain resilient to the impacts of climate change and disasters and are able to lead safe, secure and prosperous lives.*

The CCFP ToC is that by providing climate-related services across seven key dimensions, one of which is loss and damage, they will help to bring about a future where: PICTs are resilient, low-carbon societies capable of effectively managing the impacts of climate change, addressing loss and damage, climate security, ensuring resilient, sustainable, and equitable development for all their inhabitants. This is aligned with the goals of the Framework for Resilient Development in the Pacific (FRDP) and the 2050 Strategy for the Blue Pacific Continent²⁷.

Despite efforts in mitigation and adaptation, some climate change impacts will inevitably result in irrevocable loss and damage. Understanding these potential impacts enables better planning and preparation. Further-

²⁴ Denmark's support to Pacific Small Island Development States through the Pacific Community (SPC) on loss and damage

²⁵ https://www.regeringen.dk/media/10084/a_green_and_sustainable_world.pdf

²⁶ <https://um.dk/en/danida/strategies-and-priorities>

²⁷ <https://www.forumsec.org/wp-content/uploads/2022/05/2050-flyer-1.pdf>

more, concentrating on equitable distribution ensures that the most vulnerable communities are not disproportionately impacted, thereby fostering social cohesion and reducing inequality. Global advocacy can also aid PICTs in securing international funding and support for their climate initiatives.

The CCFP ToC (still draft) presents three outcomes in the L&D section as shown below.

Long-term development outcomes (8 years – by 2031):	PICTs have addressed loss and damage with effective support of the regional and international community.
Medium-term development outcomes (5 years):	PICTs have increased understanding of what loss and damage looks like in the Pacific and use this knowledge to inform planning and pre-emptive action for climate security, and encourage greater allocation of resources from the international community.
Short-term development outcomes (3 years):	PICTs have access to increased evidence and a mechanism on loss and damage in the Pacific.

The project will contribute directly to the medium and short-term outcomes and thus indirectly to the development outcome of the CCFP. Danish support will be targeted at some of the most vulnerable members of SPC that are in need of support i.e. those that are eligible to receive ODA, as identified by OECD DAC. However, all PICTs expect to benefit from the findings and processes developed under this project.

The development objective of the Danish development cooperation among the parties is, therefore, **that PICTs have increased understanding of what loss and damage looks like in the Pacific and use this knowledge to inform planning and pre-emptive action for climate security and to encourage greater allocation of resources from the international community .**

5 Theory of change and key assumptions

5.1 Project Outcome

The project will support SPC in implementing its CCFP, relating to loss and damage during the period 2023 to 2027, which corresponds to the inception and first phase of CCFP implementation. The projected outcome is therefore a component of the short- and medium-term outcomes of the SPC ToC, as described above.

5.1.1 Preliminary strategic objectives

SPC ToC lists the key strategies for loss and damage as follows:

“Key strategies:

- i. Formulate and implement a comprehensive framework for addressing loss and damage, integrating innovative solutions;*
- ii. Develop mechanisms to accurately measure and report loss and damage caused by climate impacts;*
- iii. Advocate for international recognition of loss and damage for the Pacific Region;*
- iv. Secure financial support for measures to address loss and damage; and*
- v. Improve understanding of what loss and damage looks like in the Pacific, and use this knowledge to inform planning and pre-emptive actions.”*

The support provided by the proposed project will contribute directly to elements (ii) to (v) of these strategic objectives which will provide information and expertise to allow the strategies to be completed and the objectives to be realized.

5.1.2 Brief description of the support

The support will be structured to yield three outputs, each mapping on to one of SPC's strategic objectives. Each output will be produced through a number of clearly-defined activities with SMART indicators. These outputs will be further developed as part of the production of the first annual workplan.

Output 1 will provide evidence on the nature and scale of potential loss and damage in selected local environments and sectors, based on case studies. **Output 2** will present potential losses at household or small-scale economic development sector level, based on survey data. **Output 3** will provide support to eligible PICTs to strengthen capacity in key areas (e.g. planning, policy, readiness to receive and utilize funding to address loss and damage) through country driven targeted national loss and damage institutional strengthening support projects. Each Output will provide useful evidence or analytical tools but will be limited in the number of sectors, localities, communities etc. it will address. Each is expected to contribute to existing information and to be supplemented by work conducted in parallel by other SPC technical divisions, regional organizations, PICTs governments, and, perhaps, other development partners.

The three outputs together with the other relevant information will be analysed and consolidated to provide an overall picture of the types, locations, scale, affected assets, and communities afflicted by climate induced loss and damage in the Pacific region and the readiness of islands. The quality and precision of the forecast is expected to be continuously enhanced, beyond the timescale of the project, as more information becomes available.

Output 1 (Case Studies): Scoping of L&D key issues; nature and scale; based on case studies identifying the key loss and damage issues and potential remedial actions for selected sectors – leading to digital representation of impacts.

Activity areas:

Case Study Reports in 2 priority Sectors to be defined with countries (e.g. Traditional Community Based fisheries, cultural heritage (loss of biodiversity, cultural heritage, and traditional knowledge), agriculture).

Digital representation of coastal inundation impacts caused by sea level rise on at least 2 Pacific SIDS.

Create a community of practice to organise knowledge management.

Output 2 (Household Surveys): Impacts of climate change at household level evaluated with evidence-based data assessing loss and damage at household level (or communities) – e.g. surveys within a given area e.g. # of fisheries, # of households, their assets at risk etc.

Activity area:

Island household survey results and analysis assessing **potential** losses in defined segment of population (e.g. coastal community, or indigenous fisheries, or indigenous farmers, or coastal dwellers facing inundation) or sectorial activities.

Island household survey results and analysis assessing **actual** losses in defined segments of populations or in sectorial activities from recent disastrous climate events.

Dedicated and tailored trainings to contribute to increase the national capacities.

Output 3 (Small-Scale Demand-led National Institutional Strengthening Support): Support to develop national L&D strategies, policies and plans, based around existing sectoral plans, in PICTs aimed at addressing policy challenges and institutional preparedness of PICTs to leverage further support related to loss and damage.

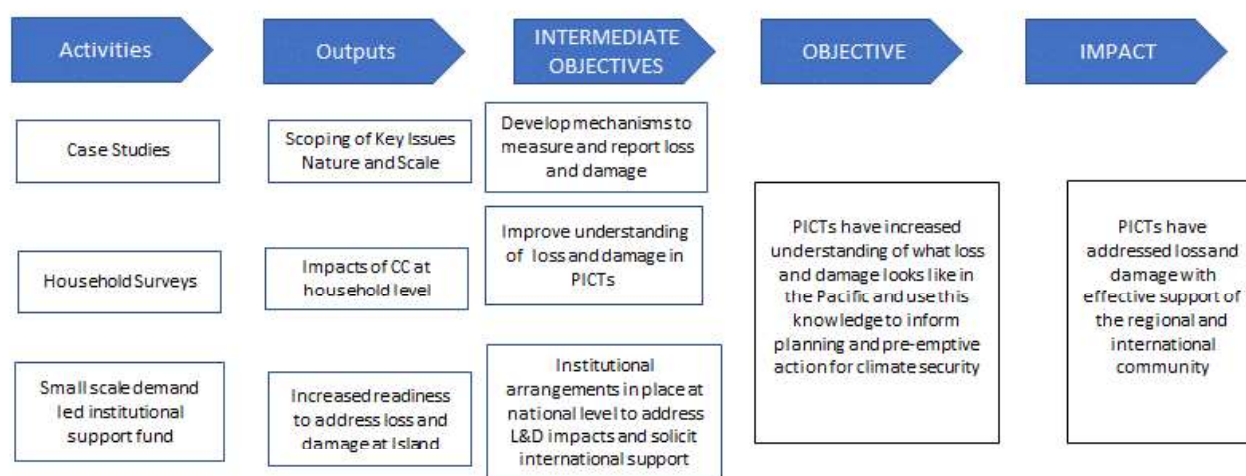
Activity Areas:

Projects selected and funded on a demand driven basis through a call for proposals. SPC will provide technical support and monitor the project's implementation etc. The approach will be modelled on the modality already in place for the NDC Hub, rely on the same focal points and use the same procedures. Decisions on selection of interventions and overall oversight of the facility will be made through a separate project-specific mechanism detailed as part of the inception.

Institutions assisted to develop tools and structures to identify, characterize, plan and execute responses to loss and damage impacts.

PSIDS assisted to prepare applications for funding for L&D projects from relevant funding sources.

5.1.3 Theory of Change for the Danish support to SPC



5.1.4 Assumptions

The Theory of Change for the SPC CCFP is founded on a series of core assumptions:

- **Collaborative engagement:** SPC will work constructively with Pacific country members, aligning efforts with their climate action priorities. In return, Pacific country members are expected to continue being receptive to and valuing SPC services and support.
- **Climate finance capability:** SPC will effectively build and maintain its ability to access, manage, and disburse finance mobilized through the Climate Change Flagship.

- **Global support:** International community will support the PICTs' mitigation and adaptation efforts and commit to limiting global warming to 1.5°C.
- **Political will:** The PICTs have high level of commitment on regional reporting obligations (Sendai, SDG, SAMOA Pathway, SIDS, Paris Agreement, etc.).
- Political will and strong commitment to implement the National Adaptation Plans (NAPs) and Nationally Determined Contributions (NDCs) in an equitable and inclusive manner.
- **Stakeholder involvement:** All key stakeholders, including local communities, governments, NGOs, and international organizations, will be engaged and cooperative in the climate change response process.
- **Climate finance accessibility:** Accessibility of climate finance and the potential for simplifying the modalities for obtaining it.
- **Adequate resources:** Necessary financial, human, and technological resources can be effectively mobilized for climate change mitigation, adaptation, and the promotion of climate security.
- **Technology transfer:** Advanced technologies for low-carbon transition, adaptation technologies and techniques, identification of carbon sinks, and GHG emissions reduction will be accessible to PICTs.
- **Equitable implementation:** Climate change adaptation and mitigation initiatives can be implemented in an equitable and inclusive manner across the PICTs.
- **Socio-cultural acceptance:** It is presumed that the changes required for climate change adaptation and mitigation are compatible with local cultures.

These assumptions reflect a high-level view of the overall ability of the international efforts to combat climate change in the long-term. Not all of them are directly applicable to the loss and damage components, but some, specifically those relating to political and stakeholder support, are integral to the achievement of the loss and damage objective.

It is also worth noting that the medium-term objectives supported by the project can be effective in improving policy formulation, resource allocation and ultimately the lives and livelihoods of many marginalized communities within the PICTs regardless of the larger international picture.

The key assumptions on which the ToC of the proposed Danish project rests, therefore, include the following:

- SPC continues to be a well-financed, effective, and influential organization in the region.
- SPCs ongoing initiatives (financed by an anchor investment from New Zealand) to build its capacity to address loss and damage (and therefore to make good use of the information and opportunities generated by the Danish support) are successful.
- Enough PICT governments are interested in taking part in case studies and projects and using the findings to strengthen their own initiatives with regard to loss and damage.
- Information developed by the project, taken together with existing information from PICTs, SPC and the international community, is sufficient to provide a basis for planning future actions and applying for international funds.

5.2 Results framework

For results-based management, learning and reporting purposes Denmark will base the actual support on progress attained in the implementation of the project as described in the documentation. Progress will be measured through the SPC's monitoring framework focusing on the agreed outcome and the outputs described in the ToC (see above) and their associated indicators. The full results framework with indicators and targets is presented in Annex 3.

6 Inputs/budget

The budget for Denmark's support is outlined in the following table:

Output based budget	2024 DKK'000 (EUR'000)	2025 DKK'000 (EUR'000)	2026 DKK'000 (EUR'000)	2027 DKK'000 (EUR'000)	TOTAL DKK'000	TOTAL EUR '000 ²⁸
1: Scoping of L&D key issues nature and scale	3,000 (403)	3,000 (403)	3,000 (403)		9,000	1,210
2: Impacts of CC at household level (L&D focus)	1,000 (134)	1,500 (202)	2,500 (336)	1,000 (134)	6,000	806
3: Small scale demand led fund	2,000 (269)	4,000 (538)	4,000 (538)	5,000 (672)	15,000	2,016
Communication of results		225 (30)	225 (30)	350 (47)	800	108
Other direct costs ²⁹	1,000 (134)	900 (121)	836 (112)	900 (121)	3,636	489
Admin./Overhead -- 7%	490 (66)	674 (91)	739 (99)	508 (68)	2,411	324
Mid-term review (reserved for Danida)			500 (67)		500	67
TOTAL	7,490 (1007)	10,299 (1,384)	11,800 (1,586)	7,758 (1034)	37,347	5,020

The annual budget is tentative and will be detailed as part of development of the annual budget and work plan to be approved by the Steering Committee. The partner may have the discretion to re-allocate within the budget up to 10 %. Changes exceeding 10 % will be presented to and approved by the Danish MFA. Spending in excess of the allocated budget (in DKK) cannot be covered by the Danish grant. Any reallocations to budget items for salaries and staff costs must be approved by the MFA.

The Danish grant must be spent solely on activities leading to the expected outcome and outputs as agreed between the parties. Funds may be used for:

- Project manager – International recruitment by SPC on a fixed term contract – Job description is attached as Annex 6,
- Relevant SPC staff, including relevant ICT and facilities
- Procurement of external support – e.g. consultants, consultant experts, researches/academia, dedicated temporary staff etc.
- Workshops
- Travel
- Publications and other expenses etc.

Activities will be detailed as part of the 6-months inception phase of the support and will be used to prepare the annual budget as part of the annual work plan. The inception phase should also include clear indicate the

²⁸ Grant is in DKK. Amount in Euro only serves as an example and is only guiding. In case of any incongruence the DKK amount takes precedence.

²⁹ Other direct costs are costs than are outside the specific outputs and will include SPCs monitoring, evaluation and learning (MEL); financial compliance, and; costs associated with procurement of external inputs, legal advice and recruitment costs.

approach SPC anticipate addressing OECD-DAC ODA eligibility criteria established in Annex 1. The inception will indicate annual targets.

SPC will be responsible for ensuring that the funds are spent in compliance with the agreement and with due consideration to economy, efficiency and effectiveness in achieving the results intended.

There will be no direct allocation of funds to the NDC-Hub.

7 Institutional and Management arrangement

SPC has more than 700 staff members posted across the PICTs and is governed by the Conference of the Pacific Community, that provides high-level, strategic orientations of the organization. The Conference of the Pacific Community meets every two years at ministerial level. In years when the Conference does not meet, the Committee of Representatives of Governments and Administrations (CRGA) is empowered to make decisions on governance issues. The Conference of the Pacific Community is guided by The Governance Compendium that provides the legal and administrative framework for SPC's governance³⁰.

The CRGA will review and endorse the design of the CCFP. During the operational phase, the CRGA or the CRGA sub-committee will function as the CCFP's governance body. Additionally, the CCFP's Monitoring, Evaluation, and Learning (MEL) framework enhances governance by ensuring structured reporting and accountability for the CCFP.

SPC is managed by a group of Senior Executives headed by the Director General that is appointed by the Conference of the Pacific Community.

Denmark's support to SPC falls under the responsibility of the Director of Climate Change and Environmental Sustainability. The support will be implemented as part of the CCFP, and the Program Manager of the CCFP will be responsible for oversight and monitoring of progress of the support and to ensure that funding decisions are strategic, efficient, and impactful. Daily operation and implementation of the Danish support will be carried out by a Project Manager recruited on a fixed term contract and will facilitate and ensure implementation of the annual work plan. Activities implemented applying the NDC Hub platform for coordination and facilitating of capacity development activities at SIDS level (output 3) will also be led by and be the responsibility of the appointed Project Manager.

A steering committee will be established with representatives of the SPC Director of Climate Change and Environmental Sustainability and representatives from GDK, Ministry of Foreign Affairs, Denmark to follow progress. The steering committee will meet annually to discuss the specific issues related to loss and damage in PSIDS, the annual results summary report from SPC to Denmark on loss and damage and endorsement of the annual work plan and budget for the following year of implementation. With SPC being a new partner and loss and damage being new on the international agenda a technical working group will be established between SPC and the MFA with participation of the Project Manager and relevant MFA technical staff. The working group should meet biannually with the purpose to exchange technical experience on the agenda, discuss challenges in implementation, exchange of harvested experience and other inputs to be used in international negotiations, and to prepare for the annual Steering Committee meetings.

³⁰ The Pacific Community Governance Compendium (5. Edition, 2022)

7.1 Monitoring and reporting

Inception of Denmark's support to loss and damage will be carried out during the 1st half of 2024 resulting in an Inception Report. The Inception Report will detail the budget at outputs level and include the first annual work plan with allocation of resources and with specific targets. The Inception Report will be submitted to GDK for review and endorsement.

Monitoring of progress will follow the monitoring and progress of the CCFP and be carried out according to the guidelines and principles of the SPC Monitoring, Evaluation, and Learning (MEL). SPCs MEL framework has a dual purpose: it strengthens governance, reporting, and accountability, while also fostering a culture of ongoing learning and adaptive change for the CCFP. It adheres to the SPC's Planning, Evaluation, Accountability, Reflection, and Learning (PEARL) policy principles, which include:

- Aptitude: The CCFP will cultivate evidence-based and learning culture that encourages regular reflection of 'is the CCFP doing the right thing, in the right place, at the right time, to make the most difference for Pacific Island communities'
- Coherence: SPC aims for cohesive yet flexible processes and practices.
- Alignment: The CCFP's initiatives will align with the regional and national priorities of member states.
- Transparency: Clear communication across SPC divisions and with external stakeholders.
- Quality: There is a focus on continual quality improvement, with the CCFP's strategies and activities regularly reviewed to respond to new and changing member needs.
- Utility: the MEL framework will provide actionable insights for improving activities.
- Inclusivity and cultural competence: The CCFP values diversity and promotes two-way learning and respectful communication.

The CCFP's results framework is the primary tool for measuring progress towards the short-, medium-, and long-term outcomes. Denmark's support to loss and damage will have its own results frameworks that align to the CCFP Results Framework and will be reported as part of that.

The annual Results summary reporting will include specific reporting on progress of indicators and targets stipulated in the results framework for the Danish support and include reporting on how project implementation integrates "leaving no-one behind", gender and poverty focus, and SDGs.

Institutional capacity development carried out through the NDC-Hub will be monitored as part of the SPC monitoring and reporting of the Danish support.

A Danish led mid-term review should be initiated by the MFA/GDK program officer in charge no later than August 2025 and a mission to SPC carried out no later than November 2025. The overall objective of the mid-term review will be to guide the remaining implementation period and to assess the possibilities and need for continued support to SPC at the end of the project period. Specific focus of the mid-term review should include review of the project outputs in the context of the latest international trends and requirements on loss and damage, including how the support can meet requirements for application to the loss and damage fund³¹. The mid-term review should, in a joint process with SPC, determine the needs for adjustments of the outputs and provide recommendations that can guide these possible changes to be finally confirmed and approved by the Steering Committee.

³¹ Anticipated to be further developed/determined during COP28.

At the end of the project support SPC will prepare a project completion report to GDK for comments and approval as well as an externally audited financial report covering the entire period.

7.2 Knowledge Management and Learning

Knowledge and information generated by the project will be compiled in reports, web-portal based maps showing potential nature and scale of climate induced loss and damage impacts, and catalogues of action to address loss and damage. This will all be shared on SPCs web-portals and through the NDC-Hub, with all SPC members and with particular guidance to the PSIDS members to improve the countries' policy development and opportunities to access international funding.

Knowledge and learning development would also include cross-cutting thematic or PSIDS specific assessments, learning reviews, case studies, and (virtually) facilitated learning events targeting PSIDS.

7.3 Anti-corruption measures

No offer, payment, consideration, or benefit of any kind, which could be regarded as an illegal or corrupt practice, shall be made, promised, sought or accepted - neither directly nor indirectly - as an inducement or reward in relation to activities funded under this agreement, incl. tendering, award, or execution of contracts. Any such practice will be grounds for the immediate cancellation of this agreement or parts of it, and for such additional action, civil and/or criminal, as may be appropriate. At the discretion of the Government of Denmark, a further consequence of any such practice can be the definite exclusion from any engagements funded by the Government of Denmark.

To ensure full transparency and openness in SPC governance and financing operations and to deter fraud and corruption, SPC relies on their well-established transparency and accountability mechanisms. Suspected fraud and corruption in SPC-financed operations pertaining to Danish support, as well as allegations regarding misconduct of officials, employees, or consultants involved in the Danish financed support, will be reported to the SPC's Audit and Risk Committee, a sub-committee of CRGA. The Audit and Risk Committee assists CRGA in fulfilling its oversight responsibilities of the financial reporting process, systems of internal control, audit, risk management, effectiveness and efficiency of operations, and compliance with legal and regulatory requirements. It meets at least 3 times a year and provides a report to CRGA annually.

7.4 Communication plan

Communication of knowledge and information generated by the project on loss and damage in the PSIDS is essential to attract and mobilize funds from various sources (development partners, government, private sector, philanthropy, etc.). A detailed communication strategy will therefore be developed as part of the inception phase and will include how to best disseminate results, amplify SPCs visibility in the loss and damage agenda and enabling the effective dissemination of lessons learned, including options for dissemination through the Pacific NDC-Hub. The strategy will be based on the general SPC communication strategy and involve SPCs Corporate Communications Media Centre on how to apply media, art, and storytelling in all phases of project implementation.

From a Danish perspective, communication of the projects results will include active dissemination of specific results through relevant units of the Danish Foreign Service. Denmark will potentially also participate in virtual dissemination workshops and will take any opportunity to promote Denmark's cooperation with SPC in relevant climate negotiation fora where loss and damage is on the agenda.

7.5 Special conditions

The Danish Ministry of Foreign Affairs, at its cost, shall have the right to carry out any technical or financial supervision mission that is considered necessary to monitor the implementation of the project. To facilitate the work of the person or persons instructed to carry out such monitoring missions, the SPC shall provide these persons with all relevant assistance, information, and documentation. After the termination of the programme support the Danish MFA reserves the right to carry out evaluation in accordance with this article.

Representatives of the Auditor General of Denmark shall have the right to:

- i) Carry out any audit or inspection considering necessary as regards the use of the Danish funds in question, based on all relevant documentation,
- ii) Inspect accounts and records of suppliers and contractors relating to the performance of the contract, and to perform a complete audit in consultation with SPC in keeping with the single audit principle. SPC shall be obliged to provide all information in respect of the grant

Governing law clause

This Funding Agreement will be governed by the general principles of international law to the exclusion of any single national system of law.

Dispute resolution clause

The Parties agree to use their best efforts to amicably settle any dispute, controversy or claim arising out of, or relating to this Funding Agreement or the breach, termination or invalidity thereof. If a dispute is not settled within sixty (60) days of one Party notifying the other of a request for amicable settlement, the dispute can be referred by either Party to arbitration in accordance with the general principles of international law. The arbitration will be governed by the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL) as at present in force.

SPC privileges and immunities

Nothing in or relating to this Funding Agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of SPC.

Intellectual property rights

Each Party will retain all intellectual property rights held in their respective prior material provided as part of activities undertaken under this Funding Agreement.

SPC shall be entitled to all intellectual property and other proprietary rights including but not limited to patents, copyrights and trademarks with regard to products, reports, documents or any other materials which bear a direct relation to or are produced or prepared or collected in consequence of or in the course of the implementation of the Project under this Agreement. The Danish Ministry of Foreign Affairs shall take all necessary steps, to execute all necessary documents and generally assist in securing such proprietary rights and transferring them to SPC in compliance with the requirements of the applicable law.

SPC grants to the Danish Ministry of Foreign Affairs, a non-exclusive, world-wide, irrevocable, royalty-free license to use for any purpose, any products, reports, documents or any other materials created under this Agreement.

After the termination of the project support, the Danish Ministry of Foreign Affairs reserves the right to carry out evaluations of the project.

8 Financial Management, planning and reporting

The Danish funds will be treated separately under the general SPC pooled fund and follow the general procedures of SPCs financial management. This include that the Danish support will be equipped with a dedicated “job”-number and relevant sub-numbers to ensure transparent tracking of the funds provided by Denmark.

Funds can only be used to support activities outlined in this project document. SPC is the fiduciary owner of the account and will implement the project in conformity with sound international principles for financial management and reporting.

SPC will ensure the “job” number is specifically related to the Danish support and ensure that sub-“job” numbers can be related to specific activities at output level and based on the annual work plan.

The Contribution Agreement regarding the Danish funding for SPC will be entered into between the Ministry of Foreign Affairs and the SPC. Financial management, accounting and reporting will follow SPC’s general procedures for accounting and reporting to be prior agreed between Denmark and SPC.

Denmark will require annual financial reports, and yearly externally audited financial statements from the SPC in line with the agreed output-based budget lines and activities carried out therewith in accordance with i) its own policies, guidelines, and procedures, and; ii) the applicable protocol established between SPC and Denmark, including the purpose for which the allocations of the funds have been approved. SPCs Director General will be accountable to the Danish Ministry of Foreign affairs of funders provided by Denmark to implement the project.

In the financial reporting SPC should specifically address that the Danish support is spent only on SPC members that are OECD-DAC eligible and in accordance with Annex 1 to this document.

Financial Reports: Annual reports on the financial status of the dedicated project account, based on quarterly internal reporting, and as agreed between the SPC and Denmark.

Procurement: Procurement will adhere to SPC’s procurement policy³² and protocol.

Auditing: Audited financial statements are provided by an accredited auditor through SPC on an annual basis to Denmark’s Ministry of Foreign Affairs. At the end of the project period, an externally audited financial report covering the entire period is to be submitted to the Danish MFA and any unspent funds and interest accrued are to be returned to the MFA.

9 Risk Management

Since the project is designed to be an integral part of the Climate Change Flagship Program and will be implemented by SPC, the risk management considers risk from both SPC’s perspective and from the Danish perspective. A summary of the key risks and proposed response from both perspectives is presented below

³² https://spccfpstore1.blob.core.windows.net/digitallibrary-docs/files/7e/7e9c73f7173eb4977a211db1db14d081.pdf?sv=2015-12-11&sr=b&sig=uHC2clnN-KanbXL5p1iyjqnyiO6%2FDGH6fIV7zw9v2XSY%3D&se=2024-02-29T13%3A20%3A09Z&sp=r&rsc=public%2C%20max-age%3D864000%2C%20max-stale%3D86400&rsct=application%2Fpdf&rscd=inline%3B%20filename%3D%22Procurement_Achats_2022.pdf%22

and a detailed integrated risk analysis and risk response for contextual, programmatic and institutional risk factors in the form of a risk management matrix, (as required by AMG) is attached in Annex 4.

9.1 Climate Change Flagship Program Risk Analysis

The CCFP design includes a Risk Management Framework, that analyses seven categories of risk (Environmental, Social, Financial, Institutional, Technical, Political, and Regulatory) according to their likelihood and potential impact (high, medium or low), and summarizes mitigation measures. The analysis identifies one risk with both “high” impact and “high” probability: “Increasing severity and unpredictability of climate impacts” that “can undermine Climate Change Flagship’s outcomes and exacerbate vulnerabilities”. The risk mitigation strategy is “Adaptive planning, ensure Flagship’s flexibility to adjust to changing environmental conditions”.

Two other potentially high impact risks are identified, namely “insufficient funding” and “policy changes, lack of capacity, weak governance” in member governments. To which the response is “capacity building activities, good governance practices, advocacy for supportive policies” and “maintain strong relationships with PICT government stakeholders, advocate for the importance of climate action”.

SPC will monitor risks and the effectiveness of mitigation through periodic reviews to identify emerging risks and assess the effectiveness of current mitigation strategies. Furthermore, risks and corresponding mitigation strategies will apply the adaptive management approach and be transparently communicated to relevant stakeholders to provide an opportunity for these stakeholders to identify any overlooked risks and involve them in developing effective risk mitigation strategies.

9.2 Risk Analysis from the Perspective of Denmark

The risks addressed in the Flagship design are “programmatic risks” i.e. they address factors that may occur to prevent the program being effective or from achieving its objectives. Denmark’s concerns go further in some areas because objectives may be broader, priorities and commitments in its development assistance political framework need to be considered and concerns of Danish stakeholders need to be reflected. The risk analysis approach set out in the AMG considers three categories as follows.

Contextual Risks: Contextual risks are associated with global or national changes in the political or economic environment that may slow or restrict project implementation. Although it is likely that there will be disruptions due to unexpected events at some locations, or for some period of time, during project implementation, the project has a flexible structure and the ability to adjust the focus and size of interventions in response to circumstances, so these risks are assessed as minor.

As with all development programs there are risks from natural disasters or socio-economic shocks, such as the COVID-19 pandemic and climate change. These are addressed by flexibility and the ability of SPC to shift focus to different PICTs as necessary.

At PICT level a risk is that misalignment between member states and SPC strategies could affect the project support and an associated concern that lack of commitment and ownership by member states leads to a failure to implement policy advice. This will be addressed by an emphasis on building institutional capacity among government counterparts to mitigate risks related to political leadership and political will for progress in taking forward the loss and damage agenda as well as the SPC’s long-standing engagement and credibility within the region to enable continued dialogue during periods of wavering commitment/leadership.

Programmatic Risks: The main programmatic risk is that the assumptions underlying the objective of the project will not be realized. Successful implementation of the project is built on the assumption that information developed by the project, is sufficient to provide a basis for planning future actions and applying for international funds – and that such funds will be available in significant amounts. Project outputs are part of

a major diplomatic effort to promote global dialogue and increase the amount of climate funding allocated to loss and damage and to SIDS.

Country conditions and capacity, political and social instability, and political economy considerations may prevent or delay adoption of optimal solutions. The practical challenges and the scale of reform needed may exceed the technical and financial resources available; the distribution mechanism may not deal equitably with some groups (e.g. women, minorities or marginalized people), and at some point, along the distribution chain funds may corruptly diverted away from the intended recipients.

The project design allows for transparency and a wide range of stakeholders to be consulted at each stage. Risk monitoring also allows stakeholders to identify any overlooked risks and to participate in developing effective risk mitigation strategies.

Institutional risks: The project could fail to deliver its outcome, which will reflect negatively on Denmark. Partners could engage in fraud, corruption or human rights violations under activities funded or facilitated by the project. The project takes place across a diverse range of countries and is likely to be successful in at least some of these. There is no transfer of money outside of SPC, which is a reputable agency accredited by several large donors. Risks are well managed and monitored, therefore, including provision for new risks that might arise as the project progresses

10 Closure

The Danish support to SPC is limited to 4 years. However, the need to continue support to the CCFP's loss and damage component will continue for at least 4 more years. In addition, climate change related topics will continue to be relevant in PSIDS and is anticipated to be themes for continued support from Denmark for the foreseeable future.

A decision for Denmark to enter into new support with SPC will be decided at the end of the current support and will be conditioned on SPC's performance and achieving the current set of result targets.

Annexes

Annex 1: Context Analysis

Small Island Development States (SIDS) in the Pacific

SIDS were recognized as a special case both for their environment and development at the 1992 United Nations Conference on Environment and Development held in Rio de Janeiro.

The UN definition of SIDS takes into account:

- i. the size and population (small land area and population)
- ii. Geographical Isolation (located in a geographically isolated region, often separated from larger land masses)
- iii. Vulnerability (limited resources, susceptibility to natural disasters and climate change impacts)
- iv. Economic Development (fragile economy, often relying on a few industries)
- v. Environmental Fragility (unique and sensitive ecosystems, vulnerable to environmental degradation and climate change).

Precise thresholds have not been established and several lists are available including from the World Bank (also used by OECD) and the United Nations.³³ The list of Pacific Island Countries and Territories (PICT) used by the SPC Pacific³⁴ is tabulated below, together with data on population, income and land area.

<i>Pacific Island Countries and territories</i>	GDP/population million USD/person	USD/Person	DAC ³⁵ Recipients	Land Area (km ²)	List of Pacific SIDS UN/OECD
American Samoa	709/56,813	12,480		200	Yes
Cook Islands	29/15,342	14,909		240	Yes
Fiji	4,592/898,402	5,111	UMIC	18,270	Yes
French Polynesia	5,699/278,908	20,433		3,520	Yes/No
Guam	5,844/176,664	33,080		540	Yes/No
Kiribati	197/120,740	1,632	LMIC (also LDC)	810	Yes
Republic of Marshall Islands	257/54,516	4,714	UMIC	180	Yes

³³ making development cooperation work for small island developing states, OECD, 2018

³⁴ The Pacific Data Hub. Pacific Community, 2023 (datahub@spc.int)

³⁵ Organization for Economic Co-operation and Development, Development Assistance Committee

Micronesia (Federated States of)	402/104,945	3,830	LMIC	700	Yes
Nauru	117/11,690	10,020	UMIC (graduated)	20	Yes
New Caledonia	9,485/273,015	34,741		18,280	Yes/No
Niue	31/1,583	19,464	UMIC (estimated)	260	Yes
Northern Mariana Islands	1,182/56,397	20,959		460	Yes/No
Palau	238/17,957	13,230	UMIC	60	Yes
Papua New Guinea	26,594/9,122,994	2,915	LMIC	452,860	Yes
Pitcairn	153/63	2,429		47	No (administered by UK)
Samoa	793/199,853	3,967	LMIC	2,830	Yes
Solomon Islands	1,457/728,041	2,001	LDC (LMIC - graduates 2024)	27,990	Yes
Tokelau	11/1,501	7,445	LMIC (estimated)	10	No (administered by NZ)
Tonga	493/99,532	4,952	UMIC	720	Yes
Tuvalu	54/10,679	5,083	UMIC (also LDC)	30	Yes
Vanuatu	929/288,153	3,223	LMIC	12,190	Yes
Wallis and Futuna	140/11,950	11,674	UMIC (estimated)	140	No (administered by France)

Timor-Leste (LMIC) is included in the UN and OECD lists but not by SPC. Papua New Guinea and Solomon Islands are also considered “fragile contexts” by OECD.³⁶

Economic Context

Pacific SIDS are far from homogeneous, with significant differences in territorial area, governance systems, economic development, and geographic characteristics. However, they do share numerous features including narrow resource bases, dominance of economic sectors that are reliant on the natural environment, limited industrial activity, physical remoteness, and limited economies of scale.

³⁶ climate finance provided and mobilised by developed countries in 2016 to 2020. OECD, Paris 2022.

SIDS are in the crossfire of multiple crises: climate change, inequality and the economic and social repercussions of COVID-19, especially related to debt. COVID-19 hugely impacted all SIDS, especially the collapse in tourism that depleted budgets and severely set back efforts to invest in the Sustainable Development Goals, including climate action. In 2020, SIDS' GDP dropped by 6.9% versus 4.8% in all other developing countries. Some SIDS also witnessed unprecedented double-digit declines in real GDP and a slower recovery due to their heavy dependence on tourism and fisheries.

Some Pacific SIDS have developed strong economies, but their size and geographies leave them vulnerable to economic and ecological shocks. The constant cycle of disaster and recovery leaves them weakened and unable to build resilience. United Nations Under-Secretary General for Economic and Social Affairs pointed out that "The 2022 tsunami here in Tonga nearly destroyed the entire economy of the country and shows the devastating impact of natural disasters confronted by Pacific Small Island Developing States".

Of the PICTs that are members of SPC, 15 were DAC ODA eligible in 2023, one of which (Solomon Islands) will become ineligible in 2024, 6 years after "graduating" from the Upper Middle Income list having exceeded the threshold (GNI USD 12,695 per capita in 2020).

Denmark's support will be focused on SPC members that are fully independent, eligible for ODA during the project period (2024-2047), and members of SPC. The islands meeting these criteria are:

Least Developed Country (LDC)	Lower-middle Income Country (LMIC)	Upper-middle Income Country (UMIC)
Kiribati	Federated states of Micronesia	Fiji
Tuvalu (although UMIC)	Papua New Guinea	Republic of Marshall Islands
	Samoa	Tonga
	Vanuatu	

Political Economy

SIDS have long been active in international forums in calling attention to the challenges they face from climate change and advocating for greater international ambition to limit global warming. The Alliance of Small Island States (AOSIS), established in 1990 has been a strong negotiating group in the UNFCCC. At the very onset of the UNFCCC, SIDS advocated for loss and damage to be included in the Convention and have since then continued to be strong advocates for loss and damage to be prioritized within the UNFCCC and the Paris Agreement.

SIDS were recognized as a special case both for their environment and development at the 1992 United Nations Conference on Environment and Development held in Rio de Janeiro. The UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLS) was established by the United Nations General Assembly in 2001³⁷. UN-OHRLS advocates in favour of member states within the United Nations system as

³⁷ <https://www.un.org/ohrls/>

well as externally, assists in mobilizing international support and resources; and supports group consultations.

In 2014, the Third International Conference on Small Island Developing States agreed a new pathway for the sustainable development of this group of countries. The SAMOA Pathway recognizes the adverse impacts of climate change and sea-level rise on SIDS' efforts to achieve sustainable development as well as to their survival and viability, and addresses economic development, food security, disaster response and ocean management, among other issues.

From a political perspective, many leaders from AOSIS members, heads of states and heads of governments or ministers, have made climate change a focus of their international diplomacy. SIDS amplify their influence by defining common positions, often speaking with one voice, defending their group's position by using entrepreneurial, intellectual, and environmental leadership strategies and managing to secure most of their position in the final negotiating texts, building on coalitions with parties and non-state stakeholders, though under capacity constraints, for instance, the small size of AOSIS delegations during COP21³⁸.

The Pacific Islands Forum is the region's premier political and economic policy organisation. Founded in 1971, it comprises 18 members: Australia, Cook Islands, Federated States of Micronesia, Fiji, French Polynesia, Kiribati, Nauru, New Caledonia, New Zealand, Niue, Palau, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. Pacific Island Forum leaders declared a Climate Change Emergency in 2022. Climate change is considered the single greatest threat to the security and well-being of Pacific people, as espoused in the 2050 Strategy for a Blue Pacific Continent.

Agreed regional policies and initiatives are coordinated by the Pacific Islands Forum Secretariat and implemented through the Council of Regional Organisations of the Pacific (CROP).

Vulnerability to Climate Change

The IPCC's Sixth Assessment Report (2021) states that Small Island Developing States (SIDS) and least developed countries (LDCs) are particularly vulnerable to climate change due to their geographic locations and high levels of exposure to climate impacts, as well as low levels of economic diversification and technological development.

SIDS are progressively affected by increases in temperature, the growing impacts of tropical cyclones, storm surges, droughts, changing precipitation patterns, sea level rise, coral bleaching, fish migration and invasive species, all of which are already detectable across both natural and human systems. The vulnerability of communities in small islands, especially those relying on coral reef systems for livelihoods, may exceed adaptation limits well before 2100 even for a low greenhouse gas emission pathway.³⁹ SIDS make up two thirds of the countries that suffer the highest relative losses – between 1% and 9% of their GDP each year, from climate and geological disasters. Due to their smaller economies and populations, a single large-scale disaster can result in damages of nationally significant proportions. For example, in the Pacific, the estimated economic cost of Cyclone Pam (2015) on Vanuatu across all sectors was approximately 64% of the country's GDP, and in Fiji, Cyclone Winston (2016) displaced more than 130,000 people.

SIDS vulnerabilities are attributable to their structural characteristics e.g. small size, remoteness, and exposure to adverse external shocks. With tropical cyclones becoming more intense and flooding more frequent, coupled with gradual onset climate impacts, their societies and economies are finding it increasingly difficult to cope. SIDS, are much more vulnerable to such shocks than their income

³⁸ <https://www.aosis.org>

³⁹ IPCC 6 Assessment Report - <https://www.ipcc.ch/report/ar6/wg2/chapter/chapter-15/>

levels would suggest, including because of costs associated with remoteness from international markets as well as diseconomies of scale. Their location makes them vulnerable to climate change and other natural hazards, but their size limits their adaptation options⁴⁰. This vulnerability hinders their ability to overcome economic, environmental and social external shocks and stressors and, can also suddenly reverse decades of development gains. Moreover, vulnerability to climate change stems from a risk of long-term change in geophysical conditions rather than from a medium-term constraint on growth. Therefore, the threat is more physical than economic and has a longer time horizon.

In summary:

- 55% of Pacific's population (excluding Papua New Guinea) lives less than 1 km from the sea.
- Countries in the Pacific are amongst the most vulnerable in the world due to severe weather and natural hazards, strong dependence on their natural resources and the limited diversification of their economies.
- Climate change impacts already directly threaten the availability of food and water, the productivity of ecosystems and breeding grounds, reef and fisheries resources, and the effectiveness of natural coastal defenses.
- Climate change is expected to have a significant impact on the economic backbones of island communities, including fisheries, crop exports and tourism.
- On the basis of the Intergovernmental Panel on Climate Change (IPCC) scenarios, the Pacific's high vulnerability could lead to widespread food and water insecurity, increased health risks, lack of access to social services and even forced displacements in some cases.

The Pacific Region is already experiencing tangible and multifaceted physical impacts of climate change. These include escalating frequency and severity of extreme weather events, rising sea levels and wave inundation, warmer oceans and exacerbating ocean acidification, and increasing temperatures and intensifying heatwaves. Notable climate trends in the Pacific Region until 2021 include a rise of 1.1°C in the average land temperature since 1951; an increase in the duration of marine heatwaves; nearly 0.3 m sea level rise in the western Pacific Ocean since 1990; warming of the Pacific's sea surface temperature by approximately 0.90°C since 1982; 12% rise in ocean acidity since 1988.

These phenomena disrupt a broad range of sectors and communities, impacting livelihoods, economic prospects, health, water and food security, infrastructure, and marine and terrestrial ecosystems. Projections by the Asian Development Bank (ADB) indicate the Pacific Region could experience an economic loss due to climate change impacts, varying from 2.9% to 12.7% of its annual Gross Domestic Product (GDP) by 2100.

Economic risks of climate change for SIDS are projected to be higher than the global average, with projected average annual losses (AAL) by 2030 between 0.75% and 6.5% of GDP for Pacific SIDS compared to the global average of 0.5%⁴¹.

⁴⁰ A fair share of resilience finance for Small Island Developing States: Closing the gap between vulnerability and allocation. Wilkinson, et al. April 2023, ODI. London

⁴¹ Small Island Developing States In Numbers Climate Change Edition 2015, Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLS)

Social Impacts and Human Rights

At the 2023 Pacific Regional Forum on National Human Rights Institutions the Pacific Island countries affirmed their commitment to protecting human rights for all Pacific peoples. Pacific Island countries have affirmed their commitment to protecting human rights for all Pacific peoples. Members undertook, inter alia to “...embrace good governance, the full observance of democratic values, the rule of law, the defence and promotion of all human rights, gender equality and commitment to just societies.” And to recognise “the link between human rights, Pacific culture and faith-based values, and the role of National Human Rights Institutions in building awareness of these linkages and utilising them for the protection and promotion of human rights, including the rights of Indigenous Peoples, at the national and regional level”.

It is clear that there is the potential for human movement as a response to climate change. With high percentage of SIDS populations living near the coast, many of which in low-lying areas, coastal floods, storm surges and inland flooding can cause serious social migration and/or displacement challenges. High sea levels and swells have already resulted in the displacement of people in a number of SIDS including Kiribati, Solomon Islands, the Republic Marshall Islands, and the Federated States of Micronesia. The displacement of people is likely to increase over the 21st century as a direct result of climate change. These induced or forced migration and resettlement could have a significant impact on the social fabric, traditional culture and way of life of many SIDS.

Different socioeconomic conditions lead to some SIDS being assessed as more vulnerable than others, and much research highlights the differential vulnerabilities found at subnational scales within SIDS. Particular groups⁴², including those with livelihoods that are dependent on natural resources, squatter households, and female-headed households, are found to be more vulnerable than other groups. A combination of demographic and economic characteristics—such as cultural norms, inequitable gender roles, and unequal access to resources and power—lead to weak coping and adaptive capacities for particular social groups.

Climate change also shapes the social dynamics of the Pacific Region, impacting culture, traditional practices, land tenure, gender equality, social inclusion, and human rights. A pertinent example of the violation of human rights and the scale and severity of the humanitarian issue is internal displacement. This arises from the increased frequency and severity of extreme weather events, attributable to climate change, which risk displacing a minimum of 50,000 Pacific Islanders annually. While some communities can return post-disaster, others face protracted displacement or return to areas with high risks. Climate-related displacements in 2020, primarily due to tropical cyclones and floods driven by climate variations such as La Nina, accounted for 94% of the 12.1 million new displacements in the East Asia and Pacific Region; this figure was the highest since 2016 and exceeded the region’s 10-year average. The most vulnerable members of society often disproportionately bear these burdens. This undermines previous development progress and amplifies poverty and vulnerability.

Access to Development Funding

The unique condition of SIDS makes them especially vulnerable to multiple climate impacts, yet this vulnerability is barely accounted for in the allocation of development or climate finance.

Some SIDS are ineligible for Official Development Assistance (ODA), and even for those that are, the levels of finance received are disproportionately low when considering levels of vulnerability and needs.⁴³ As of 30 May 2022, the PICTs secured USD4.7 billion (1.2% of total funds) from key United

⁴² Annual Review of Environment and Resources. Climate Change and Small Island Developing States. Thomas et al ; 2020.

⁴³ Financing SustainableDevelopment/development-finance-topics/small-island-developing states. OECD

Nations Framework Convention on Climate Change (UNFCCC) mechanisms: the Green Climate Fund (GCF), the Global Environment Facility (GEF), and the Adaptation Fund (AF). SPC data show that the PICTs secured 0.22% of the global promise of USD 100 billion (UNFCCC COP16 decision 1/CP.16). The International Monetary Fund (IMF) has estimated that PICTs each need between 6.5% and 9% of their Gross Domestic Product (GDP) per year in financing on average for adaptation infrastructure. This equates to almost USD1 billion per year⁴⁴. Much of what is committed goes to mitigation rather than adaptation, which is arguably the greater need in a region with low emissions that is already feeling the impacts of climate change. Total annual climate finance commitments to the region fall well below the needed funds. The gap between required and accessed and disbursed climate funds is large and continues to widen as adaptation and mitigation costs increase. There is an urgent need for advanced climate action and transformative finance⁴⁵.

Small islands face challenges in accessing adaptation finance to cope with slow- and rapid-onset events. Solutions to these barriers are being explored and some small islands have started adopting enablers such as insurance and microfinance at both the national and local levels.

Most of the research that has been conducted on exposure and vulnerability from climate change demonstrates that factors including those that are geopolitical and political, environmental, socioeconomic and cultural together conspire to increase exposure and vulnerability of small islands.

“Countries that are Particularly Vulnerable”

The definition of vulnerability hitherto used by the UN equates vulnerability with “the risk of being harmed by exogenous shocks and the country’s capacity to react to shocks (i.e. its resilience)”⁴⁶. This definition of vulnerability may not be adequate to capture the full effects of climate change and serve as a basis for the future allocation of development finance.

At the UNFCCC Conference of the Parties in March 2023 (COP 27), a decision was made to establish new funding arrangements to channel new and additional finance to ‘developing countries that are particularly vulnerable to the adverse effects of climate change’ to respond to loss and damage. Particularly Vulnerable Countries (PVCs) is a term that was used in the original UNFCCC text and subsequent agreements, but a formal definition has not been established nor has a list of PVCs been compiled. Examples of types of PVCs include SIDS and others countries with specific geographic or economic characteristics. Most (if not all) developing countries would appear to fall into one or more of the specified categories (categories include low-lying coastal, transit, and land-locked countries; small island countries; fossil-fuel dependent countries; and countries with semi-arid areas, areas liable to drought and desertification, forested areas, areas prone to natural disaster, areas of high urban atmospheric pollution, and areas with fragile ecosystems such as mountains). It has been suggested that since the legal effect of such provisions is questionable, they may have been included for purely political purposes so that particular categories of countries could receive explicit recognition in the Convention.⁴⁷

⁴⁴ IMF (2021) Unlocking Access to Climate Finance for Pacific Island Countries

⁴⁵ Finance for climate action: Scaling up investment for climate and development (2022) Report of the Independent High-Level Expert Group on Climate Finance

⁴⁶ Possible Development and Uses of Multi-Dimensional Vulnerability Indices, UNOHRLLS 2021.

⁴⁷ Daniel Bodansky, ‘The United Nations Framework Convention on Climate Change: A Commentary’ (1993) 18 Yale Journal of International Law 2, p 531

Annex 2: Partner Assessment

Brief presentation of partners

SPC was established in 1948 and is the oldest and largest international organization in the Pacific Region. SPC's internationally-recognized expertise in scientific makes it a key regional partner for a wide range of countries and organizations. SPC is committed to helping PICTs address the risks posed by climate variability and climate change. SPC has more than 700 staff members posted across the PICTs and is governed by the Conference of the Pacific Community that has appointed a Director General responsible for daily management of SPC.

SPC has established the Division: Climate Change and Environmental Sustainability Programme (CCES) headed by a Director managing the divisions Climate Finance Unit (CFU) and project units. The Director of Climate Change and Environmental Sustainability reports to the Deputy Director General of Operations and Integrations. CCES aims to ensure that climate change and environmental impacts are considered in all SPC's operations and development programs as a critical part of the integrated programming approach, and to strengthen implementation of member countries' initiatives in this area through the delivery of integrated resilience and climate change projects.

CCES's business plan have created six key results areas (KRA)s:

- KRA 1: Integrated resilience demonstrated
- KRA 2: Access to climate finance and readiness support to countries enhanced
- KRA 3: Environmental and social safeguards established and implemented at SPC
- KRA 4: Technical support provided to divisions on CC and ES issues
- KRA 5: Strategic support and coordination of SPC CC and ES visibly displayed
- KRA 6: Inputs contributed into regional efforts of partners and countries in CC and ES issues

The KRA are monitored on an annual basis.

SPC is also accredited to the Green Climate Fund (GCF) and Adaptation Fund (AF), and delivers the largest annual regional programming budget of all the CROP Agencies.

Summary of partner capacity assessment

With more that 700 staff SPC's internationally recognized expertise in science and research makes it a key regional partner for a wide range of countries and organizations. SPC has established and is maintaining the Pacific Data Hub that provides links to over 1300 datasets from SPC and other Pacific based organizations.

SPC has 9 divisions of which one is CCES. CCES has 24 staff with a wide range specialists employed in climate adaptation, mitigation and finance, as well as specialists in environment and social issues. This set-up is established with the capacity to deploy a multi-sectoral approach to address climate change, and to coordinate the efforts of its members. This leads to concrete solutions across the entire range of sectors that are impacted by climate change in the regions. Several of CCES's positions are currently vacant of which some are in the process of being recruited.

Summary of key partner features

Name of Partner	Core business <i>What is the main business, interest and goal of the partner?</i>	Importance <i>How important is the project/program for the partner's activity-level (Low, medium high)?</i>	Influence <i>How much influence does the partner have over the project/program (low, medium, high)?</i>	Contribution <i>What will be the partner's main contribution?</i>	Capacity <i>What are the main issues emerging from the assessment of the partner's capacity?</i>	Exit strategy <i>What is the strategy for exiting the partnership?</i>
SPC/CCES	To helping PICTs address the risks posed by climate variability and climate change through its sectoral work and its 'whole of organization' approach, in partnership with other members of the Council of Regional Organizations in the Pacific (CROP).	High CCES has an annual budget for 2024 of EUR 4.6 million and for 2025 EUR 2.9 million. Denmark's contribution will be EUR 2.7 million over 3 years – or equivalent to approx. 1/4 - 1/3 of the annual budget for the coming years. In addition, Denmark will be the second donor to support CCFP.	High: CCES will have full influence over the support and will leave some of the support to a demand led approach by member countries. All project decisions are made by CCES.	CCES will carry out the case studies, facilitate knowledge management and select relevant rapid response projects and guide their implementation	Strength: SPC has specialists across all sectors; Present with staff in most PICTs; Cultural knowledge across the PICTs; Science oriented; highly respected among member governments Weaknesses: CCES is a relatively small division, however growing in recent years, with a wide range of topics to cover and may at times be overburdened with tasks covering all member states in addition to the Global climate agenda. Opportunities: With high end digital knowledge products CCES will be able to get knowledge rapidly disseminated across the region. Threats: Staff capacity will be stretched to cover a new topic on L&D and inability to attract sufficiently qualified specialists on the L&D agenda leading to insufficient implementation of Denmark's support.	The support will generate opportunities for PICT to access finance from GCF and others in relation to L&D. When this is sufficiently established Denmark's support will no longer be required in L&D.

Financial management capacity assessment – self assessment by SPC

The following is a tool to guide a financial management capacity assessment of a potential partner during the appraisal phase and at any other time the MFA deems it relevant to carry out a capacity assessment.

The assessment is developed to assess all types of partners with different levels of administrative and financial capacity, but is especially relevant to help assess the capacity of new, small to medium size partners and is primarily focused on operational issues.

The assessment covers six areas: budgeting, accounting, internal controls, governance and staff, financial reporting and auditing.

For each area a number of minimum requirements and best practice statements are presented. The statements that are underlined are considered to be minimum requirements and must be included in the assessment.

#	Financial management capacity assessment <u>Minimum requirements of the assessment are underlined</u>	Y/N	Comments
Budgeting Budgeting is a planning and decision-making tool that allows the management and the organisation to estimate the cost of planned activities, control cost, measure performance through the comparison of actual cost against budget, and enforce financial accountability.			
1.	<u>Budgets are prepared for all the costs running the organisation/engagement.</u>	Yes	Yes, SPC prepares budgets for all its core (administrative) and non-core activities (projects and programmes). Budgets are prepared in accordance with SPC's budget guidelines (link below) which sets out the rules as to how SPC's budgets are to be prepared and spent. SPC Budget Guidelines
2.	<u>Project budgets are based on the cost of planned activities.</u>	Yes	Yes, when developing a project budget, divisions are required to take into account: 1) the costs of planned activities with the purpose of ensuring full cost recovery against projects; and 2) SPCs project management fee. (see para 5.9-5.10 of SPC Budget Guidelines in link above). Project budgets are prepared in consultation

			with the relevant division(s) and project budgets are included in SPCs budget where funding is assured.
3.	<u>Budgets are accrued into quarters across all project/programme activities.</u>	Yes	Yes budgets can be accrued quarterly and any adjustments between budget categories are to be reported on a quarterly basis (end March, June, September and December) (see SPC Budget Guidelines).
4.	<u>Project budgets are prepared in accordance with the structure of the results framework/log frame.</u>	Yes	Project budgets are prepared in accordance with the approved proposal, project documents or work plan (see page 4 of the SPC Budget Guidelines).
5.	Budget reallocations are approved by officers responsible for project activities.	Yes	<p>In respect of core funds, both the Director of the relevant division responsible for the project and the Deputy Director General(s) of SPC are authorized to transfer or reallocate funds between budget heads and transfer unutilized core funds available under the programme budget to rectify specific unforeseen and unbudgeted requirements in the administrative budget. (see reg 9 of SPC Financial Regulations).</p> <p>In respect of non-core funds i.e. project/programme funding, any reallocation of funding must be done in accordance with the terms and conditions of the relevant funding agreement and the approved proposal/workplan or project documents. Total expenditure must remain within the total approved budget or by budget lines as set out in the funding agreement (see para 5.11 of SPC Budget Guidelines, link above).</p>
6.	Budget codes/lines match or correspond to accounting codes to allow for tracking	Yes	SPC uses the Navision accounting software system which has job (Project) modules that allows proper recording of financial transactions and cost allocations between different jobs

	actual against expected spending.		(Projects). Where applicable, SPC also implements timesheets so that staff can charge hours worked to projects as necessary.
7.	A cash flow forecast is prepared every month to allow for monitoring of cash flow for operational costs.	Yes	SPC monitors and reports on its cash flows according to the anticipated budget for the relevant activities.
8.	Budgeting has been reliable and accurate in the past (few or no material budget overruns, reputation for having robust budgeting procedures or the like.	Yes	<p>SPC has a robust and reliable budgeting framework in place. The Financial Regulations and the Budget Guidelines set out this framework. In terms of setting project budgets and monitoring project budgets, SPC also has a Planning, Evaluation, Accountability, Reflection and Learning (PEARL) Policy -This policy applies to all SPC projects and programmes and provides the framework for project planning, budgeting, monitoring and evaluation. The PEARL Policy aims to ensure that projects/programmes have adequate internal reporting and monitoring (which includes budget preparation and monitoring) systems in place to strengthen performance management and improve the way in which SPC measures the achievement of SPC's objectives. Project managers within divisions prepare and manage project or activity plans and the associated budgets for each project or programme that SPC is involved in</p> <p>Planning, Evaluation, Accountability, Reflection and Learning (PEARL) Policy</p>
Accounting <p>The purpose of accounting is to provide reliable information about cost and expenditure. This is done through application of a relevant accounting system, accounting policies and standards. Accounting supports both controlling, reporting and auditing of the financial performance of the organisation.</p>			
<i>Basic accounting system</i>			

9.	<u>A standardized electronic/computerized accounting system is in place and used</u>	Yes	SPC uses Microsoft Dynamics Navision which is a computerized finance/accounting system.
10.	<u>The accounting system can deliver relevant data for reporting purposes, for instance through extracts of raw data to Excel for analysis and reporting.</u>	Yes	SPC uses the Prog Nav Reporting tool which gives reports such as Budget vs Expenditure for selected years. The Navision system can also produce jet reports (Excel Based) which can be used to design financial reports as required.
11.	<u>The accounting system only allows access for authorized users.</u>	Yes	Yes SPC maintains a strict policy around ensuring that only authorized users have access to SPCs accounting system. The Financial Regulations and Instrument of Delegation and Authorizations set out the requirements of dual signatories and the authorization for bank transactions. SPC keeps a register of accounts that specifies the SPC staff members who are authorized to operate/transact on these accounts. Any new signatories are approved at the appropriate level as soon as possible. See: SPC Financial Regulations and Supporting Documentation folder for Instrument of Delegations and Authorisations.
12.	<u>The accounting system logs all entries.</u>	Yes	All entries into SPC's accounting system that are saved are logged in the system so they can be tracked.
13.	<u>The accounting system has a reliable and regular back-up system</u>	Yes	SPC regularly backs up its accounting system and there are IT controls put in place as safeguards.
<i>Accounting practices</i>			
14.	<u>Every payment made has supporting documentation providing evidence.</u>	Yes	Yes this requirement is set out in the SPC Financial Regulations and project payments are not released by SPCs finance team until supporting documentation is provided for the payment.

15.	<u>Original vouchers, original invoices and original signed receipts document all expenditures.</u>	Yes	Yes SPC accepts either original or copies of original vouchers, invoices and receipts as proof of expenditure.
16.	<u>All accounting and supporting documents are retained and kept safe for up to ten years</u>	Yes	SPC maintains a retention and disposal schedule that sets out the kinds of records that must be kept by SPC. Accounting and financial supporting documents must be retained for a period of 10 years from either the end of the project or end of the last financial year (see pg 23 of the SPC retention and disposal schedule in Supporting Documentation folder).
17.	<u>All cash received is recorded (preferably in electronic accounting system or alternatively on pre numbered carbon copy receipts) and deposited in Bank OTHERWISE cash or cheques cannot be used.</u>	Yes	Any cash received is processed by SPC's finance teams, recorded in SPCs accounting system and deposited into SPCs bank accounts in line with the SPC Cash Management Policy however most SPC financial transactions are made through electronic transfer.
18.	<u>All payments and receipts are recorded (in the electronic accounting system or alternatively in cashbooks).</u>	Yes	As mentioned above all incoming and outgoing funds are recorded in SPCs accounting systems.
19.	<u>A standard chart of accounts is used to classify each transaction.</u>	Yes	SPC uses a standard chart of accounts to classify transactions and SPC allocates codes to projects so that transactions are easily identifiable. SPC complies with the International Public Sector Accounting Standards procedures (IP-SAS).
20.	<u>Transactions are also classified by project or donor using a standard list of cost centers or other accounting system dimensions.</u>	Yes	SPC's Navision system uses job or project modules so that costs can be allocated accurately to each project and to ensure proper recording of financial transactions.
21.	<u>The funds received from MFA are to be kept in a des-</u>	Yes	SPC project funds are kept in pooled account. However, each project has its allocated job code under Jobs Module so that receipts and

	<u>ignated bank account or alternatively the designated ledger account must be established.</u>		expenditure related to each project can be easily identified.
22.	<u>A bank reconciliation is prepared each month for every bank account.</u>	Yes	Bank reconciliations are prepared on a regular basis by the relevant finance officers and reviewed by SPC's accountants.
23.	<u>A cash reconciliation is witnessed by senior staff and recorded each month</u>	Yes	Yes all cash is reconciled and recorded at least once a month by an authorized person in line with the SPC Cash Management Policy.
24.	<u>Petty cash records are checked every month, must be checked by a different person than the one who keeps them.</u>	Yes	Each petty cash location must have a nominated petty cash custodian responsible for administering the petty cash. Petty cash must be stored securely at all times and be reconciled at time of replenishment or at least once a month. The custodian should request replenishment regularly. A staff member with finance delegations can approve replenishment after checking the cash on hand and the balance in the register. The delegate must ensure that payments are necessary, reasonable and in line with Cash Management policy
25.	<u>The organization keeps track of amount owed to others and owed by others.</u>	Yes	SPC tracks all its amounts owing and amounts owed in its accounting system. This is through vendor and customer module within Navision system
26.	<u>An accounting manual/policy is used and maintained specifying accounting procedures, roles and segregation of duties.</u>	Yes	As mentioned above, SPC's Financial Regulations sets out the accounting procedures, roles and responsibilities in respect of all funds managed by SPC. SPC also has the Budget guidelines that set out the rules and procedures that apply to the composition of the annual SPC budget. SPC Financial Regulations SPC Budget Guidelines

27.	<u>Accounting practices follow local legislation or international standards.</u>	Yes	SPC adheres to the International Public Sector Accounting Standards procedures which recognizes both cash and accrual basis of accounting.
Internal Controls The purpose of internal controls is to safeguard assets, make sure that accounting records are accurate and prevent and detect fraud and errors. Essential internal controls include separation of duties, authorization and reconciliation. It can be relevant to include an audit of the internal controls in the audit of the financial statements (this will often be part of the auditor's work to produce an opinion in a financial audit).			
28.	<u>Segregation of duties is implemented and adhered to (segregation of duties means that e.g. money handling duties are separated from the record keeping duties, purchasing duties are separated from payment etc.).</u>	Yes	<p>Yes, the functional responsibilities outlined are appropriately segregated to ensure adequate checks and balances systems are maintained:</p> <p>In respect of financial decision making, SPCs Instrument of Delegation and Authorisation outlines who has authority to execute or sign off on transactions at varying expenditure thresholds on behalf of SPC.</p> <p>In respect of financial records and reporting, all payments are processed and paid out by SPC's Finance team who must receive all supporting documentation such as invoices or contract documents etc. before payments can be actioned.</p> <p>When spending SPC money it's also important to note that if applicable, all transactions must also be appropriately recorded and conducted in line with the SPC Procurement Policy and/or SPC Grants Policy as well as the Financial Regulations.</p> <p>SPC Procurement Policy</p> <p>SPC Grants Policy</p>

29.	<u>All fixed assets owned by the organisation are controlled using a fixed assets register stating at least asset tagging code, purchase price, location and book value.</u>	Yes	<p>SPC maintains a fixed assets register. All fixed assets procured by SPC are recorded as official assets of SPC in the Fixed Assets Register at the time of their acquisition. All rights and obligations of ownership and control remain with</p> <p>SPC until the asset is disposed of. All fixed assets are appropriately recorded (book value, asset tagging code, location and purchase price), capitalised and maintained within the finance system. Accounting for fixed assets is in accordance with the generally accepted accounting principles adopted by SPC.</p> <p>SPC Fixed Assets and Small Value Items Policy</p>
30.	<u>Periodic physical inventories of assets or stocks are carried out against fixed asset list or inventories.</u>	Yes	<p>At part 10 of the Fixed Assets and Small Value Items Policy you will note that SPC conducts regular physical verification and reconciliation of fixed assets on a sample selection basis. In the event of significant variances, the sample size will be broadened, and the physical verification and reconciliation continued using that larger sample. As part of this process, the fixed assets are physically located, and their status, condition and location is verified and updated as necessary. Any assets identified as missing or damaged are reported on, including details of the circumstances under which they went missing or became damaged, and the steps taken to locate or repair the asset. This process also identifies any assets for disposal.</p>
31.	<u>There is a written policy detailing who can authorise expenditure of different types or value.</u>	Yes	<p>As mentioned above, this is outlined in the SPC Instrument of Delegations and Authorisations (see supporting documentation folder).</p>
32.	<u>All transactions are properly authorised by signatures.</u>	Yes	<p>All transactions are authorized by signatures of the relevant authorized persons.</p>

33.	All expenses are properly signed and documented with the application of purpose and participants.	Yes	As mentioned above SPCs financial regulations require that expenses are appropriately recorded and verified with supporting documentation and that there is sufficient identifying particulars set out for record keeping and reporting purposes.
	<i>Cash management</i>		
34.	<u>Cash is kept safely, e.g. in a locked cashbox or a safe, and is in the custody of authorized individuals.</u>	Yes	Cash transactions are minimised wherever possible. Cash that is in office is appropriately secured in a safe or a fire-proof cabinet. Authorised staff are escorted to the bank when banking large amounts of cash.
35.	<u>All cheques are signed by at least two signatories and no blank cheques are ever signed.</u>	Yes	SPC's Financial Regulations specify a dual signatory requirement for approval of cheques.
36.	<u>Proper controls are built into banking arrangements, authorization of disbursements and payments and double signatures on checks and transfers, regular bank reconciliations etc.</u>	Yes	As mentioned above, SPC's Financial Regulations set strict processes around banking arrangements, authorization of disbursements and payments and double signatures on checks and transfers. Bank reconciliations are done frequently and at least once a month. Double bank signatory requirement is established with banks for signing of payments.
37.	<u>Appropriate controls over management of cash is in place, including limits to the amount of cash held OR no cash is held.</u>	Yes	The controls on cash management have been mentioned above. SPC maintains petty cash floats in foreign and local currency in the Finance teams at headquarters and at its regional and country offices. The Director-General may also authorise specific divisions or programmes to hold a petty cash float of a nominated amount. In authorising the petty cash, the Director-General will nominate a petty cash custodian. This is managed under Cash Management policy
<i>Staff expenses</i>			

38.	<u>Staff and payroll records such as contracts, salary statements, etc. are in place.</u>	Yes	<p>All staff have written employment contracts that set out their job descriptions and employment conditions including remuneration and entitlements. Staff also receive payslips that record their monthly salaries and any deductions. SPC uses Payglobal (PG) payroll system for payroll processing and Cornerstone for HR system</p> <p>Chp IV Appointment, Manual of Staff Policies</p> <p>Chp 5, Remueration, benefits, allowances and other entitlements</p>
39.	<u>Staff salaries are checked each month by a senior manager.</u>	Yes	Yes SPC Finance payroll officers process and prepare the staff salaries each month and they are approved by a senior manager prior to release.
40.	<u>Statutory deductions (e.g. payroll taxes) are properly made and paid on time.</u>	Yes	Where applicable, SPC ensures to pay all required statutory deductions but note that SPC is an intergovernmental organization and is accordingly entitled to certain privileges and immunities from payment of specified taxes. For example, SPC international staff are not required to pay income tax and in some member countries, SPC is not required to pay goods and services tax on goods imported into the member country for official SPC purposes etc.
41.	Expenses claims for staff advances are checked by the same person who authorized the advance.	Yes	Where a staff member is given a cash advance, the staff member is responsible for collecting the invoices / receipts or other evidence (e.g. signatures of workshop participants) for any payments. They must fully acquit the cash advance by providing a detailed expenses report within ten days of the payments or, if on duty travel, within ten days of returning to their duty station. This must be submitted to SPC Finance team who will approve the acquittals.
42.	Time sheets are used to document hours.	Yes	Where required and necessary, time sheets are kept by staff to monitor hours worked in respect of projects.

Procurement			
43.	<u>A procurement manual covering request, authorization, selection of suppliers, order, receipt and payment when purchasing goods and services is used and maintained.</u>	Yes	<p>SPC has a Procurement Policy recently updated in April 2022 that sets out the rules and regulations to manage all of SPCs procurement activities.</p> <p>SPC Procurement Policy</p>
44.	<u>Different steps of the procurement process (e.g. order, receipt and payment) are shared among different staff members.</u>		<p>All procurement is conducted in line with the SPC Procurement Policy as well as the Financial Regulations. SPC has a central Procurement and Grants Unit that carries out that role. That central unit also provides support to all procuring divisions to ensure all the necessary documentation is provided and correct procurement processes are undertaken to procure goods and services.</p> <p>In terms of the procurement process, it's a multi-step process that includes 3 or 4 steps depending on the value of procurement. The procuring section or division raises the purchase order and first submits paperwork to Divisional Finance team for approval. Once cleared by Finance, the purchase order is placed in the system and the relevant paperwork linked to the purchase order is submitted for approval by the relevant authorized person as per the Instrument of Delegations and Authorisations. If procurement is below EUR45k, final approval is at the Division Director/Deputy Director level but if the procurement is above EUR45k, final approver will be either SPC DG or DDG . Once the purchase order is released, it is issued to the vendor by the procuring section who in turn receives the goods/services and invoice in due course.</p>

45.	A description/manual on different methods of procurement and tendering and when these are to be used is in place.	Yes	<p>This is all set out in the Procurement Policy. There are defined expenditure thresholds and mechanisms in place to ensure that at each threshold, a certain procurement process is followed, purchases are adequately documented and approved by the necessary people.</p> <p>Thresholds:</p> <p>1) Shopping (< 2,000 EUR) - requires at least 1 quote and system authorisation.</p> <p>2) RFQ (> 2,000 - <45,000 EUR) - three quotes required, written and system authorisation by Division Director or Deputy Director (or authorised delegate) or Deputy Director General of Operations</p> <p>3) RFP (>45,000 - <200,000 EUR) written and system authorisation by either the Technical Evaluation Committee, endorsed by the Procurement Committee or the Procurement Committee depending on the situation.</p> <p>4) RFP (High Value) (>200,000 EUR and more) - written authorisation by the Procurement Committee.</p> <p>(see pg 18 of SPC Procurement Policy)</p>
46.	A code of conduct exists to avoid occurrence or perceptions of conflicts of interest in relation to procurement and tendering.	Yes	<p>SPC maintains a strict code of conduct which applies to all staff. Further, the process for identifying and managing conflicts of interest is outlined in the Procurement Policy at paragraphs 5.7 - 5.11. All staff must report any potential conflicts of interest under section 11.9 (Conflicts of interest) of the Manual of Staff Policies and failure to declare a potential conflict of interest should be reported under section XI.35 of the Manual of Staff Policies. Within the SPC staff intranet there are helpful links to forms that can be filled out by staff with a conflict of interest to declare and more general information about how to identify if you have a</p>

			<p>conflict of interest and who to report it too i.e. SPC legal team.</p> <p>Chp XI Workplace Culture and Behaviour, Manual of Staff Policies at sections 3-5</p>
Governance and staff <p>The financial management of an organisation is supported by governance structures and competent staff. All business and financial processes need to be supported by governance, organisation and skills.</p>			
47.	<u>A written procedure manual covering finance, procurement and HR is in place, used and regularly updated.</u>	Yes	<p>SPC has Staff Regulations and a Manual of Staff Policies which outlines the duties, obligations, terms and conditions of all staff employed at SPC. Where stated, some requirements set out in the Manual of Staff Policies also extend to non-staff personnel, contractors and implementing partners.</p> <p>SPC Manual of Staff Policies</p>
48.	<u>The organisation is financially viable and sustainable.</u>	Yes	<p>SPC is in a financially viable and sustainable position. This can be ascertained by viewing SPC's latest financial statements and audit report.</p> <p>SPC Financial Statements and Audit Report 2021</p>
49.	<u>Staff roles are clearly defined, and the staff members are aware of their roles and responsibilities and of the organisation's policies and procedures.</u>	Yes	<p>As set out in the Manual of Staff Policies, all SPC staff are hired in accordance with written employment contracts that set out their job descriptions. Job descriptions set out the nature of the role, the required skills for the role and the expected outputs of the employee. SPC also maintains a staff intranet where all organization policies are procedures are made available and accessible. SPC also has an internal HR system called Wahoo and each staff member can ac-</p>

			cess their HR information including job descriptions, who they report to, relevant information in respect of their entitlements etc.
50.	<u>Management is involved in the financial management of the organisation/projects or programmes.</u>	Yes	Yes SPC's executive management team are involved in the financial and project management of the organization. Depending on the amount of the financial transactions or the type of contractual arrangement, the Instrument of Delegations and Authorisations sets out the appropriate member of SPC's executive management team that must authorize the transaction. This process ensures that SPC executive management have full oversight of the organisation's functions.
51.	The partner has adequate policies and procedures in place to guide personnel activities and assure staff accountability.	Yes	<p>SPC has a range of regulations, policies and guidelines such as the Financial Regulations, Staff Regulations and Manual of Staff Policies etc. which provide a robust framework for personnel activities and to ensure staff accountability.</p> <p>Our SPC website provides a lot of information on SPCs accountability and transparency measures as well as links to all our key policies so that our partners can access this information easily.</p> <p>SPC Accountability Measures</p>
52.	All planned operational costs are adequately funded.	Yes	Yes planned operational costs are set out and provided for in the prepared budgets and all spending is monitored against the prepared budgets.
53.	Different roles in the finance function are clearly defined, known and followed.	Yes	In respect of the Finance division, it is made clear in the Instrument of Delegations and Authorisations, who can approve and authorise financial transactions at varying expenditure thresholds. The Finance Regulations, Procurement Policy, Grants Policy and the Budget Guidelines also sets out the roles SPC's Finance

			team plays in respect of the different modalities of expenditure and the supporting documentation that must be provided to them.
54.	The organisation has the necessary registration, authorization and mandate to undertake planned activities.	Yes	<p>SPC is an international intergovernmental organisation established by treaty, specifically the Canberra Agreement 1947 with the mandate to serve the development, scientific and technical needs of the Pacific region. SPC is formally registered in New Caledonia as an international organisation (RIDET certificate provided in Supporting Documentation folder)</p> <p>Canberra Agreement 1947 SPC Governance Compendium: Canberra Agreement at pg 15-31</p>
55.	An anti-corruption policy including a section on handling and protection of whistleblowers is in place, used, and regularly updated and shared with staff.	Yes	<p>SPC has an Anti-money laundering and counter-terrorism financing Policy which sets out the safeguards in place to protect SPC from being misused for money laundering or terrorism financing. Also, in the Manual of Staff Policies at Chp XI Workplace Culture and Behaviour, SPC staff are subject to a Code of Conduct that requires staff to always act in an ethical and honest manner and in good faith. This policy sets out requirements for SPC staff and non-staff personnel to report any potential misconduct or wrongdoing. Any staff reporting allegations in good faith as to misconduct are protected from retaliation by the whistleblower provisions in section XI.5 and all reports are treated with confidentiality.</p> <p>The SPC website also provides information on what can be done in situations where you suspect potential misconduct or if you would like to raise a grievance, the purpose of which is to ensure accountability.</p> <p>Chp XI Workplace Culture and Behaviour, Manual of Staff Policies at sections 3-5</p>

			Anti-money laundering and counter-terrorism financing policy
<i>Staff Skills</i>			
56.	<u>Key financial positions are held by qualified and competent personnel. Qualifications and competences are documented and match the size and complexity of the organisation.</u>	Yes	<p>All staff are appointed in accordance with the appointment process set out in the Manual of Staff Policies. SPC undertakes a job evaluation process to ensure all SPC roles are appropriately job sized with job descriptions that set out the requirements and skills necessary for the relevant role. Part of this job evaluation is ensuring that all key positions are held by persons with the appropriate qualifications. All appointments are conditional on SPC completing due diligence on candidates which includes provision of evidence of highest academic qualifications and previous work experience and checking with referees to verify the competency of a potential candidate. This due diligence process assists in ensuring persons who are fit and proper are appointed into roles at SPC.</p> <p>See cl 7-8, Chp III Recruitment, Manual of Staff Policies</p> <p>Chp IV Appointment, Manual of Staff Policies, pg 38-39.</p>
57.	<u>The finance staff have the specific skills and qualifications needed to carry out all financial activities. Skills and qualifications are documented and match the size and complexity of the organisation.</u>	Yes	<p>Further to what has been stated above, when recruiting SPC staff part of the due diligence process involves ensuring the selected candidate has the appropriate qualifications and experience for the roles. The required skill level and qualifications are linked to the job descriptions which are written statements that describe a specific job, its purpose, duties, responsibilities, scope and requirements. (See Chp III, Recruitment, Manual of Staff Policies linked above)</p>

58.	<u>A person with ultimate responsibility for the financial management, including for the MFA grant, is clearly identified and this person has the appropriate skills, experience and qualifications.</u>	Yes	As mentioned above, all payments are approved by SPC's finance division and cleared by the senior managers in the division in accordance with the SPC Instrument of Delegation and Authorisations, all of whom are appropriately qualified in financial management.
59.	Managers and technical/programme staff have the relevant skills to manage budgets and budget monitoring. This includes training in budgeting and experience with budgeting and monitoring.	Yes	<p>All project managers are expected to have the relevant skills to manage and monitor project budgets. Support and training is also provided by SPC's Strategic Planning and Learning Division across SPC's divisions to facilitate this. SPC maintains a policy called the Planning, Evaluation, Accountability, Reflection and Learning (PEARL) Policy - This policy applies to all SPC projects and programmes and provides the framework for project planning, monitoring and evaluation. The PEARL Policy aims to ensure that projects/programmes have adequate internal reporting, budgeting and monitoring systems in place so as to strengthen performance management and improve the way SPC measures the achievement of SPC's objectives. The policy requires project managers within divisions to prepare and manage project or activity plans including budgets for each project or programme that SPC is involved in.</p> <p>PEARL Policy</p>
Financial reporting <p>Management needs continuous financial reporting to oversee the finances of the organisation to monitor and make decisions regarding the activities of the organisation and projects.</p> <p>Proper financial reporting is essential in being able to communicate financial and technical results to management and donors.</p>			
60.	<u>Senior management discuss financial reports at least once every three months.</u>	Yes	SPC's central Finance team prepares a financial analysis on a monthly basis which is shared with senior leadership team and subsequently with all the finance team in each division for

			their review, monitoring and actions as necessary.
61.	<u>Donors and/or management receive financial reports in the right format and on time.</u>	Yes	Project managers can extract financial reports from SPCs accounting system as required to be able to meet the agreed reporting milestones set out in the agreement with donors and/or management.
62.	<u>The organisation meets statutory reporting requirements.</u>	Yes	In line with SPCs financial regulations, SPC is required to produce annual financial reports. These are prepared at the end of each fiscal year and in accordance with International Public Sector Accounting Standards procedures and on and accrual accounting basis. The annual financial audit is presented to SPC's governing body (CRGA) after review by Audit and Risk Committee (ARC)
63.	<u>Financial reports include details on income and expenditure, actuals and budget and deviations between actuals and budget.</u>	Yes	<p>The financial statements show the income, expenditure and balance of each fund; the status of core fund appropriations and the operations of the operating fund and general reserve fund; and the assets and liabilities of the organisation. These financial statements are used to determine the financial position of SPC and they are audited by an external auditor at the end of each fiscal year.</p> <p>SPC finance also prepares a 6-monthly financial update for monitoring purposes.</p> <p>Also SPCs Navision system can produce jet reports (excel based), Prog Nav reporting tools and Power BI reports to be able to monitor budgets vs actual expenditures. SPC's Operations and Management Directorate (OMD) does a financial analysis on a monthly basis which is shared with senior leadership team and subsequently with all the finance team in each division for their review and actions.</p>

			SPC Financial Statements and Audit Report 2021
64.	<u>Financial reports are accrued into quarters or less.</u>	Yes	Financial reports are prepared on an accrual basis and management reports are prepared on monthly basis while financial statements are prepared on an annual basis.
65.	<u>Financial reports include details on cash and bank balances, amounts due and owed.</u>	Yes	Financial reports include details on cash, remaining bank balances as well as amounts receivable and payable. See pg 11 SPC Financial Statements 2021 linked above for statement of financial position which exemplifies the inclusion of cash, bank balances and amounts receivable/payable.
Auditing Auditing verifies the accuracy of financial statements and the accounting practices and internal controls of the organisation. Auditing builds trust and transparency.			
66.	<u>The organisation is subject to regular audits.</u>	Yes	<p>The Financial Regulations set out the applicable audit requirements for SPC. SPC has an internal audit team that is an independent support service to provide independent, systematic and objective approach to evaluate and improve the effectiveness of the organisation's internal control, risk management and governance processes. The internal audit team reports directly to the Audit and Risk Committee (ARC) which consists of 4 external and independent auditors that are chosen by the CRGA to assist the CRGA in fulfilling its oversight responsibilities for the financial reporting process, system of internal control, audit process, risk management, effectiveness and efficiency of operations, and compliance with legal and regulatory requirements. The ARC meet 3-4 times a year and provide a report of their findings and recommendations.</p> <p>(See SPC Financial Regulation and SPC Financial Statements and Audit Report linked above)</p>

67.	A properly registered and independent external auditor/audit firm is selected and used.	Yes	KPMG Fiji is currently engaged to conduct SPCs external audits and they are a reputable and established accounting firm with the relevant expertise to perform audit responsibilities. They are a Tier 1 audit firm
68.	Annual accounts are audited according to appropriate international auditing standards, i.e. IASs and IS-SAls.	Yes	KPMG conducts its audits in accordance with the International Standards on Auditing (ISAs) (see Independent Auditors Report at page 9 of the SPC Financial Statements and Audit Report 2021
69.	Annual audited accounts are without material misstatements.	Yes	Yes, this can be verified in the Independent Auditors Report at page 9 of the SPC Financial Statements and Audit Report 2021 linked above
70.	The organisation is deemed a going concern by the auditor.	Yes	Yes, this can be verified in the Independent Auditors Report at page 9 of the SPC Financial Statements and Audit Report 2021 linked above
71.	Annual audits are up-to-date (signed within six months of the financial year-end).	Yes	Yes, SPC Financial Regulations require that annual audits are prepared within 6 months from end of financial year and KPMG work within that timeframe.
72.	The organisation reacts on auditor's reports, comments and recommendations and implements relevant changes.	Yes	Yes, SPC's implementation of the recommendations from audit reports are monitored by the Audit and Risk Committee and reported on to CRGA, SPC's governing body. When the ARC meet during the year, they provide a report of their findings and recommendations to SPC and part of their visits include reviewing SPC's progress in implementing prior recommended changes.
73.	Major issues in management letters from the auditor are subsequently followed up and addressed by management.	Yes	Yes SPC makes diligent efforts to rectify issues in management letters and the implementation of any recommendations are monitored by the ARC and reported on to CRGA, SPC's governing body. .

Annex 3a: Result Framework

Result framework for Denmark's support to SPC on loss and damage in PSIDS⁴⁸

Project	Denmark's support to Pacific Community (SPC) on Loss and Damage in Pacific Small Island Developing States
Project Objective	The Climate Change Flagship Program addresses loss and damage of PSIDS
Impact Indicator	PICTs have data and informed estimates of potential loss and damage impacts in their territories and use this knowledge to assign institutional mandates, inform planning, and solicit funding for L&D actions.

Outcome	Evidence on the types and scale of loss and damage faced by vulnerable communities and sectors in PICTs is used to develop estimates of the nature and scale of the challenges ahead which inform national planning and encourage the greater allocation of resources from the international community.		
Outcome indicator	PSIDSs with digital representation of coastal inundation with potential nature and scale of climate induced loss and damage along with tools to analyse and plans to address these.		
Baseline	Year 0	2023	0 PSIDS have overview of potential nature and scale of climate induced impacts
Target	Year 4	2027	At least 3 PSIDS have digital representation of coastal inundation potential nature and scale of climate induced loss and damage impact with catalogue of actions to address loss and damage – and is ready to adapt to the next level of readiness ⁴⁹ .

Output 1	Scoping of L&D key issues based on case studies leading to digital representation of impacts.		
Output indicator	# of digital representation of coastal inundation		
Baseline	Year 0	2023	0 PSIDS have digital representation of coastal inundation
Target	Year 2	2025	2 PSIDS have digital representation of coastal inundation -- (may include 3D representation)
Target	Year 4	2027	6 PSIDS have digital representation of coastal inundation -- (include 3D representation as examples in at least 2 PSIDS)

Output 2	Impacts of climate change evaluated, with surveys assessing loss and damage at household and community level to an extent that provide data that can assist access to funds from the loss and damage fund (when this becomes available)		
Output indicator	# of surveys conducted at level of detail that provide scientific data to support application to the future loss and damage fund ⁵⁰		
Baseline	Year 0	2023	0 surveys conducted
Target	Year 2	2025	3 surveys conducted and 1 training organised
Target	Year 4	2027	7 surveys conducted and 3 training organised

⁴⁸ Danish support is only targeted at PSIDS that meet the eligibility criteria established in Annex 1.

⁴⁹ Levels of readiness are (i) Unprepared (ii) Responsibilities allocated, key vulnerabilities identified (iii) Plans and policies in preparation (iv) Plans and policies in place (v) Funding needs established.

⁵⁰ <https://unfccc.int/news/cop27-reaches-breakthrough-agreement-on-new-loss-and-damage-fund-for-vulnerable-countries>

Output 3		Strategies, policies and plans developed at country level through small-scale demand-led institutional support	
Output indicator		Country-level national strategies, policies, and plans developed through demand-led institutional support, resulting in strengthening national process and progress to next level of L&D readiness in the target countries (see footnote to Outcome target and Annex 3b – below)	
Baseline	Year 0	2023	PSIDSs at various levels of readiness
Target	Year 2	2025	4 PSIDSs have country-level national strategies, policies, and plans
Target	Year 4	2027	9 PSIDSs have country-level national strategies, policies, and plans

Annex 3b: SPC identified topics and potential country requests for output 3

This annex is guidance only and not exhaustive.

Small scale demand fund	
Topic	Potential Country Request/Activities
Resilience building	<ul style="list-style-type: none"> Conduct sectoral assessments and risk mapping to identify sectors and communities most susceptible to climate-related loss and damage. Implement community-based loss and damage training to enhancing the capacity of communities in recognizing, responding and recovering from climate-related loss and damage.
Risk reduction	<ul style="list-style-type: none"> Foster partnerships with regional and international organizations to support the implementation of comprehensive risk reduction strategies and promote knowledge sharing on best practices.
Adaptation strategies	<ul style="list-style-type: none"> Promotion and adoption of country driven, sector specific (e.g. agriculture – seed bank and genetic resources, climate-smart agricultural, Agriculture L&D assessment etc.) in the face of changing climate patterns. Support on community-based climate adaptation plans that integrate traditional knowledge and practices with modern scientific approaches to build local adaptive capacity and enhance ecosystem resilience.
Community engagement	<ul style="list-style-type: none"> Foster knowledge-sharing platforms and community-based networks to facilitate the exchange of best practices, lessons learned, and innovative solutions for addressing climate-related loss and damage within and across Pacific small island developing states. Support the establishment of community-based organizations and grassroots initiatives that advocate for the integration of local knowledge, traditional practices, and indigenous wisdom into climate adaptation and resilience-building strategies.
Knowledge Management and Sharing	<ul style="list-style-type: none"> Facilitate the transfer of climate-related knowledge and technologies through capacity-building workshops, training programs, and south-south, north-south cooperation initiatives that promote the exchange of experiences and expertise among Pacific small island developing states. Foster partnerships with research institutions, universities, and technology providers to support the development and deployment of innovative technologies and solutions tailored to the specific needs and challenges of Pacific small island developing states in addressing climate-related loss and damage.

	<ul style="list-style-type: none"> Establish knowledge management systems and digital platforms to centralize and disseminate information on best practices, case studies, and scientific research findings related to climate adaptation, risk reduction, and resilience-building strategies for the benefit of policymakers, practitioners, and communities in the Pacific region.
Policy Integration and Coherence	<ul style="list-style-type: none"> Policy reviews to assess the integration of loss and damage considerations within existing national policies and strategies. Enhancing policy coherence by assessing the integration of loss and damage into national development plans and related policies.
Adaptive Governance Mechanisms	<ul style="list-style-type: none"> Foster the establishment of adaptive governance mechanisms that can respond to the evolving challenges posed by climate-induced loss and damage.
Institutional Strengthening	<ul style="list-style-type: none"> Support to develop country driven sector specific loss and damage policy, plans and frameworks as enabling mechanisms for proposed global loss and damage fund. National institutional strengthening for proposed global loss and damage fund

Annex 4: Risk Management

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Contextual Risks					
Political and regulatory framework conditions within one or several recipient PICTs change during the implementation period or necessary regulatory changes are deprioritized reducing the potential scope and influence of the project.	Not likely	Significant	Selection of case studies, surveys or support modules will take political stability and regulatory risks into account.	Minor	PICTs are aware of potential loss and damage impacts and highly motivated to acquire the expertise and resources to address them.
Global or widespread external economic dislocations or internal financial disruption (inflation, foreign debt, currency crisis etc.), affects not only the PICTs but the potential sources of funding	Likely	Major	A stepwise approach to implementation and a flexible management system plus the spread of operations across countries representing a diverse geographical and development context.	Minor	There may be disruptive external events, but the project is sufficiently diverse and flexible to respond appropriately.
SPC does not continue to be a well-financed, effective and influential organization in the region	Unlikely	Major	Monitoring of SPC's financial position and its productivity and influence through its annual reporting.	Minor	SPC is well established and highly valued by its membership. It has recently entered into a substantial agreement for future funding with the Government of New Zealand.
Programmatic Risks					
Ultimate beneficiaries of the support are not the most vulnerable. There are three distinct dangers under this heading: i) The PICTs give undue attention to the priorities of politically influential groups and communities. ii) The identification and valuation of assets does not deal equitably with	Likely	Major	The project design allows for transparency and a wide range of stakeholders to be consulted at each stage. Risk monitoring also allows stakeholders to identify any overlooked risks and to participate in developing effective risk mitigation strategies.	Significant	The type and severity of risk is highly variable, depending on country context. Transparency and effective monitoring and oversight (e.g. a dedicated section in the Annual Report) are essential.

iii) some groups (e.g. women, minorities or marginalized people). Mechanisms for addressing loss and damage allow funds to be corruptly diverted away from the intended recipients					
Increasing severity and unpredictability of climate impacts that undermines the project's outcome and casts doubt on the effectiveness of proposed activities	Unlikely	Major	Adaptive planning, ensure the project's flexibility to adjust to changing environmental conditions	Minor	Predictions of climate impacts are already understood to have wide error margins and the impacts responses being developed are likely to retain effectiveness within the medium-term
Insufficient funding becomes available from international sources to finance the plans and strategies drawn up by the PICTs with the assistance of this project.	Likely	Major	The project itself is part of the effort to raise awareness of the need to allocate funding and the information it generates will strengthen the lobby for greater access to funds. Plans and policies will be developed to be of use to PICT governments even in the absence of external funding.	Significant	The issue of loss and damage has had a much higher profile since COP 27. It is increasingly well understood that SIDS receive a disproportionately small share of climate development funding in relation to their vulnerability.
SPCs ongoing initiatives to build its capacity to address loss and damage (and therefore to make good use of the information and opportunities generated by the Danish support) are not successful.	Unlikely	Significant	Project design includes the recruitment of a specialist in Loss and Damage to supplement the other capacity development initiatives being undertaken by SPC	Minor	The information that will be generated by the project will be developed with the participation of several SPC departments and will be of use in multiple aspects of SPC's activities. It will also be of use to the PICT governments and be made available to other users through the SPC information hub.
Insufficient PICT governments are interested in taking part in case studies and projects and using the findings to strengthen their own initiatives with regard to loss and damage.	Unlikely	Significant	Interventions will be designed in close cooperation with partner governments. Awareness of potential benefits, including quicker access to international funding, will be raised.	Minor	The case studies and support provided through this project are known to be of great interest to member states and have been designed to respond to their demand.
Information developed by the project, taken together with existing information	Unlikely	Major	The developing international approach to dealing with Loss and Damage will	Minor	PICTs are very aware of the issues associated with loss and damage and

from PICTs, SPC and the international community, is not sufficient to provide a basis for planning future actions and applying for international funds.			be kept under close review and any changes or revised requirements integrated into internal SPC Capacity Development and the design of external interventions.		have initiatives of their own which will develop information to supplement that provided by the project. Similarly, the international community has renewed attention to loss and damage. The project will be able to draw upon a substantial body of existing research and fill gaps with customised studies based on the specific PSID context.
Institutional risks					
The project could fail to deliver its outcome, which will reflect negatively on Denmark.	Unlikely	Minor	Denmark will carry out a mid-term review and review annual reports, including risk management.	Insignificant	The project takes place across a diverse range of countries and is likely to be successful in at least some of these. The intentions are worthy and the transfer of money to victims of disaster has little potential for unintended negative effects.
Partners could place insufficient emphasis on or disregard the concerns of marginalized or traditional communities under activities funded or facilitated by the project.	Unlikely	Minor	SPC has the capacity and experience to avoid this possibility and project supervision will safeguard against it.	Minor	The project includes measures to mitigate these risks, however, there remains at least some potential for corruption or for exclusion of some marginalized groups.
Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Contextual Risks					
Political and regulatory framework conditions within one or several recipient PICTs change during the implementation period or necessary regulatory changes are deprioritized reducing the potential scope and influence of the project.	Not likely	Significant	Selection of case studies, surveys or support modules will take political stability and regulatory risks into account.	Minor	PICTs are aware of potential loss and damage impacts and highly motivated to acquire the expertise and resources to address them.
Global or widespread external economic dislocations or internal financial disruption (inflation, foreign debt, currency crisis etc.),	Likely	Major	A stepwise approach to implementation and a flexible management system plus the spread of operations	Minor	There may be disruptive external events, but the project is sufficiently diverse and flexible to respond appropriately.

affects not only the PICTS but the potential sources of funding			across countries representing a diverse geographical and development context.		
Programmatic Risks					
<p>Ultimate beneficiaries of the support are not the most vulnerable. There are three distinct dangers under this heading:</p> <p>iv) The PICTs give undue attention to the priorities of politically influential groups and communities.</p> <p>v) The identification and valuation of assets does not deal equitably with some groups (e.g. women, minorities or marginalized people).</p> <p>vi) Mechanisms for addressing loss and damage allow funds to be corruptly diverted away from the intended recipients</p>	Likely	Major	The project design allows for transparency and a wide range of stakeholders to be consulted at each stage. Risk monitoring also allows stakeholders to identify any overlooked risks and to participate in developing effective risk mitigation strategies.	Significant	The type and severity of risk is highly variable, depending on country context. Transparency and effective monitoring and oversight (e.g. a dedicated section in the Annual Report) are essential.
Increasing severity and unpredictability of climate impacts that undermines the project's outcome and casts doubt on the effectiveness of proposed activities	Unlikely	Major	Adaptive planning, ensure the project's flexibility to adjust to changing environmental conditions	Minor	Predictions of climate impacts are already understood to have wide error margins and the impacts responses being developed are likely to retain effectiveness within the medium-term
Insufficient funding becomes available from international sources to finance the plans and strategies drawn up by the PICTs with the assistance of this project.	Likely	Major	The project itself is part of the effort to raise awareness of the need to allocate funding and the information it generates will strengthen the lobby for greater access to funds. Plans and policies will be developed to be of use to PICT governments even in the absence of external funding.	Significant	The issue of loss and damage has had a much higher profile since COP 27. It is increasingly well understood that SIDS receive a disproportionately small share of climate development funding in relation to their vulnerability.
Institutional risks					

The project could fail to deliver its outcome, which will reflect negatively on Denmark.	Unlikely	Minor	Denmark will carry out a mid-term review and review annual reports, including risk management.	Insignificant	The project takes place across a diverse range of countries and is likely to be successful in at least some of these. The intentions are worthy and the transfer of money to victims of disaster has little potential for unintended negative effects.
Partners could place insufficient emphasis on or disregard the concerns of marginalized or traditional communities under activities funded or facilitated by the project.	Unlikely	Minor	SPC has the capacity and experience to avoid this possibility and project supervision will safeguard against it.	Minor	The project includes measures to mitigate these risks, however, there remains at least some potential for corruption or for exclusion of some marginalized groups.

Annex 5: Budget Details

Will be prepared as part of the annual workplan to be submitted by SPC to GDK for endorsement.

Annex 6: Draft Job Description of Project Manager



JOB DESCRIPTION

Job Title:	Funding Manager Loss and Damage SPC
Division/Team:	Climate Change and Sustainability division (CCES)
Location:	Nouméa, New Caledonia
Reporting to:	Director Climate change and sustainability
Number of Direct Reports:	2
Purpose of Role:	<p>This role will be responsible for managing, planning, coordination, execution and reporting on the Loss and damage funding contributions secured through the Climate Change Flagship Programme (CCFP), supporting integration and cross-functional teams drawing on resources from the Pacific Community's (SPC) technical divisions. Specifically in the first instance this will include:</p> <ul style="list-style-type: none">• Managing the Danish contribution of 4.7m euro to support Loss and Damage work in SPC as outlined in the GFA.• Coordinating with the Loss and Damage Advisor and relevant stakeholders to support strategic decisions on progressing the Loss and Damage dimension of the CCFP
Date:	January 2024

Organizational Context and Organization Chart

The Pacific Community (SPC) is the principal scientific and technical organisation in the Pacific region, supporting development since 1947. We are an international development organisation owned and governed by our 27 country and territory members. In pursuit of sustainable development to benefit Pacific people, our unique organisation works across more than 25 sectors. We are known for our knowledge and innovation in fisheries science, public health surveillance, geoscience, and conservation of plant genetic resources for food and agriculture.

SPC is committed to bringing together our deep sectoral expertise, research, relationships, and implementation experience into Flagship Programmes. These programmes accelerate our efforts to address the challenges and opportunities facing the Blue Pacific in the 21st century, and work together with our members and achieve impact for Pacific people. They support a transformation in our institutional effectiveness as part of SPC's Strategic Plan 2022-2031 and the 2050 Strategy for a Blue Pacific.

The **threat of climate change** demands SPC take a whole of organisation response to this critical regional challenge. SPC is in the process of developing and strengthening a more strategic and integrated approach of climate change, through a **Climate Change Flagship Programme (CCFP)**. This flagship seeks to enhance climate change services and capability in a more wholistic, strategic, and cohesive way.

The CCFP aims to bring greater visibility to the breath of SPC's climate change action and related resilience work, progress this in a manner consistent with the demand for ambition and support from members and leverage the commensurate resources to support this. This aligns directly to the implementation of KFA 1: "Resilience and Climate Action" which is at the centre of the new SPC Strategic Plan and should also help to more clearly define SPC's value add to the region in the climate change space and its complementarity with the capability and services of other regional architecture supporting our members. The **Climate Change and Environmental Sustainability Programme (CCES)** is charged with facilitating its development and implementation, however all divisions, teams and programmes of SPC are also contributing.

The CCFP will be informed by SPC's Strategic Plan, the FRDP, climate change priorities espoused by the Heads of sector meetings convened by SPC, its Governing Council, the 2050 Strategy, Pacific priorities in climate change negotiations and national policies.

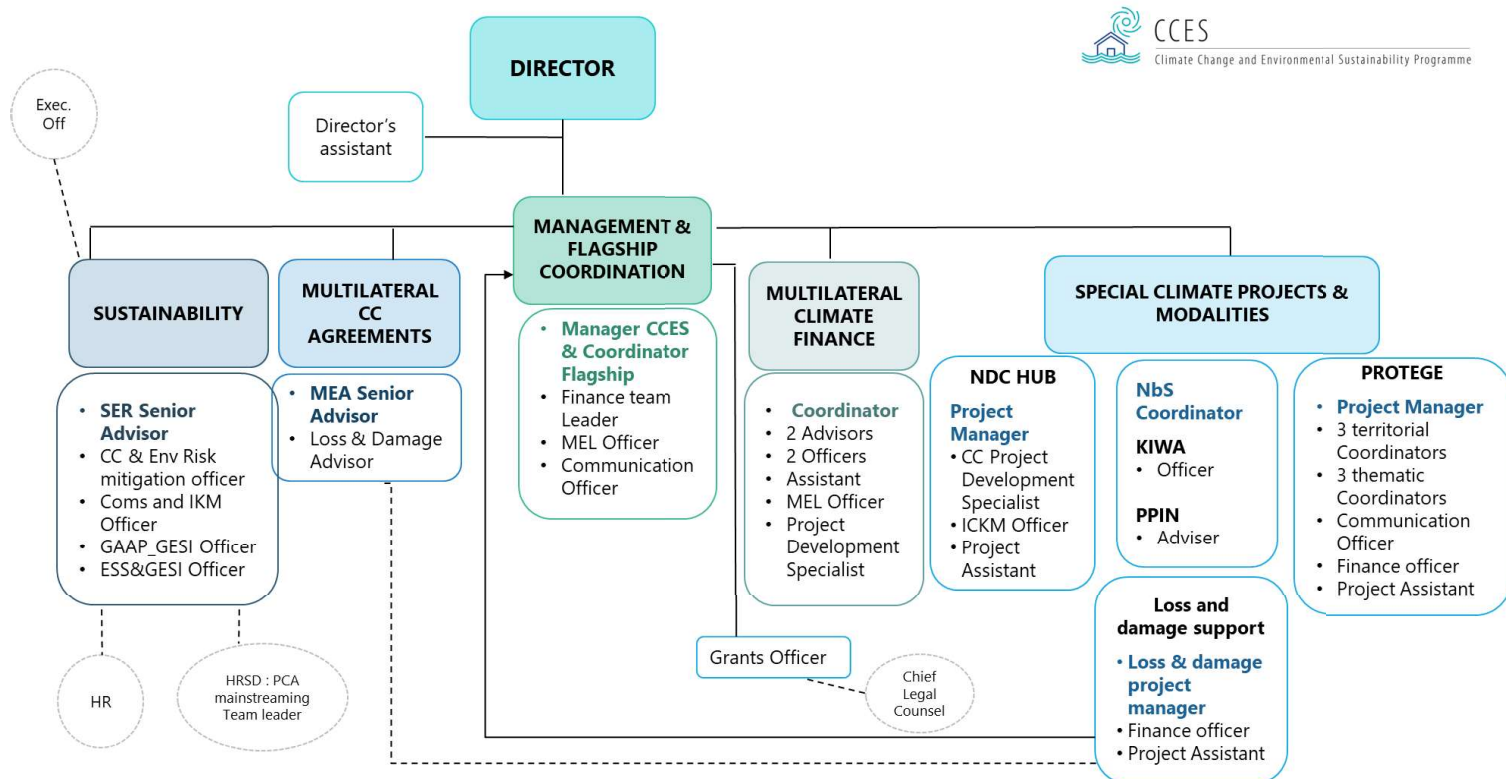
About the Role

The position of Funding Manager loss and damage works under the supervision of Director of Climate Change & Sustainability, and specifically under the supervision of the climate change flagship coordinator and in close collaboration with the Loss and Damage Adviser.

This position will work in close collaboration with all divisions involved in the loss and damage sector across SPC, as well as with key regional partners including CROP.

As a cross-cutting position, the manager will be responsible to design appropriate processes to design and implement a robust programme/project management process. The position will play a pivotal role in leading and coordinating collaborative efforts between SPC Divisions and external partners. The role's responsibilities will encompass strategic planning, project/activity execution, resource management, and ensuring timely and successful deliverables. The Project Manager will work closely with resource managers from teams to ensure adequate resourcing is available to deliver intended outputs.

By contributing to increase the understanding of what loss and damage looks like in the Pacific, and how this might be addressed, the role will directly support PICTs to better address loss and damage, facilitate access to resources from the international community and increase climate security in the Pacific region.



Key Result Areas (KRAs):

The performance requirements of the Key Result Areas are broadly described below.

Jobholder is accountable for	Jobholder is successful when
KRA #1: Project Management practice improvement 15%	<ul style="list-style-type: none"> A culture of continuous improvement is embraced by CCES team. Project management strategies, processes and tools are regularly reviewed and refined to ensure their effectiveness. Innovation and creativity are encouraged in project planning and execution across SPC, leading to increased efficiencies, improved communication and transparency that lead to project success and increased stakeholder satisfaction. Adaptive management and agile methodologies, user-centric design, and data-driven decision-making are used in problem solving and project planning and implementation to increase collaboration, deliver working solutions, drive stakeholder engagement, and enhance understanding of user needs. A culture of collaboration and knowledge sharing is fostered within the project teams and with project stakeholders leading to increased levels of engagement with Project Management practice improvement initiatives. Practice improvement and effective change management helps CCES team achieve project success.

KRA #2: Funding for Loss and Damage Planning, management and execution 50%	<ul style="list-style-type: none"> • Funding Agreement budget, scope and schedule are managed and communicated effectively. • Project/Initiative issues and risks are managed and communicated effectively. • Approvals for grant variances and changes to plans are communicated effectively and approved by the appropriate governance body. • A shared understanding of success criteria is established and maintained with relevant team members and key stakeholders leading to solutions that are fit for purpose and delivering value to the intended audience/users/beneficiaries. • The Funding manager is able to influence individuals' work plans to ensure intended L&D goals and outcomes are met and relevant L&D needs and opportunities across SPC are supported. • Coordination of activities with stakeholders, including Pacific Island Government (PICs), regional and international development partners, and other relevant organizations, leads to increased engagement, trust, and confidence in the loss and damage funding SPC is managing and SPC's related capabilities. • Effective management leadership and support is provided across the loss and damage portfolio, including interaction with the Loss and Damage Adviser from the climate change negotiation team and with the climate change flagship manager, leading to project success and stakeholder satisfaction. • Steering committee/s are organised at least annually, and technical working groups established and active as necessary. • Support for resource mobilisation helps to secure additional funding and resources for SPC's work in loss and damage for the Pacific.
KRA #3: Monitoring, Evaluation, Reporting and Communication 15%	<ul style="list-style-type: none"> • Loss & damage monitoring and evaluation frameworks, performance indicators and data collection methods are developed and implemented in collaboration with the Strategic Planning, Monitoring and Evaluation CCES Adviser and aligned to the CCFP Results framework. • Monitoring of progress against performance indicators provides regular reporting for funders and project governance groups. • Impact stories are powerful and deliver clear articulation of the value add of L&D funding managed by SPC. • Project achievements, lessons learned, and best practices are identified, documented, and shared with relevant stakeholders. • Effective knowledge management practices are promoted by documenting, storing, disseminating, and integrating project learnings into current and new initiatives. • The Funding Manager facilitates effective communication and collaboration with relevant stakeholders to establish and maintain shared understanding of L&D goals and drive success. • The Funding Manager represents SPC in a positive manner at meetings, workshops, and conferences related to the relevant funds/investment.
KRA #4: Financial Management 20%	<ul style="list-style-type: none"> • GFA expenditure is managed well to ensure activities are implemented within budget and outcomes delivered on. • Timely reporting on expenditure and budget variances is delivered to relevant stakeholders. • Accurate and complete budgets and financial reports are developed on time and regularly updated throughout the project lifecycle. • Execution is compliant with donor financial and reporting requirements.

	<ul style="list-style-type: none"> • Coordination and regular communication with SPC finance, procurement and administrative staff is maintained to ensure smooth financial management of the project.
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The above performance requirements are provided as a guide only. The precise performance measures for this job will need further discussion between the jobholder and supervisor as part of the performance development process.

Most Challenging Duties Typically Undertaken (Complexity):

<ul style="list-style-type: none"> • Leading cross-functional teams and leveraging matrixed reporting lines to deliver project outputs. • Managing multiple projects in environments that can have a high degree of volatility, uncertainty, complexity, and ambiguity. • Influencing SPC staff without having line of authority. • Communicating with and influencing a diverse range of stakeholders. • Leading project management practice improvement across CCES team. • Promptly responding to multiple, ad-hoc and concurrent requests for advice, inputs or expertise while pursuing agreed work priorities.
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Functional Relationships & Relationship Skills:

Key internal and/or external contacts	Nature of the contact most typical
Internal	
<ul style="list-style-type: none"> • Loss and damage Team (CCES). • Managers, programme leads, subject matter experts and staff from other SPC Divisions and integrated programmes. • SPC Corporate Services teams. • Executive and Senior Management teams. 	<ul style="list-style-type: none"> • Project management, coordination, and communication. • Using SPC systems and processes to procure and manage services delivered by consultants and service providers. • Encouraging and facilitating good project management practice for CCES projects.
External	
<ul style="list-style-type: none"> • Heads and staff of national climate change agencies, planning offices and other government ministries, departments, or agencies. • Regional (including SPREP) and international organisations, donors, and development partners. • Contractors, consultants, and service providers. 	<ul style="list-style-type: none"> • Ensure loss and damage project and other projects are implemented in accordance with the donor's requirements; provide regular progress updates. • Coordinate loss and damage project activities • Stakeholder management • Support CCES resource mobilisation initiatives, including the development of business cases with partners. • Contract management and project delivery with external service providers, contractors and consultants.

Level of Delegation:

Routine Expenditure Budget: *Responsible for the coordination, planning and prioritisation of the loss and damage budget (4.7 M euros over 3 years). Delegation remains with the Directors of CCES.*

Budget Sign off Authority without requiring approval from direct supervisor: 2,000 euros.

Personal Specification:

This section is designed to capture the expertise required for the role at the 100% fully effective level. (This does not necessarily reflect what the current position holder has.) This may be a combination of knowledge / experience, qualifications, or equivalent level of learning through experience or key skills, attributes, or job specific competencies.

Qualifications

Essential:	Desirable:
<ul style="list-style-type: none">Master's degree in project management, public sector or business administration, loss and damage and climate change or related field; or equivalent combination of degree and work experience	<ul style="list-style-type: none">Current certification as a Project Management Professional or similar

Knowledge/Experience

Essential:	Desirable:
<ul style="list-style-type: none">At least 10 years of experience in project management, preferably in the development sector.Experience in monitoring and evaluation, including the development of theories of change, logical frameworks, performance indicators, monitoring and reporting against progress, and facilitating reflection, learning and adaptation with project stakeholders.	<ul style="list-style-type: none">Experience working on loss and damage in developing countries.Experience working in the Pacific region.Experience in portfolio management with multiple projectsExperience in Agile project delivery.Experience with modern project management software and tools in different organisational and project contexts.Experience in project management training, mentoring, and coaching.

Key Skills/Attributes/Job Specific Competencies

The following levels would typically be expected for the 100% fully effective level:

Expert level	<ul style="list-style-type: none"> • Ability to plan, implement, and monitor complex projects, including budget management and reporting. • Ability to build and manage relationships with diverse stakeholders, including government officials, development partners, and other relevant organizations. • Understanding of different project management methodologies and the appropriate contexts in which these methods can be employed. • Understanding of project scheduling, critical path, and work breakdown structures.
Advanced level	<ul style="list-style-type: none"> • Experience with agile methodologies, user-centric design, and data-driven decision making. • Ability to gather requirements, perform analysis and translate stakeholder needs into detailed work packages. • Understanding of monitoring and evaluation principles and experience in developing and implementing project monitoring and evaluation frameworks. • Excellent writing, presentation, and communication skills. • Ability to facilitate workshops and deliver training to diverse audiences.
Working knowledge	<ul style="list-style-type: none"> • Knowledge of Pacific region loss and damage issues and development challenges. • Knowledge of international negotiations on loss and damage. • Mission and goals of the climate change flagship, and climate change Offices in SPC's member countries. • Understanding of the software development lifecycle.
Awareness	<ul style="list-style-type: none"> • SPC rules, policies, and procedures. • Cultural sensitivities and communication protocols across diverse regions and countries. • The importance of gender equality, social inclusion, and human rights in statistical development.

Key Behaviours

All employees are measured against the following Key Behaviours as part of Performance Development:

- Change and Innovation
- Interpersonal Skills
- Teamwork
- Promotion of Equity and Equality
- Judgement
- Building Individual Capacity

Personal Attributes

- Strong leadership skills to inspire and lead teams to achieve project success.
- Effective communication skills, with excellent written and verbal English.
- Strong problem-solving skills with the ability to identify and address challenges and make well-informed decisions.
- Excellent time management and ability to prioritise tasks and meet deadlines efficiently.

- Adaptability and ability to embrace change and adjust project plans as needed.
- Decisive in making timely and well-considered decisions.
- Ability to manage and build positive relationships with stakeholders for successful collaboration.
- High levels of emotional intelligence, demonstrating empathy and managing emotions to handle conflicts and communicate effectively.
- A strong and respectful understand of Pacific Islands contexts and cultures particularly as they relate to the sensitivities of both economic and non-economic loss and damage in the region.
- Ability to foster collaboration, teamwork and cooperation among team members and stakeholders.
- Resilient and able to maintain focus and enthusiasm while overcoming setbacks.
- Strong negotiation skills and the ability to skilfully manage conflicts and changing requirements.
- Can identify and mitigate project risks proactively.
- Professional integrity, honesty and ethical behaviour that builds trust and credibility.
- Is customer focused and can deliver projects that meet client needs.
- A continuous learning mindset that embraces ongoing improvement and stays current with industry trends.

Change to Job Description:

From time to time, it may be necessary to consider changes in the job description in response to the changing nature of the work environment – including technological requirements or statutory changes. Such change may be initiated as necessary by SPC. This Job Description may also be reviewed as part of the preparation for performance planning for the annual performance cycle.

Annex 7: List of Supplementary Materials

- **STRATEGIC PLAN 2022– 2031 *Sustainable Pacific development through science, knowledge and innovation*** <https://spccfpstore1.blob.core.windows.net/digitallibrary-docs/files/45/459e836fa279604833a2ce7b7e375bdc.pdf?sv=2015-12-11&sr=b&sig=AoCk4PzX5RvlpB5KoxWZ4eVraeAmFG9Wc%2FRt2vjCQLs%3D&se=2024-02-15T11%3A31%3A29Z&sp=r&rsc=public%2C%20max-age%3D864000%2C%20max-stale%3D86400&rsct=application%2Fpdf&rscd=inline%3B%20filename%3D%22Strategic Plan 2022 2031.pdf%22>
- The 2050 Strategy for the Blue Pacific <https://www.forumsec.org/wp-content/uploads/2022/05/2050-flyer-1.pdf>
- SPC Financial Policy April 2022: <https://spccfpstore1.blob.core.windows.net/digitallibrary-docs/files/7e/7e9c73f7173eb4977a211db1db14d081.pdf?sv=2015-12-11&sr=b&sig=uHC2cInN-KanbXL5p1iyjqnyIO6%2FDGH6fIV7zw9v2XSY%3D&se=2024-02-29T13%3A20%3A09Z&sp=r&rsc=public%2C%20max-age%3D864000%2C%20max-stale%3D86400&rsct=application%2Fpdf&rscd=inline%3B%20filename%3D%22Procurement Achats 2022.pdf%22>
- Climate Change Flagship Programme SPC, early DRAFT August 2023
- Denmark's support to the Global Shield Solutions Platform, Project Document, April 2023
- Manual of SPC Staff Policy: <https://spccfpstore1.blob.core.windows.net/digitallibrary-docs/files/75/75a1bd14111a61bda4a061166350ddc7.pdf?sv=2015-12-11&sr=b&sig=5xAZ1g6WEqbsAOaMovF%2FFgkSEB6RB8z4YPZCggulmNo%3D&se=2024-03-12T08%3A18%3A33Z&sp=r&rsc=public%2C%20max-age%3D864000%2C%20max-stale%3D86400&rsct=application%2Fpdf&rscd=inline%3B%20filename%3D%22Manual Staff Policies Recueil politiques personnel.pdf%22>

Annex 8: Plan for Communication of Results

What? (the message)	When? (the timing)	How? (the mechanism)	Audience(s)	Responsible
Knowledge developed and lessons learned; sharing of best practices, cross fertilization of ideas	Whenever an opportunity arises through special, targeted initiatives and events at international level and as part of GSSP annual report	In publications, international events and posted on SPC web-pages as well as on relevant PSIDS governments web-pages	Specifically, all PSIDS and SIDS generally with a risk to climate loss and damage; to development partners; international and national investors and the general public, academia, private sector enterprises	SPC and relevant PSIDS governments
Success stories emerging from SPC of interest for Denmark	Whenever an opportunity arises and through participation in international events particularly in climate negotiations related to loss and damage	In publications and web-based communications.	To other development partners; international and national investors and the general public, academia, private sector enterprises	GDK/MFA and relevant Embassies
Development of key strategic messages to promote Denmark's support to SPCs endeavor on loss and damage	At the on-set of the commitment and at the disbursement of the first tranche of funds to SPC	Danish MFA communication web-pages and at the Danish Embassy to Australia web-pages	Danish tax payers; other development partners and cooperation partners and decision makers in target countries.	GDK/MFA and the Danish Embassy in Australia

Annex 9: Process Action Plan for Implementation

Action/product	Deadlines	Responsible/involved units	Comment/status
Implementation			
Approval of Support	November, 2023	Minister/GDK	
Signing of Finance Agreement between SPC and MFA	December, 2023	SPC/GDK	
Job description for a Project Manager prepared and endorsed	December, 2023	SPC/GDK	
Announcement of Vacancy for Project Manager on a fixed term contract	December, 2024	SPC	
Transfer of first tranche of funds to SPC	January, 2024	GDK	
Inception Phase of the project initiated	January, 2024	SPC	
Project Manager in place	March, 2024	SPC	
Workplan (2024) with detailed budget until end 2024 is submitted for endorsement	June, 2024	SPC	
Endorsement of annual workplan and budget	July 2024	GDK	
Annual report submitted	November 2024	SPC	
Annual workplan (2025) prepared and endorsed	December 2024	SPC/GDK	
Annual report submitted	November 2025	SPC	
Mid-term review	November 2025	GDK/External consultant	
Annual workplan (2026) prepared and endorsed	December 2025	SPC/GDK	
Annual report submitted	November 2026	SPC	
Annual workplan (2027) prepared and endorsed	December 2026	SPC/GDK	
Annual report submitted	November 2027	SPC	
Completion report submitted for approval	December 2027	SPC/GDK	

Annex 10: Quality Assurance Checklist

File number/F2 reference: 23/23751

Programme/Project name: **Denmark's support to the Pacific Community (SPC) on loss and damage in Pacific Small Island Development States**

Programme/Project period: 2024-2027

Budget: 37.347.745,- DKK

This Quality Assurance Checklist should be used by the responsible MFA unit to document the quality assurance process of appropriations, where development specialists from either ELK or other units are not involved in the process; i.e.

- (i) *internal appraisals* of appropriations up to DKK 10 Million where this checklist constitutes the appraisal.
- (ii) *external appraisals* of appropriations between DKK 10 – 43 million and (iii) appraisal in exceptional cases. The checklist aims to help the responsible MFA unit ensure that key questions regarding the quality of the programme/project are asked and that the answers to these questions are properly documented and communicated to the approving authority.

Presentation of quality assurance process:

The desk appraisal was carried out by Frederik Staun, Chief Advisor of the Department for Green Diplomacy & Climate, Ministry of Foreign Affairs of Denmark.

Appraisal made according to AMG Guidelines on the basis of written material submitted by the formulating consultant. First findings of the appraisal team were discussed with the formulation team whereupon project document has been adjusted accordingly.

- ☐ The design of the programme/project has been appraised/appraisal checklist filled out, by someone independent who has not been involved in the development of the programme/project.

Comments: Yes. The design of the programme was appraised by Frederik Staun.

- ☐ The recommendations of the appraisal/comments in the appraisal checklist have been reflected upon in the final design of the programme/project.

Comments: Yes. The recommendations of the appraisal have been met in the final draft.

- ☐ The programme/project complies with Danida policies and Aid Management Guidelines, including the fundamental principles of Doing Development Differently.

Comments: The draft project document provides a comprehensive and solid justification for the contribution. The appraisal finds that the project document complies with the standard guidelines and is of an acceptable quality

- ❑ The programme/project addresses relevant challenges and provides adequate responses.

Comments: Yes.

- ❑ Issues related to HRBA, LNOB, Gender, Youth, Climate Change, Green Growth and Environment have been addressed sufficiently in relation to content of the project/programme.

Comments: Yes.

- ❑ Comments from the Danida Programme Committee (if applicable) have been addressed

Comments: NA

- ❑ The programme/project outcome(s) are found to be sustainable and in line with the partner's development policies and strategies. Implementation modalities are well described and justified.

Comments: Yes.

- ❑ The theory of change (if applicable), results framework, indicators and monitoring framework of the programme/project provide an adequate basis for monitoring results and outcome.

Comments: The ToC is nested in the SPC strategic plan. At the centre of the TOC sits the idea, that if certain conditions are met, then the CCFP can be an effective vehicle for addressing loss and damage in PICTs by strengthening the understanding of loss and damage and improving planning mechanisms. The ToC is accompanied by a number of relevant assumptions including some for the Danish support.

- ❑ The programme/project is found sound budget-wise,

- ❑ The agreed budget and financial reporting procedures provide an adequate basis for financial monitoring of funds.

Comments: Yes.

- ❑ The programme/project is found realistic in its time-schedule.

Comments: Yes.

- ❑ Other donors involved in the same programme/project have been consulted, and possible harmonised common procedures for funding and monitoring have been explored.

Comments: Yes. The only other donor to SPCs climate change flagship program, New Zealand, has been consulted. To the extent possible monitoring will be harmonized. Joint funding has not been pursued as NZ has decided to focus their support on other themes than loss and damage.

- ❑ Key programme/project stakeholders have been identified, the choice of partner has been justified and criteria for selection have been documented.

Comments: Yes. Extensive identification was made before choice of partner and identification report was submitted to the appraisal team before the appraisal.

☐ The implementing partner(s) is/are found to have the capacity to properly manage, implement and report on the funds for the programme/project and lines of management responsibility are clear.

Comments: Yes. The SPC is the oldest and most mature multilateral organisation in the region and is fully qualified to take on this task.

☐ Implementing partner(s) has/have been informed about Denmark's zero-tolerance policies towards (i) Anti-corruption; (ii) Child labour; (iii) Sexual exploitation, abuse and harassment (SEAH); and, (iv) Anti-terrorism.


Comments: Yes.

☐ Risks involved have been considered and risk management integrated in the programme/project document.

Comments: Yes.

In conclusion, the programme/project can be recommended for approval: yes

Date and signature of Desk Officer: 22.11.2023


Christian Knudsen

Date and signature of Management: 22.11.2023


Karin Poulsen

HEAD of AEP, Amb.