



Australian Government
 Department of Foreign Affairs and Trade

DFAT-LED INVESTMENT DESIGN

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ACRONYMS

ADB	Asian Development Bank
AF	Adaptation Fund
AIFFP	Australian Infrastructure Financing Facility for the Pacific
APCP	Australia Pacific Climate Partnership
APEP	Australia PNG Economic Partnership
BCF	PNG's Biodiversity and Climate Fund
BSA	Australia-PNG Bilateral Security Agreement
CCDA	PNG's Climate Change and Development Authority
CCP	Climate Change Portfolio
CFAN	Climate Finance Access Network
CFSC	Climate Finance Steering Committee
CFU	Climate Finance Unit
Climate FIRST	Climate Finance Initiative for Resilience and a Sustainable Transition
COP	Conference of the Parties
CRGG	Climate Resilient Green Growth
CSD	DFAT's Climate Diplomacy and Development Finance Division
CSEP	PNG-Australia Comprehensive Strategic and Economic Partnership
CSOs	Civil Society Organisations
DCCEEW	Australia's Department of Climate Change, Energy, the Environment and Water
DFA	PNG's Department of Foreign Affairs
DFAT	Australia's Department of Foreign Affairs and Trade
DfCDR	PNG's Department of Community Development and Religion
DNPM	PNG's Department of National Planning and Monitoring
DRR	Disaster Risk Reduction
EoIO	End-of-Investment Outcome
EU	European Union
FAO	United Nations Food and Agriculture Organisation
FCCB	Forestry Climate Change and Biodiversity
GCF	Green Climate Fund
GEDSI	Gender Equality, Disability and Social Inclusion
GGGI	Global Green Growth Institute
HOM	Head of Mission
IMR	Investment Monitoring Report
IOs	Intermediate Outcomes
IPCC	Intergovernmental Panel on Climate Change

JICA	Japan International Cooperation Agency
MC	Managing Contractor
MEL	Monitoring, Evaluation and Learning
MFAT	New Zealand's Ministry of Foreign Affairs and Trade
MIS	Management Information System
MTDP	Medium Term Development Plan
NAP	National Adaptation Plan
NDCs	Nationally Determined Contributions
NDRRF	National Disaster Risk Reduction Framework
NGOs	Non-Governmental Organisations
OECD-DAC	Organisation for Economic Co-operation and Development's Development Assistance Committee
OTP	DFAT's Office of the Pacific
PACCAP	PNG-Australia Climate Change Action Plan
PAF	Performance Assessment Framework
PMNEC	PNG's Department of Prime Minister and National Executive Council
PNG	Papua New Guinea
PNGFA	PNG Forests Authority
PPA	Partner Performance Appraisal
PSEAH	Prevention of Sexual Exploitation Abuse and Harassment Policy
REDD+	Reducing Emissions from Deforestation and Forest Degradation
SDGs	Sustainable Development Goals
SPC	The Pacific Community
SPREP	Secretariat of the Pacific Regional Environment Programme
ToC	Theory of Change
UN	United Nations
UNDP	United Nations Development Program
UNFCCC	United Framework Convention on Climate Change
USAID	United States Agency for International Development
WaSH	Water, Sanitation and Hygiene
WB	World Bank
WWF	World Wildlife Fund

A. Executive Summary

Climate change is an important issue for Papua New Guinea (PNG) and Australia with climate action emerging as a prominent topic in the diplomatic, economic and development agendas of both countries. Sitting within a dynamic region of intense risk and emerging opportunity, PNG and Australia share common challenges, with global warming, changing weather patterns, and environmental degradation foremost among these.

In the global context, PNG is a low emitting nation which is rich in natural resources, including in fossil fuels and carbon-rich forests. **Climate change presents the parallel challenges** of balancing investment in adaptation and transition to a low carbon economy, while striving to achieve 'National Prosperity through Growing the Economy'.¹

With a growing population, complex geography and many communities living in remote, isolated areas, **the costs of adaptation and economic transition in PNG are estimated to be substantial**. Added to this, climate change is threatening access to the international markets on which PNG's resources-rich economy depends. On the other hand, global action on climate change potentially offers PNG growth opportunities through sustainable infrastructure, smart agriculture, forest conservation, and in the rapidly growing green energy market.

PNG is dependent on international support to fund its climate agenda.² **Domestic expenditure on climate action is limited** with only one per cent of PNG's forecasted domestic budget allocated to climate change and environmental protection between 2023 and 2027.³ This means PNG is dependent on other forms of finance and international support to fund its climate agenda.⁴ The current donor and investment pipeline does not meet the required level of funding to climate-proof critical infrastructure, shore up coastal defences, and diversify threatened livelihoods. Nor does it meet the funding required for energy transition projects, made more difficult through regulatory and land ownership challenges.

Large scale funding is available to developing countries, including PNG, through global climate funds and the private sector. So far, PNG has missed out on accessing a sizeable share of this pool. Improving access to these sources is the government's highest climate priority. The Government of PNG recognises the urgency to act and the benefits of quality, low risk international finance. Australia supports this aspiration and is well placed to assist.

The lack of high-level coordination across key ministries and development sector agencies has been a fundamental barrier to PNG establishing an investment pipeline, and building the capability and systems needed to govern the implementation of priority projects in sectors and subnationally. To date, donors and other actors looking to invest in PNG's climate agenda have faced a confusing institutional context, a lack of clarity around mandates and priorities (beyond broad sector and thematic foci), and an absence of bankable investment proposals. In this setting, the agendas of donors tend to prevail, leading to a proliferation of uncoordinated pilots and projectised activity with unclear overall outcomes.

Donors working in the climate sphere have traditionally operated through tried and tested mechanisms aligned with their capability. These essentially entail provision of technical assistance, technology transfer and resources. While effective to some degree, these approaches carry risks of substitution and dependence unless they are backing up locally driven long-term institutional change that addresses the underlying development issue. Supporting cross-agency engagement and fostering ownership offer alternatives and adjuncts to traditional approaches, as do new sources of funds and different blends of finance that invest in longer-term outcomes.

PNG's institutional architecture supporting climate action has evolved over the past five years. Now, following the finalisation of several key climate and development policy documents in 2023, the PNG Government is keen to move beyond the cycles of planning and mainstreaming and into implementation.

¹ [Papua New Guinea: Medium Term Development Plan IV | 2023 - 2027 |](#)

² The 2020 Nationally Determined Contribution target is 78% renewable power by 2030; the new National Adaptation Plan (approved 2023) sets out priorities for key sectors, and to improve access to finance.

³ [Papua New Guinea: Medium Term Development Plan IV | 2023 - 2027](#), page 44.

⁴ The 2020 Nationally Determined Contributions target is 78 per cent renewable power by 2030; the new National Adaptation Plan (approved in 2023) sets out priorities for key sectors, and to improve access to finance.

PNG Climate FIRST (Finance Initiative for Resilience and a Sustainable Transition) is a new, catalytic bilateral partnership between PNG and Australia that aims to increase PNG's access to large scale climate finance to meet PNG's goals and international commitments on adaptation and emissions reduction. The initiative will support a PNG-led committee to coordinate and endorse priority projects for submission to potential funders, with a clear mandate to promote GEDSI considerations and linkages to subnational stakeholders.

Climate FIRST will be delivered through a grant agreement with the Global Green Growth Institute (GGGI) – an intergovernmental organisation with a strong track record of working with the PNG Government to develop climate finance proposals. Australia will fund GGGI to support the PNG Government to develop investment proposals and broker implementation partnerships with key stakeholders, in line with the priority sectors identified in PNG's key climate policy documents, its Enhanced Nationally Determined Contribution (NDC) and National Adaptation Plan (NAP). It will also seek to increase climate resilience at the subnational level and open opportunities to build domestic green financing sources. The program will provide opportunities for stronger engagement with PNG and its sector agencies, led by the Climate Change Development Authority (CCDA), and improve coordination across Australian and other development partner programs.

Climate FIRST will focus modest resources (AUD20 million over four years) on catalysing PNG's access to climate finance by addressing major barriers and incentivising institutional improvements. The program will do this by supporting CCDA's plans to establish a Climate Finance Steering Committee (CFSC) under the CCDA Board, which will be a forum for high-level engagement by PNG's central and line agencies to review and endorse climate finance proposals. This will build on a separate existing program, where GGGI is currently supporting CCDA to build capability in its nascent Climate Finance Unit to develop and market priority investable proposals for climate finance.

At the same time, there remains a persistent challenge in ensuring that climate finance contributes towards more equitable societies in PNG rather than entrenching existing inequalities.⁵ Despite the increased focus on gender equality in national planning in recent decades (see Annex 3: GEDSI and climate change), climate change policy and programming in PNG has been slow to recognise the complexities of society and the drivers of vulnerability, such as exclusion from decision-making realms, persistence of patriarchal governance systems, and limited access to credit, critical information, extension services, technology as well as less mobility.

In-country consultations undertaken in 2022 and 2023 identified strong multi-stakeholder support for PNG to move beyond workshoping and planning, and commence the process of implementation of major climate support. PNG's desire to establish the CFSC, which would convene relevant stakeholders and determine an agreed approach to increase PNG's access to international climate finance, is a key step forward. Consultations also highlighted the need to ensure climate finance proposals are sensitive to regional and provincial contexts. When speaking within the government system and implementing partners about GEDSI considerations, stakeholders emphasised the need to ensure planning and decision-making processes accounted for specific risks and capabilities, and consider downstream effects of gendered climate finances. Australia's engagement with GGGI on the Climate Resilient Green Growth (CRGG) and Training and Capacity Building for Climate Action in PNG (TrainCCAP) projects since 2019 puts Climate FIRST in a strong position to build on successes to date and catalyse meaningful investment to support PNG's climate adaptation and mitigation efforts.

The **goal** or long-term impact of Climate FIRST is:

Communities and people in PNG are adapting to climate change through benefits from international and local climate finance investments in line with PNG's Nationally Determined Contributions and National Adaptation Plan.

Climate FIRST's **objective** is that:

PNG is resilient to the effects of climate change and is accessing international and domestic funding to support climate adaptation and mitigation efforts, providing a positive impact on PNG's overall security, stability, and prosperity.

⁵ Samuwai, J., Fihaki, E. & Underhill-Sem, Y. (2020). Demystifying climate finance impacts in Small Island Developing States: Perspectives of Pacific women in communities. *Small States & Territories*, 3(2)

By the **end of the program**, it is expected that:

1. *Scaled up climate finance is secured by the PNG Government and progressed into early implementation to benefit diverse communities.*
2. *CCDA and other PNG Government agencies are overseeing climate finance proposals and the implementation of projects, including at subnational level.*
3. *The PNG Government has improved capacity and expertise to develop climate finance proposals and mechanisms, including on private sector finance and GEDSI considerations.*

As delivery partner, GGGI will:

- › Support CCDA to strengthen its internal capacity to deliver prescribed secretariat services to a high-level PNG-led CFSC.
- › Prepare and broker high quality bankable proposals for submission to international climate finance institutions, donors, private sector, and other funding sources, in line with the CFSC approved pipeline.
- › Engage with CCDA and the governments of the seven target provinces to build their capacities and support proposal development and implementation, building on the progress achieved under the CRGG project.
- › Ensure the integration of safeguards, GEDSI principles, and project design interventions and reporting.
- › Ensure the project's Monitoring, Evaluation and Learning (MEL), risk management, results reporting, and prudent financial management are effectively and efficiently managed.

The outcomes of the program are expected to advance the PNG Government's internal reform agenda and complement emerging development partner initiatives (including by the European Union, New Zealand, the United States, France, and the United Nations). The partnership will build the PNG Government's governance, capacity, and administration requirements to support ongoing access to quality and equitable climate finance and implementation of priority projects.

Climate FIRST will be a flagship initiative underpinning the PNG-Australia Climate Change Action Plan (PACCAP) offering significant opportunities and content for public diplomacy on climate action for both governments. Climate FIRST has also been proposed as an initiative under the 2023 PNG-Australia Bilateral Security Agreement (BSA), with climate change included as a non-traditional security issue under the agreement. Through a focus on supporting partner government climate policies (NDC and NAP), gender equality, disability equity and encouraging locally-led development, Climate FIRST exemplifies the approach outlined in Australia's 2023 International Development Policy.

Many of the settings and conditions to support the outcomes of Climate FIRST are in place or are emerging in PNG. However, there are also risks that Australia and GGGI will need to actively manage to ensure the investment is able to deliver the expected outcomes. Overall, Climate FIRST is intended to be catalytic; it will trigger a suite of potentially large investments as a direct result of setting up the institutional arrangements. For this reason, it will represent excellent value for money for DFAT. With a modest initial investment, it presents an efficient way to work with an existing organisation in PNG to support key agencies accelerate the country's climate agenda.

B. Development Context and Situational Analysis (What problem are we addressing?)

Regional context

The bilateral relationship between Papua New Guinea (PNG) and Australia is one of the most important and enduring in the Indo-Pacific region. On the global and regional stage, PNG and Australia share sea borders, values, and common challenges of security, trade and development. Climate change is foremost among these.

Australia is PNG's largest development partner, administering over AUD600 million in development assistance in 2022-23. This partnership has supported national progress towards the Sustainable Development Goals (SDGs) and, more recently, response and recovery from the COVID-19 pandemic. **Climate change is becoming**

increasingly prominent in the development agendas of both nations and in high level dialogue, joint agreements, and communiques. Domestically, PNG and Australia have increased their respective commitments to climate action and environmental protection, and are progressing new policy, regulatory and institutional arrangements and reforms.

Climate change is impacting across the borders and economies of Australia and PNG in many ways:

- › **Rising sea levels:** Both countries are vulnerable to the impacts of rising sea levels, which is causing coastal erosion, flooding, and displacement of communities, and is an existential threat to habitation of low-lying islands, including in the Torres Strait.
- › **Extreme weather events:** Climate change is increasing the frequency of extreme weather events such as cyclones, droughts, and floods, and the intensity of El Niño and La Niña cycles, which can have devastating impacts on communities and infrastructure.
- › **Loss of biodiversity and ecosystem services:** Both Australia and PNG have unique and diverse ecosystems that are at risk from climate change. Rising temperatures and changing rainfall patterns can lead to habitat loss, biodiversity decline, and the loss of important ecosystem services such as clean water and air.
- › **Food and water insecurity:** Climate change is affecting food and water availability and security, particularly in rural and remote communities in both countries, that rely on agriculture and fishing for their livelihoods.
- › **Health impacts:** Climate change is detrimental to human health, including through increased exposure to air pollution, heatwaves, and infectious diseases. Patterns of disease are shifting and becoming more variable. These shifts challenging the capacity of health agencies to deliver services.
- › **Energy transition:** Both Australia and PNG are heavily reliant on fossil fuels for energy, which is a major contributor to greenhouse gas emissions. Transitioning to renewable energy sources such as solar and wind power is a key challenge for both countries in meeting international commitments and mitigating the impacts of climate change.

Addressing climate change requires coordinated action and collaboration between Australia and PNG, as well as with other countries in the region. It demands a balanced approach to economic growth, sustainable development, and climate action as the economies transform and transition to net zero. Both countries also stand to gain from new industries, technology transfer, and long-term skills building to embrace an inclusive, climate adaptive, and equitable future. Yet climate change is compounding existing challenges to inclusive development that tend to impact marginalised people most and is driving further inequality. Australia's partnerships with PNG on climate change explicitly promote gender equality, disability and social inclusion (GEDSI). Climate FIRST places GEDSI as a key intermediate outcome and is at the centre of the delivery approach, risk management and monitoring and reporting frameworks (see Section D and Annex 3: GEDSI and climate change in PNG).

Country settings

Compared with other countries in the Pacific region, PNG tends to be less vocal on climate action and slower to undertake major reforms. The national government is gradually strengthening the policy and regulatory settings supporting adaptation while also introducing frameworks for emissions reduction and energy transition.⁶ At the subnational level, awareness of climate change varies, but in several provinces, administrators have sought support to establish climate offices, conduct cross-sector planning and build expertise.

PNG's enhanced **Nationally Determined Contribution (NDC)**⁷ under the Paris Agreement of the United National Framework Convention on Climate Change (UNFCCC), commits to generating 78% of electricity from renewables by 2030, to reduced emissions from forest and land-based sectors, and to a range of targets under the new

⁶ [PNG Vision 2050](#), [PNG Development Strategic Plan \(2010-2030\)](#), [Medium-Term Development Plan 3 \(2018-2022\)](#).

⁷ The Paris Agreement to limit global warming to 1.5 degrees Celsius, requires each country to submit its own Nationally Determined Contribution (NDC), which confirm pledges detailing their intended greenhouse gas emissions reduction targets, and the policies and measures they will undertake to achieve those targets.

National Adaptation Plan (NAP), approved in February 2023.⁸ The NAP targets four key development sectors: agriculture, health, transport, and infrastructure. It also prioritises the need to improve access to climate finance and enhance coordination among stakeholders.⁹ The NAP promotes a whole of government, gender sensitive, societal approach to achieving PNG's adaptation targets by 2030 'leaving no place or person behind'. Its implementation demands an ambitious level of funding from domestic and external sources, which existing funding mechanisms will struggle to achieve.

Other key national policies and plans in PNG's evolving action on climate change demonstrate that administrative arrangements have strengthened over time and are increasingly integrated in core development planning (see Annex 4: Climate analysis):

- › **Vision 2050, PNG National Strategic Plan 2010-2050 (link):** Vision 2050 maps strategic directions for PNG's decadal development planning, including for environmental sustainability and climate change, as well as human capital development, gender, youth and people empowerment.
- › **Medium Term Development Plan IV 2023-2027 (link):** MTDP IV sets out mechanisms for implementing Vision 2050, incorporating climate change and natural environmental protection as one of 12 Strategic Priority Areas.
- › **National Climate Change Management Act, 2015 and Amendments, 2022 and 2023 (link):** This is the primary national law for administration of climate change in PNG, including regulation of resource sectors (agriculture, energy, transport, infrastructure, forestry, mining and fisheries), and implementation of the NAP.
- › **Sustainable Development Goal 13 Roadmap (link):** The 30 by 30 Roadmap (2020) sets out 30 actions by 2030 across climate governance, energy, forestry, infrastructure, agriculture, minerals, health, biodiversity and tourism, to meet SDG 13 (action on climate change) and progress towards all 17 SDGs.
- › **National Reducing Emissions from Deforestation and Forest Degradation (REDD+) Strategy 2017-27 (link):** PNG's strategy to reduce deforestation and forest degradation, promote sustainable land use practices, and encourage the development of a low-carbon economy is implemented with international support including the United Nations Development Program (UNDP) and the World Bank. The REDD+ Strategy is referenced as a key policy document in the MTDP IV. PNG's National REDD+ Safeguards Guidelines were launched in August 2023.
- › **National Disability Policy 2015-2025 (link):** Outlines PNG's stated commitment to disability equity, which mentions mainstreaming disability inclusion in climate change policies and plans.

PNG has taken steps towards climate action through these measures. The government has also flagged its intent to introduce governance improvements which could help unlock much needed investment (detailed below). However, integration of climate action in sector policies and coordination across development spheres remain slow and challenging, as is the transition to low carbon development. Like many developing countries, PNG faces numerous barriers, including limited resources, institutional constraints, and competing development priorities (see Annex 4: Climate analysis). Three issues foremost among these are:

- › **Institutional capacity and coordination:** PNG has limited institutional capacity and financial resources to develop and implement effective climate policies and actions. Many line agencies are understaffed, meaning that skilled PNG Government officers are time-poor and are required to cover issues beyond their remit. Interdepartmental collaboration on does climate issues occur, but is relatively uncoordinated. The PNG Government has flagged its intent to establish some coordination mechanisms, including a Climate Finance Steering Committee, reporting to the CCDA Board (as detailed in the *Climate Change*

⁸ *Strategy for Responsible Sustainable Development and the Sustainable Development Goal 13 Roadmap (30 by 30); Second and Enhanced Nationally Determined Contributions (2021-25)*, https://pacificndc.org/sites/default/files/2020-12/PNG%20Enhanced%20NDC%202020_0.pdf

⁹ CCDA, 2022. PNG National Adaptation Plan for Climate Change, UNDP, GCF, USAID, which updates the previous NAP, 2016; Green Climate Fund (2020) Papua New Guinea and the Green Climate Fund: Country Programme, 157pps. Report prepared as part of the GCF Readiness and Preparatory Support Programme.

(Management) Act 2015). These bodies are yet to be operationalised, but internal work has commenced on their establishment.

- › **Governance:** Weak governance is a major challenge in PNG which can distort decision-making processes, reduce transparency, discourage investment, and divert resources away from climate initiatives. This is recognised by the PNG Government as well as development partners. PNG's MTDP IV identifies 'Political Influences' and 'Lack of Effective Governance and Corruption' as the two highest risks to the successful implementation of PNG's development aspirations.¹⁰ Observers have noted that the independence of PNG's bureaucracy has eroded in recent years, with politics and government spending becoming increasingly personalised and localised.¹¹ Lack of women's representation on institutional and decision-making bodies is a constraint for adequate resource mobilisation for women, people with disability and other vulnerable groups. PNG largely embraces cultural norms where roles and responsibilities are gendered, overseen by a structure where politics and society are directed by 'big man' personalities. Such practices transcend into the workplace where women can be undervalued and have less access to opportunities.¹² At the higher decision-making level, there are only three women in the National Parliament, and two women hold senior bureaucratic (head-of-agency) positions in the public service. Governance will be improved if PNG's institutions can be encouraged to shift from current social constructs that display patriarchal dominance to promote women's voice and agency. A concerted effort is required for increased women's voice and agency and NGOs play an important role especially at the sub-national level in the absence of the Government to address context specific inequalities based on gender and disabilities. Partnering with civil society organisations will bring GEDSI issues to the forefront.
- › **Public awareness:** Public awareness and understanding of the impacts of climate change and the options for climate action is hindered by lack of access to quality information, and there are many competing short term imperatives. This can make it difficult to mobilise public support and political will for climate initiatives. PNG's varied topography presents challenges in disseminating timely information and awareness for women and other vulnerable groups. In addition to lack of reliable communications services and infrastructure, populations are disconnected by roads and bridges which in many instances are a result of climate driven hazards, for example, intense or frequent flooding and landslides. For vulnerable groups in outer islands and atolls, higher transportation costs and extreme weather events constraint dissemination of timely information and awareness. The PNG Government, led by CCDA, has recently begun prioritising engagement with primary schools to build awareness and understanding.

Overcoming these barriers will require a concerted effort by government, civil society, and the international community. This will involve building institutional capacity, strengthening governance and transparency, mobilising resources, and raising public awareness and engagement. It will also require support from international donors and partners to provide finance, technology transfer, and capacity-building assistance.

Development problem

PNG generates a relatively tiny share of global greenhouse gas emissions (0.03% in 2017; with 78% emanating from forest and land-based sources, and 18% from the energy sector)¹³, but is a nation with significant reserves of both fossil fuels and carbon rich forests. **Drawing on these natural resources, PNG's economic development policies are geared for growth and poverty alleviation** as indicated by the subtitle to the Medium Term Development Plan IV: *National Prosperity through Growing the Economy*.¹⁴ The PNG Government plans to increase exports, reduce imports, and foster investable pipelines in the agriculture, forestry and minerals sectors, with an aim to achieve a PGK200 billion (approximately AUD84 billion) economy by 2030. PNG's Prime Minister

¹⁰ Papua New Guinea: Medium Term Development Plan IV | 2023 – 2027, page 77.

¹¹ Papua New Guinea Governance Update 2021: Steady As She Goes?

¹² GESI Policy v14 210113 (dpm.gov.pg)

¹³ World Resources Institute Climate Watch Platform, <https://www.wri.org/initiatives/climate-watch>, In 2017

¹⁴ Papua New Guinea: Medium Term Development Plan IV | 2023 - 2027 |.

has encouraged all departments and agencies to pursue new ways of raising revenue and attracting international finance to meet this goal.

In line with these aspirations, the PNG Government is highly motivated to access international financing for climate adaptation and mitigation. Despite its current reliance on revenue from the mining and petroleum sectors, PNG will need to substantially scale up public and private investment to fund the inevitable transition to renewables and low carbon growth as the world moves towards net zero. Adding to this, climate change has materialised as a major threat to the global markets driving PNG's national wealth. In the medium term, PNG faces the dual challenges posed by global transition from fossil fuels and the intensifying local shocks and mounting costs of climate change to livelihoods and businesses, low lying coastal communities, and critical infrastructure (see Annex 4: Climate analysis).

Centred in a zone of inherently high risk, **PNG is among the world's most climate vulnerable countries** facing intense and escalating climate impacts that are threatening livelihoods and curbing growth trajectories across the economy.¹⁵ The country sits in a region experiencing among the fastest rates of sea level rise, and the most dynamic shifts in weather.¹⁶ The El Niño events that brought devastating drought to the Highlands in 2015-16 are intensifying and likely to occur more often.¹⁷ Record heat waves and disruptions to rainfall are also reducing yields and reliability of critical subsistence crops such as sweet potato and taro, and the viability of important cash crops, including coffee and cocoa. Many communities will face unprecedented threats to their food and water security which, despite centuries of local knowledge and inbuilt resilience, will move beyond their lived experience and ability to cope.

Women make up the majority of the subsistence fishing and agricultural labour force in rural areas and are largely responsible for household food and water security. Women are also caregivers to the sick and people with disabilities. The status of development in the country means that women in rural areas face critical challenges in accessing basic services such as education, health, electricity, and piped water supply. Youth, persons with disabilities, and other vulnerable groups face similar challenges. With future climate change, hazards will intensify¹⁸ and the current state of under-development is likely to reinforce climate change impacts, driving inequalities to greater heights for majority of the women and other vulnerable groups in rural areas. More broadly, underlying gender inequalities that stem from a masculine society where gendered roles and responsibilities and gender-based violence exist. A lack of women's voice and agency in development are discernible differences that continue to constrain women's ability to adapt and become financially secure to cope with climate variability. Depending on their social status in society, women are disproportionately affected and face financial constraints to adequately adapt and/or cope with climate change impacts.

People with disabilities face additional barriers, including inaccessible infrastructure, lack of assistive technology and specific disability support services, and discrimination. Intersectionality can result in compounding marginalisation and challenges with climate change impacts – for example, women with disabilities can spend more time retrieving water and find it harder to maintain health during times of water scarcity. Adequate representation, finance, institutional capacity and political support are critical enablers to resilient development for women, youth, persons with disabilities and other vulnerable groups.

In this setting, the urgency and imperatives of climate action are clear. The economic benefits of adaptation and mitigation are well established – it is cheaper to act on climate now. Transitioning to low-carbon development also brings opportunities and demand for forest reserves and offsets in the growing carbon market for PNG, and for new commodities in the minerals sector.¹⁹ Renewables offer PNG more affordable, safer energy, and higher levels of access. Renewables can be more readily accessible and reliable in remote settings than traditional sources, offering opportunities to expand connections to power livelihoods and small-medium enterprises,

¹⁵ World Risk Report 2020, <https://weltrisikobericht.de/english/>; Rankings, Notre Dame Global Adaptation Initiative <https://gain.nd.edu/our-work/country-index/rankings/>

¹⁶ IPCC 2021 Sixth Assessment Report

¹⁷ Power et al 2019; [UN FAO Global Information and Early Warning System on Food and Agriculture \(2023\)](#)

¹⁸ [IPCC AR6 SYR SPM.pdf](#)

¹⁹ Policy and regulatory reforms, and improvements in carbon accounting and reporting are needed to secure PNG's position as a global carbon sink.

notwithstanding regulatory difficulties regarding land ownership. Decentralised, smaller scale renewable energy can also provide more employment for marginalised and remote groups as well as access to and sovereignty over new energy sources. In PNG, renewables offer the mutually reinforcing benefits of low carbon growth and diversified livelihoods that can bring resilience to climate change impacts. PNG must find a way to finance these big-ticket priorities while dealing with short term development obligations, and the PNG Government looks to the international community for support.

The international community has supported PNG's climate action over the past two decades. PNG remains essentially dependent on foreign assistance and finance to implement its climate change plans and meet international commitments. This assistance has taken various forms, as listed in Annex 4: Climate analysis.

While these investments have been substantial over time, and donors are scaling up their development assistance to PNG, **there have been problems of coordination and failure to address underlying institutional barriers.**

Further, the size and complexity of PNG, the remoteness of many at risk communities, and the imperatives of improving basic service delivery for a fast-growing population – health, education, electricity, and safe water supply and sanitation – mean that large-scale additional investment is now urgently needed to shift mainstream development towards climate positive outcomes.

PNG requires stable ongoing access to climate finance to meet the costs of climate action into the future, and a strong governance and administrative ecosystem around this investment. A more robust investment environment and clear signals to investors are necessary to attract quality finance. Policy and regulatory barriers need to be addressed and technical and administrative capacity built to manage the transactions and to implement projects in key development sectors. These changes must be driven by PNG, drawing on local leadership and knowledge of what will and will not work in the long term. In a successful scenario, the PNG Government, led by CCDA as the mandated organisation, would be coordinating at high level across key development sectors, removing barriers and building capability to develop and market high priority bankable climate investment proposals, negotiating with sources of quality climate finance to fund priority proposals, and managing representative collaborations across government, civil society, academia, and businesses to implement these projects.

The successful achievement of quality funding, particularly grant finance, would be expected to generate more interest at political and administrative levels and greater engagement and commitment to fostering the changes required to secure a stable ongoing investment portfolio for climate action. Good reporting frameworks and financial transparency will be foundational to communicating results and to securing trust and ongoing investment at scales that will make a difference in PNG's context.

Political economy

Although the interventions proposed through Climate FIRST are specifically designed to address the development problem outlined above and are well supported for this reason in the PNG administration, they will be implemented in a complex setting and carry risks. They are, however, based on a good understanding of the history and political economy. This understanding has helped frame the risks and their management, and tailor the approaches. Targeting systemic institutional barriers rather than the symptoms of these, is a proven approach to sustained development impact, and one adopted in Climate FIRST, but this must be cognisant of the context.

There is a significant gap between current climate finance in PNG and the estimated cost of adaptation and low carbon development. National expenditure on climate action is difficult to track in the absence of coherent climate accounting, budget tagging and coordination. PNG's reporting indicates that it accounts for a minor portion of the domestic budget: **the MTDP IV allocates 1 per cent (PGK499.5 million) of government spending between 2023 and 2027 towards climate change and environmental protection.**²⁰ This shows that funding from all sources of climate finance, including from the government, development partners and lenders, does not meet

²⁰ Papua New Guinea: Medium Term Development Plan IV | 2023 - 2027, page 44.

the level required to achieve the enhanced NDC²¹, implement the NAP, and support a transition to reliable renewable energy.²²

International funds are available to support PNG's climate action. International agreements and commitments under the UNFCCC provide finance for emerging economies to adapt and transition to low carbon growth. Global funds, including the Green Climate Fund (GCF) and the Adaptation Fund, offer substantial grant funding to developing countries, albeit with lower rates of success for Pacific countries compared with other developing countries. Equivalent quality sources of finance will likely expand further following a breakthrough agreement on a loss and damage fund reached at the COP27 summit²³ and from sovereign government and private sector interests looking to offset emissions. Green technology supporting decarbonisation, energy transition and offsets is among the fastest growing investment and employment markets globally, fuelled by development finance investors (DFIs), impact financiers, philanthropic funds and, increasingly, ethically focused venture capital and superannuation funds. Donors are additionally mainstreaming climate change across development programs in key aid sectors, including infrastructure, food and water, health and education, to manage risks and build resilience. This in turn refocuses assistance on climate outcomes.

These growing funds offer opportunities to developing countries, in the form of grant, highly concessional and blended, low risk finance. GGGI's activities through Climate FIRST will focus on leveraging PNG's access to this quality finance rather than on small scale activities.

PNG has missed out on accessing the global climate finance pool. Available data shows PNG has received roughly USD260 million (9 per cent) of total international (100%) climate finance invested in the Pacific region since 2015 – falling well below other countries on a per-capita basis.²⁴ Improving this situation and unlocking access to climate finance on a large scale is one of PNG's highest climate change priorities. This was highlighted at PNG's 2022 National Climate Summit, with a clear commitment to remove barriers, mobilise climate finance and establish accredited entities. PNG's Prime Minister has been vocal in identifying the nation as a front-line state in the preservation of global carbon sinks in exchange for increased development financing by big carbon emitters, a message he reiterated following his 2022 re-election.²⁵ These calls have been supported by portfolio ministers. At a COP27 event alongside Australia's Ambassador for Climate Change, PNG's new Minister for Environment, Conservation and Climate Change said that introducing innovative ways to access international climate finance should be the 'single issue' for future support to PNG.²⁶ This priority is reiterated in the new NAP. The loss and damage fund decision will further raise expectations for PNG to be prepared to access and manage new investment.

The focus of Climate FIRST on enabling access to climate finance responds to PNG's priorities, as articulated at the highest levels. This concept and approach of Climate FIRST has strong support in the administration and consistently across stakeholders, providing it can be well aligned with existing government plans and development partner initiatives.

Promising recent success also revealed the challenges which currently exist. The Adaptation Fund recently approved an application from PNG (USD10 million) to begin implementation negotiations for the Adaptation of Small-Scale Agriculture project, aiming to improve food security in communities. This represents a significant breakthrough but one that entailed substantial external support (from Australia's CCP through GGGI and The Pacific Community (SPC) as the designated accredited entity). This support was a success in demonstrating that good quality proposals can attract funding and that PNG's administrative capability is sufficient to meet investor criteria, but it also highlighted the significant resources and time commitment needed to achieve successful proposal development.

²¹ <https://pacificndc.org/articles/papua-new-guinea-submits-enhanced-ndc-unfccc>

²² An energy roadmap is in preparation by the National Energy Authority, but its status is unclear, and the Government of PNG is at a very early stage in the policy and regulatory settings for energy transition.

²³ <https://unfccc.int/news/cop27-reaches-breakthrough-agreement-on-new-loss-and-damage-fund-for-vulnerable-countries>, accessed 22/2/23.

²⁴ DFAT Climate Investment Database (CID); Nathan PNG Economic Outlook March 2022

²⁵ See, for example, [Press Statement: PM Meets King Charles III, 18 September 2022](#).

²⁶ Minister the Hon Simo Kilepa MP, Remarks at Climate Resilient Green Growth side-event at COP27, 15 November 2022.

It is now clear that these approaches need to be scaled up and grounded in strong PNG-led institutional enabling settings if PNG is to achieve investor confidence and build a substantive pipeline of international climate finance.

The barriers to accessing international climate finance are well understood and are not unique to PNG. Even with growing ambition, political will and incremental policy and regulatory reform at all levels, institutional settings and architecture still tend to subvert the power and influence of climate change agencies and champions. In many countries, there are persistent barriers to accessing climate finance, including weak investment environments and mechanisms for enabling flow of funding to the most at-risk people and communities. The administrative complexity of global funds and criteria and financial management requirements for accredited implementation entities are also challenging.²⁷ Added to this, PNG has historically had specific institutional constraints to coordination across key executing ministries and sectoral departments. There are gaps in resourcing, skills and incentives, and difficulties in convening and attracting buy in from powerful ministries and private sector stakeholders. Climate FIRST is founded on an understanding of why PNG has had limited access to climate finance, which in turn has informed the investment logic, interventions and strategies that were designed to be effective in the local context.

Since its inception in 2015, CCDA has drawn on donor support for technical assistance including from Australia. Technical partnerships have played an important role in building capabilities in this relatively new agency. CCDA has successfully consulted at national and subnational levels to produce the NAP and frameworks for low carbon growth. The agency supports PNG 's international engagement on climate change, including in UNFCCC negotiations and arrangements for REDD+ and carbon trading. This work has been crucial for setting the scene and pace of change, and for positioning the nation to access climate finance. CCDA has nonetheless, found it difficult to effectively convene and coordinate across more powerful development sector agencies, and to mainstream climate action and influence national and sector budgets. Despite assistance from Readiness funding under the GCF, the absence of a mechanism that could drive sectoral engagement in climate change priorities, including in developing investable proposals for climate finance, has created a situation in which investment proposals tend to be externally driven.

Stronger, high-level convening and coordinating arrangements are needed to support CCDA's mandate for climate action, to implement the NAP and meet the NDC. Other countries in the region, including Fiji, Kiribati, Samoa, and Tonga, have managed this by establishing such mechanisms as foundations for accessing and coordinating finance, and/or by elevating the focal points for climate finance to powerful central ministries.

These barriers have inhibited high level and political attention to climate action domestically. Supporting PNG's planned establishment of a Climate Finance Steering Committee, reporting to the CCDA Board, is an opportunity to overcome this barrier through a PNG-led mechanism, rather than establishing an additional institution and risking duplication.

Lessons from international practice

Previous Australian and other donor investments in climate action in PNG and the Pacific region highlight several key lessons for Climate FIRST. Reviews and evaluations of these programs have implications for what the investment should do to address the development problem in the local context and how it can most effectively and efficiently deliver lasting outcomes.²⁸

Lessons from current programs:

²⁷ In the Pacific region, accredited entities include the Asian Development Bank, UNDP, SPC, SPREP and Save the Children. Few Pacific countries have achieved government/national entity accreditation (e.g., Fiji Development Bank) but most have accessed the funds via the established accredited entities operating in partnerships with national governments.

²⁸ Alinea, 2021, *PNG Climate Change Portfolio Review: Final Report*; UK Foreign and Commonwealth Development Office-funded Climate Action for a Resilient Asia program, [2021], *Investing in the Future: Evaluation of Australia's Climate Change Assistance*; Strategic Development, 2021, *Independent Evaluation of the Australia Pacific Climate Partnership*; Green, D., and J. Morschel, 2021, *Mid-Term Review of the Australian Water Partnership Final Report for DFAT*.

Australia's bilateral Climate Change Portfolio (CCP) invested AUD10.5 million from 2018 to 2023.²⁹ An Independent Review of the CCP found that the investment was on track to meet its end of program outcomes in most respects, despite significant disruptions caused by COVID-19.³⁰ The review recommended that any new climate investment partnership be designed as a coherent program, focussed on PNG's priorities and guided by a sound theory of change. It should also give much greater focus to principles and practice of GEDSI, aligning with Australian and PNG policy – recognising that resilience is not attainable without equality and inclusion.

The design of Climate FIRST draws extensively on the lessons of CCP – which are common across climate focussed development programs. These essentially point to a need for a focused, coherent approach that seeks to support change in underlying settings to enable lasting impact. This approach moves away from ideas of spreading investment across different elements of a development problem or responding to disparate unconnected sources of demand.

Understanding climate in a development context:

Climate change's increasing severity has elevated the issue to a core outcome area of many development programs. Over the past two decades in particular, donors have become more experienced and sophisticated in their action on climate change. Stakeholders have learned that this issue cannot be treated in isolation from mainstream development, that its integration in development sectors is crucial to their successful lasting outcomes, and that local knowledge and context is key. Important lessons include:

- › Climate action is an outcome of policy and institutional reform that empowers change in development paradigms, diverse and resilient livelihoods and business opportunities. It is part of good practice development and cannot be successfully pursued as a separate agenda.
- › Climate action is highly contextual and must be well grounded locally and enable diverse local leadership, under broader national strategic policy and plans.
- › Climate action is not just a governance or technical issue, but must integrate with mainstream development goals, policy, planning and social systems at all levels, across core development streams and vulnerabilities.
- › Climate resilience is an outcome of climate action, that must respond to the trends the science is predicting in the medium to long-term, engaging the right expertise at the right time – early in the concept and planning for investment – and fostering local leadership and knowledge in finding the solutions.
- › At the same time, there remains a persistent challenge in ensuring climate finance contributes towards more equitable societies in PNG, rather than entrenching existing inequalities.³¹ Despite the increased focus on gender equality in national planning in recent decades (see Annex 3: GEDSI and climate change), climate change policy and programming in PNG has been slow to recognise the complexities of society and the drivers of vulnerability, such as exclusion from decision-making realms, complexities of land ownership systems, and limited access to credit, critical information, extension services, technology as well as less mobility.

Lessons at the subnational level:

In a large island nation with connectivity issues and a large population that is spread across the country in remote and physically challenging regions, subnational engagement is critical to effectively address climate change at the provincial, local government and community level. From 2019 to 2023, the CRGG project worked with three pilot provinces to mainstream climate resilience and green growth into the development plans and budgets of three provinces, namely Enga, Milne Bay and New Ireland. These three provinces were chosen under CRGG because they each represent different regions (Highlands, Southern and Islands respectively) with different climates, environmental, demographic and economic features.

²⁹ Investment data sourced from AidWorks.

³⁰ Alinea, 2021, PNG Climate Change Portfolio Review: Final Report: October 2021

Climate and GEDSI

Women, persons with disabilities, the elderly and other marginalised groups are disproportionately affected by climate change due to their social status in society. Informal power structures and social rules are vibrant in PNG societies and determinants for equitable distribution of goods and services even during natural disasters. “With less power, rights, and influence”³², women and other vulnerable groups often have less access to safety nets, information, government services and credit needed for planning and adaptation, and tend to be less mobile than abled-bodied young men. At the same time, such groups in PNG are sometimes excluded from decision-making realms, from national to local and household levels. Yet such groups have important skills, knowledge, experiences and systems of governance for understanding and managing changes to their environments.³³

These experiences and strengths have not been recognised and/or fully supported in climate investments in PNG to date. Instead, there has been a continued preference for technological mitigation and adaptation solutions that do not engage with local knowledge, needs and practice and efforts to improve representation of marginalised groups in decision making. Important lessons learned from consultations and previous climate change programming, and their implications for Climate FIRST include:

- › Climate change is driving inequality and climate action must take an intersectional approach.
- › People with disabilities are sometimes overlooked in climate investment proposals.
- › Climate initiatives, including both mitigation and adaptation, need to be co-designed with diverse women, people with disabilities, local communities and other marginalised people so to develop solutions that are context appropriate, address their barriers and support their voice and agency.
- › Strong representation of marginalised groups is essential in all components of the program cycle, from conceptualisation to implementation and monitoring and evaluation.
- › Local and national organisations and movements supporting marginalised groups need to be better supported to enable their direct engagement in climate policy dialogue with all levels of government.
- › Building partnerships that explicitly value the knowledge, including local knowledge, and practices of marginalised groups alongside climate technical knowledge and technology help to create more sustainable and durable adaptation actions on the ground.
- › Fostering opportunities for greater gender equality in high-level leadership and decision-making is essential for prioritising and normalising gender equality.
- › There is a need to address the evidence gaps for disability inclusion – both in terms of impacts of climate change and what effective programming looks like.
- › More attention needs to be paid to developing a shared understanding of differentiated disability impairments amongst implementing partners.
- › Ensuring representation of people with disabilities at the national level by, for example including the mandated government agency, is critical to elevating the voices of people with disabilities in all high-level dialogue.
- › There is a strong need to explicitly acknowledge the lack of attention to disability inclusion in climate finance to date and purposefully address limited representation – i.e., through strong language in the program design, specific budget allocations for disability inclusion throughout program cycle, and special attention paid to non-discrimination and better access for all people with disabilities.

Evolving donor approaches:

Donors have traditionally operated through tried and tested mechanisms aligned with their capability. These essentially entail provision of technical assistance, technology transfer and resources. While effective to some degree, these approaches carry risks of substitution and dependence unless they are backing locally driven long

³² <https://www.pacificclimatechange.net/>

³³ UN Women, “The State of Gender and Climate Change in ASEAN: Spotlight Focus on Renewable Energy, Disaster Risk Reduction, and Agriculture Sectors.”

term institutional change that addresses the underlying development issue. New ways of working politically, enabling local leadership and fostering ownership offer alternatives and adjuncts to traditional approaches, as do new sources of funds and different blends of finance that invest in longer-term outcomes. These new approaches are especially relevant to the large-scale, urgent change needed to address and fund transformative climate action.

- › **Donor assistance is most effective when it is coordinated and integrated across different sectors and stakeholders.** This helps to ensure that projects are aligned with national priorities (MTDP IV, NDCs, NAP) and that resources are used efficiently. There have been recent efforts among like-minded donors in PNG to improve coordination of international support to PNG on climate change (a working group with regular meetings was established in 2023).
- › **Local leadership and ownership are critical** for the success of climate action projects. Donors have learned that engaging leaders and communities in project design and implementation can help build trust, increase participation and ownership, and ensure sustainability. Supporting locally-led efforts to drive change is a key commitment underpinning Australia's International Development Policy.³⁴
- › **Capacity building and knowledge sharing are important components of donor assistance.** Providing technical assistance, training, and sharing best practices can help build the capacity of local stakeholders to address climate change, but can also lead to substitution and dependence, drawing resources away from building core competencies.
- › Climate change is a rapidly evolving challenge, and **donor assistance must be flexible** and adaptive to changing circumstances. Donors have learned that adapting to changing circumstances requires flexibility in project design, implementation, and funding.
- › Innovative financing mechanisms, such as **blended finance and public-private partnerships**, can help attract private sector investment and increase the scale of climate action projects. Donors are increasingly exploring these mechanisms to mobilise resources for climate action in PNG and other developing countries, as demonstrated in Australia's Development Finance Review (2023).³⁵

Climate FIRST will provide greater clarity to donors and investors by increasing levels of coordination and fiscal oversight, developing an approved portfolio of bankable proposals, and working with GGGI to proactively market opportunities. It will also offer opportunities for co-investment with PNG-led consortia in high priority activity. The newly established, UNDP-nurtured **PNG Biodiversity and Climate Fund (BCF)**, for example, may be well positioned to invest (or co-invest with donors) in the relevant proposals developed through Climate FIRST. Given the prominence of natural systems and the role of ecosystems, forests, coral reefs in livelihoods, natural defences and resilience, it is likely that these will feature in the hierarchy of investment priorities. Some related development partner initiatives are emerging and are yet to be finalised, but there are positive signs Climate FIRST is well placed to inform the design of these new initiatives to ensure complementarity and prevent duplication:

- › The **EU-funded Forest, Climate Change and Biodiversity (FCCB)** program is the most well-developed new initiative. The FCCB program is valued at EUR54.7 million and will operate at two geographic levels. A national-level program (EUR33.5 million) will fund technical specialists from Expertise France to build capacity in national institutions on data management, governance mechanisms, carbon trading, forest management, mangrove conservation and NDC implementation. A regional-level program (EUR18.2 million) will fund Centre for International Forestry Research (CIFOR) to promote forest conservation and livelihood development in the Managalas Conservation Area (Oro Province). There is a strong prospect for Climate FIRST to align capacity building efforts in national institutions, particularly to support better governance and coordination on climate (and broader FCCB) issues.
- › **USAID** is preparing a new regional investment to follow the existing Climate Ready program (2016-23), currently titled '**Pacific Islands Regional Climate Finance Activity**'. The project is currently at an early

³⁴ [Australia's International Development Policy \(dfat.gov.au\)](https://dfat.gov.au), page 33.

³⁵ [Development Finance Review: New approaches for a changing landscape \(dfat.gov.au\)](https://dfat.gov.au).

stage, but has identified two objectives: mobilising climate finance and improving climate finance management. Post had constructive early conversations with design consultants on areas of alignment. USAID indicated that the depth of its engagement in PNG on these issues may be limited and targeted, as the investment will spread its resources across the whole region. Post and GGGI will stay closely engaged with USAID as the proposal develops to ensure alignment.

- › **New Zealand** is developing a ‘Country Flexible Finance’ program for Pacific countries. According to early design consultations, it will focus on strengthening public financial management and national planning systems for climate finance. The New Zealand High Commission is separately progressing plans for a bilateral capacity support project (valued at NZ17 million until end 2024) with likely contributions to the PNG BCF and New Zealand’s Plant and Food Research Institute. There is an opportunity to align approaches with both programs as they emerge in 2023-24.
- › **UNDP** is progressing the third outcome of the GCF-funded ‘Advancing PNG’s National Adaptation Plan’ project, focused on the development of a financing and investment framework for climate adaptation projects in the medium-to-long-term climate. Climate FIRST will work with UNDP to ensure processes complement investment frameworks established by the PNG Government.

A full listed of known development partner activities, developed through open-source research and consultation with in-country development partners, is listed in Annex 4.

Working with France and the EU on the Country Package

In July 2023, **France** announced plans to commence a **Country Package on Forests, Climate and Nature** in PNG. At COP28 in December 2023, a political declaration was signed to establish a roadmap to implement the Country Package. To date, funding contributions have been sourced from the EU (through the FCCB project, detailed above), France, GEF and UN FAO.

Australia has committed to work with France to support the objectives of the Country Package. Climate FIRST will contribute to the Country Package’s Commitment III, ‘Reinforce and explore long term sustainable financing opportunities for forest, climate and biodiversity’. There are existing synergies to explore through GGGI, as France recently commenced a project with GGGI to develop an Inclusive Green Finance Policy with the Bank of PNG. Support provided through Climate FIRST will complement other forms of Australian support included under the Country Package, including initiatives driven by the Department of Agriculture, Forestry and Fisheries (DAFF) and the Department of Climate change, Energy, the Environment and Water (DCCEEW).

C. Strategic Intent and Rationale (Why?)

Strategic setting for Australia

Australia’s new International Development Policy positions action on climate change and GEDSI as primary objectives of international partnerships. The new policy frames country level strategic planning for bilateral development assistance, which will reinforce these objectives at program and investment levels in Australia’s partner countries.³⁶

Australia’s action on climate change through Pacific partnerships is pivotal to relationships and Australia’s standing as a partner of choice in the region.³⁷ PNG and Australia are invested in joint action on climate change through PACCAP. The PNG-Australia Comprehensive Strategic and Economic Partnership 2020 (CSEP) highlights the severe threat posed by climate change and reaffirms the bilateral commitment to PACCAP. PACCAP frames high-level PNG-Australia Climate Change Annual Dialogue, which has been held three times since 2019. Both governments value this relationship and are seeking to elevate the ambition of the bilateral climate change

³⁶ [Australia’s International Development Policy \(dfat.gov.au\)](https://www.dfat.gov.au/policy-and-research/australia-international-development-policy)

³⁷ Prime Minister Albanese recently stated that – ‘The entry fee for credibility in international forums is action on climate change. Australia can punch above our weight, but in order to do so, we’ve actually got to have credibility.’ <https://www.pm.gov.au/media/press-conference-bangkok-thailand>, 18 November 2022

The release of the International Development Policy in 2023 has placed greater emphasis on meaningful climate action through DFAT's development program. Most of Australia's climate finance to PNG is delivered by integrating climate change, with support provided through the APCP and DFAT's Climate Diplomacy and Development Finance Division (CSD). Integration (or 'mainstreaming') aims to ensure that Australian development assistance is climate and disaster risk informed, and that therefore, people and communities in the Pacific are more resilient.

In addition to the bilateral portfolio, PNG participates in a range of Australian funded climate initiatives (detailed in Annex 5: Overview of Australia's Climate Change Support in PNG). Other programs are emerging in line with Australia's expanding commitments, including Climate Resilient Communities, which is anticipated to co-fund climate investments with bilateral programs focussed on water, sanitation and hygiene (WaSH), food and energy. Existing programs in other sectors are also being re-oriented to take on a much stronger climate focus, offering potential for collaboration to multiply the impact of this investment.³⁸

The value proposition

Climate FIRST is a small investment in resourcing, expertise and institutional reform; one that, if successful, will catalyse long term access to large pools of climate finance. For a relatively low cost, a high impact return is expected from the interventions to:

- › Support improved governance and higher-level coordination across key PNG Government portfolios to endorse investment priorities in line with national policies and establish a pipeline for large scale climate investment.
- › Drive development and marketing of a coherent portfolio of bankable investment proposals, supported by national and subnational knowledge and expertise.
- › Incentivise internal capacity to maintain and continue to build the capability and mechanisms established through the program, through the ongoing access to quality climate finance.

Climate FIRST is an enabling investment that will improve the settings and coordination platforms for all Australian and other donor investment in climate change. The CRGG project established promising approaches for developing climate finance proposals, drawing on provincial-level support and coordination mechanisms. Climate FIRST will build on the successes of the CRGG model. To maximise impact during a future partnership, it is clear that these approaches need to be grounded in strong regulatory and institutional enabling settings, if PNG is to achieve investor confidence, and secure a stable pipeline of funding.

Climate FIRST must focus on the core development problem and the theory of change to deliver the outcomes. A high degree of coherence will be needed to ensure this modest investment program is impactful and delivers lasting change. This means that some activities which have featured in previous programs are outside the scope of the new investment. Climate FIRST will not prioritise:

- › **Generalised capacity building in CCDAs or other government agencies** – ongoing investment in uncoordinated capacity building and training can be poorly tracked and sometimes leads to limited effectiveness across national government and at subnational level.
- › **Further planning processes** – all levels of government have become enmeshed in cycles of planning, which have no clear funding streams for implementation. With the finalisation of MTDP IV and the NAP, alongside PNG's NDC, the PNG Government is keen to move to action and implementation. This has been communicated by key figures throughout government – at Ministerial, senior official, and working-level.
- › **Technical assistance to sector agencies** – Sector agencies are looking to build capability in mainstreaming climate change throughout their policies, plans and development activity. Insourced technical assistance to sector agencies will not be prioritised by Climate FIRST, but this assistance may be available in the downstream climate funding accessed by the PNG Government. Post's other sectoral investments may also

³⁸ For example, Water4Women, the Economic and Social Infrastructure Program, the Australian Infrastructure Financing Facility for the Pacific.

provide this support – for example an officer from Australia’s Transport Sector Support Program works as an embedded climate, environment and safeguards advisor in PNG’s Department of Transport.

- › **Discrete disbursement of community or small-scale grants** – Short-term funding of community grants has fostered variable impact and can be challenging to scale, leverage or achieve sustainability; it is also covered by other donors in PNG (e.g., New Zealand, USAID) and other Australian programs (e.g., Climate Resilient by Nature, Direct Aid Program).
- › **Additional investment in integration/mainstreaming across the bilateral development program** - Integrating climate change in Post’s program is increasingly within the mandate of individual investments (for example, by including a contracted climate expert in implementing teams). This aligns with the International Development Policy’s requirement for climate change objectives to be included in 50 per cent of new investments by 2024-25. Post’s climate change team will support the coordination of this effort, with support from the new Climate Resilient Communities initiative implemented by CSD.

Why focus on access to climate finance?

PNG’s Prime Minister has been vocal in positioning the nation as a front-line state in the preservation of global carbon sinks in exchange for finance by big carbon emitters; a message he has consistently reiterated following his 2022 re-election.³⁹ This includes a September 2023 call for reform in the GCF and other international climate financing mechanisms to allow greater access for PNG and other Pacific countries. While the PNG Government has made commitments to phase out its reliance on some natural resource sectors – including a COP26 pledge to halt forest loss by 2030⁴⁰ – it has clearly stated it expects the revenue lost from the decline of these sectors to be replaced by new funding sources. International climate finance is foremost amongst these.

These calls have been supported by portfolio Ministers. At a COP27 event alongside Australia’s Ambassador for Climate Change, PNG’s new Minister for Environment, Conservation and Climate Change said introducing innovative ways to access international climate finance should be the ‘single issue’ for future support to PNG.⁴¹ PNG’s Foreign Minister and former Treasurer have both raised the issue with the Australian Government and requested direct support. Progress at COP28 to establish a loss and damage fund will further raise expectations for PNG to be prepared with sound investment settings, priorities and proposals.

Improving climate finance flows to Pacific countries is a priority of the Australian Government. The 2023 Ministerial Forum Communique recognised PNG’s interest in securing a greater share of international climate finance.⁴² The Climate Change and Energy Minister told COP27 attendees the Government is focused on ensuring financial institutions (in particular, the GCF and the World Bank) resolve constraints to Pacific countries,⁴³ and reiterated this call in June 2023 ahead of the Paris Summit for a New Global Financing Pact.⁴⁴ The Foreign Minister highlighted this commitment when announcing Australia’s re-engagement with the GCF in October 2023:

“We have taken on board feedback from our partners in the Pacific on the best ways to direct our climate finance efforts and ensure all elements deliver for Pacific priorities. We recognise that the GCF is the most prominent global climate finance fund, and we will work with partners to improve the GCF’s effectiveness.”⁴⁵

During COP28, Australia announced an AUD50 million contribution to the GCF and an AUD100 million contribution to the Pacific Resilience Facility, a new Pacific-led community resilience financing organisation.

³⁹ See, for example, [Press Statement: PM Meets King Charles III, 18 September 2022](#); [Remarks: PM Marape Statement at UNGA77, 22 September 2022](#); [Press Statement: PM Meets US Treasury Secretary Janet Yellen, 27 September 2023](#).

⁴⁰ [Glasgow Leaders’ Declaration on Forests and Land Use - UN Climate Change Conference \(COP26\)](#)

⁴¹ Minister the Hon Simo Kilepa MP, Remarks at Climate Resilient Green Growth side-event at COP27, 15 November 2022.

⁴² [29th Australia-Papua New Guinea Ministerial Forum Joint Communiqué | Australian Minister for Foreign Affairs \(foreignminister.gov.au\)](#)

⁴³ See, for example, [National Statement to COP27](#), 15 November 2022; [Interview on ABC 730](#), 17 November 2022.

⁴⁴ [The climate crisis is this century’s biggest threat. We need a global finance pact that reflects the task ahead](#), 22 June 2023.

⁴⁵ [Foreign Minister Penny Wong announces Australia will rejoin climate fund](#), 5 October 2023.

Alongside Australia's advocacy with these international institutions, further work is required in PNG to ensure its mechanisms to access finance are credible and fit-for-purpose. Although the quantum of finance needed by PNG is beyond Australia's available resources, Australia is a natural partner to help broker PNG's access to the large and growing international finance pools, and to more innovative blended impact finance sources.

Climate FIRST complements the approach of DFAT's Office of the Pacific (OTP). In May 2023, OTP commenced support for Climate Finance Access Network (CFAN) advisors, implemented by GGGI. The investment will support CFAN advisors in eight Pacific countries to develop high-quality project pipelines, concept notes and proposals for climate investment.⁴⁶ Under current arrangements, one CFAN advisor is deployed to PNG. Following consultations in-country and with OTP, it was agreed this support alone was insufficient to address PNG's specific requirements. Climate FIRST recognises that PNG, as the largest Pacific country with bespoke needs, is best supported through a tailored investment. As a member of the GGGI team, the CFAN advisor will work to build PNG's pipeline of high-quality climate finance projects.

Why this now?

The timing is right: PNG's institutional architecture supporting climate action has evolved over the past five years but now there is an urgent imperative to move beyond the cycles of planning and mainstreaming to accessing substantial resources from legitimate funds for implementation of approved plans and commitments. PNG's climate commitments are ambitious, but implementation has been small scale, short term, donor driven, disparate, disconnected from mainstream development processes, sporadic, and poorly reported. Further investment in the business-as-usual scenario is unlikely to be effective. With CCDA in a position to establish a Climate Finance Steering Committee under the auspices of a CCDA Board, the timing has never been better to support PNG to develop a pipeline of high-quality proposals.

The settings are positive: Processes are underway at national and provincial levels to integrate climate change in development plans, with donor support. While these processes face many challenges, sourcing funds for implementation is a major constraint to success.

- › The new NAP has been approved and launched. It was developed by CCDA through a consultative process (with funding from GCF and implementing assistance from UNDP) and provides a blueprint for national priorities but needs momentum and resources to implement.
- › Provincial mainstreaming and identification of sectoral priorities have been supported through the CRGG in three pilot provinces, with a further four provinces engaged as 'shadow provinces' prepared to progress through a replication plan under Climate FIRST (total seven provinces).

The concept is supported: The concept of a PNG-led mechanism designed to cross sector silos, unlock access to global climate finance and get implementation running at scale has widespread support:

- › Strong Prime Ministerial messaging about the national priority for PNG to access a representative share of international climate finance. This is accompanied by consistent messaging at all levels of government in support of the Prime Minister's agenda, and legislative authority through the *Climate Change Management Act 2015* and its 2023 Amendment, which reiterates CCDA's requirement to establish a governance Board supplemented by relevant subcommittees.
- › Formal support from key departments for Australian engagement to catalyse a PNG-led mechanism to access international climate finance as an outcome of the 2023 PNG-Australia Climate Change Dialogue. Specifically, the Dialogue agreed 'Australia will finalise the design of Climate FIRST, to assist PNG to strengthen its system to access climate finance to support the development of finance proposals in line with PNG's NDCs and NAP.'⁴⁷ PNG Government participants at the dialogue included CCDA, Department of Prime Minister and National Executive Cabinet (PMNEC), Department of National Planning and Monitoring

⁴⁶ 'Support to Climate Finance Access Network in the Pacific', Agreement 78258, initial value AUD7.5 million, 2023-26. Eight countries include: Fiji, PNG, Kiribati, Tonga, Vanuatu, Samoa, Tuvalu, Solomon Islands.

⁴⁷ Outcomes Statement, Third PNG-Australia Climate Change Dialogue, 28 April 2023.

(DNPM), Department of Foreign Affairs (DFA), Department of Treasury, the Conservation and Environmental Protection Authority, and the Forest Authority (PNGFA).

It implements the approach in Australia’s International Development Policy: Climate FIRST’s structure, content and implementation plans are consistent with the policy’s key commitments:

- › **Climate change.** The International Development Policy identifies climate change as “the greatest shared threat to all countries.” Climate FIRST’s approach is consistent with the Policy’s statement that “Accelerating our efforts requires major public and private investment ... Effective use of resources will be critical to achieve our aims.”⁴⁸ From a relatively modest initial funding commitment, Climate FIRST will mobilise greater funds from various sources (first focusing on multilateral funds, then exploring innovative private finance opportunities). The International Development Policy also directs bilateral programs to align with countries’ NDCs and NAP.⁴⁹ Climate FIRST has included this requirement in its Intermediate Outcomes (Ios).
- › **Gender equality.** Climate FIRST’s approach to gender equality increases Australia’s ambition and structure compared with previous climate initiatives. Unlike previous portfolio investments, the Climate FIRST team will include a gender specialist (also covering disability and social inclusion) and a gender-specific outcome. As part of this outcome, GGGI will also recruit seven subnational GEDSI focal point officers. The International Development Policy committed to the development of a new international gender equality strategy. Once this strategy is finalised, Post will work with relevant DFAT teams and GGGI to ensure Climate FIRST’s Gender Action Plan is consistent with the expectations in the strategy (see also ‘GEDSI’ section below).
- › **Disability equity and rights.** Climate FIRST recognises people with disabilities must be partners on an equal basis for development to be effective. Climate FIRST will build on GGGI’s experience working with local organisations of people with disabilities, including the ‘PNG Assembly of Disabled Persons’, which commenced during the CRGG project.⁵⁰ Unlike previous portfolio investments, the Climate FIRST team will include a disability and social inclusion specialist (also covering gender). The International Development Policy committed to the development of a new disability equity and rights strategy. Once this strategy is finalised, Post will work with relevant DFAT teams and GGGI to ensure Climate FIRST’s approach is consistent with the expectations in the strategy (see also ‘GEDSI’ section below).
- › **Locally-led development.** Climate FIRST is an opportunity to support local leaders and climate champions at the national and provincial level, despite not providing direct funding to government. The centrality of the CFSC as a PNG-owned oversight and decision-making body is a recognition that PNG Government ownership and endorsement of climate finance proposals is crucial for their legitimacy and successful implementation. In the subnational model introduced through CRGG, local stakeholders led a process to consult and prioritise the most important projects to meet their unique set of climate challenges. Under Climate FIRST, subnational actors will continue to have agency to select priority projects to be developed into finance proposals (see also ‘Localisation’ section below).

Gender Equality, Disability Inclusion, Social Inclusion (GEDSI)

To overcome many of the GEDSI-related challenges encountered in previous climate change programming, Climate FIRST will ensure women, young people, people with disabilities, and other marginalised groups are actively engaged in, and equitably benefit from, climate finance. They will be given prominence in climate finance-related decision-making processes and leadership roles. A key focus will be on bringing gender and social inclusion

⁴⁸ [Australia’s International Development Policy](#), page 18.

⁴⁹ *Ibid.*, page 26.

⁵⁰ There is a distinction between organisations of people with disabilities (which are led, directed, and governed by people with disabilities with a clear majority of membership consisting of people with disabilities) and organisations for people with disabilities (service providers or other disability-focused organisations but without the mandate to represent people with disabilities). During the early stages of Climate FIRST, research will be conducted on the context in PNG to determine which type of organisations are most appropriate for the initiative to engage with.

considerations to the fore in funding criteria, perspectives that safeguard the rights of these groups and mainstreaming approaches that can be applied when designing bankable project proposals. Climate FIRST will do this by:

- › Ensuring meaningful participation and representation of marginalised groups in decision-making, including at higher levels and in leadership positions.
- › Ensuring GEDSI considerations are at the fore of informal and formal decision-making processes.
- › Ensuring women, people with disabilities and vulnerable groups are actively consulted and engaged in the development of climate finance proposals.
- › Where necessary, amplifying and addressing specific and differentiated participation needs of marginalised groups to eliminate future and ongoing discrimination.
- › Driving critical research, including research on differentiated climate change impacts on vulnerable populations and other intersections. Further research on and inclusion of local and traditional knowledge will also be prioritised.

Localisation

Climate change is highly contextual, both in terms of the people and places it impacts and the ways they are affected. This means that these issues need to be addressed locally, drawing on local knowledge, expertise and experience. The term localisation in this setting, can be understood as:

- › Driving better outcomes for people and their communities and ecosystems, by improving the agency of affected people and local actors at all levels of society, so that development action is locally informed, locally led and meets the needs of local people.

Localisation forms a major part of Australia's International Development Policy.⁵¹ Climate FIRST will support localisation by establishing a PNG-led mechanisms for reviewing and endorsing international climate finance proposals. It will strengthen the agency of PNG's government departments and non-governmental organisations, including those at provincial and other subnational levels, and their engagement in conceptualisation, designing and coordinating international climate finance. It will build an enabling system that:

- › Fosters high-level leadership and ownership in setting PNG's agenda for international climate investment, in line with PNG's NDCs and NAP.
- › Drives PNG's priorities to the fore of high-level climate change investment negotiations.
- › Enables local input of expertise and knowledge to investment proposals and implementation partnerships.
- › Engenders local climate change action, locally appropriate solutions to risks, and inclusive resilience building.

Wherever possible, GGGI will look to engage PNG staff members to join the Climate FIRST team, therefore building the network of local expertise in-country. When seeking partners for domestic and private sector climate finance, Climate FIRST will seek to prioritise local firms and supply chains to participate in investment activities.

Strong, well-developed partnerships with government and GGGI will mitigate risks and enable frank dialogue and negotiation to set strategic directions and provide strategic oversight, and on financial management, reporting of results and adaptive management.

⁵¹ [Australia's International Development Policy \(dfat.gov.au\)](https://dfat.gov.au)

D. Proposed Outcomes and Investment Options (What?)

Investment logic

The approval of PNG's new NAP and enhanced NDC set the scene for a more proactive approach to large scale climate action. At the same time, increasing ambition by all donors and the international community for climate action in the Pacific calls for stronger coordination and brokering of international climate investment in PNG.

Consultations for this design demonstrated strong interdepartmental and multi-stakeholder support for a high-level Government of PNG climate action committee to convene relevant stakeholders and coordinate PNG's increased access to international climate finance. These consultations and further desk research also reveal more investment for women, disabilities, and other vulnerable groups. Support for such a mechanism was apparent across the agencies consulted.

Initial consultations in late 2022 suggested the need for a new interdepartmental mechanism, or "taskforce," to be established with Australian support to play a coordinating role for climate finance proposals. This was due to the apparent absence of an operating cross-government oversight mechanism.

However, the establishment of CCDA's Board became a key objective for the agency in 2023. In October 2023, PNG's Parliament passed an amendment to the *Climate Change Management Act 2015* clarifying arrangements to introduce and govern the Board. Further meetings in 2023 revealed the planned establishment of a Climate Finance Steering Committee as a subcommittee to the Board, with a near-identical mandate to the 'taskforce' initially envisaged in the early stages of *the Climate FIRST* design. In the 2023 PNG Australia Climate Change Annual Dialogue, senior officials from key PNG Departments (DFA and DNPM) commented that Australia should only support the establishment of a new coordinating body ("taskforce") if there are no existing Government mechanism which can play the required role. After listening to this feedback and noting the legislative amendments, Climate FIRST's focus was pivoted from a new 'taskforce' to supporting the introduction of the CFSC under the CCDA Board. Supporting an institution enshrined within PNG's legislation, rather than establishing a new body or taskforce, demonstrates Australia's commitment to supporting good governance and effective PNG Government mechanisms.

The program logic for Climate FIRST is set out below (diagram included at Annex 8).

Goal and objective

The goal or long-term 'impact' that Climate FIRST will contribute to is:

Communities and people in PNG are adapting to climate change through benefits from international and local climate finance investments in line with PNG's Nationally Determined Contributions and National Adaptation Plan.

This statement frames the significant and lasting change that Climate FIRST will contribute towards — but not necessarily achieve — during the life of the investment. It represents a small financial investment by the Australian Government that is designed to complement other development partner approaches and be catalytic — positioning the PNG Government to dramatically increase its share of global climate finance. As per DFAT's Design and MEL Standards, the goal is aligned with PNG's policy and development priorities.

The broad term 'communities and people' should be seen to appreciate the perspectives and needs of people of all genders, with and without a disability, of all ages and all socio-economic or ethnic origins in PNG. This targeting is broad by design, noting that the pipeline of projects that will be designed and financed through this investment will require endorsement by the CFSC in line with priorities at the national (MTDP IV, NDC, NAP) and sub-national (CRGG Provincial Strategy) level.

The objective of Climate FIRST is:

PNG is resilient to the effects of climate change and is accessing international and domestic funding to support climate adaptation and mitigation efforts, providing a positive impact on PNG's overall security, stability, and prosperity.

The objective statement aligns with Australia’s development cooperation priorities in PNG. It proposes that the ability for PNG to access a pipeline of climate finance to fund sustainable development programs across the country will improve PNG’s overall resilience to internal and external shocks.

Outcomes

Climate FIRST has three End of Program Outcomes (EOPOs), supported by five Intermediate Outcomes (IOs), listed below. Due to space constraints, the Outputs are included in the MEL Framework (Annex 2) and Program Logic Diagram (Annex 8).

EOPO 1: *Scaled up climate finance is secured by the PNG Government and progressed into early implementation to benefit diverse communities.*

IO 1: *PNG’s access to domestic and international climate finance is scaled up and the target in investment commitments is secured.*

This component aims to mobilise international climate finance and green investments for PNG from various sources including international environmental and climate finance facilities and private sector. The Monitoring and Evaluation Framework (MEF) includes a target of USD400 million by early 2028. This target originates from GGGI’s PNG Country Plan, which has been endorsed by GGGI Executive and nominates a target of USD500 million by the end of 2028. GGGI nominated this figure based on an extrapolation of its investment pipeline achieved during the CRGG project, factoring in a larger in-country team, increased funding, and utilising methods and procedures established during CRGG (for example, Provincial CRGG Strategies and Replication Plans).

In this EOPO, the term ‘secured’ or ‘mobilised’ means the full funding proposal is approved (by a donor, global finance facility or other funding source). It does not count or include concept notes submitted or approved.

EOPO 2: *CCDA and other PNG Government agencies are overseeing climate finance proposals and the implementation of projects, including at subnational level.*

IO 2: *A high-level CFSC is brokering consensus on a pipeline of priority investments in line with PNG’s NDCs and NAP.*

IO 3: *Subnational engagement for CRGG and climate investments is scaled up.*

This outcome aims to support CCDA to establish a high-level Climate Finance Steering Committee (CFSC) at the commencement of the project to coordinate efforts to scale up access to domestic and international climate finance for PNG through Climate FIRST. The CFSC will be a PNG-led mechanism with high-level, influential representation across national finance, planning and sector administrations charged with accessing international climate finance to implement PNG’s climate change policy and agenda. The CFSC will be established under the approval of the CCDA Board within the provisions of Section 15G of the *Climate Change Management Act 2015* (see Box 1, below).

The specific membership of the CFSC is envisaged to comprise a broad range of high-level representatives from across government, each with the convening power and authority to drive the strategic priority of climate financing. The CFSC will include a GEDSI representative. It will be a committee that will report to the Board of CCDA, and its secretariat services will be provided by CCDA with the effective support of Climate FIRST through GGGI. IO 1 will be a success insofar as CSFC members actively engage and collaborate in strategic prioritisation and endorsement of climate investments in the national interest.

Box 1: Climate Change Management Act, 2015

Section 15G: COMMITTEE OF THE BOARD

(1) The Board may, from time to time, establish such committees or sub-committees under terms and conditions specified by the Board, and in accordance with this Part, as it considers necessary in relation to its functions for the purpose of making reports and recommendations to the Board, and each sub-committee shall be comprised of Board members with equitable representation from ex-officio and other Board members.,

(2) Any Committee or sub-committee established by the Board under Subsection (1) may exercise power of the Board described in Section 15F (4) but shall not take any decision for or exercise any function of, or on behalf of, the Board.

This EOPO also seeks to strengthen the planning and mainstreaming capacity of targeted PNG provinces to identify areas of maximum benefits where limited budgets should go, as well as capacity to implement and monitor CRGG projects. This component will stimulate the appetite of the target provinces and their buy in to support the effort to scale up access to local and international climate finance in PNG. Climate FIRST will continue working with the CRGG three pilot provinces (Enga, Milne Bay, New Ireland), and implement replication plans in four new 'shadow' provinces (Chimbu, Eastern Highlands, Morobe, Manus).

Climate FIRST's decision to continue the subnational approach commenced under CRGG is appropriate in the context of PNG, where 80 per cent of the country's population live in rural areas and the national government's ability to affect subnational change is varied. Engaging provincial-level government is a practical approach to ensure major finance proposals developed in Port Moresby and endorsed by the CFSC reflect the specific needs of communities in each target province. Empowering provincial-level government officials to inform investment priorities is consistent with Australia's focus on locally-led development.

***EOPO3:** The PNG Government has improved capacity and expertise to develop climate finance proposals and mechanisms, including on private sector finance and GEDSI considerations.*

***IO 4:** PNG develops new innovative financing mechanisms, and the private sector is increasingly engaging with, and financing, climate investments.*

***IO 5:** More women, people with a disability, and vulnerable groups influence, participate in, and benefit from Climate FIRST.*

This outcome will help to strengthen financial institutions' readiness for climate finance to support green business. It will be underpinned by a medium-term private sector climate investment strategy, which will be developed and implemented in line with the NDC and NAP. It will also continue a series of successful 'green entrepreneurship' programs initiated through previous GGGI programs, working closely with PNG's SME Corporation and the Credit Guarantee Corporation.

This outcome also outlines Climate FIRST's commitment to meaningful GEDSI integration. Activities will be based on an GEDSI Assessment Reports to identify priorities across each proposed project. This outcome will also facilitate the recruitment of a full-time senior GEDSI Officer, and the appointment and training of GEDSI focal points in each target province.

GGGI's role in providing technical assistance to the PNG Government and supporting capacity building efforts will be measured and assessed across all three EOPOs.

Delivery option

Climate FIRST will be delivered through a grant agreement with multilateral organisation GGGI. Under this arrangement GGGI will be the sole recipient of Post's funding and will be responsible for delivering all EoIOs and IOs. This arrangement takes advantage of Post's work since 2019 with GGGI under the CRGG and TrainCCAP projects, and GGGI's existing relationships with the PNG Government (including being embedded in CCDA). The delivery approach was decided following an assessment of the following strengths:

- › Evidence available to Post demonstrates the **GGGI PNG Country Office has the necessary skillset and resources** to successfully implement Climate FIRST, including in the key areas of coordination, technical expertise, government engagement, GEDSI and MEL. This has been demonstrated during Post's previous engagement through CRGG and TrainCCAP, where several of the outputs were similar to those contained under Climate FIRST. GGGI has received positive appraisals in successive Partner Performance Assessments since 2019, averaging a rating of 5 (good). The GGGI Country Office intends to increase its staffing footprint to achieve its internal targets for helping to mobilise climate finance for PNG, meaning its resourcing will be adequate to implement Climate FIRST, a larger investment than CRGG (see Annex 9: Organisational Chart). Post assesses GGGI's proposal represents good value for money (detailed below).
- › **GGGI holds a strong relationship with CCDA** at the working and senior level and has established links with PNG Government central and line agencies. **It is well placed to build the capacity of PNG officials** on the

successful development of climate finance proposals, having commenced this process under the TrainCCAP project in 2023 and the current GCF Readiness project to build the capacity of CCDA as the NDA to proposals to increase access international climate finance and investments. GGGI has an international network of climate finance expertise which can be accessed, but a primary focus will be growing the expertise of PNG Government officials to generate proposals internally.

- › **GGGI will be able to offer valuable policy dialogue support** to Post and contribute to PACCAP objectives. GGGI's approach to supporting PNG access climate finance is aligned with Australia. GGGI will be able to support Australia to achieve greater policy traction, drawing on their embedded status co-located in the PNG Government.
- › **GGGI's involvement will closely align Climate FIRST with other new partnerships** between Australia and GGGI, including OTP's new CFAN investment in the Pacific (including PNG), and possibly DCCEEW's planned activities in PNG.

Alternative delivery options were considered during the design process. Specifically, Post assessed the option of engaging a managing contractor (MC) to administer and deliver Climate FIRST. This option would present some advantages:

- › **Post would have stronger control over the MC's actions and remit**, outlined in a contract, compared with a grant agreement with a multilateral organisation, which Post would have less ability to influence and directly manage.
- › **An MC would give greater prominence to the PACCAP partnership** compared with a multilateral partner. Climate FIRST would have clear branding as a standalone Australian investment.
- › Delivering Climate FIRST through an MC would allow for the **recruitment of a PACCAP Secretariat Officer** to support Post to progress and track PACCAP commitments outside of Climate FIRST. This role would involve secretariat duties to facilitate high-level dialogue between PNG and Australia, working closely with CCDA's MRV and National Communications Division. This option would not be available if partnering with a multilateral organisation.
- › A procurement for an MC would enable access to a wide suite of required expertise **through competitive tendering process**.

The potential benefits of engaging an MC are outweighed by relative weaknesses. Considering the different administrative and oversight requirements between the two options, Post resourcing is a key determinant. Climate FIRST will be managed by one A-based First Secretary and one LES Program Manager. Under a contract with an MC, Post would be responsible for day-to-day management of Climate FIRST, including directing the contractor's activity, reviewing regular reports and verifying the completion of contracted work. In contrast, Post's requirements for multilateral agencies like GGGI tend to be less exhaustive, as the organisation has its own mandate and operating structure separate from its relationship with DFAT.

Post would still be actively engaging with the partner to ensure project and MEL standards are achieved, however the agreement with GGGI would be less prescriptive than a contract with an MC. Post's staffing level is appropriate to meet DFAT's investment management requirements involved in overseeing a grant agreement with GGGI.

Working with GGGI

Direct engagement of GGGI is justified due to its combination of expertise, personnel and performance. Post considered other multilateral or NGO partners present in PNG and determined the alternative organisations did not present the same skillsets, ways of working, and access to the PNG Government. GGGI presents a particular benefit due to its embedded position within CCDA and its relationships with other Government agencies. The organisation is well known to Post and has been assessed in positive terms under recent annual Partner Performance Assessments. An independent review of Post's previous climate portfolio found GGGI had made

good progress towards the project outcomes of the CRGG project, despite interruptions caused by COVID-19.⁵² The review identified lessons learned when working with GGGI:

- › GGGI demonstrated particular strength in its subnational engagement (in three target provinces), and in developing a fit-for-purpose process for developing climate finance proposals across PNG Government agencies. There was an opportunity for greater private sector engagement.
- › Early progress was slower than expected, however this was largely attributed to COVID-19 and delays associated with staffing GGGI's Country Office. (The opportunity for Climate FIRST to build on the investment pipeline commenced during the CRGG project will lower the risk of delays during project inception).
- › There was greater scope to align Australian-funded GGGI projects with the priorities outlined in the bilateral PACCAP partnership, and leverage public diplomacy and advocacy opportunities.

In January 2024, Post completed an updated due diligence assessment, which re-confirmed GGGI's status as a reputable and low risk partner.

Value for money

On balance, this delivery option makes best use of Post's resources to promote the bilateral relationship at the highest level. **The investment in Climate FIRST is intended to be catalytic** - it will trigger a suite of potentially large investments as a direct result of setting up the institutional arrangements. These arrangements are expected to be integrated in the PNG administration over time. For this reason, this choice of investment focus represents good value for money for Australia, and, with a very modest initial investment, an efficient way to accelerate PNG's climate agenda. It will leverage investment from international climate funds, and potentially from donors and the private sector.

If not successful in achieving sustained institutional change, at the very least, Climate FIRST will generate downstream access to climate finance during the investment term, and result in several new climate programs on the ground, aligned with PNG's priorities. It will support improved governance of PNG's climate institutions by supporting establishment of the CFSC under the CCDA Board. In this manner, it can be considered a 'limited-regrets' investment set to return multiple benefits and several dollars for every dollar spent.

The choice of GGGI as delivery partner also represents value for money, in line with the four categories assessed by DFAT:⁵³

- › **Economy:** GGGI will procure project inputs through cost-effective options without compromising the quality and scale of outputs expected. The exercise of prudent financial management will ensure this is maintained throughout project implementation. As an example, GGGI enforces travel rules where international plane tickets must be purchased at least 21 days in advance of travel and 7 days for local domestic travel, to minimise avoidable costs. Corporate-wide actions have been taken to reduce non-programmatic costs (management fees) to 15% in line with global standards.
- › **Efficiency:** this considers the value of outputs in relation to the cost of outputs. Personnel and staff costs (TA) are the largest cost component in Climate FIRST. GGGI possesses quality local and international staff for the project and will not need to establish a new team, in comparison to a MC delivery option. This demonstrates value for money because the core project tasks and activities will be delivered in-house by GGGI staff, decreasing the need for the procurement of expensive external consultants, except in justified high specialty areas. The personnel costs are reflective of the staff both in the Country Office (Port Moresby) and also in provincial capitals, which attracts additional associated costs. GGGI has a robust results performance management system to track and account for staff's performance indicators in line with project delivery.

⁵² Alinea, 2021, *PNG Climate Change Portfolio Review: Final Report*

⁵³ [Value for Money principles | Australian Government Department of Foreign Affairs and Trade](#)

- › **Effectiveness:** this considers achieving project outcomes and impact in relation to the project goals, EOIOs, and IOs and total cost of inputs. GGGI’s MEL process tracks monthly, quarterly, mid-year and annual project delivery and reporting against set targets, work plans and budgets. The GGGI due diligence assessment demonstrates the organisation has effective integrity risks systems for fraud, corruption and appropriate resource allocation. Monthly discussions will be held between GGGI and Post to monitor performance and risk management, and discuss innovative mechanisms where appropriate. GGGI will participate in an independent mid-term project evaluation (arranged and funded by Post).
- › **Ethics:** Recent PPAs have documented GGGI’s good adherence to principles of accountability and transparency. Stakeholders and beneficiaries of previous DFAT-supported GGGI projects have expressed confidence that the organisation engages in an accountable and transparent manner, which has built the trust necessary for operating as an embedded team in the CCDA office.

E. Implementation Arrangements (How will DFAT engage?)

Governance arrangements and structure

Bilateral Oversight: PACCAP

The first commitment under the PACCAP is for PNG and Australia to host an Annual Dialogue between senior representatives of both Governments. This has occurred three times since 2019 (with one deferred meeting due to COVID-19). The Annual Dialogue addresses all aspects of the PNG-Australia climate change relationship as articulated under the priority PACCAP areas. However, as the flagship climate investment, the performance and strategic direction of Climate FIRST will be a key discussion topic. PACCAP will ensure alignment with the priorities of PNG and Australia, including but not limited to the commitments of both countries to action on climate change, gender equality, disability and social inclusion. The governance arrangements at this level will promote women’s leadership and decision-making by including senior representation and expertise from DfCDR, PNG’s mandated policy agency for gender equality.

Strategic Oversight: Project Management Committee

The Project Management Committee (PMC) is responsible for setting the overall project direction and providing guidance and oversight to GGGI as the delivery partner for Climate FIRST. Its membership will include senior representatives of CCDA, DNPM and Post. It will be chaired by the Managing Director CCDA. In contrast to the PNG-Australia Climate Change Annual Dialogue, which covers the entire bilateral climate relationship, PMC meetings are directly focused on the strategic direction and performance of Climate FIRST. The PMC will meet at least once a year to receive an update and the delivery of the project outputs and outcomes, and review and endorse the project’s annual MEL report and other strategic papers and reports tabled by the secretariat. GGGI as the delivery partner for Climate FIRST will be the secretariat to the PMC. The PMC meetings will be convened by the chairperson on the advice of the secretariat.

Tactical Oversight: Technical Working Group

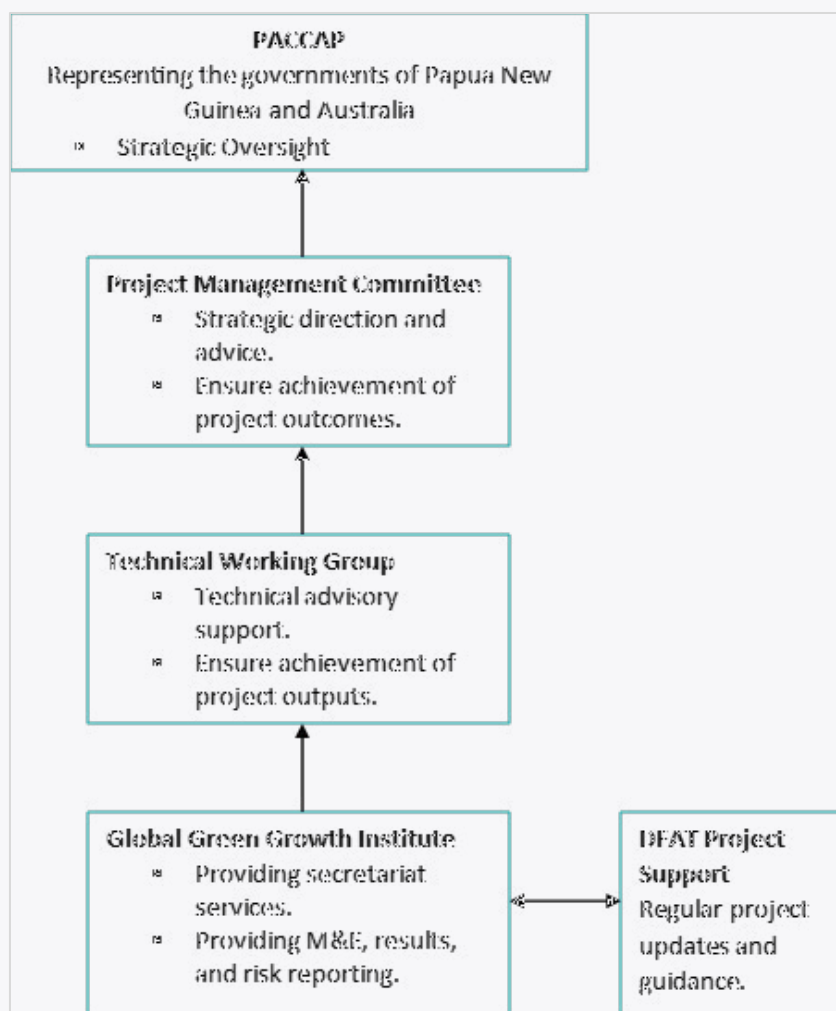
The Technical Working Group (TWG) will serve as the technical arm that will provide recommendations to the PMC and GGGI on the effective management and implementation of Climate FIRST to achieve its objectives. Its membership will include working-level technical representatives of CCDA, DNPM and Post and it will be chaired by CCDA. The TWG will meet at least twice a year to review and endorse the project’s MEL report and advise on other technical matters raised by the secretariat. GGGI as the delivery partner for Climate FIRST will be the secretariat to TWG. The TWG meetings will be convened by the chairperson on the advice of the secretariat. The TWG will review project reports in advance of the annual PMC and will include presentations delivered by relevant sector leads, including the GEDSI officer and MEL lead.

Project Oversight Meetings

Post (investment manager) and GGGI (Country Representative) will meet at least once per month to discuss key Climate FIRST project updates. GGGI will provide Post with an update on progress against each IO, and raise any

issues regarding risk and safeguard management, GEDSI, MEL, communications, and budget management. Post will make decisions to ensure investment performance remains on-track in each of these areas. Meeting minutes will be recorded to provide evidence of discussions on risk management, and to ensure action items are understood and agreed between Post and GGGI.

The governance arrangements for Climate FIRST are set out below:



Management

The climate change team at Post will manage Climate FIRST on behalf of the Australian Government. Post's resourcing footprint is outlined in Section H. The key management responsibilities of Post for Climate FIRST are:

- › Managing the Climate FIRST agreement with GGGI, in line with the requirements of DFAT's International Development Programming Guide and associated documents. This includes active participation in governance meetings to make decisions on risk and safeguards management, GEDSI considerations, MEL, communications, and budget management.
- › Connecting GGGI with other Australian Government programs to explore options for alignment or collaboration (e.g. APEP, AIFFP, ESIP, PNG Women Lead, etc).
- › Ensuring Climate FIRST's continued alignment with the Australian Government's strategic priorities.
- › Ongoing monitoring of risk and safeguards management, GEDSI considerations,

- › Annual investment performance reporting through mandatory reporting channels.
- › Leverage communications support to promote Climate FIRST as a flagship climate investment under the PACCAP partnership.

GGGI's management responsibilities are consistent with the organisation's existing organisational activities and in-country mandate. After consultation between Post and GGGI, the following core responsibilities have been agreed for Climate FIRST:

- › Provide technical support to CCDA to facilitate the establishment and functioning of the CFSC, including administrative and logistical support for meetings, travel and other operations, and activity reporting.
- › Support delivery of CFSC outputs including the drafting of Terms of Reference, and developing projects in line with NDC and NAP priorities.
- › Develop a pipeline of high-quality bankable investment proposals aligned with CFSC prioritisation mapped to NDC and the NAP and sync with the climate investment target of USD400 million by the end of the investment.
- › Manage Climate FIRST's GEDSI and MEL, including cross-program and adaptive learning.
- › Manage a cadre of qualified, knowledgeable PPOs (subnational facilitators) to ground the national priorities and investment proposals in local context and identify and foster local leadership and implementing partners.
- › Maintain strong networks and relationships with international funds and donors, including supporting representations and CFSC members to high level negotiations and fund management meetings.
- › Establish connections and relationships with accredited agents (of international funds including the GCF and the Adaptation Fund), including meeting with agency managers and senior staff on a regular basis.
- › Engage specialist skills to promote GEDSI and ensure that Climate FIRST is inclusive and empowering for women, people with disabilities, and marginalised groups in national and subnational engagement progresses.
- › Seek new opportunities and relations with domestic, private, and philanthropic agencies for funding/co-investment in specific outcomes of large international climate programs.
- › Consult during this process with national and subnational stakeholders (via CCDA networks and the Climate FIRST PPOs and stakeholders).
- › Broker investment consortia and implementation partnerships to meet the requirements of multidisciplinary, geographically diverse investment programs.
- › Promote Climate FIRST's progress and achievements through GGGI communications channels and share content for publication through DFAT's communications channels.

Early activities – Inception phase

GGGI will support CCDA and other key PNG agencies to establish the CFSC, support CCDA to provide secretariat services to mobilise engagement, convene meetings and shepherd the development of representative membership and terms of reference.

GGGI will support the Government of PNG to:

- › Consult across key relevant agencies to establish representation on the CFSC for appointment by the CCDA Board.
- › Meet to discuss draft operating arrangements and terms of reference for the CFSC aligned with the outcomes of Climate FIRST.
- › Establish mechanisms for appointing the Chair of the CFSC and assigning other key functions to support the outcomes.

- › Support the sanctioning and formal establishment and first meetings of the CFSC, as per appropriate PNG Government process.

During the inception phase, GGGI will also finalise internal arrangements for Climate FIRST, including:

- › Confirm and establish governance arrangements, lines of communication, roles and responsibilities, and reporting systems.
- › Develop detailed performance assessment framework developed and design MEL mechanisms.
- › Develop a GEDSI plan and arrange initial training of subnational GEDSI focal points.

At the Subnational level, GGGI will:

- › Send an official communication on the implementation of Climate FIRST to all target subnational provinces.
- › Develop and sign an MOU with the shadow provinces and an updated MOU with the pilot provinces.
- › Recruit new subnational staff, including three new Provincial Project Associates and one new additional Provincial Project Officer.
- › Establish reporting and MEL arrangements via the GGGI MEL systems.

Policy dialogue

Climate FIRST will be established under the auspices of the PACCAP. PACCAP has proven value. It is well regarded by both governments, as has strong potential as a useful platform for discussion and review of climate investment partnerships, and to inform high-level dialogue on national and regional climate change policy, priorities and interests. Since 2019, annual PACCAP dialogues have been the process to agree to policy roadmaps and strategic priorities between Australia and PNG, with the dialogue's Outcome Statement guiding activities for the following year.

Engaging GGGI as delivery partner limits the ability for Climate FIRST to hold a secondary role as Secretariat and MEL unit for the PACCAP partnership (compared with engaging a managing contractor; see Section D: Delivery Option). Post will explore options to access this assistance from an alternative source, including through adding Secretariat duties to the responsibilities of a LES officer at Post.

The establishment of the CFSC will help enhance policy dialogue by engaging PNG's powerful central agencies to participate in bilateral climate discussions. Although it is not anticipated Australian representatives will hold formal meetings with the CFSC, the CFSC is designed to attract high-level representation from important government agencies. This means key agencies (including Treasury, DNPM and PMNEC) will be familiar with, and supportive of, priority proposals being progressed through Climate FIRST. This in turn increases the likelihood these influential agencies will play a substantive role in annual PACCAP meetings.

As implementing partner, GGGI will provide valuable support in advancing policy dialogue with PNG due to its position embedded in the PNG Government, its existing cross-government relationships and aligned approach in supporting PNG access climate finance.

Profile and public diplomacy

The partnership with GGGI on Climate FIRST has potential to contribute topical and strategic material for Australia's climate diplomacy. It will also support Australia's bilateral dialogue through the PACCAP and contribute to Australia's climate finance commitments.

GGGI's team will include a Communications officer who will lead engagement with the traditional print media and social media platforms to maximise outreach with the PNG Government, subnational governments, partners, private sector, NGOs, and other key stakeholders. The Communications officer will be responsible for preparing content for publication through DFAT's media and public diplomacy channels, which will also be shared on GGGI's platforms. The communications prepared by GGGI will aim to educate and promote increased awareness on Climate FIRST and communicate successful results that will also promote visibility for to key stakeholders and the

public. The Project Agreement will mandate that GGGI must ensure recognition for Australia’s funding support (branding and attribution).

Sustainability

The incentives offered by access to large scale sources of climate finance, and the development of a system that continues to attract finance, are expected to drive ongoing high-level engagement and progressive reforms to finance management and accountability, and capability in managing, coordinating and reporting progress across the climate action portfolio. However, these incentives may be slow to emerge and take effect.

PNG’s success in accessing recent project funding from the Adaptation Fund through the CRGG project showed both the potential for success and the risks. Climate FIRST will provide the support needed to reduce these risks and increase the likelihood of success but may not be able to achieve this in the project timeframe, especially considering the administrative time and complexity needed to get projects approved under global climate funds.

Ultimately, over the longer-term success is also predicated on the institutionalisation and resourcing of the CFSC mechanisms in the PNG administration. While Climate FIRST is designed as a no-regrets investment, offering tangible outcomes even in the short term, longer engagement may be indicated as both needed and of value to the relationship more broadly.

Regular reviews of the program through the governance processes outlined above will track progress towards supporting the CFSC’s core functions. Independently-funded mid-term and end of investment evaluations will determine likely sustainability, with options to:

- › Design the next phase of the investment for a further four years if outcomes are being achieved but institutionalisation requires more support. This may entail a re-design and refocus on the institutionalisation elements. This will allow Australia to alter delivery modality if it is agreed another mechanism is likely to produce a better result.
- › Wind up the investment and document lessons if progress is insufficient (key targets and milestones not met, strong barriers persist and progress too slow).

Climate FIRST will be implemented during the first phase of the PNG Development Partnership Plan (DPP), a key deliverable under Australia’s International Development Policy. The DPP process will include a mid-term evaluation process in 2026, overlapping with the evaluation periods for Climate FIRST. The DPP mid-term evaluation will assess areas to improve and refine Australia’s climate support in PNG, including a potential focus on emerging topics such as food security. It is anticipated the DPP mid-term evaluation will inform the direction and scalability options for Climate FIRST and any successor initiative.

F. Monitoring, Evaluation and Learning (How will DFAT measure performance?)

Effective and timely MEL will be critical to ensure the success of Climate FIRST, covering every project cycle management step. MEL will be guided by DFAT and PNG Government requirements, international good practice, and linked to the project’s MEL Plan that will be prepared for the project by the MEL Officer. With GGGI, the following MEL arrangements have been agreed:

MEL Arrangements

GGGI undertakes systematic monthly, quarterly, mid-year, and annual project reporting. The project progress is reported against the logframe and budget. For Climate FIRST, a detailed project logframe (below Activity-level) will be revised and finalised during the project inception phase to serve as the results framework for the project. The logframe will be used to assess progress towards achieving the agreed project deliverables and milestones, and timelines and will be closely aligned with the project’s Theory of Change. This will allow the provision of timely advice to Australian and PNG Governments.

In this instance, the project’s specific MEL process will be based on GGGI’s internal project processes set out in Project Cycle Management (PCM) manuals.⁵⁴ GGGI’s MEL reporting is done online using its internal Project

⁵⁴ [GGGI Project Cycle Management Manual](#)

Information Management Information System (PMIS) known as GGGI Online (GO). The main monitoring reports include:

- › Monthly reporting of all project's progress and status in GGGI Online against the outcomes, outputs, and targets in the project logframes for Division Head and Regional Director's review. This reporting includes project risk assessments to indicate which projects require management attention and guidance.
- › Monthly review of project actual spends v budget report in ERP.
- › Submission of quarterly projects progress report to GGGI Management for decision and action.
- › End of Year Country Program Results Reports (CPRR).
- › GGGI Annual Results Report.
- › End of project completion report.

Goal and Objective MEL

Climate FIRST will not be resourced to systematically measure the combined impact of climate action projects, however, the Governments of PNG and Australia will benefit from an independent mid-term evaluation (which Post will resource) to explore the extent to which the Climate FIRST design is contributing effectively to PNG's climate action priorities. The mid-term evaluation will inform DFAT decision-making in relation to a subsequent four-year investment phase. It will likely also generate important lessons and recommendations to improve the efficacy of the project.

End of investment MEL

Changes at the EoIO level will be a key focus of MEL for Climate FIRST. The evaluative emphasis at this level will be on the extent to which national and subnational partners have been effectively involved in proposal development and investment implementation. Measures will explore both the quality of engagement and collaboration, and the quantum of achievement towards the stated outcomes of funded investments. Put simply, Climate FIRST will be a success insofar as stakeholders are owning and prioritising funded climate action projects, and evidence suggests reasonable progress towards intended outcomes.

GGGI will employ both qualitative and quantitative methods to assess progress towards the EoIO. The former will involve a series of annual key informant interviews to gauge the extent to which relevant national and subnational partners are appropriately engaging and collaborating. With regards to the latter, GGGI will maintain a dashboard that gives six-monthly updates of project status/progress markers to track the performance of each project. The independent mid-term evaluation described above will also assess the accuracy of the methods and findings of GGGI.

GGGI's specific GEDSI MEL at the EoIO level will include:

- › Qualitative research at community level (through subnational networks) on resilience and experience of diverse women and persons with disabilities.
- › Use of sex disaggregated data in proposals and building approaches to data collection for other diverse and vulnerable groups, that protects safety.
- › Use of disability disaggregated data in proposals, including building partner capacity and knowledge around use of Washington Group questions for disability data collection.

Intermediate Outcome MEL

Performance at the outcome level will attract the bulk of MEL effort and resources. The MEL arrangements for the outcomes will involve a mix of methods to assess the extent and merit of CFSC engagement in investment pipeline oversight, increased participation of the private sector, increased subnational engagement and GEDSI mainstreaming.

Assessments of the five outcomes will be integrated into the annual key informant interviews led by GGGI, as described above. Questions will explore the extent to which the Climate FIRST is operating optimally and achieving its mandate — (IO1) PNG securing its target in investment commitments through finance proposals, (IO2) overseeing the endorsement of these proposals in line with the NDC and NAP, (IO3) increase subnational

engagements in seven provinces, (IO4) increasing engagement of private sector in climate finance, and (IO5) mainstreaming GEDSI in the project implementation and climate finance projects.

Deliverables MEL

The progress and quality of MEL data and reports will be the responsibility of GGGI and the standard metrics for reporting will be reflected in the project logframe but also discussed and formally agreed at inception with CCDA (e.g. number of meetings/events convened, number of subnational consultations undertaken, number of project concepts developed, number of proposals submitted, number of proposals financed, number of monitoring visits undertaken, number of progress reports prepared, number of communication briefs published, etc.).

Performance measurement may be supported with the development of rubrics, especially in relation to assessing the quality of deliverables and in actively driving the GEDSI agenda. In addition, tacit quality assurance will occur through routine management meetings with the DFAT Program Manager and Development Counsellor and regular DFAT mechanisms such as Partner Performance Appraisals (PPA) and Investment Monitoring Reports (IMR). GGGI will also routinely review and proactively update risk and context analyses, in line with the organisation's regular processes.

MEL Resources

The above MEL arrangements are expected to require one fulltime equivalent MEL professional. The MEL Officer will be supported with GGGI's bespoke PMIS to enable efficient performance reporting and learning.

Post will access additional, independent technical assistance to provide quality assurance of Climate FIRST (including the independent mid-term review). This provider has been arranged by Post's Economics team (the provider will provide quality assurance to other Economics team investments including APEP). The provider is funded separately from Climate FIRST, which will not need to co-contribute. The exact cost for the provider is yet to be confirmed however funding to cover Climate FIRST will be included in the contract.

G. Gender, Disability and Other Cross Cutting Issues

GEDSI and climate change

It is well accepted that climate change impacts are having disproportionate impacts on marginalised groups in society, namely women and girls, persons with disabilities, indigenous people, the poor, the elderly, and people with diverse gender identities and sexual orientation.⁵⁵ Such marginalised groups tend to have less access to information and resources for adaptation responses and planning and are often excluded from decision making realms at national, local and household levels. At the same time these social groups are at the frontline of climate impacts as they are highly reliant on natural resources for food and water, as well as employment and income. They also hold important skills, knowledge, and systems of governance for understanding, caring for and managing changes to their environments and communities.⁵⁶ Yet these strengths and experiences are not well institutionalised in climate investments in PNG, which tend to privilege technological solutions over local knowledge, needs and practice. The GEDSI analysis (see Annex 3: GEDSI and climate change in PNG) demonstrates that this is the case despite increased focus on and commitments towards gender equality and social inclusion in national policy and climate investments in PNG.⁵⁷

Recent reviews of climate change programming in PNG and the Pacific have found that while such programs tend to be guided by well-developed GEDSI action plans and strategies, such strategies tend to take a narrow framing

⁵⁵ Cohen, M. (2018). Gender and Climate Change Financing: Coming Out of the Margin. *Feminist Economics* 24 (3), 188-190.

⁵⁶ Perkins PE (2018) Climate Justice, Gender and Intersectionality. Chapter 26 Handbook of Climate Justice Routledge.

⁵⁷ Barrowman, H. M. (2021) Gender, Social Inclusion and Climate Change in Papua New Guinea: A Situational Analysis. Report prepared by the Australia Pacific Climate Partnership, 26pgs.

of GEDSI (focusing almost exclusively on women) and have been slow to recognise complexity within society and its layers of inequality.⁵⁸

There is also evidence that limited attention has been given to GEDSI beyond the rhetoric of “women’s economic empowerment.”⁵⁹ For example, climate programs have tended to focus on improving employment opportunities at the expense of improving democratic outcomes for women and marginalised groups, such as their influence in different spheres of decision-making (particularly outside of the workplace), as well as their wellbeing and safety. As such, climate change programs have had limited impact on access to power, resources and decision making, despite such elements being core components of adaptive capacity.

For these gaps to be addressed, **marginalised groups need to be at the forefront of decision making when it comes to new investment and policy design.** New climate initiatives, including both mitigation and adaptation, need to be co-designed with diverse women, people with disabilities, local communities and other marginalised people so that the solutions developed are context appropriate, are addressing people’s real needs and challenges and are much more sustainable and durable. Participation of such groups in all components of the program cycle, from conceptualisation to implementation and monitoring and evaluation is an important steppingstone to better representation.

Climate initiatives also now need to go beyond just addressing residual vulnerabilities experienced by marginalised groups (e.g., water insecurity and environmental degradation) and focus more on addressing persistent social inequalities by, for example, purposefully providing positions for marginalised groups and/or their representative organisations and movements in high-level decision-making and dialogue as well as providing the resources and policy changes needed to address ongoing detrimental social norms. Investing in analysis on social norms, power, and agency will help to provide the evidence needed for more effective climate action.

Disability Inclusiveness

People with disabilities are particularly vulnerable to climate change impacts. In the Pacific, people with disabilities are considered particularly vulnerable due to their often precarious and limited employment opportunities and subsequent reliance on farming and fishing for food, difficulty in accessing potable water, and general immobility, including issues in accessing immediate safe spaces following a disaster and issues in temporary or permanent migration.⁶⁰ Their representation in climate change policy and programming is therefore critical. However, evidence to date demonstrates that people with disabilities are currently significantly underrepresented in decision making processes at national and subnational levels in PNG, and that clear, specific actions are needed to ensure their inclusion.

Building the capacity of organisations of people with disabilities to engage meaningfully in climate policy and investments, through targeted resourcing and training is one important step towards better representation. Other important steps include ensuring better representation of people with disabilities in national and sub-national level decision making and dialogue, as well as building the capacity of implementing partners to understand differentiated disability impairments and provide the appropriate support needed for different people with disabilities to participate meaningfully in climate program design and implementation.

Further analysis is also critical, in particular analysis on the differentiated impacts of climate change on people with disabilities in PNG. This is an emerging field of research and recent research by the Pacific Disability Forum has only just started to unpack some of the diverse challenges people with disabilities across the Pacific are experiencing regarding climate change impacts and adaptation. Further country and community-level analysis is needed to provide more contextualised evidence for PNG-based programming. Analysis into what effective programming looks like for different people with disabilities is also essential, including the different types of

⁵⁸ Robertson Hathaway, J. (2020). Climate Change, the Intersectional Imperative, and the Opportunity of the Green New Deal, Environmental Communication, 14:1, 13-22, DOI: 10.1080/17524032.2019.1629977.

⁵⁹ Barrowman, H. M. (2021) Gender, Social Inclusion and Climate Change in Papua New Guinea: A Situational Analysis. Report prepared by the Australia Pacific Climate Partnership, 26pgs.

⁶⁰ Pacific Disability Forum (2022) Disability and Climate Change in the Pacific: Findings from Kiribati, Solomon Islands and Tuvalu.

resourcing needed to effectively engage people with disabilities throughout the programming cycle as well as analysis on desirable outcomes.

To meet the above requirements, the design of Climate FIRST has included GEDSI as an intermediate outcome to ensure that more women, persons with disabilities and vulnerable groups influence, participate in and benefit from the investment. To ensure this, GEDSI designed interventions will be included in all qualifying investment project outputs and outcomes with clear indicators, timelines, and results reporting. GGGI's Gender Strategy 2021-2025 will provide the guideline on how to maximise social co-benefits and inclusion in the project. The key GEDSI deliverables for Climate FIRST will be implemented through these key steps:

- › At the beginning of the project and for each bankable project and investment proposal, **an ESS and a poverty and social assessment (PSA) which includes a GEDSI assessment will be undertaken** to identify the priority poverty and GEDSI challenges and issues to be addressed. A more detailed GEDSI Assessment Report will be the next step where more extensive consultations with key stakeholders and detailed social analysis will be undertaken on the identified poverty and GEDSI issues that will form the and to provide the baseline and inform the formulation design of poverty and GEDSI design interventions for all relevant project and investment outcomes and outputs. This work will be supported by the CCDA and provincial and line departments GEDSI focal points.
- › A **GEDSI Action Plan (GAP)** will be developed in close consultation with PNG Government agencies, partners, sub-national provinces, and key stakeholders, and included as an output under intermediate outcome 5 on GEDSI. The GAP will be adequately funded, monitored, and reported on a regular basis in line with the MEL.
- › A **GEDSI Officer at a senior (X9) national level** and GEDSI Focal Points (GFPs) at the subnational level will be identified, who will be trained and deployed to coordinate the implementation of the GEDSI and the GAP, conduct training and awareness on GEDSI and promote GEDSI advocacy across the project's outcomes and outputs delivery. The GEDSI officer will be a suitably senior staff member, considering that they will play a significant role in the successful implementation of Climate FIRST.
- › Additional **disability expertise** will be available to the Climate FIRST team, either through short-term contracts or on-call arrangements. This acknowledges that it is rare to find a specialist who has deep expertise in both gender equality and disability equity. Additional disability expertise will also support the Climate FIRST team consider how people with lived experience of disability are able to participate in governance arrangements and policy dialogue. There is also the opportunity to consider the investment's approach to building capacity of organisations of people with disabilities to engage in climate policy initiatives.
- › The GEDSI officer will lead Climate FIRST's efforts to ensure that a **share of finances are targeted to promote equality** and social inclusion in all investment proposals, and ensure that GEDSI outcomes are addressed in downstream program implementation partnerships, PAFs and MEL. While the GEDSI officer will lead these efforts, it will be the responsibility of all staff to integrate GEDSI considerations in proposals wherever possible.
- › **Sex disaggregated data will be collected** in line with the GAP performance indicators to monitor on a regular basis the delivery of our GEDSI outcomes and outputs and, where relevant, apply adaptive management in response to any uncertainties.

Climate FIRST will support DFAT address the three priority areas identified in its Gender Equality and Women's Empowerment Strategy with the following complementarities:

- › **Enhancing women's voice in decision-making and leadership:** Climate FIRST will create a platform at the national level where the high-level CFSC will give prominence to women in decision-making processes by supporting a GEDSI representative. At the sub-national level, the Subnational Facilitator will engage relevant Provincial Council of Women representatives to elevate women's voices. In addition, GGGI's GEDSI specialist will provide dedicated support to proposals distinctive to GEDSI interventions.

- › **Promoting women’s economic empowerment:** Working with key stakeholders and consortiums, Climate FIRST will develop bankable investment projects that support an array of income generating activities and improve access to markets.
- › **Ending violence against women and girls:** Climate FIRST will also prioritise climate financing intended for research including for to gain in-dept understanding of climate change impacts between gender and the correlation to violence against women and girls. All research conducted will inform the future GEDSI Action Plan.

Private sector

The private sector is yet to feature significantly in PNG’s climate finance or action on the ground. While PNG’s extensive forest cover means that opportunities are present in relation to carbon offsets (with significant co-benefits for biodiversity conservation and healthy, productive ecosystems), this market remains largely unregulated, informal and high-risk. The government is working towards a firmer regulatory platform for the rapidly emerging carbon market, to ensure its integrity and alignment with international reporting requirements for offsetting and carbon accounting under the UNFCCC.

Private investment in energy transition will be essential to finance PNGs transition to renewables. This is in the context of persistent low rates of access to reliable energy (13%) and must entail off grid small and micro grids and distributed systems powered locally by local renewable sources (primarily hydro and solar). Proposals developed GGGI through Climate FIRST are likely to include elements of PNG’s energy transition as priorities under the NDCs, MTDP IV, and Provincial CRGG Strategies.

There has been limited private investment in climate adaptation to date. Private sector sources may be included in negotiations on climate finance, and the PNG Government could also pursue the option of establishing a green bond investment platform to support the costs of integration (this has been mooted and is of interest to PNG Treasury). However, in the early stages, it is likely that Climate FIRST will focus on existing legitimate funds, their accredited partners and donors. The climate finance available from these sources is growing and yet to be well accessed by PNG. In time, other sources may emerge as feasible, including from philanthropic and commercial interests.

H. Budget and Resources (What will it cost?)

Budget

An indicative budget has been negotiated in consultation with GGGI and is included in the table in Annex 7.

Climate FIRST does not involve co-contributions from the PNG Government, private sector, or other donor partners. However, it will work closely with each of these stakeholder groups to leverage resources. The investment will:

- › Leverage PNG Government resources by supporting the establishment of the CFSC, a government institution intended to operate as an independent oversight and approval mechanism for climate finance proposals.
- › Leverage private sector resources by improving the enabling environment for domestic private sector organisations to invest in climate and green initiatives. As outlined in IO3, Climate FIRST will do this by (1) addressing barriers to private sector participation in domestic climate investments, (2) developing and implementing a Medium-Term Private Sector Climate Investment Strategy in line with NDC and NAP, and (3) operationalising a new green entrepreneurship program in partnership with SME Corporation, CGC, and local incubators.
- › Leverage donor partner resources by closely aligning Climate FIRST with existing and forthcoming sectoral initiatives. Climate FIRST will pursue opportunities to align with the new Country Package for Forests, Nature and Climate, led by France, with major input from the EU’s FCCB project. The CFSC is also intended to improve PNG Government oversight and coordination of all climate finance proposals

supported by donor partners, therefore reducing duplication and decreasing the administrative burden on the PNG Government.

Resources

Climate FIRST will be overseen by Post's climate change team. From mid-2024, the team will consist of one A-based First Secretary (1FTE) and one locally engaged Program Manager (1FTE). The First Secretary is a new position which increases Post's resourcing compared with previous levels. The primary role of this team will be the administration of Climate FIRST, but the team will also perform other climate, environment and forests duties, including: policy advocacy with the PNG Government; coordination with other development partners (particularly France and the EU); supporting high-level engagements; mainstreaming/integration of climate considerations in Post's broader development program; and indirect oversight of other Australian climate initiatives (see Annex 5).

Administration costs for Climate FIRST will be separate to the AUD20 million allocated to GGGI for the project. Monitoring and travel costs will be borne by the climate change team's program fund (PPR – Economics). The specific amount of funding for these costs will be determined on a year-by-year basis in consultation with Post's Economics Counsellor to ensure equitable funding for the Economics Team's various investments.

Costs for the independent mid-term review and other quality assurance processes will also be covered through the PPR program fund (as outlined in Section F).

I. Risk Management and Safeguards (What might go wrong?)

Risk management

Climate FIRST is considered a medium-risk investment. Risks are fully assessed in the internal Risk Matrix. Risks identified as significant include:

- › Investment sustainability – there is a chance CFSC may not be equipped to continue its functions during the investment or after the investment concludes. This will be mitigated by ensuring the PNG Government has ownership of the CFSC as it is established under the remit of CCDA's legislation and Board. Further, GGGI will support the establishment of CCDA's Climate Finance Unit (through a separate GCF project) to provide secretariat duties to ensure the CFSC functions effectively. The Climate Finance Unit staff will receive on the job training from supporting GGGI in the development of climate finance and green investment proposals. Post and GGGI will utilise policy dialogue mechanisms (detailed in Annex 1) to promote continued engagement by senior officials in the CFSC. The mid-term review will assess progress towards achieving sustainability and provide recommendations for the second half of the investment.
- › Partner risks – it is possible PNG Government may lack necessary capacity and/or capability to collaborate on activities effectively. As a result, progress on Climate FIRST may be delayed and the possibility of capacity substitution may increase. To counter this risk, Climate FIRST will purposely support the establishment of the steering committee within PNG Government mechanisms, rather than establishing new institutions or 'taskforce' arrangements. This is intended to prevent scarce PNG Government resources from becoming stretched. Further, GGGI will support establishment of a Climate Finance Unit (through a separate GCF project) within CCDA to support agency capacity and resources, and ensure sufficient support for the CFSC. The mid-term review will assess progress towards achieving sustainability and provide recommendations for the second half of the investment.
- › Fraudulent use of funds – misappropriation or loss of funds would damage the reputation of PNG and Australian. To counter this, Post has confirmed GGGI's anti-fraud mechanisms through an updated Due Diligence Assessment. Post and GGGI will include expenditure and fraud monitoring progress as a standing agenda item during regular (monthly) governance meetings, allowing Post to take early action to address possible risks (see below paragraph on Fraud Control for further analysis).

- › Political or bureaucratic interference – interference which diverges from agreed relevant policy priorities would de-legitimise public confidence in the CFSC and the investment, damage PNG Government and Government of Australia’s reputation, and render international climate institutions less likely to engage with the CFSC. To mitigate this risk, Post and GGGI will engage in consistent policy dialogue (including at monthly meetings) to ensure the CFSC is on track to progress agreed priorities.

GGGI has a robust risk management and safeguards system. Post completed an updated baseline (multilateral) due diligence assessment for GGGI in February 2024.

Counter terrorism resourcing

The due diligence assessment confirmed GGGI has clear systems to prevent counter terrorism resourcing. GGGI’s Rules on Integrity⁶¹ require the organisation to comply with the International Convention for the Suppression of the Financing of Terrorism. Prior to engagement with a third party, GGGI must identify and verify the identity of the third party and their owners to ensure it is engaging in a legitimate business relationship. GGGI must also carry out sanctions screening of any third party and endorses sanctions imposed by national bodies against individuals involved in terrorism, terrorist financing and other illegal activities.

Environmental and social safeguards (ESS)

Climate FIRST is unlikely to cause direct environmental or social impact through its Australian-funded activities. It will, though, lead to the development of downstream investments that carry a range of impacts depending on the sectors and systems affected. It is GGGI’s requirement that each climate investment project that it develops will need to carry out an ESS risk assessment aligned with GGGI’s Sustainability and Safeguard Framework, which is built on internationally recognised standards. GGGI’s Project Cycle Management (PCM) assessments include a systematic focus on ESS risk management in line with recognised international standards.

Based on the requirements of climate finance funds including the GCF and Adaptation Fund, other funding bodies and those of accredited implementing partners, appropriate environmental and social safeguards assessments and management plans will be mandatory for each investment. These will be the responsibility of accredited implementing partners, which also must comply with safeguards monitoring and reporting requirements of the funds.

Climate FIRST will not work directly with children and young people. Child protection risks will be mitigated at the investment level as part of broader environmental and social safeguards management. GGGI will institute its own Child Protection Rules and Guidelines⁶² which are strictly applied across its business operations. GGGI will also ensure that partners have in place policies and systems that protect children from abuse and exploitation.

GGGI will also implement its Rules on Preventing Sexual Exploitation, Abuse and Harassment (PSEAH) through specific funding agreements, reporting on organisational efforts and regular communication with personnel and partners. To mitigate SEAH risks, all GGGI staff complete induction training which covers its Sustainability and Safeguard Framework, which meets international best practice and is strictly applied across its business operations.

During Climate FIRST’s early implementation phase Post will work with GGGI to further strengthen the investment’s safeguarding system. This review will draw on the expertise of GGGI’s Climate Action and Inclusive Development Unit, which is specifically tasked with integrating these safeguarding measures across all GGGI projects. To ensure that risks to safeguards issues are managed, the Climate FIRST team will also consider the inclusion of an Environmental and Social Safeguards specialist to monitor and guide this work.

Fraud control

There is an inherent level of risk that funds may be used fraudulently, but proposed controls and treatments are considered adequate to mitigate. Fraud may arise, for instance, due to: the lack of monitoring controls for

⁶¹ [GGGI Revised Rules on Integrity Due Diligence 2021](#)

⁶² [GGGI Rules on Child Protection 2019](#)

downstream spending and accounting for funds; have unplanned/unauthorised access to Climate FIRST funds; or where funding is distributed by GGGI to downstream partners without proper due diligence checks. To mitigate this risk, Post will only distribute funds directly to GGGI and will not distribute funds to other partners (e.g. PNG Government, whether at the national or subnational level). Funds will not be distributed by GGGI to PNG agencies. International climate funds have stringent due diligence requirements, which demand strict adherence to anti-fraud measures within recipient organisations. As detailed in the 2024 Due Diligence Assessment, GGGI screens external parties under its Rules on Integrity process (established in 2019 and updated in 2021). Further details are available in the Due Diligence Assessment. Moreover, Post and GGGI will include expenditure and fraud monitoring progress as a standing agenda item during regular (monthly) governance meetings, allowing Post to take early action to address possible risks.

It should also be noted that funding for proposals generated through Climate FIRST will be subjected to the rigorous standards of international financing organisations. Post will not have direct oversight of these downstream finance flows, as the money will be drawn from the international funds.

J. Annexes

Required Annexes:

- › 1. Policy Dialogue Matrix.
- › 2. MEL Framework.
- › 3. GEDSI analysis.
- › 4. Climate change analysis.
- › 5. Summary of Australia's Climate Change Support in PNG.
- › 6. Definitions.
- › 7. Budget and Resourcing Requirements.
- › 8. Program logic diagram.
- › 9. GGGI Organisational Chart.



Annex 1 Policy Dialogue Matrix

Related Intermediate Outcome	Problem/ Issue	Policy outcome sought	Program entry points for policy dialogue	Influential stakeholders	Resources required	Policy dialogue lead within AHC	Partnership engagement lead within implementing partner
1. PNG's access to domestic and international climate finance is scaled up and the target in investment commitments is secured.	PNG lacks resources and expertise to develop and submit successful applications for domestic and international climate finance.	PNG is supported to develop the resources and expertise to develop successful applications for finance in line with priorities of NDC and NAP.	Governance meetings Technical sessions with climate finance experts Annual reporting	Senior officials of key stakeholder agencies Contact points in international climate finance institutions	GGGI team Post's team (First Secretary and Program Manager) Independent review (funded separately by Post)	DFAT First Secretary (backed by HOM and Minister-Counsellor in annual meetings) (In partnership with GGGI)	GGGI Country Representative GGGI Climate Finance Access Network advisor
2. A high-level Climate Finance Steering Committee is brokering consensus on a pipeline of priority investments in line with PNG's NDC and NAP.	Lack of consensus, coordination and high-level oversight of climate and green finance proposals	Committee oversees and brokers consensus on climate finance priorities, in line with PNG's NDC and NAP.	PACCAP Annual Dialogue Governance meetings Annual reporting	Minister for Environment, Conservation and Climate Change Senior officials of key stakeholder agencies (CFSC participants)	GGGI team Post's team (First Secretary and Program Manager) Independent review (funded separately by Post)	DFAT Counsellor and First Secretary (backed by HOM and Minister-Counsellor in annual meetings) (In partnership with GGGI)	GGGI Country Representative

Related Intermediate Outcome	Problem/ Issue	Policy outcome sought	Program entry points for policy dialogue	Influential stakeholders	Resources required	Policy dialogue lead within AHC	Partnership engagement lead within implementing partner
3. Subnational engagement for CRGG and climate investments is scaled up.	Engagement between provincial and national stakeholders is limited (with initial progress in three provinces).	Engagement between provincial and national stakeholders is increased (to seven provinces) and priority projects secure financing.	Governance meetings Technical sessions with climate finance experts Provincial workshops and high-level meetings Annual reporting	Senior officials of key stakeholder agencies Provincial Administrators Provincial GEDSI Focal Points	GGGI team (including staff in seven target provinces) Post's team (First Secretary and Program Manager) Independent review (funded separately by Post)	DFAT First Secretary (backed by HOM and Minister-Counsellor in annual meetings, and HOP Lae) (In partnership with GGGI)	GGGI Country Representative
4. PNG develops new innovative financing mechanisms, and the private sector is increasingly engaging with, and financing, climate investments.	Private sector participation in climate finance in PNG is limited, depriving the country of a source of finance for climate and green projects..	Private sector participation in climate finance in PNG is increased through multiple mechanisms, including innovative financing and to MSMEs.	Governance meetings Technical sessions with climate finance experts Joint engagement with private sector representatives Annual reporting	Senior officials of key stakeholder agencies Private sector representatives (including relevant Chambers and peak bodies) Credit Guarantee Corporation (in PNG's Central Bank)	GGGI team Post's team (First Secretary and Program Manager) Independent review (funded separately by Post)	DFAT First Secretary (backed by HOM and Minister-Counsellor in annual meetings) (In partnership with GGGI)	GGGI Country Representative
5. More women, people with a disability, and vulnerable groups	Women, people with a disability, and vulnerable groups generally	Women, people with a disability, and vulnerable	PACCAP Annual Dialogue	Senior officials of key stakeholder	GGGI team (including staff in seven target provinces)	DFAT First Secretary (backed by HOM and	GGGI Country Representative

Related Intermediate Outcome	Problem/ Issue	Policy outcome sought	Program entry points for policy dialogue	Influential stakeholders	Resources required	Policy dialogue lead within AHC	Partnership engagement lead within implementing partner
<i>influence, participate in, and benefit from Climate FIRST.</i>	<i>have limited influence on determining priority projects for financing, and therefore receive limited benefits from these projects.</i>	<i>groups have an increased influence on designing project proposals, endorsing proposals (through CFSC), and enjoy benefits from projects.</i>	<i>Governance meetings Meetings to develop GEDSI Action Plan Technical sessions with climate finance experts Annual reporting</i>	<i>agencies (including DfCDR) Provincial GEDSI Focal Points</i>	<i>Post's team (First Secretary and Program Manager) Independent review (funded separately by Post)</i>	<i>Minister-Counsellor in annual meetings) (In partnership with GGGI)</i>	<i>GGGI GEDSI Specialist</i>



Annex 2 Monitoring and Evaluation Framework (MEF)

The MEF has been completed at the Intermediate Outcome and Output level. The MEF will be reviewed and expanded during the inception phase when Activity-level details are included.

PNG CLIMATE FIRST – MONITORING AND EVALUATION FRAMEWORK (PROJECT LOGFRAME) – INTERMEDIATE OUTCOME AND OUTPUT LEVEL

No.	Level	Description	Indicators	Sources of verification	Risks and Assumptions	Baseline	Target	Start date	End Date
1	Intermediate Outcome	PNG’s access to domestic and international climate finance is scaled up and the target in investment commitments is secured	<p>A pipeline of climate investment projects is developed and adopted.</p> <p>Number of people for whom Australia’s investments have improved adaptation to climate change and resilience to disasters <i>(DFAT Tier 2 Indicator)</i></p>	CPRR and project monthly, mid-year, and annual progress reports	<p>A healthy pipeline of climate investment projects is developed with stakeholders’ support</p> <p>High quality scaled up climate investment proposals are developed and submitted to financiers and investors</p>	USD10 million ASSA project approved by Adaptation Fund in March 2023	USD400 million climate finance and investments secured.	Mar 2024	Mar 2028
1.1	Output	A market study on barriers and opportunities to climate finance and investments is completed.	A finalised and validated study completed and submitted.	<p>CPRR and project monthly, mid-year, and annual progress reports</p> <p>With sex-disaggregated data (on participants in study)</p>	<p>There is available information in the market to inform a high-quality study</p> <p>Desired participants are willing to share information to inform the study.</p>	No study completed.	Study completed.	Jul 2024	Nov 2024

No.	Level	Description	Indicators	Sources of verification	Risks and Assumptions	Baseline	Target	Start date	End Date
1.2	Output	Selection and consolidation of provincial climate investment priorities for development into project ideas, in line with PNG's NDC and NAP priorities	List of provincial climate investment ideas and priorities recommended for each province are completed. A probability weighted climate investment pipeline is developed for Climate FIRST	CPRR and project monthly, mid-year, and annual progress reports	There are enough well-developed concepts that can be advanced to project preparation stage. Key stakeholders can agree on which priorities should be selected for further project preparation work.	USD 177 million climate investment pipeline already developed since CRGG	USD 400 million climate finance and investments secured	Mar 2024	Mar 2028
1.3	Output	Workplans and budgets prepared for climate investment project preparation completed	Six monthly and annual project reports	CPRR and project monthly, mid-year, and annual progress reports	Sufficient time and budget to turn selected investment priorities into quality project funding proposals	None	One workplan and budget is completed for each investment project.	Mar 2024	Mar 2028
1.4	Output	Climate investment project ideas, concept notes and funding and investment proposals developed and submitted, will collaboration and participation from women's organisations and organisations of persons with disabilities.	Climate investment project designs and funding proposals completed and submitted to funders Number of women's organisations and organisations of people with disabilities which contributed to proposals.	CPRR and project monthly, mid-year, and annual progress reports With sex-disaggregated data With disability-disaggregated data	Key stakeholders give necessary support Women and people with disabilities are meaningfully included and are empowered to contribute in development of proposals	USD 177 million climate investment pipeline under CRGG	Full funding proposals totaling USD400 million are developed, submitted and secured.	Mar 2024	Mar 2028

No.	Level	Description	Indicators	Sources of verification	Risks and Assumptions	Baseline	Target	Start date	End Date
2	Intermediate Outcome	A high-level CFSC is brokering consensus on a pipeline of priority investments in line with PNG's NDCs and NAP	<p>Number of approved projects, number of CFSC meetings</p> <p>Number of organisations Australia has supported in the reporting period to strengthen accountability and/or inclusion, including examples of assistance provided and significant policy change achieved, at the following levels: a. Government institutions (<i>DFAT Tier 2 Indicator</i>)</p>	<p>CPRR and project progress reports</p>	<p>Change of government policy and priorities</p> <p>CFSC will get the blessings and support of PNG Government.</p> <p>The CFSC does not attract influential people and members lose interest over time.</p>	No high-level committee for coordinating climate investment – there is provision in the Climate Change Management Act, 2015	A high-level CFSC is endorsing a pipeline of priority investments	Mar 2024	Dec 2027
2.1	Output	Purpose, membership (with gender and disability representative/s), and TOR for CFSC is developed and adopted	<p>CFSC purpose, members (with a GEDSI representative) and TOR approved.</p> <p>Number of people with a disability consulted on CFSC design.</p>	<p>CPRR and project monthly, mid-term, and annual progress reports</p> <p>With sex- and disability-disaggregated data (on involvement in consultations)</p>	A gender and disability representative/s are available and willing to join the CFSC and participate in development of TOR	Non-existent	Products prepared	Mar 2024	Jun 2024

No.	Level	Description	Indicators	Sources of verification	Risks and Assumptions	Baseline	Target	Start date	End Date
2.2	Output	CFSC is appointed and established and launched with a Work Plan	CFSC established. CFSC work plan completed.	CPRR and project monthly, mid-year, and annual progress reports With sex-disaggregated data (on involvement in CFSC)	Adequate support from PNG senior officials to accept nomination for CFSC under CCDA Board. Change of government policy and priorities Invited members accept their appointments.	Non-existent	1 operational high-level CFSC	Apr 2024	Aug 2024
2.3	Output	Capacity building support to CCDA/CFU as secretariat to CFSC	CFU is strengthened and effective as secretariat for CFSC	CPRR and project monthly, mid-year, and annual progress reports, CFSC meeting reports With sex- and disability-disaggregated data (on people benefiting from capacity building support)	CFU is established and resourced by CCDA under its organizational reform Parallel support from Climate Finance Unit project (funded by GCF, implemented by GGGI)	Non-existent	CFU is established and operational as CFSC secretariat	Jun 2024	Dec 2024
2.4	Output	CFSC strategically prioritises and selects a pipeline of climate investments in line with PNG's NDC and NAP.	A growing climate investment pipeline is developed based on national and provincial needs and priorities	CPRR and project monthly, mid-year, and annual progress reports	The investment pipeline development is supported by the PNG Government and provincial governments	Current climate action pipeline of USD177 million from CRGG	Pre-determined target of climate finance proposals endorsed.	Jun 2024	Mar 2028

No.	Level	Description	Indicators	Sources of verification	Risks and Assumptions	Baseline	Target	Start date	End Date
					CFSC members are able to broker consensus on priority projects and are not affected by competing interests				
2.5	Output	CFSC provides oversight on overall project implementation, implementation of a communications plan, and reporting	CFSC adopts annual project report.	CPRR and project monthly, mid-year, and annual progress reports	Quality, accurate data are collected CFSC members remain engaged in the project	Non-existent	Annual project reports are completed reliably.	May 2024	Mar 2028
3	Intermediate Outcome	Subnational engagement for CRGG and climate investments is scaled up	Four new provinces develop and adopt their CRGG strategies. Pilot provinces take the next step to replicate CRGG implementation at the local government level.	CPRR and project monthly, mid-year, and annual progress reports	Four new provinces and three pilot provinces support CRGG implementation GGGI provincial project officers are fully embedded in the select provincial governments	4 new provinces have no CRGG Strategy	4 new provinces	Mar 2024	Dec 2025
3.1	Output	Provincial scoping and CRGG assessments conducted in the shadow provinces to develop detailed workplan, conduct stakeholder survey	Workplans and budgets for CRGG mainstreaming completed for 4 new provinces Number of women, men, people with a disability	CPRR and project monthly, mid-term, and annual progress reports	4 new provinces support Climate FIRST	Non-existent	4 new provinces	Mar 2024	Dec 2023

No.	Level	Description	Indicators	Sources of verification	Risks and Assumptions	Baseline	Target	Start date	End Date
		and GEDSI assessments, develop baselines, and identify provincial priorities in line with NDC and NAP	engaged with during assessments.	With sex- and disability-disaggregated data					
3.2	Output	CRGG and GEDSI priorities mainstreamed into MTDPs and/or Annual Development Budgets and identify a long list of priority projects/investment cases in the pilot and shadow provinces.	Each 4 new province has a CRGG Strategy List of provincial climate investment priorities completed	CPRR and project monthly, mid-year, and annual progress reports	Provinces and stakeholders are willing to incorporate CRGG into their MTDPs and budgets. Provinces are supported to set aside resources for preparing their CRGG strategies	None	4 CRGG strategies for 4 new provinces	Sep 2024	Jun 2025
3.3	Output	Capacity built at the provincial level to identify, prioritise, and mainstream CRGG and GEDSI priorities in the pilot and shadow provinces	Provincial officers trained to develop and implement CRGG strategy and action plans	CPRR and project monthly, mid-term, and annual progress reports With sex- and disability-disaggregated data	There are enough well-developed concepts that can be advanced to project preparation stage. Key stakeholders can agree on which priorities should be selected for further project preparation work.	None	Workshops for 4 new provinces	Mar 2025	Jun 2026

No.	Level	Description	Indicators	Sources of verification	Risks and Assumptions	Baseline	Target	Start date	End Date
4	Intermediate Outcome	PNG develops new innovative financing mechanisms, and the private sector is increasingly engaging with, and financing, climate investments	Private sector financing of climate investments secured Amount of additional private funds leveraged to support sustainable development (<i>DFAT Tier 2 Indicator</i>)	CPRR and project monthly, mid-year, and annual progress reports	Private sector “buy in” is secured with effective response to the government policies and incentives for climate finance and investments	Unknown (a study is required to understand current level of private sector involvement)	Increased private sector engagement (specific level TBC)	Mar 2024	Mar 2028
4.1	Output	Study on barriers to private sector participation in climate investments completed	A report on barriers to private sector funding for climate finance is prepared through wide consultations and submitted.	CPRR and project monthly, mid-year, and annual progress report With sex-disaggregated data (on participants in study)	A suitably qualified consultant/firm is procured and delivers its report in a timely manner. There are domestic disruptions that could delay the report preparation and consultation.	Non-existent	High-quality report is developed and finalised on time.	Mar 2024	Jul 2025
4.2	Output	A Medium-Term Private Sector Climate Investment Strategy is developed and implemented, in line with NDC and NAP	Medium term investment Strategy is developed and submitted to CCDA	CPRR and project monthly, mid-year, and annual progress report	PNG Government buy in and support for the Strategy is ensured. A suitably qualified consultant/firm is procured and delivers its report in a timely manner.	Non-existent	1 Medium Term Investment Strategy prepared	Mar 2024	Jun 2025

No.	Level	Description	Indicators	Sources of verification	Risks and Assumptions	Baseline	Target	Start date	End Date
4.3	Output	Green entrepreneurship program is developed and operational in partnership with SME Corporation, CGC, PNG's universities, local incubators and other development partners	<p>PNG Greenpreneurship program is established and operational.</p> <p>Number of MSMEs graduate from incubator and accelerator training with some winning seed capital grants</p> <p>Number of people with a disability participating in program.</p>	<p>CPRR and project monthly, mid-year, and annual progress report</p> <p>With sex- and disability-disaggregated data (on participation in program)</p>	<p>MSME Corporation partnership is secured.</p> <p>MSMEs startups and ventures are engaged and participate in the program</p>	60 SMEs have been trained and supported by PGEN	200 MSMEs are supported	Mar 2024	Mar 2028
4.4	Output	National Financing Vehicles and new innovative climate financing mechanisms such as green bonds are assessed and developed	A NFV is operational	CPRR and project monthly, mid-year, and annual progress report	<p>Stakeholders participate in NFV</p> <p>NFV is a suitable mechanism for PNG</p>	Non-existent	1 NFV is established	Mar 2024	Jun 2026
5	Intermediate Outcome	More women, persons with a disability and vulnerable groups influence, participate in and benefit from Climate FIRST programming	<p>GEDSI and GAP outcomes are achieved</p> <p>Number of organisations of persons with disabilities (regional/national/state/local) receiving capacity building support (DFAT Tier 2 Indicator)</p>	CPRR and project monthly, mid-year, and annual progress reports	Adequate funds are provided for GEDSI/GAP implementation	N/A	Increased women project beneficiaries GEDSI and GAP outcomes are achieved	Mar 2024	Mar 2028

No.	Level	Description	Indicators	Sources of verification	Risks and Assumptions	Baseline	Target	Start date	End Date
5.1	Output	An Initial Social Assessment is completed at fact finding stage to identify key GEDSI priorities in the new provinces and for each investment project	Social and Gender Assessment Report and GAP are completed.	CPRR and project monthly, mid-year, and annual progress reports With sex- and disability-disaggregated data	A suitable specialist is recruited and delivers a quality report and GAP	Nil	1 report	Mar 2024	Jun 2025
5.2	Output	More detailed GEDSI Assessment Report is completed on the new CRGG provinces and for each investment project	GEDSI Assessment Reports are completed for new provinces and for each investment project	CPRR and project monthly, mid-year, and annual progress reports With sex- and disability-disaggregated data	A suitable specialist is recruited and delivers several quality assessment reports	Nil	Reports completed to a high standard and on time	Mar 2024	Mar 2028
5.3	Output	GEDSI Action Plan (GAP) is reviewed and approved for Climate FIRST and for each investment project.	GAP is reviewed and approved	CPRR and project monthly, mid-year, and annual progress reports With sex- and disability-disaggregated data	A GAP is prepared and delivered	Nil	1 GAP for each investment project	Mar 2024	Mar 2028
5.4	Output	National and subnational Gender Focal Points (GFPs) are appointed and trained	GFPs placed in the provincial governments and CCDA Gender awareness, training and advocacy are implemented.	CPRR and project monthly, mid-year, and annual progress reports With sex- and disability-disaggregated data	Provinces agree to designate GFPs	Nil	1 report	Mar 2024	Dec 2024

No.	Level	Description	Indicators	Sources of verification	Risks and Assumptions	Baseline	Target	Start date	End Date
5.5	Output	Climate FIRST's GEDSI targets are monitored and reported	Regular GEDSI/GAP reports are submitted and actioned.	CPRR and project monthly, mid-year, and annual progress reports With sex- and disability-disaggregated data	Adequate commitment from staff members and partner government stakeholders	Nil	TBD	Jun 2024	Jun 2027
6	Component/ Outcome	Project Management	N/A	N/A	N/A			Mar 2024	Dec2027
6.1	Output	Indirect costs (overhead & audit) 5%	N/A	N/A	N/A			Mar 2024	Dec 2027
6.2	Output	Overall direct project costs (5.5% to HR, IT, Finance; 1.5% to PM choice of staff) Total 7%	N/A	N/A	N/A			Mar 2024	Dec2027
6.3	Output	Overall direct project costs: Monitoring, reporting, and evaluation (1.5% to IEU, 1.5% to PM choice of staff) Total 3%	N/A	N/A	N/A			Sep 2023	Oct 2027



ANNEX 3 GEDSI and climate change in PNG

It is well accepted that climate change impacts are having disproportionate impacts on marginalised groups in society, namely women and girls, persons with disabilities, youths, indigenous people, the poor, the elderly and people diverse gender identities and sexual orientation. This situational analysis describes these impacts in greater detail, outlines the supporting policy frameworks in PNG and discusses some of the limitations both policy and climate change programming have had on delivering effective GEDSI outcomes in PNG and the Pacific.

Climate change risks in PNG and their impacts of marginalised groups

El Nino

El Nino events are projected to intensify soon affecting both food and water supply in PNG. In the Southern Region, El Nino events typically result in drought in PNG, and water scarcity is particularly prominent in the Southern Region at the peak of an El Nino event. Without piped water or as water sources dry up, those who are responsible for water collection, often women and girls, must travel further to collect water and are exposed to greater risks of sexual harassment and violence.⁶³ Reduced access to clean water can also impact on women's menstrual health. Use of heavily contaminated water collected from river sources also increase incidences of waterborne diseases amongst vulnerable groups including infants. This further exposes women to a higher burden of workload as they care for themselves and members of their households. Lack of water also impacts agricultural systems and food production. Where support systems and safety nets are inadequate or inaccessible, families tend to rely on famine foods such as wild yams or remittances from working friends and family members. It is often women who venture into bushes in search for famine food, only sometimes accompanied by their spouses.

El Nino also result in frost occurrence affecting food and water resources, more prominently in Eastern Highlands, Southern Highlands and Enga Provinces.⁶⁴ Severe frost affects sweet potato production which is the most important food crop for household consumption, income generation and source of food for pigs. Pigs are of significant economic and cultural value and women tend to take on the primary responsibility for the farming, raising and selling pigs.⁶⁵ Thus, women's workloads can increase and bear rising costs as they resort to commercial feed substitutes.

people with disabilities also face multiple challenges in accessing potable water during dry weather conditions, including having to travel further or depend even more on family and community members to acquire water. There is also evidence that people with disabilities are already experiencing more water-related illnesses due to reduction in freshwater quality, including diarrhoea, fever, skin diseases, tension and increased stress.⁶⁶

Inland flooding

As the frequency and intensity of extreme rainfall events increase, so does the risk of inland flooding in PNG, which is particularly costly for riverine communities. In PNG, during the wet season, intense and/or regular flooding destroys food gardens, contaminates fresh water sources, and disrupts women's access to fresh water and food as rivers contaminated with debris inundate and wash away food gardens. Women and girls can spend more time accessing adequate water, waiting until flooding eases and/or looking for alternative water sources. Intense rainfall and flooding also disconnect the most vulnerable from accessing food markets and other vital services such as education and health facilities.⁶⁷

⁶³ Perkins, P. E. (2018) Climate Justice, Gender and Intersectionality. Chapter 26, Routledge Handbook of Climate Justice.

⁶⁴ Allen, B. J. & Bourke, R. M. (1997), Report of an assessment of the impacts of frost and drought in Papua New Guinea. Report prepared for the Australian Agency for International Development, Port Moresby, PNG, 22pps.

⁶⁵ Eves, R, et al (2018) Do No Harm Research: Papua New Guinea. Report prepared for the Australian National University and the International Women's Development Agency, Canberra, Australia, 96pps.

⁶⁶ Pacific Disability Forum (2022) Disability and Climate Change in the Pacific: Findings from Kiribati, Solomon Islands and Tuvalu.

⁶⁷ Antea Group (2017) Climate Risk, Vulnerability and Risk Assessment in the Northern Province in Papua New Guinea, Province and District Profile.

Often, people with disabilities with differentiated impairments are the most affected as they cannot access sufficient water for hygiene and sanitation.

Landslides

Landslides are common in the highland regions of PNG but also in other regions with steep ridges and slopes. Landslides are often the result of intense rainfall and the frequency or intensity of occurrences are projected to increase under climate change.⁶⁸ In PNG, large and fast-moving landslides cause significant loss of life, damage to properties, farms and food gardens, and cause extensive damage to critical infrastructure such as roads and bridges.^{69,70} When fast, downslope movement of materials occur, lives of women, children, elderly, the sick and people with disabilities are often most at risk due to the inaccessible environments which decrease mobility. In addition, access to important services and markets are often compromised if landslides occur along roads. The majority of PNG women are dependent on the informal economy where local and major markets play a critical role in generating income. Road blockages by landslides can have long term impacts on the lives and livelihoods of women and their households. Likewise, with health facilities disconnected, pregnant women, people with disabilities, the elderly, and other people with compromised health conditions are often severely affected. In the past, people affected by landslides have received limited government assistance; with landslips projected to increase in the future, women and other vulnerable groups will require much more targeted and adequate government support.⁷¹

La Nina, sea level rise, coastal flooding and extreme storm surge, storms and cyclones, and coral bleaching

La Nina, sea-level rise, coastal flooding, tropical cyclones, storm surges, and coral bleaching all have an impact on coastal communities and marine life in PNG affecting lives and livelihoods of vulnerable people. Many of these hazards are experienced during La Niña events. For example, sea level rise by 30 – 40 cm above mean levels were recently experienced along the coasts of Lombrum, Manus Province during the most recent La Niña event, causing significant coastal flooding.⁷²

Low lying islands and atolls are most at risk from tropical storms, storm surges and shoreline movements, affecting coastal infrastructure, settlements and livelihoods. Communities in these areas often require relocation to temporary shelters and camps on the mainland. Unfortunately, women and girls are more at risk of gender-based violence while staying in community shelters or camps during disasters.⁷³ Access to sources of social and other support services also become difficult during disaster events.⁷⁴

Women living in coastal communities also face multiple challenges as storm surges disrupt fishing activities and access to markets to sell fish or garden produce as road conditions deteriorate. With significant reduction in income earned from income generating activities, household and individual needs, including for women, girls and people with disabilities are inadequately met.

Coupled with coral reef degradation, women can spend more time harvesting less fish. Consequently, households' resort to alternative sources of protein such as canned fish, meat and frozen chicken from local stores – all of which are becoming increasingly unaffordable, as well as being less nutritious than fresh seafood.

There is also substantial anecdotal evidence that both people with disabilities and people from the Lesbian, Gay, Bisexual, Transgender, Queer, and Intersex (LGBTQI+) community are at increased risk during or immediately after large disaster events (e.g., tropical cyclones) as they are often blamed for the occurrence of disasters, are often

⁶⁸ Shaw, R., et al. (2022) Asia. In: Climate Change 2022: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (Pörtner, H.-O. et al. (eds.)). Cambridge University Press, Cambridge, UK and New York, NY, USA, pp. 1457–1579, doi:10.1017/9781009325844.012.

⁶⁹ UNDP (2018) National Adaptation Plan process in focus: Lessons from Papua New Guinea. United Nations Development Programme.

⁷⁰ Papua New Guinea (2014). Second National Communication. URL: <https://unfccc.int/sites/default/files/resource/Pngnc2.pdf>

⁷¹ Antea Group (2017) Climate Risk, Vulnerability and Risk Assessment in Madang Province, Papua New Guinea: Province and District Profile.

⁷² NWS media release, April 2023 – The National Weather Service (NWS) provides quarterly weather information for public consumption.

⁷³ UN OHCHR (2020) Climate change exacerbates violence against women and girls. Available at: <https://www.ohchr.org/en/stories/2022/07/climate-change-exacerbates-violence-against-women-and-girls>

⁷⁴ John N, Casey SE, Carino G, McGovern T. Lessons Never Learned: Crisis and gender-based violence. *Developing World Bioeth.* 2020; 20:65–68. <https://doi.org/10.1111/dewb.12261>

excluded from evacuation centres and other areas of refuge and are the target of community violence after disasters occur.⁷⁵

In many PICs, most people with disabilities are not formally employed and thus rely heavily on subsistence activities, including fishing, farming, and rearing pigs at home. A recent study on the experiences of people with disabilities under a changing climate in the Pacific found that changes in climate are already threatening the food security of people with disabilities due to these impacts on food production.⁷⁶

Globally, the ability of women and girls to adapt to climate change is constrained by a myriad of factors, including patriarchal land ownership systems and exclusion from decision making, less access to credit, information, extension services, technology as well as less mobility – with such factors also persistent in PNG. Cultural norms and preferences also impede women and girls’ development to adequately access resources, services and opportunities hence, their inability to adapt to and cope with climate change impacts.⁷⁷

Once given the opportunity, women, youths and persons with disability can contribute meaningfully to mitigate and adapt to climate change. For example, PNG women have overtime gained experiences and the knowledge critical during drought periods. Their skills in food preservation can be greatly enhanced by developing appropriate technology. Further, inclusion of people with disabilities has been found to be critical in designing infrastructure suitable to address differentiated needs. In addition, youths make up one third of the country’s population representing a significant youth bulge with majority of them unemployed.⁷⁸ These youths can be empowered through both mitigation and adaptation projects and programs to enhance community resilience in various settings.

Policy context

Policymakers and practitioners are increasingly acknowledging these inequities in experience and are now seeking ways to address the climate change-inequality nexus. There are notable commitments to gender equality at the international level of climate change policy. The UNFCCC, for example, now has a Gender Action Plan which promotes women’s full, equal and meaningful participation in the UNFCCC process. Similarly, the GCF, which serves as the main financial mechanism for the UNFCCC and the Paris Agreement, has integrated gender considerations into its original design and governing instruments. Under the GCF’s Gender Policy (2019) all GCF-funded projects and programs are now required to undertake gender assessments and develop project-level gender action plans which clearly demonstrate why and how climate interventions will address gender-related issues on the ground.⁷⁹

At the same time, international policy progressing the rights of women and other marginalised groups is increasingly recognizing the threat of climate change. For example, The UN Commission on the Status of Women 66 (2022) focused on Climate Change and Gender Equality and provided a platform for gathering evidence and activating national gender machinery and a broader feminist movement for climate action at national and regional levels, and in July 2020, the United Nations Human Rights Council adopted the historic resolution (A/HRC/RES/41/21) on climate change and the rights of persons with disabilities - calling on states to adopt a disability-inclusive approach to addressing climate change. This was the first time the council directly addressed the rights of persons with disabilities regarding climate change.

At the national level, PNG’s Government has made progress over the last few years in its efforts to address gender inequality and social inclusion in climate change action in the country. For example, PNG’s **Paris Agreement Implementation Act** (2016) binds PNG to its obligations in respecting, promoting and considering human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, people with disabilities, people in vulnerable positions as well as promoting gender equality and empowerment of women when taking action to address climate change.

⁷⁵ Dwyer, E. & Woolf, L. (2018) Down by the river: Addressing the rights, needs and strengths of Fijian sexual and gender minorities in disaster risk reduction and humanitarian responses. Report prepared for Oxfam Australia, 52 pgs.

⁷⁶ Pacific Disability Forum (2022) Disability and Climate Change in the Pacific: Findings from Kiribati, Solomon Islands and Tuvalu.

⁷⁷ Eves, R Kouro G, Simiha S, Subalik I, (2018) Do no harm research: Papua New Guinea

⁷⁸ EU-STREIT PNG (2021) Gender and Youth Inclusion Strategy and Action Plan: Mainstreaming gender perspective and youth inclusion in cocoa, vanilla, and fisheries value chains.

⁷⁹ GCF Updated Gender Policy and Gender Action Plan 2020–2023: <https://www.greenclimate.fund/sites/default/files/document/gcf-b24-15.pdf>

Moreover, PNG's **Enhanced Nationally Determined Contribution (NDC)** (2020) outlines the unique impact of climate change on women and youth and the broader social structures that influence these vulnerabilities, including, for example, the fact that women cannot enforce rights to land and property; that women cannot claim income from cash crops or land leases; and that women are consistently excluded from formal employment in sectors dominating rural areas such as mining, logging and other extractive industries.

Although the NDC should be commended for acknowledging these particular risks (and their drivers), no explicit recognition is given to the groups beyond women and youth. Particularly noteworthy is the absence of recognition of people with disabilities and the elderly (two groups increasingly recognized in plans and policy documentation throughout the Pacific). Other often marginalised groups are also absent throughout the document, including those that identify with the LGBTQI+ community and the poor.

Action on disaster risk reduction is guided by **PNG's National Disaster Risk Reduction Framework (NDRRF)** (2017-2030). The NDRRF is guided by 11 principles which are adapted directly from the Sendai Framework but contextualized so to be consistent with domestic laws and regulations. Several the NDFRRF's guiding principles have direct relevance to GESI, including: (1) promotion and protection of all human rights, including rights to development; (2) inclusive engagement and partnership, with particular attention paid to people disproportionately affected by disasters, and the adoption of a gender, age, disability, and cultural perspective in all policies; and (3) community empowerment. Again, obvious attempts are made to highlight marginalized groups, but little to no recognition is given to other groups such as the poor and the SOGIESC community. Considerations for GESI in PNG's national climate change and DRR plans, and policy are synthesised in Table 1.

Table 1 GESI references in climate change and DRR-related policies and strategies in PNG.

Policy or strategies	Considerations for the vulnerability of marginalised groups in climate change and DRR policy and strategies
PNG's Climate Change Management Act 2015	<ul style="list-style-type: none"> No explicit recognition given towards vulnerable groups except outlining the rights of customary landholders in climate change-related projects.
Paris Agreement Implementation Act 2016	<ul style="list-style-type: none"> By constitutionalising all components of the Paris Agreement, the Act, in effect, binds PNG to its obligations in respecting, promoting and considering human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, people with disabilities, people in vulnerable positions as well as gender equality and empowerment of women when taking action to address climate change. It also acknowledges that adaptation action should follow a country-driven, gender-responsive approach that takes into consideration vulnerable groups and communities.
Enhanced Nationally Determined Contribution (2020)	<ul style="list-style-type: none"> The impact of climate change on women and youth is explicitly recognized in the NDC, as are the unique vulnerabilities PNG women and youth may experience and the broader structures influencing these vulnerabilities. Other marginalised groups beyond women and youth are not explicitly recognised.
National Climate Change Compatible Development Management Policy	<ul style="list-style-type: none"> This Policy provides a unique avenue to foster greater indigenous participation from the community and ward level, encouraging local government implementation. However, no recognition given to other vulnerable groups beyond women and youths such as people with disabilities.

Policy or strategies	Considerations for the vulnerability of marginalised groups in climate change and DRR policy and strategies
PNG's National Disaster Risk Reduction Framework (NDRRF) 2017-2030.	<ul style="list-style-type: none"> • The NDRRF is guided by 11 principles, adapted directly from the Sendai Framework but contextualized so to be consistent with domestic laws and regulations. • A number of these have direct relevance to GESI, including: <ol style="list-style-type: none"> 1) promotion and protection of all human rights, including rights to development. 2) inclusive engagement and partnership, with particular attention paid to people disproportionately affected by disasters, and the adoption of a gender, age, disability, and cultural perspective in all policies; and 3) community empowerment. • Obvious attempts are made to highlight marginalized groups, but with little to no recognition given to other groups such as the poor and the LGBTQI+ community.
A Review of Gender and the Sendai Framework	<ul style="list-style-type: none"> • Recognises that gender inequalities coupled with climate change present critical sustainable development challenges. • Policy coherence is taking into account SDG 5 on gender equality and empowerment of all women is paramount. • Raises the need for specific research to address different needs including for people with disabilities

PNG also has several important national policies that further the nation's commitments to gender equality and social inclusion. These include the **National Policy for Women and Gender Equality** (2011–2015),⁸⁰ the **National Public Service Gender Equity and Social Inclusion Policy** 2013,⁸¹ the **National Policy on Disability** (2015-2025),⁸² and the **National Policy on Social Protection** (2015-2020).⁸³

References to climate change and DRR impacts are uneven across key GESI-related policy in PNG and there are numerous gaps that need to be considered in climate change programming. For example, no recognition (explicit or otherwise) is given to climate change and DRR in the National Policy for Women and Gender Equality and the National Public Service Gender Equity and Social Inclusion Policy. However, the National Policy on Disability does call for disability to be mainstreamed across government, including into the DRR and climate change sectors by integrating considerations for people with disabilities into disaster risk management and climate change policies and plans, including evacuation plans.⁸⁴ Table 2 provides a summary of climate change and DRR considerations in key GESI-focused policy in PNG.

Table 2 Climate change and DRR references in GESI-related policies and strategies in PNG.

⁸⁰ Which focuses on three pillars: women's equality and representation; women's economic empowerment; and gender-based violence and vulnerability.

⁸¹ Which provides targets to increase the participation of women in the public sector and in public sector leadership.

⁸² Which focuses on promoting and protecting rights of Person with Disabilities, improving service delivery, and improving the implementation of the policy action plan.

⁸³ Which provides the national framework for the implementation of social protection programs in PNG to address the particular needs of those who are deemed vulnerable or disadvantaged including women, children and youth, people with disabilities, elderly persons, and PLWHA.

⁸⁴ Department for Community Development and Religion (2014) National Policy on Disability 2015-2025. Available at: https://www.un.org/development/desa/disabilities/wp-content/uploads/sites/15/2020/02/PNG_National_Disability_Policy.pdf

Policy	Considerations of the vulnerability of marginalised groups to climate change impacts and DRR
National Policy for Women and Gender Equality (2011–2015)	<ul style="list-style-type: none"> No explicit reference to climate change or DRR, although the Policy does emphasise the cross-cutting nature of gender and development issues and calls for the strengthening partnerships across government and sectors.
National Public Service Gender Equity and Social Inclusion Policy (2015-2025)	<ul style="list-style-type: none"> Limited recognition of climate change but provides guidelines to incorporate gender principles and policy (as well as other often marginalized groups like people with disabilities) in all arms of government and national public service, including in PNG’s Climate Change and Development Authority.
National Policy on Disability (2015-2025).	<ul style="list-style-type: none"> Calls for disability to be mainstreamed across government, including into the DRR and climate change sectors by integrating considerations for people with disabilities into disaster risk management and climate change policies and plans, including evacuation plans.
PNG’s National Policy on Social Protection (2015-2020)	<ul style="list-style-type: none"> Highlights ways in which vulnerability and disadvantage are experienced by specific groups within the population, including children, youth, women, and persons with disabilities, the elderly, and people living with HIV/AIDS. The Policy seeks to increase the resilience of these groups in responding to various shocks including environmental shocks. Highlights how the onset of climate change and its implications for livelihoods is also important for social protection. The policy also notes that children and people with disabilities are likely to suffer disproportionately from the impact of a natural disaster.
National STI and HIV Strategy (2018-2022)	<ul style="list-style-type: none"> While no explicit mention of climate change and DRR is made, the Strategy pays considerable attention to the Sustainable Development Goals (SDGs) and the importance of addressing each Goal in an interconnected – acknowledging that the key to success on one goal will often involve tackling issues more.
National Strategy to Prevent and Respond to Gender Based Violence (2016-2025)	<ul style="list-style-type: none"> Again, pays explicit attention to the SDGs and recognizes that ending poverty (and poverty-related violence) must go hand-in-hand with actions that address climate change and environmental protection, in addition to various other actions.

The above demonstrates a strong policy and legislative framework for both climate change and GEDSI-focused action both internationally and in PNG. There is evidence that, as national climate and DRR policy evolves over time, it is adapting to new international development paradigms and doing better to include GEDSI considerations with each new iteration of climate policy. Updated GEDSI-related policy, such as the National Policy on Disability, is also starting to recognise the social implications of climate change and disasters.

While these are critical advancements, a recent review of climate change programming in PNG found limited evidence of these policies being translated into practice.⁸⁵ Building from this review, the following outlines some of the challenges and lessons learnt regarding integrating GEDSI into climate change programming, with special attention paid to lessons from the Pacific, and PNG where possible.

Evidence and lessons

⁸⁵ Barrowman, H. M. (2021) Gender, Social Inclusion and Climate Change in Papua New Guinea: A Situational Analysis. Report prepared by the Australia Pacific Climate Partnership, 26pgs.

Reviews of climate change programming in the Pacific and PNG have found mixed results when it comes to impact on GEDSI. For example, a recent review of GEDSI commitments and impact from climate change programs and projects in the Pacific found that, while commitments to gender are increasing, these references tend to be general and implementation is often patchy.⁸⁶ This adds to a wealth of other assessments which have found evidence of continued underrepresentation of women and other marginalised groups in climate programming, continued exclusion of people with disabilities from programs due to high costs of engagement and/or lack of understanding regarding different disability impairments amongst development partners, and gross underrepresentation of people with disabilities in all levels of decision making, from national to local – resulting in support services ignoring the needs of people with disabilities.

A similar review of GEDSI commitments and impact of 14 climate change, renewable energy and DRR-focused programs and projects recently implemented in PNG highlighted a number of short comings, including:

- › Programs continuing to take a narrow approach to GEDSI by, for example, focusing only on women as target groups and ignoring PNG's other disadvantage and marginalised groups.
- › Strong focus on women's economic empowerment at the expense of improving democratic opportunities for women and other groups, their influence in decision-making systems and addressing the wellbeing and safety of different groups.
- › Climate-related funds are increasingly being directed towards large, regional-scale projects in the Pacific (many focusing on renewable energy) implemented through regional entities and, sometimes, national governments – with restrictions on community, CSO and NGO participation, with little attention to project outcomes.
- › Limited consideration of the impact of renewable energy programs for marginalised groups, namely poor, remote, or indigenous communities, potentially manifesting issues access, affordability, exclusion of new economic and skills development opportunities, as well as potential displacement of communities for infrastructure development and access to resources for renewable energy technology.
- › Numerous short-term (e.g. 2 year), discrete, small-value community-based projects being implemented – with limited opportunities for scale and broader social impact.
- › There is a risk that people with disabilities, and in particular their differentiated needs, can be overlooked in climate investment proposals.

Key lessons emerging from climate change literature and programming regarding integration of GEDSI include:

- › In developing new initiatives there needs to be a focus on understanding and addressing the *causes* of inequality. This means investing in analysis on social norms, power and agency, as well resourcing and policy change to address climate impacts.
- › Initiatives need to be co-designed with diverse women and other marginalised people to develop solutions that are context appropriate, address their barriers and support their voice and agency.
- › Targeted, purposeful and well-resourced efforts are needed to ensure strong representation of marginalised groups in climate programming.
- › Greater support for local and national organisations and movements supporting marginalised groups is needed to enable their direct engagement in climate policy dialogue with all levels of government.
- › Partnerships that explicitly value the knowledge, including local knowledge, and practices of marginalised groups alongside climate technical knowledge and technology still need to be built.
- › A 'do good' approach, in addition to a 'do no harm' is needed so to not only avoid exacerbating existing issues but to address the needs, priorities, and power structures that affect different people differently.

⁸⁶ Webb, J. & Barrowman, H. M. (2020) Gender, Social Inclusion and Climate Change in the Pacific: A Situational Analysis. Report commissioned by the Australia Pacific Climate Partnership, 30 pgs.

- › Opportunities for greater gender equality in high-level leadership and decision-making is critical for normalising women's leadership and gender equality.
- › Flexible resourcing at program/project level is needed to allow for an evolving agenda, particularly as diverse groups become more active/represented in climate change programming.
- › Relevant gender and or social ministries need to be better engaged when integrating climate change.
- › There is a strong need to explicitly acknowledge the lack of attention to disability inclusion in climate finance to date and purposefully address limited representation – i.e., through strong language in the program design, specific budget allocations for disability inclusion throughout program cycle, and special attention paid to non-discrimination and better access for all people with disabilities.
- › Specific budget allocations for disability inclusion in climate action is vital.
- › Capacity building, education and partnerships with organisations of persons with disability is needed to meaningfully engage in climate action.
- › Focus on production of data is needed – both qualitative and quantitative, to build the evidence base for inclusive climate action.
- › Actively engage local experts that are both well-connected and understand the specific needs of people with disabilities, to identify differentiated needs of people with disabilities and discuss options for consideration in project proposals.
- › More emphasis and prominence on youth capacity building and empowerment to address emerging climate change challenges and opportunities into the future is also needed.
- › Increasing awareness and advocacy to increase understanding of disability inclusive resilient development.

ANNEX 4 Climate analysis

Climate characteristics in PNG and future projections

Papua New Guinea's climate is influenced by the Western Pacific Monsoon (WPM), the Intertropical Convergence Zone (ITCZ), the South Pacific Convergence Zone (SPCZ), and the El Niño Southern Oscillation (ENSO). While the WPM has a strong influence on the climate and rainfall patterns in Port Moresby and surrounding areas, the ITCZ and to a lesser extent the SPCZ are more influential in northern areas, bringing bands of heavy rainfall throughout the year.

ENSO has a strong influence across the entire country and brings considerable year to year climatic variability. Generally, El Niño years are usually drier than normal in PNG, while La Niña years are usually wetter.⁸⁷ Both La Niña-associated prolonged rainfall and El Niño-related droughts have caused considerable impact in PNG in the past.

PNG has a tropical climate yet a diverse topography which has a strong influence on daily temperatures around the country. Maximum daily air temperatures are around 32°C in lowland and coastal areas and offshore islands, ~26°C in inland and mountainous areas, and ~18°C in higher mountain areas.

Typically, the southern tip of the country, including Port Moresby, has a distinct wet and dry season, influenced by the WPM, while northern areas and northern islands, including Manus Island, have more consistent rainfall throughout the year, influenced by the ITCZ and the PWP.⁸⁸ Northern areas can receive up to three times more annual rainfall than southern areas due to the PWP. Prolonged rainfall associated with La Niña has led to flooding and landslides in the past, with El Niño events typically resulting in longer dry spells.⁸⁹

Sea levels around PNG can fluctuate from season to season. Peak sea levels typically occur between November and February and are particularly pronounced between December and January, especially during La Niña years.⁹⁰

PNG is fortunate to reside outside of the tropical cyclone activity region in the Pacific, except for the southern tip. Tropical cyclones usually affect southern parts of PNG between November and April, during the southern hemisphere tropical cyclone season. Tropical cyclones tend to be most frequent in PNG's exclusive economic zone (EEZ) during ENSO neutral years and least frequent during El Niño years.⁹¹

Future climate projections for PNG are summarised in Table 1 and described in detail below.

Table 3 Projected changes for key environmental variables in PNG

Key environmental variables	Projected changes
Temperature	<ul style="list-style-type: none"> › Mean temperatures have increased across PNG by around 0.9°C relative to the 1850-1900 baseline. › Temperatures are projected to increase by 0.7°C by 2030, 1.4°C by 2050, and by 2.2°C by 2070, under high emission scenarios. › More hot days and warm nights are projected
Rainfall	<ul style="list-style-type: none"> › Annual rainfall is projected to increase by 4% by 2030, 7% by 2050, and by 10% by 2070, under high emission scenarios.

⁸⁷ PNG National Weather Service, BOM & CSIRO (2013) Pacific Climate Change Science Program: Current and Future Climate of Papua New Guinea. Report available at: https://www.pacificclimatechangescience.org/wp-content/uploads/2013/06/14_PCCSP_PNG_8pp.pdf

⁸⁸ McGree et al (2022) Climate change in the Pacific 2022: Historical and recent variability, extremes and change. Report prepared for the Pacific Community. 220 pp.

⁸⁹ Governmental of PNG (2014) Papua New Guinea's Enhanced Nationally Determined Contribution 2020

⁹⁰ McGree et al (2022) Climate change in the Pacific 2022: Historical and recent variability, extremes and change. Report prepared for the Pacific Community. 220 pp.

⁹¹ Ibid

Key environmental variables	Projected changes
	<ul style="list-style-type: none"> › More frequent and intense rainfall events are projected. › With an increase of 2°C, heavy precipitation and associated flooding events are projected to become more intense and more frequent in the Pacific Islands, including in PNG. › Large annual variability will continue due to the presence of ENSO, making frequencies and intensities of future drought more difficult to project
Sea level	<ul style="list-style-type: none"> › Seasonal fluctuations in relative sea levels are common in PNG, with peak sea levels often reached between December and January during La Niña years. › Sea levels across PNG's EEZ have risen by 2.5 – 5 mm per year since 1993. › Sea levels around PNG are projected to rise by 0.18 m by 2030, 0.42 m by 2050 and by 0.63 m by 2070, relative to mean sea level between 1986-2005
Tropical cyclones	<ul style="list-style-type: none"> › Observational records show little change/marginal decline in tropical cyclone numbers and intensity in PNG over the past few decades. › Future projections suggest fewer but more intense (category 4 and 5) tropical cyclones for the coming decades
Ocean acidification	<ul style="list-style-type: none"> › Acidification of waters around PNG has increased since the 18th century. › Under low, medium and high emissions scenarios, ocean acidification is projected to continue to increase in waters surrounding PNG over the 21st century - it is virtually certain that ocean acidification will continue globally over this period. › Ocean acidification, along with marine heatwaves, is projected to increase further with 1.5°C of global warming (high confidence) and with larger increases at 2°C and higher.

Temperature

Mean temperatures have increased across the country by around 0.9°C relative to the 1850-1900 baseline period.⁹² Daily minimum temperatures have increased at a faster rate than daily maximum temperatures.⁹³ The number of hot days and warm nights has also increased, with the number of cool days and cold nights decreasing, particularly in Port Moresby and surrounding areas.⁹⁴ Under high emission scenarios, it is projected that temperatures will increase across PNG by 1.4°C (1 - 2°C) by 2050, and by 2.2°C (1.6 - 3.2°C) by 2070 relative to 1988 – 2005 mean temperatures.⁹⁵ More hot days and warm nights are expected to occur in the future, including more extreme hot days.

Rainfall

⁹² CSIRO and SPREP (2021) "NextGen' Projections for the Western Tropical Pacific: Current and Future Climate for Papua New Guinea. Final report to the Australia-Pacific Climate Partnership for the Next Generation Climate Projections for the Western Tropical Pacific project. CSIRO Technical Report, Melbourne, Australia. 42pp <https://doi.org/10.25919/x75p-s660>

⁹³ McGree et al (2022) Climate change in the Pacific 2022: Historical and recent variability, extremes and change. Report prepared for the Pacific Community. 220pp.

⁹⁴ Ibid

⁹⁵ CSIRO and SPREP (2021) "NextGen' Projections for the Western Tropical Pacific: Current and Future Climate for Papua New Guinea. Final report to the Australia-Pacific Climate Partnership for the Next Generation Climate Projections for the Western Tropical Pacific project. CSIRO Technical Report, Melbourne, Australia. 42pp <https://doi.org/10.25919/x75p-s660>

While there is no observable trend in PNG's long term rainfall records, there is evidence that annual rainfall has increased across the country since the 1960s, particularly in northern areas.⁹⁶ Annual rainfall is projected to continue to increase over the coming decades, with larger rainfall changes projected under high emission scenarios. In addition, more frequent and intense extreme rainfall events are projected for the western tropical Pacific, including parts of PNG, increasing the threat of floods, flash floods and landslides.⁹⁷

Due to PNG's large year-to-year variability in rainfall and the influence of ENSO, it is more difficult to determine future drought scenarios. While findings of the 2014 Pacific-Australia Climate Change Science and Adaptation Planning Program suggest droughts may decline in frequency in PNG, a more recent regional assessment an increase.^{98,99} This suggests that the consequences of both more intense flooding and continued localised drought need to be considered in future planning in PNG.

Sea level

Since 1993, sea levels across PNG's exclusive economic zone (EEZ) have risen by 2.5 – 5mm per year,¹⁰⁰ with highest rises recorded along eastern and south-eastern coastlines (e.g., around Torres Strait and the Gulf of Papua).¹⁰¹ Sea levels are projected to continue to rise under all emission scenarios. Under high emission scenarios, sea levels are projected to rise by 0.18 m by 2030, 0.42 m by 2050, by 0.63 m by 2070, and by 1.21 m by 2100.¹⁰²

Tropical cyclone activity

There has been little change/marginal decline in both the total number of tropical cyclones entering PNG's EEZ over the past 40 seasons and the proportion of tropical cyclones reaching category 4 or 5 status.¹⁰³ New research suggests that the total number of tropical cyclones will continue to decrease in the Pacific over the coming decades but that their average intensity will increase. The result will be fewer yet more powerful tropical cyclones.¹⁰⁴

Ocean acidification

Similar to global trends, the acidity of waters around PNG has slowly been increasing since the 18th century.¹⁰⁵ Coupled with rising ocean temperatures, ocean acidification impacts the liveability of coral reef ecosystems and the growth of corals and organisms that require carbonate minerals to develop.

Under low, medium and high emissions scenarios, ocean acidification is projected to continue to increase in the waters surrounding PNG over the 21st century. The impact of further ocean acidification on the health of reef and coastal ecosystems is likely to be compounded by other stressors such as ocean heatwaves and coral bleaching, storm damage and fishing pressure.¹⁰⁶

⁹⁶ McGree et al (2022) Climate change in the Pacific 2022: Historical and recent variability, extremes and change. Report prepared for the Pacific Community. 220 pp.

⁹⁷ BOM and CSIRO (2014) Climate Variability, Extremes and Change in the Western Tropical Pacific: New Science and Updated Country Reports. Pacific-Australia Climate Change Science and Adaptation Planning Program Technical Report, BoM & CSIRO, Melbourne, Australia, 372 pp.

⁹⁸ Ibid.

⁹⁹ Naumann, G. et al (2018). Global Changes in Drought Conditions Under Different Levels of Warming. *Geophysical Research Letters*, 45(7), 3285–3296. URL: <https://agupubs.onlinelibrary.wiley.com/doi/10.1002/2017GL076521>

¹⁰⁰ For most of the Papua New Guinea EEZ, sea-level rise is larger than the global average of 3.1 ± 0.4 mm per year (von Schuckmann et al. 2021).

¹⁰¹ McGree et al (2022) Climate change in the Pacific 2022: Historical and recent variability, extremes and change. Report prepared for the Pacific Community. 220 pp.

¹⁰² CSIRO and SPREP (2021) "NextGen" Projections for the Western Tropical Pacific: Current and Future Climate for Papua New Guinea. Final report to the Australia-Pacific Climate Partnership for the Next Generation Climate Projections for the Western Tropical Pacific project. CSIRO Technical Report, Melbourne, Australia. 42pp <https://doi.org/10.25919/x75p-s660>

¹⁰³ McGree et al (2022) Climate change in the Pacific 2022: Historical and recent variability, extremes and change. Report prepared for the Pacific Community. 220 pp.

¹⁰⁴ Knutson et al. (2020) Tropical cyclones and climate change assessment: Part II. Projected response to anthropogenic warming. *Bulletin of the American Meteorological Society*, 101 (3): E303 E322.

¹⁰⁵ PNG National Weather Service, BOM & CSIRO (2013) Pacific Climate Change Science Program: Current and Future Climate of Papua New Guinea. Report available at: https://www.pacificclimatechangescience.org/wp-content/uploads/2013/06/14_PCCSP_PNG_8pp.pdf

¹⁰⁶ Ibid

Both marine heatwaves and ocean acidification are projected to increase further with 1.5°C of global warming (high confidence) and with larger increases at 2°C and higher.¹⁰⁷ This will likely have severe impacts on fisheries, food security, coastal protection, and PNG's tourism sector.

Key climate change risks for PNG

Extreme precipitation events, floods and landslides

Under high emission scenarios, annual rainfall is projected to increase in PNG, as is the frequency and intensity of extreme rainfall events.¹⁰⁸ Heavy rainfall, including rainfall from tropical cyclones, can often trigger landslides across the steep terrain of PNG, as well as flash flooding and/or extensive flooding. Floods and landslides already represent major risks across the country. For example, it has been suggested that around 18% of PNG's landmass is either permanently or regularly inundated,¹⁰⁹ and that over 20,000 people are affected annually by river flooding, causing average annual damages of over US\$ 8 million.¹¹⁰ In addition, landslides have been known to cause fatalities, critical infrastructure damage and the temporary isolation of entire communities from important services. Increased rainfall and extreme rainfall events associated with climate change, coupled with poor development planning will likely increase flooding and landslide risks.

Reduced water security and safe sanitation

PNG's population is among those with the least access to safe water supply in the world.¹¹¹ PNG's Water, Sanitation and Hygiene Policy 2015-2030 indicates that around 90 per cent the urban population and around 30 per cent of the population in rural areas have access to safe water.¹¹² For basic sanitation, access rates are much lower, with around 60% of urban dwellers and only 13% of the rural population having access to basic sanitation.¹¹³

Large parts of the country therefore rely on open water sources such as creeks, streams and wells for drinking and cooking, particularly in rural areas¹¹⁴ – making them susceptible to impacts of climate change including prolonged and extreme rainfall and associated flooding, and sea level rise. Climate induced coastal and inland flooding is highly likely to contaminate freshwater drinking sources, increasing the risk of water-borne disease in rural areas and creating breeding grounds for disease carrying insects such as mosquitoes.¹¹⁵

Open water sources are also vulnerable to prolonged droughts which reduce the quantity of water available to rural communities, and its quality, particularly when water becomes stagnant. While the high uncertainty around future precipitation trends makes planning for future water resource management difficult, effective water and flood management is essential in PNG so to maintain and improve water security throughout the country.

¹⁰⁷ Mycoo, M. et al (2022) Small Islands. In: Climate Change 2022: Impacts, Adaptation, and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Pörtner, H.-O. et al (eds.)]. Cambridge University Press, Cambridge, UK and New York, NY, USA, pp. 2043-2121, doi:10.1017/9781009325844.017

¹⁰⁸ Ranasinghe, R., A.C. et al. (2021) Climate Change Information for Regional Impact and for Risk Assessment. In Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Masson-Delmotte, V., et al (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, pp. 1767–1926, doi:10.1017/9781009157896.014.

¹⁰⁹ UNDP (2018). National Adaptation Plan process in focus: Lessons from Papua New Guinea. United Nations Development Programme.

¹¹⁰ Government of PNG (2014) Papua New Guinea Second National Communication to the United Nations Framework Convention on Climate Change. Available at: <https://unfccc.int/sites/default/files/resource/Pngnc2.pdf>

¹¹¹ Water Aid (2018) The State of the World's Water 2018. Available at: <https://washmatters.wateraid.org/sites/g/files/jkxooof256/files/The%20Water%20Gap%20State%20of%20Water%20report%20lr%20pages.pdf>

¹¹² Government of PNG (2015) PNG National Water, Sanitation and Hygiene (WaSH) Policy 2015-2030

¹¹³ Green Climate Fund (2020) Papua New Guinea and the Green Climate Fund: Country Programme, 157pps. Report prepared as part of the GCF Readiness and Preparatory Support Programme.

¹¹⁴ PNG National Statistics Office & Inner-City Fund (2019) Papua New Guinea Demographic and Health Survey 2016–18. Port Moresby, Papua New Guinea and Rockville, Maryland, USA, 519pps.

¹¹⁵ Climate Change Development Authority (2019) Readiness Proposal: Advancing Papua New Guinea's National Adaptation Plan. Climate Change and Development Authority of PNG. Green Climate Fund.

Health implications

Climate change has the potential to develop and manifest numerous health risks due to rising temperatures, increases in intensity of extreme weather events, and degradation of freshwater supplies.

Elevated temperatures in PNG, particularly maximum temperatures, will likely increase the risk of heat-related injuries and dehydration – affecting those already prone to suffering in extreme heat.¹¹⁶ Elevated temperatures are also expected to increase risks of vector-borne transmitted diseases in PNG by expanding the geographical spread of malaria, dengue fever, leptospirosis, lymphatic filariasis, chikungunya and zika.¹¹⁷ PNG already has the highest rate of malaria in the Asia-Pacific region and it is likely that PNG will experience increased incidences of dengue, chikungunya, filariasis and malaria as mosquito hosts spread further north, south and to higher altitudes, including to Kikori and Sepik plains, the Star Mountains and parts of New Britain.¹¹⁸

Other health implications including in non-communicable diseases, water-borne diseases, malnutrition and mental health challenges are also expected to increase with climate change, both globally and in PNG.¹¹⁹

Reduced human security

It is well accepted that climate change may amplify existing threats to security or the liveability of certain places, increasing human mobility, displacement, and population movements both within and across nations.¹²⁰ In PNG, internal displacement of individuals and entire communities due to environmental changes has been increasing in recent years. Between 2008 and 2013, over 150,000 people were displaced in PNG as a result of conflict or disasters, including both technological and human-induced disasters and natural hazard-induced disasters.¹²¹ As development in PNG becomes increasingly dependent on large-scale development projects involving exploitation of natural resources, principally minerals, petroleum and forests, there is increased risk of disasters from oil spill, industrial pollution, unregulated and destructive land use practices, including deforestation and destruction of important coastal ecosystems in the country.¹²² Climate change is only exacerbating such risks.

Already, around two-thirds of people displaced prior to 2014 were displaced due to natural hazard-induced disasters, namely tropical cyclones, flooding and earthquakes.¹²³ However, for many, migration and resettlement within PNG due to environmental degradation, including through climate change, is not a preferred option, and this is the case for both men and women. Evidence from previous formal resettlement programs in PNG reveal strong socio-political dynamics at play during and after times of resettlement and often detrimental interactions between settler and host communities, as well as significant loss of income generation opportunities due to new lands not being large enough.¹²⁴ Further climate change may soon make human security a critical policy issue in PNG.

Institutional responses to climate change in PNG

PNG's planning for climate change action is guided by the nation's international climate and DRR agreements, regional commitments, and national framework. PNG ratified the United Nations Framework Convention on Climate Change (UNFCCC) in 1993, adopted the Sendai Framework for Disaster Risk Reduction (2015-2030) in 2013 and became a signatory to the Paris Agreement in 2016. PNG is also a signatory of the Kyoto Protocol, ratified in

¹¹⁶ World Health Organisation (2015) Human Health and Climate Change in PICs, WHO Western Pacific.

¹¹⁷ McIver et al (2016) Health Impacts of Climate Change in Pacific Island Countries: A Regional Assessment of Vulnerabilities and Adaptation Priorities, *Environmental Health Perspectives*.124 (11): 1707 - 1714

¹¹⁸ World Bank Group (2011) Vulnerability, risk reduction and adaptation to climate change – Papua New Guinea: Climate risk and adaptation profile. Available at: https://climateknowledgeportal.worldbank.org/sites/default/files/2018-10/wb_gfdr climate change country profile for PNG.pdf

¹¹⁹ Australia Pacific Climate Partnership (2021) Climate change and health: Papua New Guinea, 5pps.

¹²⁰ Barnett, J. (2009) Climate change and human security in the Pacific Islands: The potential for and limits to adaptation. In *Climate change and security planning for the future*, Eds. J. Boston, P. Nel, and M. Righarts, 59–69. Wellington: Institute of Policy Studies.

¹²¹ Internal Displacement Monitoring Centre & Norwegian Refugee Council (2014) Papua New Guinea: Invisible and neglected protracted displacement, 11 December. Available from www.refworld.org/docid/548e9e564.html.

¹²² It is estimated that, by the early 2000s, over 30,000 people had already been displaced by large-scale development projects (namely mining and oil palm) in PNG, despite the presence of formal agreements for community relocation in development ventures already (International Organisation for Migration, 2014).

¹²³ International Organization for Migration (2015) Assessing the Evidence: Migration, Environment and Climate Change in Papua New Guinea.

¹²⁴ Autonomous Government of Bougainville (2014) Bougainville Atolls Resettlement: An Exploration of Key Social and Cultural Impacts.

2000, and in 2009, supported the Copenhagen Accord by making a commitment to reducing its greenhouse gas (GHG) emissions by 50% by 2030 and by becoming carbon neutral by 2050.

Combined, these international agreements commit PNG to pursuing ambitious domestic mitigation measures, and support its population adapt to climate change and other disaster risks. Regionally, PNG's climate goals are strategically aligned with the Pacific's Framework for Resilient Development Plan which provides high-level and strategic guidance to regional organisations and other development partners, national and subnational governments, and civil society organisations and communities on building resilience to climate change and disasters in the Pacific region.

PNG's Climate Change Management Act 2015¹²⁵ and the Paris Agreement Implementation Act 2016 provide the national legislative framework through which PNG's national and subnational climate priorities and actions are decided and acted upon. The Climate Change Management Act also establishes the Climate Change and Development Authority (CCDA). The CCDA administers PNG's commitments to international climate agreements under the UNFCCC and the Kyoto Protocol. The CCDA also has the authority to develop, oversee, and implement climate-related activities in PNG, including leading the development of the country's National Adaptation Plan (NAP).¹²⁶

PNG's enhanced NDC 2020 currently exists as the nation's authoritative climate change plan, in lieu of the recently approved NAP. As required under the Paris Agreement, the NDC sets out the nation's greenhouse gas emission reduction targets (mitigation) and priority development sectors for adaptation. Key mitigation priorities outlined in the NDC are: 78 per cent renewable energy by 2030, reduced energy demand, fossil fuel emission offsetting, enhanced data collection of energy use and associated emissions, and reduced emissions from deforestation and forest degradation.¹²⁷ These targets are further supported by sector-based policy, including the National Reducing Emissions from Deforestation and Forest Degradation (REDD+) Strategy, which promotes sustainable land use practices, reduced deforestation and forest degradation, and encourages the development of a low-carbon economy.

Nine priority areas for adaptation are also outlined: coastal flooding and SLR, inland flooding, food insecurity, cities and climate change, climate induced migration, damage to coral reefs, malaria and vector-borne diseases, water and sanitation, landslides.¹²⁸ It is likely that these priorities will be refined and/or updated as the new NAP comes into force. A recent stakeholder consultation process for the NAP development has identified new and perhaps overriding priorities, including strengthening climate information systems, developing monitoring and evaluation systems to track the effectiveness of adaptation actions and budget allocations, and an effective financing strategy for NAP implementation.¹²⁹

Efforts to institutionalise climate change considerations into policy and planning are also evident at the subnational level. For example, CCDA is gradually establishing a presence in provincial government and, to date, has deployed Provincial Climate Change Coordinators in five provinces (East Sepik, Madang, Morobe, Northern and New Ireland) and has been piloting the establishment of Provincial Climate Change Committees. The purpose of these Committees is to act as the interface between national and subnational governments and other stakeholders, and work to develop locally relevant climate plans that other sector line ministries can adopt at the provincial level.¹³⁰

¹²⁵ The Climate Change Management Act is currently being reviewed so to provide a stronger link to the energy sector and emissions reductions initiatives (NDC, 2020).

¹²⁶ The National Adaptation Plan is currently in development. Development is being funded by the Green Climate Fund and implemented by the United Nations Development Programme.

¹²⁷ Climate Change and Development Authority (2020) Papua New Guinea's Enhanced Nationally Determined Contribution 2020, Port Moresby, PNG, 69pp.

¹²⁸ Ibid

¹²⁹ Green Climate Fund (2020) Papua New Guinea and the Green Climate Fund: Country Programme, 157pps. Report prepared as part of the GCF Readiness and Preparatory Support Programme.

¹³⁰ UNDP, n.d. Situation Analysis and Recommendations for Improving Gender Inclusiveness and Participation in Papua New Guinea's National REDD+ Strategy and Policies. Available at:

https://www.undp.org/content/dam/papua_new_guinea/FCPF/ROAR%20REports/Gender%20assessment%20report.pdf

However, the overall implementation of the Government’s climate compatible development agenda at provincial levels does remain a work in progress. Vulnerability assessments and adaptation planning has taken place in some parts of the country, but overall, these efforts are localised and project driven. Climate resilience has not yet been systematically mainstreamed into regular provincial government planning and budgeting processes, and large differences in fiscal capacity to adapt exists across the provinces, given that some provinces have greater access to resource royalties than others.

Donor support for climate change action in PNG

With the support of donors, PNG is currently implementing a range of climate mitigation and adaptation programs at the national and provincial level. PNG is also the beneficiary of a range of regional climate programs implemented across the Pacific and Asian regions. A non-exhaustive list of donor programs and projects currently being implemented in PNG is outlined in Table 2. Multilateral donors funding investments currently include the GCF, GEF, the ADB and the Adaptation Fund, while current bilateral donors include governments from Australia, New Zealand, the European Union, France, Japan, South Korea, the UK, Sweden, Germany and the US. The majority of donor programs are regional, with only a handful targeting provincial areas.

Table 4 List of current donor-funded climate change mitigation and adaptation programs and projects implemented in PNG.

Multilateral donor programs

Donor	Project Name	Duration	Amount (millions)	Location
GCF	Advancing Papua New Guinea’s National Adaptation Plan	2019 – ongoing	USD 1.89	National
GCF, ADB	Pacific Islands Renewable Energy Investment Program	2018 – 2023	USD 29.2	Pacific Region
GEF – Trust Fund	Establishing System for Sustainable Integrated Land-use Planning Across New Britain Island in Papua New Guinea	2021 - 2027	USD 61.2	Provincial
ADB	Building Resilience to Climate Change in Papua New Guinea	2016 – 2024	USD 32.2	National
ADB, GEF	Promoting Climate-Resilient and Sustainable Blue Economies	2022 – 2026	USD 2.7	Pacific Region
ADB	Development of Pacific Power Utilities Reform Network	2022 – 2027	USD 0.9	Pacific Region
ADB, DFAT	Power Sector Development Project	2023 - 2027	USD 208.6	Pacific Region
ADB	ECOM COVID-19 Smallholder Farmer Climate Resilience and Livelihood Support Project	2021 -	USD 60	Multi-country
ADB, Clean Energy Financing Partnership Facility	Pacific Renewable Energy Program	2021 - 2026	USD 5.7	Pacific Region

Donor	Project Name	Duration	Amount (millions)	Location
ADB	Development of the Pacific Energy Regulators Alliance	2021 – 2024	USD 1.1	Pacific Region
ADB, Climate Change Fund	Support to Climate Resilient Investment Pathways in the Pacific	2020 – 2025	USD 5	Pacific Region
ADB, Special Climate Fund	Climate Resilient Farmer Group Development to Support COVID-19 Recovery for Smallholder Coffee Farmers	2021 – 2023	USD 0.63	National
Adaptation Fund	Adaptation of Small-Scale Agriculture for Improved Food Security (<i>accessed through CRGG project</i>)	2023 – 2027	USD 10	Provincial
World Bank	Partnerships for Market Implementation Support for Pacific Region on International Carbon Markets	TBC	TBC	Regional (PNG and Fiji)

Bilateral donor programs (for Australian-funded projects see Annex 5)

Donor	Project Name	Duration	Amount (millions)	Location
AFD	The Kiwa Initiative (<i>co-funded by DFAT</i>)	2020 - 2025	EUR41	Pacific Region
AFD	Deepening Cooperation and Partnership for a Greener and More Inclusive Financial Sector (implemented by GGGI)	2023 -	-	National
EU	Forestry-Climate Change-Biodiversity (FCCB) program (implemented by Expertise France and CIFOR-ICRAF)	2023 – 2027	EUR 54.7	National / Provincial
JICA	Capacity development project for reducing carbon emissions from forest degradation through commercial logging in PNG by improving monitoring systems of forest logging operations	2022 – 2025	-	National
USAID	Energy Regulatory Partnership Program	2018 – 2023	USD 1	National
USAID	Lukautim Graun "Look After the Environment" (implemented by Cardno)	2019 – 2024	USD 22	Provincial
USAID	Sustainable Landscapes (implemented by Palladium)	2022 – 2027	USD 16	Provincial
USAID	Climate Ready (implemented by DT Global)	2016 – 2023	USD 24	Regional

USAID	Our Fish Our Future (implemented by University of Rhode Island)	2021 – 2026	USD 15	Regional
USAID	Clean Cities, Blue Ocean (implemented by Tetra Tech)	2022 – 2024	USD 2.4	Regional
USAID	Pacific Coastal Fisheries Management and Compliance (implemented by SPC)	2021 – 2026	USD 6	Regional

Ongoing challenges in achieving targets for adaptation and mitigation

While climate change policy and programming in PNG has advanced significantly over the past decade, challenges in achieving adaptation and mitigation remain. Several challenges have been highlighted in recent studies on climate change finance, management and implementation in PNG, such as The Options for Strengthening Climate Finance Coordination and Accessibility in Papua New Guinea Paper, jointly prepared by CCDA, DNPM and the Pacific Islands Forum Secretariate (PIFS),¹³¹ the GCF’s Papua New Guinea Country Program Report¹³² and PNG’s First Biennial Update Report to the UNFCCC,¹³³ released in 2019. Highlighted challenges include:

› **Coordination:**

- A lack of a systematic or coordinated approach to access international climate change funding as well as a lack of information sharing on funding opportunities and grants amongst donors, government agencies and other relevant stakeholders.
- This is not helped by a varying level of understanding of international climate finance structures and processes by central government agencies and development partners providing climate change financing in a manner that circumvents the government appraisal and budget planning processes.

› **Funding and human resources:**

- There is a general lack of access to competitive financial products and services for government departments (e.g. start loan, matching rebate, partial loan guarantee).
- Limited technical capacity in key climate change government agencies to engage and manoeuvre the reporting requirements of different international climate funds.
- High institutional memory loss in government agencies and civil society organisations due to high staff turnover, transfer and promotion of staff. Inability of PNG to provide co-finance to large projects, requiring support from multiple donors.
- Limited climate change or climate related project planning and project management experience across sectors.

› **Gaps in critical data and monitoring and evaluation systems:**

- Gaps in critical environmental and emissions data, creating challenges for developing robust projections for future emissions or emissions reductions – limiting the potential for providing a robust business case to central government agencies.

¹³¹ PIFS, DNPM, CCDA (2019) Options for Strengthening Climate Finance Coordination and Accessibility in Papua New Guinea.

¹³² Green Climate Fund (2020) Papua New Guinea and the Green Climate Fund: Country Programme, 157pps. Report prepared as part of the GCF Readiness and Preparatory Support Programme.

¹³³ Government of Papua New Guinea (2018) Papua New Guinea’s First Biennial Update Report to the United Nations Framework Convention on Climate Change.

- Limited resources and capacity to collect, analyse, manage, monitor and utilise reliable and accurate baseline climatic and project data to make evidence-based investment decisions and solutions.
- › **Top-down approaches with limited stakeholder engagement:**
 - Top-down supply push interventions are not meeting the needs of nation or community, in addition to not actually reaching them.
 - Limited use of local and traditional knowledge to promote, design and scale-up climate solutions.

ANNEX 5

AUSTRALIA'S CLIMATE CHANGE SUPPORT IN PNG

Version as of November 2023

PNG and Australia are working together to take action against climate change under the PNG-Australia Climate Change Action Plan (PACCAP), agreed in 2018 at Ministerial level. The PACCAP is supported by a high-level annual dialogue held three times since 2019. The 2020 PNG-Australia Comprehensive and Strategic Economic Partnership (CSEP) acknowledges the 'severe threat' posed by climate change and commits both countries to work together to address the issue.

This paper outlines bilateral climate-specific activities and regional climate programs which support climate action in PNG. For information on how the Australian High Commission integrates ('mainstreams') climate considerations into the bilateral development program, refer to the Port Moresby Post Climate Integration Plan (2023-24).

Climate Change Portfolio (2018-23)

Australia's most recent bilateral climate change program was the **Climate Change Portfolio** (valued at AUD10.5 million). The program implemented the shared priorities identified in the PACCAP. This program ended in June 2023 and included three pillars:

- **Pillar one – community resilience** – to support targeted communities to increase climate change resilience with improved livelihoods and water and food security. This investment delivered six grants to local and international NGOs. Collectively valued at AUD2.16 million, the activities benefited 141 communities to improve livelihoods and increased food and water security.
- **Pillar two – capacity development** – to strengthen capability in PNG's Climate Change and Development Authority (CCDA) and other key government agencies. Australia partnered with the Global Green Growth Institute (GGGI) and UN Food and Agriculture Organisation (FAO) to roll out several training and policy review activities. GGGI implemented the AUD660,000 Training and Capacity Building project to train government officials, establishing links with research institutions, and prepare for international climate summits. A forest support package partnership with FAO rolled out the AUD850,000 the Enabling Green Growth project to support work on carbon market mechanisms and legislative reviews to fulfill UNFCCC requirements.
- **Pillar three – green growth and climate smart infrastructure** – to grow access to climate finance and mainstreaming climate change in PNG's provinces. Implemented by GGGI and valued at AUD6 million, the flagship Climate Resilience Green Growth (CRGG) project developed domestic green finance institutions and built the PNG Government's capacity at the national and subnational level to prepare proposals to access international finance. Australia's recent contributions to climate-smart infrastructure in PNG included co-funding the new Climate-Proofed Alotau Wharf, opened in July 2023 by Deputy Prime Minister Rosso and Minister for Environment, Conservation and Climate Change Kilepa.

PNG Climate FIRST (2023-27)

PNG Climate Finance Initiative for Resilience and a Sustainable Transition (Climate FIRST) is Australia's next bilateral investment with an aim to support PNG to increase its access to international climate finance. Australia will partner with GGGI to support the development of a PNG-led steering committee to endorse financing proposals to support climate-resilient growth in PNG. Climate FIRST will support the PNG Government to develop investment proposals and broker implementation partnerships with key stakeholders, in line with the priority sectors identified in PNG's key climate policy documents, including its Nationally Determined Contribution (NDC) and National Adaptation Plan (NAP). Climate FIRST will also continue work commenced under the CRGG project to support targeted provincial governments to integrate climate considerations in subnational planning, and tailor funding proposals to local contexts. Gender, disability and social inclusion will be a focus in new finance proposals. The investment is scheduled to commence in late 2023 and operate to 2027 with an initial budget allocation of AUD20 million to catalyse further investment in climate action in PNG.

Renewable Energy and Climate Mitigation Support

Australia supports PNG's renewable energy ambitions under the PNG Electrification Partnership. Through a bilateral grants program, we focus on delivering projects that increase generation from renewable energy sources, including assisting PNG Power to transition away from fossil fuels to solar and hydro power systems.

- This includes support to PNG Power to **improve and repair the Rouna and Ramu 1 hydropower stations** to increase generation and improve stability and reliability of power supply on the country's two largest electricity grids.
- Australia is also supporting the **transition of PNG Power's provincial grids** from expensive and damaging diesel generation to renewable energy solutions, like solar systems. This includes a commitment to upgrading, and transitioning to renewable energy, provincial grids in Arawa, Buka, Daru, Aitape, Kerema, Maprik, Finschhafen and Vanimo.

Australia's bilateral grants program also supports policy and regulation in the power sector that focuses on enabling a transition towards renewable energy sources.

- Australia is providing technical assistance to PNG's National Energy Authority so it can fulfill its regulatory responsibilities in the **off-grid renewable energy space** – allowing the delivery more low-cost, green power projects to rural and remote communities through programs like **Australia's Pawarim Komuniti**.
- This also involves working with PNG Power to put in place the systems and processes to allow the **integration of private solar power systems into their national and provincial grids**, which will allow businesses and the public to move away from diesel generators as back-up power sources while also improving the stability of the electricity grids.

Key Regional Initiatives

Australian Infrastructure Financing Facility for the Pacific (AIFFP)

AIFFP partners with Pacific governments and the private sector to design high impact, safeguarded projects and enable their delivery through loan and grant financing. AIFFP's Climate Infrastructure Window advances the region's energy transition and climate ambitions through infrastructure.

- AIFFP is financing a large-scale Solar Plant to be developed in partnership with PNG Power, which would be the first utility-scale solar power plant. The location for the proposed site remains in negotiation.
- AIFFP is also working with PNG Ports Ltd to identify climate adaptation and mitigation strategies and incorporate them into port project designs.

Updates on PNG's further involvement in AIFFP and the Pacific Climate Infrastructure Financing Partnership will be shared once they are finalised in partnership with the PNG Government.

Carbon market collaboration

Australia's Department of Climate Change, Energy, the Environment and Water (DCCEEW) signed a Joint Action Plan with CCDA in 2023 to deepen collaboration on carbon market expertise. The scheme will focus on building technical capability to establish a robust national carbon market framework in PNG, drawing on Australia's expertise in measurement, reporting and verification. DCCEEW and CCDA are jointly determining early activities.

Sustainable forestry cooperation

Australia's Department of Agriculture, Forestry and Fisheries (DAFF) signed a Memorandum of Understanding with the PNG Forest Authority (PNGFA) in 2023 to work together on sustainable forest management. Under the MOU, DAFF and PNGFA will collaborate to promote legal timber product trade, enhance forest governance mechanisms, share information on investment opportunities in carbon projects, and identify opportunities for forest research and multilateral collaboration.

Additional bilateral and regional initiatives

Program	Aus Gov lead	Implementing partner	Funding and timeframe	Description
Australia Pacific Climate Partnership (APCP)	DFAT	Palladium	AUD33.2m 2018-24 (regional)	Providing information, tools, and training to improve the region's ability to prepare for and mitigate against the threats of climate change and natural disasters. APCP helps to integrate climate change and disaster resilience considerations into the bilateral development program.
Water for Women	DFAT	GHD, Plan International, Live and Learn	AUD31.1m 2017-25 (regional)	Delivering climate-resilient WASH to 8,380 direct beneficiaries in New Ireland and the Autonomous Region of Bougainville (AROB) through community-led education and capacity building.
Climate Resilient by Nature (CRxN)	DFAT	WWF	AUD14.5m 2020-24 (regional)	Supporting community projects working with natural systems to restore and protect critical ecosystems, build sustainable livelihoods, and increase resilience to climate shocks. There are two active CRxN projects in PNG's Central Province, implemented by the Kyeema Foundation and Save the Children Australia.
PNG's National Climate Summit	DFAT	UNDP, GGGI, Australia-PNG Economic Partnership (APEP)	2021-23	Supporting CCDA to hold its pinnacle climate conference first time in 2021 (through UNDP) and again in 2022 (through GGGI). In 2023 Australia provided support for keynote speakers and a new grant research initiative (through APEP).
PNG Climate Research Grants	DFAT	APEP	AUD0.25m 2023-24	Supporting a small group of PNG students complete a year-long research paper on a topic of their choosing. The project steering committee is chaired by CCDA with whole-of-government involvement, plus support from the National Research Institute.
ReefCloud	DFAT	Australian Institute of Marine Science	AUD 6.6m 2023-2025 (regional)	Utilises artificial intelligence systems to allow local communities and Indigenous ranger groups to collect data on their reefs, upload them to cloud based systems and analyse them. Data supports governments to undertake management planning, including for high value ecosystems.
Climate and Oceans Support Program in the Pacific (COSPPac) 3	DFAT BOM	SPC, SPREP	AUD30m 2022-29 (regional)	COSPPac has worked with PNG National Weather Service and other key stakeholders for over a decade to build tools that can forecast and report on climate, tides and the ocean. The program recently entered its third phase.

Program	Aus Gov lead	Implementing partner	Funding and timeframe	Description
Pacific Women Climate Negotiators Training	DFAT	Women's Environment and Development Organization (WEDO)	AUD1m 2022-2024 (regional)	Providing training and funding for negotiators to participate in international climate change summits, advancing women's leadership in climate decision-making. The program supported PNG climate mitigation officers to attend COP27 and will provide equivalent funding for COP28 and COP29.
Mangrove and Seagrass Biodiversity Conservation, Livelihoods and Blue Carbon Project	DCCEEW (Blue Carbon Accelerator Fund)	International Union for the Conservation of Nature, Infinity Blue, Griffith University	2023-25 (regional)	Developing a community-led coastal management plan for mangrove conservation supported by blue carbon credits, in partnership with local communities, researchers, and authorities in New Ireland Province.
Kiwa Initiative	DFAT (with France, NZ, Canada, EU)	SPC, SPREP, IUCN	AUD1m 2020-2024 (regional)	Contributing to the multi-donor <i>Kiwa Initiative</i> – led by the French Development Agency (AFD), which strengthens resilience through biodiversity conservation for Pacific ecosystems, communities and economies.
Rural livelihood benefits from carbon trading for smallholder coffee and cocoa farmers	DFAT	ANU	AUD1.7m 2023-25	Examining carbon sequestration and trading for PNG coffee and cocoa growers to generate income and improve food security outcomes, with research locations in Eastern Highlands, Chimbu and East New Britain Provinces and the Autonomous Regional of Bougainville.
Climate Change, Human Rights and Business	DFAT (Australian NGO Cooperation Program (ANCP))	Diplomacy Training Program (DTP)	AUD52,700 2023-26	Aiming to develop the capacity of civil society to promote the integration of human rights into government and business responses to climate change, and the implementation of commitments under the UNFCCC/SDGs.
Adolescent girls-led climate-resilient disaster preparedness and action	DFAT (ANCP)	Plan International Australia	AUD132,664 2021-24	Aiming to empower and equip youths, especially adolescent girls, to lead climate resilient disaster preparedness actions in 11 communities and beyond, in partnership with local civil society partners and Plan International teams in Fiji and Bougainville.

Program	Aus Gov lead	Implementing partner	Funding and timeframe	Description
Enhancing the social outcomes of microfinance through education	DFAT (ANCP)	World Education Australia Limited (WEAL)	AUD15,000 2023-24	Educating partners and general learners including NGO staff, government officials, banking & finance university students and other relevant groups of people to improve knowledge on social inclusion and performance standards in the financial inclusion sector.
Climate Smart and Inclusive Cocoa Project	DFAT (ANCP)	World Vision, Kou Cooperative, Gigaso Cocoa Cooperative	AUD0.4m 2021-26	Increasing climate-smart cocoa production, improve access to inclusive market systems and improve financial resilience of rural communities for 17,403 beneficiaries in Usino Biundi District, Madang, by partnering with households, farmers, savings groups and cooperatives.
Food security and income for villages: chicken rearing and reef restoration	DFAT (ANCP)	Kyeema Foundation	AUD55,000 2019-24	Reducing pressure on fishing and empowering women; and restoration of rapidly declining coastal fish habitats and introduction of community-planned no-take fishing areas in Central and Morobe Provinces.
Improved Refrigerant Management in PNG	DFAT	Refrigerants Australia PNG RACA	AUD84,000	Working to develop the capacity of the PNG Refrigeration Air Conditioning Association (PNG RACA) on refrigerant management to limit hydrofluorocarbon (HFC) emissions.
Resilient Boundaries for the Blue Pacific	DFAT	SPC	AUD3.6m 2020-24 (regional)	Assessing the legal and technical implications of climate change on maritime zones by providing risk treatment options, developing legal options and developing management strategies.
Climate Smart Agriculture opportunities for enhanced food production	ACIAR	ANU	AUD2.7m 2019-24	Using seasonal climate information in farming communities to inform food production decisions and improve food security outcomes for rural communities in Eastern Highlands, East New Britain and Morobe Province.
Shifting the Power Coalition	DFAT (Pacific Women Lead)	SPC	AUD1.9 m 2021-26 (regional)	Strengthening existing Pacific women-led early warning information and communication systems in PNG in response to climate change, disasters and health emergencies, through Pacific Owned, Women-Led Early Warning and Resilience (POWER) Systems.

Program	Aus Gov lead	Implementing partner	Funding and timeframe	Description
Pacific Insurance and Climate Adaptation Programme (PICAP)	DFAT	UNCDF	AUD 9.5m 2021-2025 (regional)	Aiming to introduce, test and scale market-based CDRF instruments such parametric insurance targeting the vulnerable and low-income populations in the Pacific. PICAP is in the initial set-up phase in PNG.

ANNEX 6 Definitions

Climate resilience:

Climate resilience refers to the capacity of a system, community, or ecosystem to adapt and thrive in the face of changing environmental conditions, particularly those related to climate change. It involves taking actions and implementing strategies to reduce vulnerability and build adaptive capacity, while also minimizing the negative impacts of climate change. Climate resilience requires a multi-disciplinary approach that integrates scientific, economic, social, and political considerations to create solutions that are sustainable and effective over the long term.

Adaptation:

Adaptation refers to the process of adjusting to new or changing circumstances to maintain functionality or stability. In the context of climate change, adaptation involves adjusting in response to changing environmental conditions and the associated impacts on natural and human systems. This may include changes in infrastructure, land use, agricultural practices, water management, and other aspects of society and the economy. Adaptation can be reactive, in response to observed changes, or proactive, in anticipation of future changes. It requires a flexible and dynamic approach that considers the complexity of social and ecological systems, and the uncertainty associated with climate change.

Mitigation:

Climate mitigation refers to the efforts and actions taken to reduce the emission of greenhouse gases, primarily carbon dioxide, into the atmosphere, to limit the extent of climate change. Mitigation strategies can include a wide range of measures, from increasing energy efficiency and promoting renewable energy sources, to implementing policies that reduce deforestation, promote sustainable agriculture, and reduce industrial emissions. The goal of climate mitigation is to limit global warming to a level that avoids the most severe impacts of climate change, while also ensuring sustainable economic and social development. Climate mitigation is essential for achieving long-term sustainability and reducing the risks of climate-related disasters.

UNFCCC:

The UNFCCC stands for the United Nations Framework Convention on Climate Change. It is an international treaty that was adopted at the United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro, Brazil in 1992. The UNFCCC aims to address the issue of climate change by promoting international cooperation and action to reduce greenhouse gas emissions and to adapt to the impacts of climate change. The treaty has been ratified by 197 parties, including all United Nations member states, and provides the framework for a series of international negotiations and agreements on climate change, including the Paris Agreement of 2015. The UNFCCC is administered by the United Nations Climate Change secretariat, which is based in Bonn, Germany.

Impact financing:

Impact financing refers to the provision of capital or funding to support projects or initiatives that have a positive social or environmental impact, in addition to generating financial returns. This type of financing is typically provided by investors or organizations that are motivated by a desire to achieve specific social or environmental goals, as well as financial objectives. Impact financing can take various forms, including debt, equity, and grants, and can be directed toward a range of sectors, such as renewable energy, sustainable agriculture, affordable housing, and healthcare. Impact financing is an important tool for addressing global challenges, such as climate change, poverty, and inequality, and for promoting sustainable economic growth.

ESG finance:

ESG stands for Environmental, Social, and Governance standards for finance. ESG standards are a set of criteria that investors and financial institutions use to evaluate the sustainability and ethical impact of potential investments:

- › Environmental standards evaluate a company's impact on the environment, including its carbon emissions, use of natural resources, waste management, and pollution reduction efforts.
- › Social standards evaluate a company's impact on its employees, customers, and the broader community, including issues such as human rights, labour standards, consumer protection, and community engagement.
- › Governance standards evaluate a company's internal governance structure, including its board composition, executive compensation, shareholder rights, and transparency and accountability practices.

Investors and financial institutions use ESG standards to identify companies that are committed to sustainability and ethical practices, and to promote responsible investing. ESG criteria are increasingly being integrated into investment decisions and asset management strategies, as investors recognize the potential risks and opportunities associated with environmental and social issues.

Green Climate Fund:

The Green Climate Fund (GCF) is a global fund that was established to help developing countries mitigate and adapt to the impacts of climate change. It was established by the United Nations Framework Convention on Climate Change (UNFCCC) in 2010 and became fully operational in 2015.

The GCF aims to mobilize funds from developed countries and channel them towards climate change projects in developing countries. The fund is governed by a Board of 24 members, with an equal number of representatives from developed and developing countries.

The GCF operates through a system of accreditation, where it partners with accredited entities such as national development banks, international organizations, and private sector entities to develop and implement climate change projects. The accredited entities receive funding from the GCF and are responsible for managing the projects and ensuring that they meet the GCF's environmental and social safeguards.

The GCF has a particular focus on supporting projects in the least developed countries and small island developing states, which are the most vulnerable to the impacts of climate change. It supports a range of activities, including renewable energy projects, climate-smart agriculture, sustainable forestry, and climate-resilient infrastructure.

To date, the GCF has approved funding for over 170 climate change projects in more than 100 countries, with a total value of over US\$10 billion. The fund is seen as a key mechanism for helping to meet the goals of the Paris Agreement on climate change, which aims to limit global temperature rise to well below 2 degrees Celsius above pre-industrial levels.

The Adaptation Fund:

The Adaptation Fund is a financing mechanism established under the UNFCCC in 2001. Its primary goal is to help developing countries that are particularly vulnerable to the adverse effects of climate change, such as sea-level rise, droughts, and floods, to adapt to these impacts.

The Adaptation Fund receives funding from various sources, including government contributions, proceeds from the Clean Development Mechanism (CDM), and voluntary contributions from individuals, organizations, and governments. The Fund has a governance structure that includes a Board, a Trustee, and a Secretariat. The Board is responsible for overseeing the Fund's operations, approving project proposals, and providing strategic direction.

The Adaptation Fund provides grants and concessional loans to support climate adaptation projects in developing countries. These projects can range from building sea walls and other infrastructure to protect against rising sea levels, to improving water management systems and promoting the use of drought-resistant crops.

The Fund is particularly focused on supporting the most vulnerable communities, including women, children, and indigenous peoples, who are often disproportionately affected by climate change. The Fund's approach emphasizes

the importance of community participation and engagement, and it works closely with local organizations and governments to ensure that adaptation projects are tailored to the needs of the people they are designed to help.

Accredited Entities:

Up to 2021, several organizations in the Asia-Pacific region have been accredited under the GCF global fund established by the UNFCCC to support developing countries in their efforts to mitigate and adapt to climate change. The following is a list of some of the organizations in the Asia-Pacific region that were accredited under the GCF as of 2021:

- › Asian Development Bank (ADB)
- › United Nations Development Programme (UNDP)
- › Food and Agriculture Organization of the United Nations (FAO)
- › International Finance Corporation (IFC)
- › United Nations Industrial Development Organization (UNIDO)
- › World Wildlife Fund (WWF)
- › The Global Green Growth Institute (GGGI)
- › United Nations Environment Programme (UNEP)

Accredited organizations are eligible to submit proposals for GCF funding and to receive and manage GCF resources for implementing climate projects in developing countries.

PNG Department of Prime Minister and National Executive Council:

The Prime Minister of PNG is responsible for leading the National Executive Council (NEC) in making decisions on behalf of the country. The NEC is the highest decision-making body in PNG's government, and its members include the Prime Minister, Deputy Prime Minister, and other cabinet ministers.

The role of the Prime Minister is to provide leadership and direction to the government, represent the country on the international stage, and ensure that government policies are implemented effectively. The Prime Minister is appointed by the Governor-General, who is the head of state, and is usually the leader of the political party or coalition with the most seats in Parliament.

The NEC is responsible for formulating and implementing government policies and making decisions on matters of national importance. It is chaired by the Prime Minister and meets regularly to discuss and make decisions on issues such as national security, economic development, and social welfare.

The NEC is also responsible for approving the government's budget, which outlines how public funds will be allocated and spent. In addition, the NEC has the power to make appointments to various government positions, including senior public servants and heads of government agencies.

The role of the Prime Minister and National Executive Council in PNG is to lead the government in making decisions that promote the well-being and development of the country and its people.

PNG Department of National Planning and Monitoring:

The Department of National Planning and Monitoring (DNPM) PNG is responsible for overseeing the development and implementation of the country's National Development Plan (NDP). The NDP is a comprehensive plan that outlines the government's priorities and strategies for achieving sustainable development across all sectors of the economy.

The DNPM plays a key role in coordinating and monitoring the implementation of the NDP, working closely with other government agencies and stakeholders to ensure that development programs are implemented effectively and efficiently. It also serves as the main point of contact for international development partners and donors, facilitating dialogue and coordination between these organizations and the PNG government.

Some of the specific functions of the DNPM include:

- › Formulating and reviewing national development policies and strategies.
- › Coordinating the preparation and implementation of the National Development Plan.
- › Monitoring and evaluating the progress of development programs and projects.
- › Providing technical support and guidance to government agencies and stakeholders.
- › Facilitating partnerships and collaborations with international development partners and donors.
- › Collecting, analysing, and disseminating data and information on development trends and issues.
- › Supporting research and analysis on development-related topics.

The DNPM plays a critical role in promoting sustainable development and economic growth in PNG, working to ensure that the country's resources are used effectively to improve the lives of its citizens.

PNG Climate Change Development Authority:

The Climate Change Development Authority (CCDA) is a statutory body established by the Government of PNG in 2014, under the Climate Change (Management) Act. The CCDA's primary role is to coordinate the national response to climate change and support PNG's efforts to mitigate and adapt to the impacts of climate change.

The CCDA's responsibilities include:

- › Developing and implementing the National Climate Compatible Development Strategy, which aims to integrate climate change into all aspects of PNG's development planning.
- › Coordinating the development and implementation of sectoral strategies and plans to reduce greenhouse gas emissions and increase climate resilience, such as the National REDD+ (Reducing Emissions from Deforestation and Forest Degradation) Strategy and the National Adaptation Plan.
- › Promoting and facilitating public and private sector investment in climate change mitigation and adaptation activities.
- › Supporting research, monitoring, and evaluation to improve understanding of the impacts of climate change and the effectiveness of response measures.
- › Representing PNG in international climate change negotiations and initiatives, such as the UNFCCC and the Pacific Islands Forum.

In summary, the CCDA plays a crucial role in driving PNG's efforts to respond to the challenges posed by climate change and achieve sustainable development.

Nationally Determined Contribution:

PNG's Enhanced Nationally Determined Contribution (NDC) 2020 currently exists as the nation's authoritative climate change plan, in lieu of the forthcoming and recently approved NAP. As required under the Paris Agreement, the NDC sets out the nation's greenhouse gas emission reduction targets (mitigation) and priority development sectors for adaptation.

Key mitigation priorities outlined in the NDC are: 78 per cent renewable energy by 2030, reduced energy demand, fossil fuel emission offsetting, enhanced data collection of energy use and associated emissions, and reduced emissions from deforestation and forest degradation.¹³⁴ These targets are further supported by sector-based policy, including the National Reducing Emissions from Deforestation and Forest Degradation (REDD+) Strategy, which promotes sustainable land use practices, reduced deforestation and forest degradation, and encourages the development of a low-carbon economy.

Nine priority areas for adaptation are also outlined: coastal flooding and SLR, inland flooding, food insecurity, cities and climate change, climate induced migration, damage to coral reefs, malaria and vector-borne diseases, water

¹³⁴ Climate Change and Development Authority (2020) Papua New Guinea's Enhanced Nationally Determined Contribution 2020, Port Moresby, PNG, 69pp.

and sanitation, landslides.¹³⁵ It is likely that these priorities will be refined and/or updated as the new NAP comes into force. A recent stakeholder consultation process for the NAP development has identified new and perhaps overriding priorities, including strengthening climate information systems, developing monitoring and evaluation systems to track the effectiveness of adaptation actions and budget allocations, and an effective financing strategy for NAP implementation.¹³⁶

¹³⁵ Ibid

¹³⁶ Green Climate Fund (2020) Papua New Guinea and the Green Climate Fund: Country Programme, 157pps. Report prepared as part of the GCF Readiness and Preparatory Support Programme.



Annex 7 Budget

The project’s indicative budget (in AUD) is presented in the below. GGGI will develop an operational budget (that also reflects program management) annually as part of the annual planning process.

There is no specific line for cross-cutting issues (including **GEDSI**). This is because GEDSI costs are attributed to the GEDSI Officer/s and are therefore included under ‘Personnel’. Similarly, there is no line for **MEL** because the full-time MEL officer is included under ‘Personnel’. Through the development of GGGI’s annual operational budget, Post will ensure that MEL is funded within DFAT’s recommended range of 4-7% of total budget.

No	Item	Year 1	Year 2	Year 3	Year 4	Total
1	Personnel	2.08	2.66	2.80	2.79	10.33
2	Safety & Security	0.28	0.28	0.28	0.28	1.12
3	Outsourcing	0.59	0.88	0.64	0.29	2.38
4	Climate Finance Steering Committee	0.13	0.12	0.12	0.12	0.49
5	Greenpreneur Awards	0.03	0.03	0.03	0.03	0.12
6	Workshops or conferences	0.19	0.15	0.15	0.18	0.67
7	Travel	0.09	0.09	0.09	0.08	0.35
8	Rental	0.01	0.01	0.01	0.01	0.04
9	Acquisition	0.05	0.05	0.05	0.05	0.20
10	IT Equipment & Software	0.02	0.02	0.02	0.02	0.08
11	Publication	0.01	0.01	0.01	0.01	0.04
12	Training	0.02	0.02	0.02	0.02	0.08
13	Supply & Maintenance	0.01	0.01	0.01	0.01	0.04
14	Contingency	0.19	0.19	0.19	0.19	0.76
15	Professional services	0.00	0.00	0.00	0.01	0.02

No	Item	Year 1	Year 2	Year 3	Year 4	Total
16	Communication	0.04	0.04	0.04	0.04	0.14
17	Other	0.02	0.02	0.02	0.02	0.08
	Total operating cost	3.77	4.59	4.48	4.16	17.00
18	Overhead	0.67	0.81	0.79	0.73	3.00
	Total project cost	4.44	5.41	5.27	4.89	20.00

ANNEX 8 Project logic diagram

Program Logic (Theory of Change)					
Goal	Communities and people in PNG are adapting to climate change through benefits from international and local climate finance investments in line with PNG's Nationally Determined Contributions and National Adaptation Plan.				
Objective	PNG is resilient to the effects of climate change and is accessing international and domestic funding to support climate adaptation and mitigation efforts, providing a positive impact on PNG's overall security, stability, and prosperity.				
End of Program Outcomes	1. Scaled up climate finance is secured by the PNG Government and progressed into early implementation to benefit diverse communities	2. CCDA and other PNG Government agencies are overseeing climate finance proposals and the implementation of projects, including at subnational level	3. The PNG Government has improved capacity and expertise to develop climate finance proposals and mechanisms, including on private sector finance and GEDSI considerations		
Int. Outcomes	1. PNG's access to domestic and international climate finance is scaled up and the target in investment commitments is secured	2. A high-level CFSC is brokering consensus on a pipeline of priority investments in line with PNG's NDCs and NAP	3. Subnational engagement for CRGG and climate investments is scaled up	4. PNG develops new innovative financing mechanisms, and the private sector is increasingly engaging with, and financing, climate investments	5. More women, people with a disability, and vulnerable groups influence, participate in, and benefit from Climate FIRST
Outputs	<p>1.1. A market study on barriers and opportunities to climate finance and investments is completed.</p> <p>1.2. Selection and consolidation of provincial and national climate investment priorities for development into project ideas, in line with NDC and NAP priorities.</p> <p>1.3. Workplans and budgets for investment projects are prepared.</p> <p>1.4. Climate investment concept notes and full funding proposals developed and submitted, with collaboration and participation from women's organisations and organisations for people with disabilities.</p>	<p>2.1. Purpose, membership (with gender and disability representative/s), and TOR for CFSC is developed and adopted.</p> <p>2.2. CFSC is appointed, established, and launched with a work plan.</p> <p>2.3. Capacity building support is delivered to CCDA's CFU as secretariat to CFSC.</p> <p>2.4. CFSC strategically prioritises and selects a pipeline of climate investments in line with PNG's NDC and NAP.</p> <p>2.5. CFSC provides oversight on overall project implementation and reporting.</p>	<p>3.1. Provincial scoping and CRGG assessments conducted in the shadow provinces to develop detailed workplan, conduct stakeholder survey and GEDSI assessments, develop baselines, and identify provincial priorities in line with NDC and NAP.</p> <p>3.2. CRGG and GEDSI priorities mainstreamed into MTDPs and/or Annual Development Budgets and identify a long list of priority projects/investment cases in the pilot and shadow provinces.</p> <p>3.3. Capacity built at the provincial level to identify, prioritise, and mainstream CRGG and GEDSI priorities in the pilot and shadow provinces</p>	<p>4.1: Study on barriers to private sector participation in climate investments completed.</p> <p>4.2: A Medium-Term Private Sector Climate Investment Strategy is developed and implemented, in line with NDC and NAP.</p> <p>4.3: Green entrepreneurship program is developed and operational in partnership with SME Corporation, CGC, PNG's universities, local incubators and other development partners.</p> <p>4.4: National Financing Vehicles and new innovative climate financing mechanisms such as green bonds are assessed and developed.</p>	<p>5.1. An Initial Social Assessment is completed at fact finding stage to identify key GEDSI priorities in the new provinces and for each investment project.</p> <p>5.2. More detailed GEDSI Assessment Report is completed on the new CRGG provinces and for each investment project.</p> <p>5.3. GEDSI Action Plan is reviewed and approved for Climate FIRST and for each investment project.</p> <p>5.4. National and subnational GEDSI Focal Points are appointed and trained.</p> <p>5.5. Climate FIRST's GEDSI targets are monitored and reported.</p>

Program Logic (Theory of Change) – Text Version

Goal: Communities and people in PNG are adapting to climate change through benefits from international and local climate finance investments in line with PNG's Nationally Determined Contributions and National Adaptation Plan.

Objective: PNG is resilient to the effects of climate change and is accessing international and domestic funding to support climate adaptation and mitigation efforts, providing a positive impact on PNG's overall security, stability, and prosperity.

End of Program Outcome 1: Scaled up climate finance is secured by the PNG Government and progressed into early implementation to benefit diverse communities.

- Intermediate Outcome 1: PNG's access to domestic and international climate finance is scaled up and the target in investment commitments is secured
 - Outputs:
 - 1.1. A market study on barriers and opportunities to climate finance and investments is completed.
 - 1.2. Selection and consolidation of provincial and national climate investment priorities for development into project ideas, in line with NDC and NAP priorities.
 - 1.3. Workplans and budgets for investment projects are prepared.
 - 1.4. Climate investment concept notes and full funding proposals developed and submitted, with collaboration and participation from women's organisations and organisations for people with disabilities.

End of Program Outcome 2: CCDA and other PNG Government agencies are overseeing climate finance proposals and the implementation of projects, including at subnational level.

- Intermediate Outcome 2: A high-level CFSC is brokering consensus on a pipeline of priority investments in line with PNG's NDCs and NAP
 - Outputs:
 - 2.1. Purpose, membership (with gender and disability representative/s), and TOR for CFSC is developed and adopted.
 - 2.2. CFSC is appointed, established, and launched with a work plan.
 - 2.3. Capacity building support is delivered to CCDA's CFU as secretariat to CFSC.
 - 2.4. CFSC strategically prioritises and selects a pipeline of climate investments in line with PNG's NDC and NAP.
 - 2.5. CFSC provides oversight on overall project implementation and reporting.
- Intermediate Outcome 3: Subnational engagement for CRGG and climate investments is scaled up
 - Outputs:
 - 3.1. Provincial scoping and CRGG assessments conducted in the shadow provinces to develop detailed workplan, conduct stakeholder survey and GEDSI assessments, develop baselines, and identify provincial priorities in line with NDC and NAP.
 - 3.2. CRGG and GEDSI priorities mainstreamed into MTDPs and/or Annual Development Budgets and identify a long list of priority projects/investment cases in the pilot and shadow provinces.

- 3.3. Capacity built at the provincial level to identify, prioritise, and mainstream CRGG and GEDSI priorities in the pilot and shadow provinces.

End of Program Outcome 3: The PNG Government has improved capacity and expertise to develop climate finance proposals and mechanisms, including on private sector finance and GEDSI considerations.

- Intermediate Outcome 4: PNG develops new innovative financing mechanisms, and the private sector is increasingly engaging with, and financing.
 - Outputs:
 - 4.1: Study on barriers to private sector participation in climate investments completed.
 - 4.2: A Medium-Term Private Sector Climate Investment Strategy is developed and implemented, in line with NDC and NAP.
 - 4.3: Green entrepreneurship program is developed and operational in partnership with SME Corporation, CGC, PNG's universities, local incubators and other development partners.
 - 4.4: National Financing Vehicles and new innovative climate financing mechanisms such as green bonds are assessed and developed.
- Intermediate Outcome 5: More women, people with a disability, and vulnerable groups influence, participate in, and benefit from Climate FIRST
 - Outputs:
 - 5.1. An Initial Social Assessment is completed at fact finding stage to identify key GEDSI priorities in the new provinces and for each investment project.
 - 5.2. More detailed GEDSI Assessment Report is completed on the new CRGG provinces and for each investment project.
 - 5.3. GEDSI Action Plan is reviewed and approved for Climate FIRST and for each investment project.
 - 5.4. National and subnational GEDSI Focal Points are appointed and trained.
 - 5.5. Climate FIRST's GEDSI targets are monitored



ANNEX 9 GGGI Country Office Organisation Chart

