Funding Proposal

FP318: Regional Programmatic Approach on Climate Action (RPACA)

Cook Islands, Fiji, Kiribati, Marshall Islands, Micronesia (Federated States of), Naoero, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu | Asian Development Bank (ADB) | Decision B.46/04

Acronyms

ADB	Asian Development Bank
ADF	Asian Development Fund
ADFIP	Association of Development Financing Institutions in the Pacific
AE	Accredited Entity
AF	Adaptation Fund
AMA	Accreditation Master Agreement
ANU	Australian National University
AOSIS	Alliance of Small Island States
AR6	Sixth Assessment Report (IPCC)
BAU	Business As Usual
CAIP	Climate Adaptation Investment Planning
CCFAH	Commonwealth Climate Finance Access Hub
CDRA	Climate and Disaster Risk Assessments
CIFCOP	Pacific Climate Infrastructure Finance Community of Practice
CFAMS	Pacific Climate Finance Access and Mobilisation Strategy
CFAN	Climate Finance Access Network
CFMCA	Coalition of Finance Ministers for Climate Action
CMAP	Climate Macro-Assessment Program
COPB	Country Operations Business Plans (of ADB)
CPS	Country Programme Strategies (of ADB)
CROP	Council of Regional Organisations of the Pacific
CRVA	Climate Risk and Vulnerability Assessment
CSO	Civil Society Organisation
DBSI	Development Bank of Samoa Incorporated
DFI	Development Finance Institution
DMC	Developing Member Country (of ADB)
DMF	Design and Monitoring Framework
DRF	Disaster Risk Finance
DRFI	Disaster Risk Finance & Insurance
DRM	Disaster Risk Management
DRR	Disaster Risk Reduction
EE	Executing Entity
EEZ	Exclusive Economic Zone
ENSO	El Niño–Southern Oscillation
ESF	Environmental and Social Framework
ESG	Environmental, Social and Governance
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plans
ESMS	Environmental and Social Management Systems
ESS	Environmental and Social Standard
EWS	Early Warning Systems
FAA	Funded Activity Agreement (of GCF)
FCAS	Fragile and Conflict-Affected States
FI	Financial Institution
FPIC	Free, Prior and Informed Consent
FRDP	Framework for Resilient Development in the Pacific
FSM	Federated States of Micronesia
GAAP	Gender Analysis and Action Plan

GAP	Gender Action Plan
GCF	Green Climate Fund
GDP	Gross Domestic Product
GEDSI	Gender Equality, Disability, and Social Inclusion
GEF	Global Environment Facility
GESI	Gender Equality, Disability, and Social Inclusion
GGGI	Global Green Growth Institute
GIS	Geographical information systems
GM	Grievance Mechanism
GTCA	Gender-Transformative Climate Action
HGI	Higher Ground Initiative (of Naoero)
IDF	Insurance Development Forum
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IPCC	Intergovernmental Panel on Climate Change
IPP	Indigenous Peoples Plan
IRMF	Integrated Results Management Framework
ISSB	International Sustainability Standards Board
ITCZ	Intertropical Convergence Zone
IWRM	Integrated water resources management
JNAP	Joint National Action Plan
KJIP	Kiribati Joint Implementation Plan for Climate Change and Disaster Risk Management
KMAP	Knowledge Management Action Plan
LDC	Least Developed Countries
MAFFM	MSME Adaptation Finance Facility Model
MDB	Multi development banks
M+E	Monitoring and Evaluation
MEL	Monitoring, Evaluation and Learning
MERL	Monitoring, Evaluation, Research and Learning
MFI	Multinational financial institution
MoF	Ministry of Finance
MRV	Measure, Results and Verification
MSME	Micro, Small and Medium Enterprises
MTFF	Medium-Term Fiscal Framework
NAP	National Adaption Plan
NDA	National Designated Authorities
NDC	Nationally Determined contribution
NGFS	Network for Greening the Financial System
NIE	National Implementing Entity
NIP	National Infrastructure/investment Plan
NRW	Non-revenue water
O+M	Operation and Maintenance
OCR	Ordinary capital resources
PACC	Pacific Adaptation to Climate Change
PCCC	Pacific Climate Change Centre
PCCR	Pacific Climate Change Roundtable
PCRAFI	Pacific Catastrophe Risk Assessment & Financing Initiative
PEFA	Public Expenditure and Financial Accountability

PFI	Pacific Financial Institutions
PFM	Public Financial Management
PFRI	Pacific Fiscal Resilience Initiative
PFTAC	Pacific Financial Technical Assistance Centre
PIC	Pacific Island Country (ies)
PIFS	Pacific Islands Forum Secretariat
PIU	Project Implementation Unit
PMU	Project Management Unit
PNG	Papua New Guinea
PPP	Public-Private Partnership
PRF	Pacific Resilience Facility
PRIF	Pacific Region Infrastructure Facility
PRP	Pacific Resilience Partnership
PWD	People with disabilities
RAP	RPACA Advisory Panel
RCM	Regional Coordination Mechanism
RMI	Republic of the Marshall Islands
RPACA	Regional Programmatic Approach on Climate Action
RSC	RPACA Steering Committee
SDG	Sustainable Development Goals
SEAH	Sexual Exploitation, Abuse and Harassment
SEP	Stakeholder Engagement Plan
SIDS	Small Island Developing States
SILAG	Somare Institute of Leadership and Governance
SMS	smart messaging services (text messages)
SOAS	School of Oriental and African Studies
SOGIESC	Sexual Orientation, Gender Identity and Expression, and Sex Characteristics
SPC	South Pacific Community
SPCZ	South Pacific Convergence Zone
SPREP	South Pacific Regional Environment Program
SSP	Shared Socioeconomic Pathway
SST	Sea Surface Temperature
TA	Technical Assistance
TOR	Terms of Reference
TVET	technical and vocational education and training
TWG	Technical Working Group
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNFCCC	United Nations Framework Convention on Climate Change
UPNG	University of Papua New Guinea
USD	United States Dollars
USP	University of the South Pacific
WASH	Water, Sanitation and Hygiene

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Note to Accredited Entities on the use of the funding proposal template

- Accredited Entities should provide summary information in the proposal with cross-reference to annexes such as feasibility studies, gender action plan, term sheet, etc.
- Accredited Entities should ensure that annexes provided are consistent with the details provided in the funding proposal. Updates to the funding proposal and/or annexes must be reflected in all relevant documents.
- The total number of pages for the funding proposal (excluding annexes) **should not exceed 60**. Proposals exceeding the prescribed length will not be assessed within the usual service standard time.
- The recommended font is Arial, size 11.
- Under the GCF Information Disclosure Policy, project and programme funding proposals will be disclosed on the GCF website, simultaneous with the submission to the Board, subject to the redaction of any information that may not be disclosed pursuant to the IDP. Accredited Entities are asked to fill out information on disclosure in section G.4.

Please submit the completed proposal to:

fundingproposal@gcfund.org

Please use the following name convention for the file name:

"FP-[Accredited Entity Short Name]-[Country/Region]-[YYYY/MM/DD]"

A. PROJECT/PROGRAMME SUMMARY

A.1. Project or programme	Programme	**A.2. Public or private sector**	Public
A.3. Request for Proposals (RFP)	*If the funding proposal is being submitted in response to a specific GCF Request for Proposals, indicate which RFP it is targeted for. Please note that there is a separate template for the Simplified Approval Process and REDD+.* Not applicable		

A.4. Result area(s)

*Check the applicable GCF result area(s) that the overall proposed project/programme targets below. For each checked result area(s), indicate the estimated percentage of **GCF and Co-financers' contribution** devoted to it. The total of the percentages when summed should be 100% for GCF and Co-financers' contribution respectively.*

	GCF contribution	Co-financers' contribution[1]
Mitigation total	Enter number %	Enter number %
☐ Energy generation and access	Enter number %	Enter number %
☐ Low-emission transport	Enter number %	Enter number %
☐ Buildings, cities, industries and appliances	Enter number %	Enter number %
☐ Forestry and land use	Enter number %	Enter number %
Adaptation total	Enter number %	Enter number %
☒ Most vulnerable people and communities	25 %	25 %
☒ Health and well-being, and food and water security	25 %	25 %
☒ Infrastructure and built environment	25 %	25 %
☒ Ecosystems and ecosystem services	25 %	25 %

A.5. Expected mitigation outcome *(Core indicator 1: GHG emissions reduced, avoided or removed / sequestered)*	**Not applicable**	**A.6. Expected adaptation outcome** *(Core indicator 2: direct and indirect beneficiaries reached)*	*Indicate total number of direct and indirect beneficiaries:* **3,722,878**	
			Indicate number of direct beneficiaries: **851,334**	*Indicate number of indirect beneficiaries:* **2,871,545**
			Indicate % of direct beneficiaries vis-à-vis total population **5%**	*Indicate % of indirect beneficiaries vis-à-vis total population:* ***18%***
A.7. Total financing (GCF + co-finance[2])	$ **1,059,300,000**	**A.9. Project size**	**Large (Over USD 250 million)**	
A.8. Total GCF funding requested	**US$250,000,000** *For multi-country proposals, please fill out annex 17.*			

[1] Co-financer's contribution means the financial resources required, whether Public Finance or Private Finance, in addition to the GCF contribution (i.e. GCF financial resources requested by the Accredited Entity) to implement the project or programme described in the funding proposal.
[2] Refer to the Policy of Co-financing of the GCF.

A.10. Financial instrument(s) requested for the GCF funding	*Mark all that apply and provide total amounts. The sum of all total amounts should be consistent with A.8.* ☒ Grant 250,000,000 ☐ Equity Enter number ☒ Loan 00,000,000 ☐ Results-based payment Enter number ☐ Guarantee Enter number		
A.11. Implementation period	*Indicate the number of years and months the project/ programme is expected to be implemented.* ***10***	**A.12. Total lifespan**	*Indicate the maximum number of years over which the outcomes of the investment are expected to be effective, i.e. to lead to adaptation and/or mitigation results.* ***30***
A.13. Expected date of AE internal approval	*This is the date that the Accredited Entity obtained/will obtain its own approval to implement the project/ programme, if available.* *31/12/2026.*	**A.14. ESS category**	*Refer to the AE's safeguard policy and GCF ESS Standards to assess your FP category.* **A**
A.15. Has this FP been submitted as a CN before?	Yes ☐ No ☐	**A.16. Has Readiness or PPF support been used to prepare this FP?**	Yes ☐ No ☒
A.17. Is this FP included in the entity work programme?	Yes ☒ No ☐	**A.18. Is this FP included in the country programme?**	Yes ☐ No ☒
A.19. Complementarity and coherence	*Does the project/programme complement other climate finance funding (e.g. GEF, AF, CIF, etc.)? If yes, please elaborate in section B.1.* Yes ☒ No ☐ RPACA is designed to complement, rather than duplicate, the Pacific's existing climate finance architecture by strengthening the enabling systems, institutional capacity, and investment pipelines required to maximise the effectiveness of financing from the GCF, Global Environment Facility, Adaptation Fund, Climate Investment Funds, and other multilateral and bilateral partners. Building on existing readiness, accreditation, and project preparation initiatives, RPACA bridges the gap between climate finance access and implementation by embedding climate-responsive public financial management, strengthening national institutions, improving project bankability, and mobilising public investment at scale. At the regional level, RPACA enhances coherence by working through existing Pacific institutions and coordination mechanisms- including Pacific Islands Forum, Pacific Community and Secretariat of the Pacific Regional Environment Programme, and established development partner platforms- rather than creating parallel structures. Through common methodologies, shared knowledge systems, peer learning, and a programmatic approach to investment planning and implementation, RPACA strengthens coordination across countries and partners, reduces fragmentation, and provides a scalable regional platform that accelerates delivery of transformational adaptation investments aligned with Pacific priorities and international climate finance mechanisms. Collectively, RPACA enhances the efficiency, coherence, and long-term impact of climate finance by connecting readiness, investment planning, financing, and implementation into a unified programmatic approach that strengthens resilience across Pacific Island Countries.		

A.20. Executing Entity information	The Executing Entities (EE) for RPACA include the Asian Development Bank (ADB) and the relevant host country ministries responsible for sovereign loan and/or grant agreements in accordance with ADB's country agreements. Component one primarily involves technical assistance and will be implemented in collaboration with participating countries, following ADB's established country and regional management frameworks. ADB will serve as the EE for the following TA activities: All activities under Outputs 1.1.1, 1.1.2, 1.1.3, 1.1.4 and 1.1.5; Activity 1.2.1.1; All activities under Outputs 1.2.2, 1.3.1 and Output 2.1.1, in line with its accredited entity policies and procedures. The selected borrower/recipient in the host country will serve as EE for the sub-projects under Activity 1.2.1.2 and all Activities under Outputs 2.1.2 and 2.1.3. The indicative EEs are introduced in Appendix 2.4 and Appendix 2.5 of Annex 2. In line with ADB's policies, which define implementation responsibilities, the host countries as represented by the relevant line ministries will serve as the EE for Component 2 of the Program. Component 2 comprises investment activities aligned with what the GCF refers to as "subprojects." Under the country-executed modality, the government of each host country, acting through its designated ministry or department, will be responsible for the implementation of its respective 'subproject'. In this capacity, and to the extent that GCF proceeds are received, utilized, or managed by the host country for the purposes of the Funded Activity, the relevant ministry or department will act as the EE, as further described in this Funding Proposal. These entities will be responsible for executing or implementing the relevant Funded Activities in accordance with both GCF and ADB policies and procedures governing project execution and fiduciary responsibilities. They will be responsible for utilizing or channelling GCF Proceeds for the implementation of the Funded Activity. In this role, the Executing Entity will oversee the execution, coordination, and delivery of the relevant activities, and will also be responsible for the selection, engagement, and oversight of implementation partners, in accordance with national systems and relevant ADB and GCF policies. The selection of all EE is undertaken by ADB in accordance with its legal and operational policies governing collaboration with host governments. All selected entities have prior experience in managing ADB-administered funds and proceeds and have demonstrated compliance with applicable fiduciary and safeguard requirements. For the RPACA, where capacity-building needs are identified - particularly in relation to operational frameworks or policies specific to the management of GCF funds - targeted capacity support will be provided. In addition, ongoing engagement with EE will be maintained throughout the implementation period. As part of ADB's established agreements with host countries, regular adaptive monitoring will be conducted to assess progress, address implementation challenges, and ensure alignment with both ADB and GCF requirements. For further details on EE for each subproject under Component 1 and 2, please refer to Annex 2.5.

A.21. Executive summary (max. 750 words, approximately 1.5 pages)

Pacific Region Climate Challenges

Pacific Island Countries (PICs) face some of the most acute and complex climate risks globally. The region comprises fourteen Small Island Developing States (SIDS) with a combined population of around 12 million and is characterized by geographic isolation, dispersed populations, dependence on climate-sensitive sectors, and limited institutional and human capacity. Climate change is already altering the Pacific's tightly coupled ocean -atmosphere system, rising temperatures, intensified rainfall variability, sea-level rise, and more severe extreme events[3].

[3] Intergovernmental Panel on Climate Change (IPCC). (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* (H.-O.

In addition to isolated shocks, climate risks manifest through compound hazards and cascading risks[4]. Tropical cyclones combine extreme rainfall, storm surge, flooding, and infrastructure damage; droughts are followed by intense rainfall that overwhelms degraded lands and drainage systems. Sea-level rise magnifies coastal flooding and salinization. These hazards interact differently across different island types - low-lying atolls, high volcanic islands, and large high-island systems - but in all cases they can impact and undermine the resilience of entire socio-economic systems.

While the Pacific appears well-funded on a per capita basis, its share of global climate finance remains disproportionately low. The region receives only around 1% of bilateral concessional flows, 1% of Multilateral Development Bank financing, and 2% of multilateral climate fund resources[5]. Moreover, the limited finance that does reach Pacific Island Countries is heavily skewed toward mitigation, with only 6.1% of global climate finance flows in 2019–2020 directed to adaptation, despite the region's acute vulnerability and pressing adaptation needs. Infrastructure systems - notably coastal protection, water, transport, and energy – are central to this as they play an enabling role for all sectors. Pacific countries have prioritized adaptation investments – such as resilient infrastructure, livelihood diversification, water resource management, and community relocation – through their nationally determined contributions (NDCs) and national adaptation plans (NAPs).[6] Failures in infrastructure can cascade rapidly across sectors, disrupting for example the economy, health services, food security, education, livelihoods, and disaster response. Demographic trends intensify vulnerability by rapid urbanization, climate driven displacement and migration, youth bulges, ageing populations, and the high prevalence of disability and disease. Together, these dynamics create systemic, long-term vulnerability that incremental, project-by-project adaptation efforts cannot adequately address.

RPACA Overview and Rationale

Recognizing these challenges, the countries have collaborated to establish the Regional Programmatic Approach on Climate Action (RPACA). RPACA is to provide an integrated, science-led response to these escalating risks. It aligns with Pacific leaders' vision under the 2050 Strategy for the Blue Pacific Continent and the Framework for Resilient Development in the Pacific, aiming to place the region on a long-term, resilient development pathway. Its rationale is grounded in the recognition that climate change in the Pacific represents a systemic and transformational challenge. Previous approaches - climate-proofing individual infrastructure projects or delivering stand-alone adaptation pilots - are increasingly falling short in terms of scale, pace, and the interconnected nature of risks. RPACA therefore adopts a programmatic, multi-country, multi-sector approach that integrates climate risk analysis, investment, institutional reform, and capacity building.

The RPACA is a collaboration of 14 countries and is designed to provide a regional scale response to the impacts of climate change. The development process was actively led by the national governments and their GCF National Designated Authorities (led by Palau and the Cook Islands) and is characterized by strong country ownership. This ADB funding proposal for 14 countries is the first of three coordinated and separate funding proposals to be submitted in sequence, leveraging a shared programmatic vision and streamlined access to GCF.[7]

Why GCF Funding Is Needed for RPACA

Green Climate Fund (GCF) support to RPACA is essential to provide the scale, ambition, and transformative impact. Climate finance in the Pacific is currently fragmented, project-based, and difficult to access, with limited predictability and short time horizons that undermine long-term planning[8]. With GCF funding, RPACA can accelerate a shift from this paradigm toward programmatic, predictable, long-term financing aligned with national development and adaptation strategies.

Pörtner, D. C. Roberts, E. S. Poloczanska, K. Mintenbeck, M. Tignor, A. Alegría, M. Craig, S. Langsdorf, S. Löschke, V. Möller, A. Okem, & B. Rama, Eds.). Cambridge University Press. https://doi.org/10.1017/9781009325844.029

[4] Westoby, R., Clissold, R., McNamara, K.E. *et al.* Cascading loss and loss risk multipliers amid a changing climate in the Pacific Islands. *Ambio* **51**, 1239–1246 (2022). https://doi.org/10.1007/s13280-021-01640-9

[5] UNFCCC, SCF. (2022). Fifth Biennial Assessment and Overview of Climate Finance Flows. Biennial Assessment Fifth. Bonn: Standing Committee on Finance. Available: https://unfccc. int/sites/default/files/resource/J0156_UNFCCC% 20BA5_2022_Report_v4% 5B52% 5D. pdf (Accessed: 27 April 2026).

6 ADB (2026). Promoting Fiscal Resilience to Scale Adaptation Investment in the Pacific: A Review of Public Financial Management Systems. Forthcoming

[7] The overall RPACA will include ADB, SPC and SPREP as GCF Accredited Entities. For the avoidance of doubt, this Funding Proposal is only related to the activities to be undertaken by ADB, as AE.

[8] Owens, K., Carter, G., Park, S., & Viney, G. (2025). Bridging the adaptation-finance gap: Pathways for the Green Climate Fund in the Pacific. Earth System Governance, 24, 100247.

Adaptation investments in the Pacific often yield high economic and social returns and generate co-benefits across multiple sustainable development goals, but produce limited or no direct financial revenues, particularly for protective infrastructure, coastal resilience, water security, and nature-based solutions. As a result, many of these investments remain financially unviable even when financed on concessional terms. This challenge is further compounded by elevated debt burdens across many Pacific SIDS, constrained fiscal space, and limited capacity to take on additional borrowing. Consequently, even highly concessional debt is often insufficient to enable implementation, reinforcing the need for grant financing to support essential adaptation investments without exacerbating sovereign debt vulnerabilities.

GCF resources in RPACA are designed to target the incremental costs of transformative climate adaptation within externally financed investments. Hence, RPACA will both leverage established delivery systems and mobilize substantial co-financing. The programme will demonstrate strong value for money, with very high economic returns, while clearly justifying concessionality due to weak or negative financial returns in the absence of climate finance. Further, RPACA actions go beyond the incremental costs by strengthening institutional systems, embedding climate resilience across national planning frameworks, and enabling regional cooperation alongside climate finance innovation. GCF investment also responds to cascading and compounding climate risks in Pacific Island contexts - including sea-level rise, coastal inundation, saltwater intrusion into freshwater lenses, intensified tropical cyclones, and ocean warming and acidification - through integrated, cross-sectoral interventions in infrastructure, coastal protection, water security, food systems, and financial systems. In doing so, RPACA supports a more systemic and coordinated approach to managing climate risk across highly exposed and interconnected Pacific Island systems.

RPACA Program Components

RPACA has been conceptualized, designed and shall be implemented through a shared programmatic framework and common Theory of Change. Components 1 and 2 establish the enabling environment, governance mechanisms and infrastructure and coastal investments needed to deliver climate resilience outcomes, while Components 3 and 4 provide complementary sectoral interventions and programme-level knowledge management functions. A Regional Steering Committee serves as the common governance structure for all RPACA components. RPACA is structured around four interrelated components as illustrated in Figure 1 that together deliver a transformational, systems-based approach to climate adaptation across the Pacific. Component 1 establishes the enabling environment for long-term decision making and shifting of financial systems. This will increasingly contribute to the impacts of the other components; Components 2, 3 and 4 implement a pipeline of climate-resilient infrastructure across sectors. Although this Funding Proposal focuses on only Components 1 and 2, for completeness the broader RPACA programmatic approach is envisaged to include additional two components that may be developed with support from the Pacific Community (SPC) and Secretariat of the Pacific Regional Environment Programme (SPREP will be subject to the GCF approval.

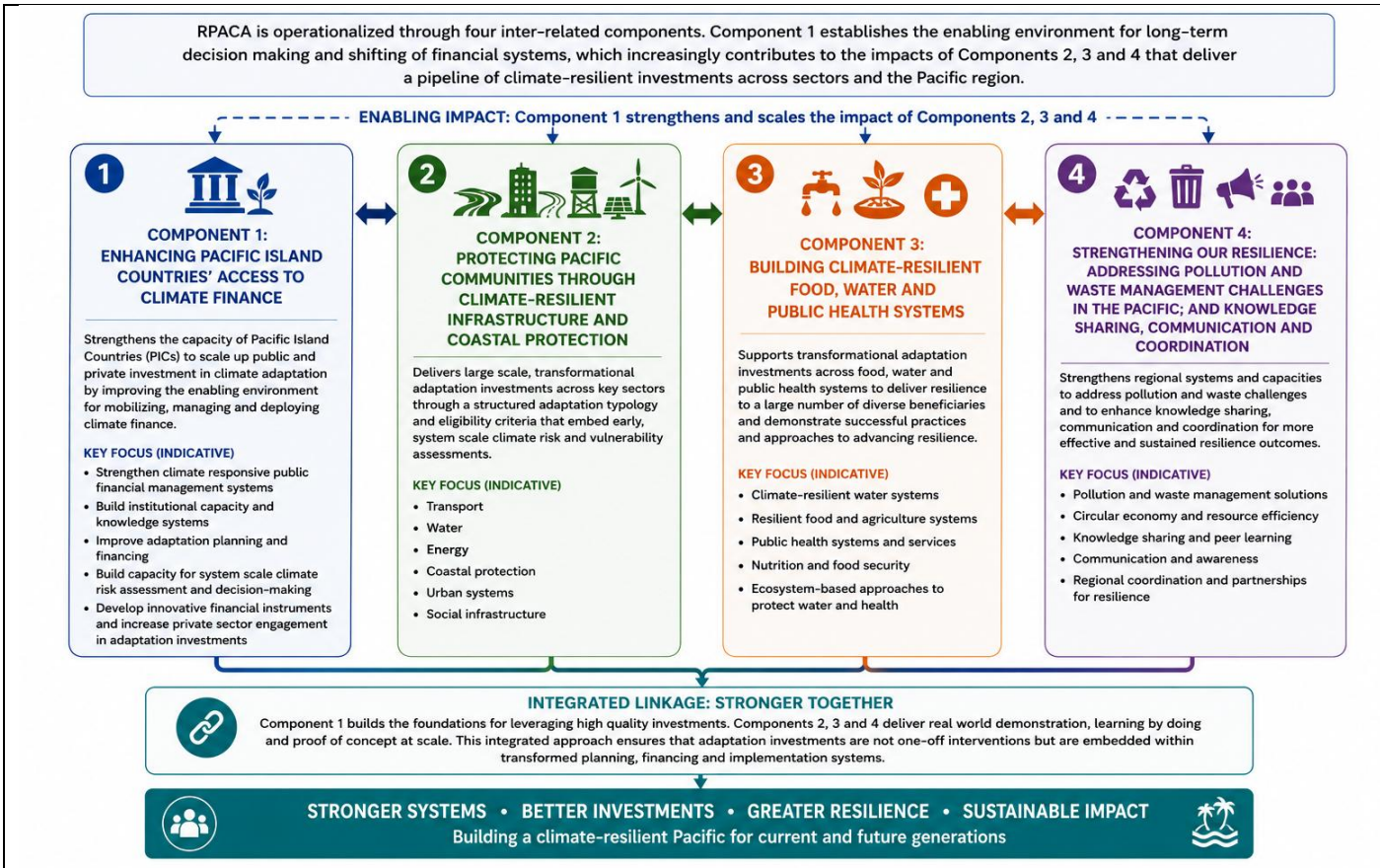


Figure 1: Overview of RPAC components and their interlinkages

Component 1: Enhancing Pacific Access to Climate Finance will strengthen the capacity of Pacific Island Countries (PICs) to scale up public and private investment in climate adaptation. It will do so by strengthening climate responsive public financial management systems, institutional capacity, and knowledge systems that underpin effective adaptation planning and financing. The component focuses on improving the enabling environment for adaptation by reducing barriers to mobilizing, managing, and deploying climate finance. It will build capacity for system scale climate risk assessment and decision-making, while supporting the development of innovative financial instruments and increased private sector engagement in adaptation investments.

Component 2: Climate-Resilient Infrastructure and Coastal Protection will deliver large-scale, transformational adaptation investments across transport, water, energy, coastal protection, urban systems, and social infrastructure. Investments will be developed through a structured adaptation typology, and the eligibility criteria set out in the Funding Proposal and the Term Sheet that embeds early, system-scale climate risk and vulnerability assessments.

Components 3 and 4[9] to be developed separately by the Pacific Community (SPC) and is expected to consist of transformational adaptation investments across the region and the sectors, also delivering resilience to a large number of diverse beneficiaries, and demonstrating successful practices and approaches to advancing resilience.

Linking the Components, RPACA's strength lies in its integration across the four components. Component 1 builds the foundations for leveraging high-quality investments: the other Components provide real-world demonstration, learning-by-doing, and proof of concept at scale. This linkage will ensure that adaptation investments are not one-off interventions but are embedded within transformed planning, financing, and implementation systems.

Transformational Approach to Advancing Resilience in the Pacific

The RPACA deploys a transformational bottom-up approach, involving 14 countries and a partnership of AEs, producing a significant shift towards more collaborative and tailored climate finance solutions. RPACA will adopt a transformational adaptation approach by shifting from reactive climate proofing to proactive, system-based resilience planning. Its defining features will include early upstream climate risk assessments at system scale; integration of compound and cascading risk analysis; long-term programmatic financing; and institutional reform embedded within

existing national and regional structures. It targets a tipping point, after which adaptation practices that are currently considered transformational- such as system-scale assessments, nature-based solutions, integrated infrastructure planning, and inclusive design- become standard, including within ADB. RPACA will also transform climate finance architecture by demonstrating how programmatic, multi-country approaches can reduce transaction costs, improve predictability, align incentives, and attract private sector.

RPACA Approach to Addressing Vulnerability and Marginal Groups

Addressing differentiated vulnerability is central to RPACA's design. The programme will maintain gender equality, disability inclusion, and social inclusion across all components rather than treating them as standalone. System-scale assessments will explicitly analyse differentiated exposure, mobility, safety, and service needs of women, youth, older persons, persons with disabilities, and socially excluded groups. RPACA will adopt a gender-transformative approach, recognizing marginalized groups as active agents of resilience rather than passive beneficiaries, and ensuring that resilience gains are equitably shared, in line with the Gender Equality and Social Inclusion (GESI) priorities.[10]

[9] Note: approval of this document does not imply GCF commitment to either Components 3 and 4, nor to the contents of Components 3 and 4 should they be approved

10 NAP Global Network. 2024. Advancing Gender-Responsive National Adaptation Plan (NAP) Processes: State of play and promising examples. Available from: https://napglobalnetwork.org/wp-content/uploads/2025/01/advancing-gender-responsive-naps.pdf

B. PROJECT/PROGRAMME INFORMATION

B.1. Climate context (max. 1000 words, approximately 2 pages)

The Region

The 14 Pacific Island Countries (PICs) comprise the twelve smaller Pacific Island states (the PIC-12) and two larger economies,[11] all classified as Small Islands Developing States (SIDS) (Table 1). Collectively, they are home to around 12 million people. Their populations are generally young and growing fast, and most countries are challenged by increasing internal migration, urbanization and international outmigration, much of which is climate driven. The Pacific societies are culturally rich and diverse, generally having strong customary land tenure, deep communal ties, and a high reliance on natural ecosystems for livelihoods and food security. Together, the PICs account for a large proportion of the earth's oceans. The PIC-12 are characterized by small populations, geographic remoteness, high exposure to climate and disaster risks, and persistent institutional and human capacity constraints. Although Fiji and Papua New Guinea have larger economies and stronger institutional capacity, they also face many complex developmental and climate change challenges.

Table 1: Summary data on the 14 participating Pacific Island Countries[12]

Country	Population[13]	Land Area (km²)	GDP per Capita (USD, current)	No. of islands (of which inhabited)	EEZ (million km²)
Cook Islands	14,987	236	~23,000	15 (12)	~2.0
Federated States of Micronesia (FSM)	105,381	701	~4,200	127 (65)	~3.0
Fiji	882,570	18,274	~6,500	211 (125)	~1.3
Kiribati	125,392	811	~2,500	33 (21)	~3.5
Marshall Islands (RMI)	39,500	181	~7,200	34 (24)	~2.0
Naoero	12,111	21	~13,700	1	~0.3
Niue	1,666	260	~16,000	1	~0.4
Palau	17,861	459	~15,600	33 (15)	~0.6
Papua New Guinea (PNG)	12,917,840	462,840	~3,100	437 (150)	~3.1
Samoa	210,672	2,935	~5,100	7 (2)	~0.12
Solomon Islands	783,313	28,400	~2,000	415 (150)	~1.6
Tonga	99,896	747	~4,900	124 (36)	~0.7
Tuvalu	10,004	26	~5,700	10 (10)	~0.9
Vanuatu	334,665	12,190	~3,500	81 (65)	~0.7

Most Pacific Island Countries have a pronounced youth bulge, with nearly half the population under 23, creating sustained pressure on education, training, and employment systems. At the same time, the number of older persons is rising, while non-communicable diseases such as diabetes and cardiovascular conditions are driving higher disability prevalence, intensifying differentiated service needs. Out-migration reshapes household structures, often leaving women, adolescent girls, and older caregivers with expanded responsibilities for food security, care work, and community support. Rapid urbanization and climate-driven migration concentrate populations in coastal and informal settlements, increasing exposure to flooding, cyclones, and sea-level rise. Together, these demographic, structural and mobility trends compound vulnerability by straining infrastructure, reducing adaptive capacity, and widening inequities in access to services, livelihoods, and decision-making.

[11] Fiji and Papua New Guinea
[12] Figures are the latest available (mostly 2023–2024) and rounded for readability, Key sources**:** Pacific Community (SPC), *Pacific Pocket Summary / PDH.Stat* – population, land area, EEZ, GDP per capita World Bank & national statistics via SPC harmonisation [sdd.spc.int]. No of islands from Nunn et al (2016) Classifying Pacific islands in Geoscience Letters.
[13] https://www.adb.org/what-we-do/data/key-indicators

The Climate Crisis

The Pacific region is at the forefront of climate change impacts. The Intergovernmental Panel on Climate Change (IPCC) continuously underscores the urgent and unique challenges faced by the Pacific SIDS (PSIDS), emphasizing that these nations are disproportionately vulnerable. Their geographical isolation limited economic diversification, and dependence on climate-sensitive sectors, means the PSIDS face a multitude of climate hazards illustrated in Figure 2 that threaten both their ecological integrity and the well-being of their communities (IPCC, 2021)[14]. The IPCC further states with *high confidence* that, even under low greenhouse gas emission scenarios, vulnerable Small Island Developing States - particularly those dependent on coral reef systems for livelihoods - are likely to reach adaptation limits well before 2100 (IPCC, 2022, p. 2046).

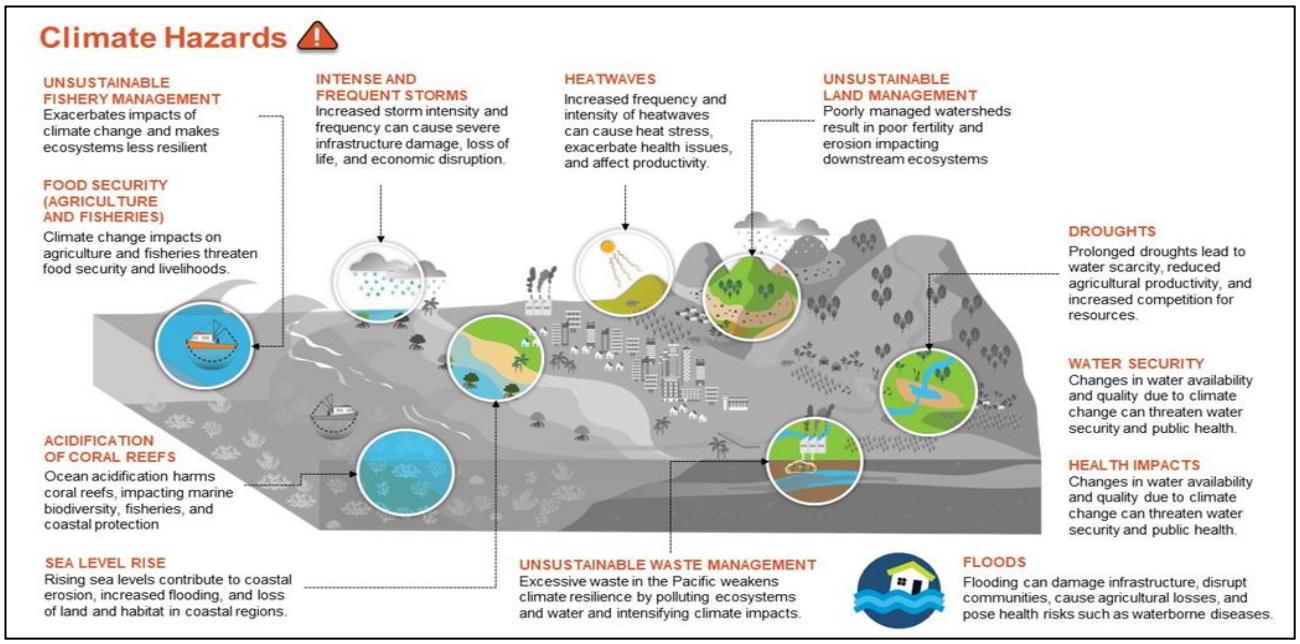


Figure 2: Overview of key climate hazards in the Pacific

Climate Drivers

The climate of the PICs is governed by a complex and tightly coupled ocean–atmosphere system that operates across regional to basin-wide scales. The Pacific climate is fundamentally shaped by ocean processes, with sea surface temperature, atmospheric circulation, and large-scale climate variability exerting primary control over environmental conditions. This results in a climate system characterized by relatively stable thermal conditions, high humidity, and pronounced variability in rainfall and storm activity.[15, 16]

At the core of this system are several key climate drivers, including air temperature, sea surface temperature, the hydrological cycle (as expressed through rainfall), and large-scale circulation patterns such as the El Niño–Southern Oscillation (ENSO), the Intertropical Convergence Zone (ITCZ), and the South Pacific Convergence Zone (SPCZ). These drivers interact dynamically, with changes in one component influencing the behaviour of others. This interconnected structure means that climate change in the Pacific is best understood as a systemic transformation of the entire climate regime rather than a series of isolated changes in individual variables.[16,17]

A defining feature of the Pacific climate system is its sensitivity to relatively small changes in underlying drivers. Because baseline conditions are already warm and moisture-rich, incremental increases in temperature or ocean heat content can lead to significant changes in atmospheric processes. This sensitivity is particularly evident in the behaviour of convective rainfall systems and the formation of extreme weather

[14] IPCC, (2021). Summary for Policymakers. 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*
[15] IPCC (2021). Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report. Cambridge University Press, Chapter 1 and 12.
[16] Regional Climate Consortium for Asia and the Pacific (2021). Climate Change in the Pacific: Scientific Assessment and New Research.
[17] IPCC (2021). Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report. Cambridge University Press, Chapter 8 and 9.

events.[18] As a result, climate change impacts in the Pacific are often expressed through changes in variability and extremes rather than through uniform shifts in mean conditions.

Global climate change is altering the fundamental behaviour of these underlying drivers, leading to increases in air temperature and ocean heat content, intensification of the hydrological cycle, and sea-level rise.[16,19] These changes are not linear or uniform; they involve feedback and interactions that amplify or moderate different aspects of the climate system. For example, warming temperatures increase atmospheric moisture capacity, which enhances rainfall intensity, while also increasing evaporation and contributing to drought conditions during dry periods. A critical implication of these changes is the transition toward a non-stationary climate system, in which historical climate patterns are no longer reliable indicators of future conditions.[20,21]

The design assessment (see Annex 2) looked at present and historical trends for the following parameters: temperature, sea surface temperature, rainfall and hydrological variability, tropical cyclones, and sea level rise. Climate change across the Pacific region has accelerated since the early 1980s. For example, whilst observed warming in the mid-20th century was around 0.1–0.2°C per decade, recent decades show higher and more spatially variable rates, with some parts of the Pacific experiencing sea surface warming of up to ~0.3–0.4°C per decade. These changes are uneven across the region and are strongly influenced by ocean-atmosphere variability and global warming trends.

Annex 2 also looked at projections of key climate variables (temperature and rainfall) and key hazards (extreme heat, sea level rise, tropical cyclones, droughts, floods). In line with international climate assessment practice, the assessment is based on a dual-scenario framework for Shared Socioeconomic Pathways (SSPs). Two scenarios are used: SSP2-4.5, representing a moderate stabilization pathway with partial mitigation of greenhouse gas emissions, and SSP5-8.5, representing a high-emissions pathway with limited mitigation.[20] The assessment further looked at trends and future scenarios for vulnerability and risks.

Climate Hazards and Exposure

Climate hazards in the PICs arise from the interaction of changing climate drivers and the physical and socio-economic characteristics of island systems. These hazards are expressed through both acute events, such as extreme rainfall and tropical cyclones, and chronic stressors, including rising temperatures and sea-level rise, which progressively alter baseline environmental conditions.[22] In practice, these processes are strongly interconnected, with long-term changes influencing the frequency, intensity, and consequences of extreme events.

A key characteristic of future climate conditions is the increasing importance of compound hazards and cascading risks. Individual hazards rarely occur in isolation; rather, they interact across atmospheric, oceanic, and terrestrial systems. For example, tropical cyclones combine wind, rainfall, and coastal processes, while drought conditions may be followed by high-intensity rainfall events that generate rapid runoff over degraded catchments.[23] Also, higher sea surface temperatures combined with increased atmospheric moisture can lead to more intense rainfall during tropical cyclones, while rising sea levels amplify coastal water levels during storm events.[24,16] These compound interactions are increasingly important under climate change and are reinforced by regional climate dynamics and highlight the need to consider climate drivers in an integrated manner, rather than as independent variables.

These physical hazards translate directly into climate-related fiscal and financial risks that fall on Pacific governments. Average annual losses from disasters amount to over 20% of GDP in Vanuatu and Tonga, and nearly 12% in Palau.[25] Climate change could cost the region between 2.9% and 12.7% of annual GDP by 2100.[26]

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[18] IPCC (2021). Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report. Cambridge University Press, Chapter 8.
[19] IPCC (2022). *Climate Change 2022*, Summary for Policymakers.
[20] IPCC (2021). Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report. Cambridge University Press, Chapter 1.
[21] Pacific Region Infrastructure Facility (PRIF). 2021. Guidance for Managing Sea Level Rise Infrastructure Risk in Pacific Island Countries. PRIF, Sydney/Manila.
[22] IPCC (2022). Climate Change 2022: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report. Cambridge University Press.
[23] IPCC (2022). Climate Change 2022: Impacts, Adaptation and Vulnerability, Chapter 15: Small Islands. Cambridge University Press.
[24] IPCC (2021). Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report. Cambridge University Press, Chapter 11.
25 UNESCAP (2019): https://www.unescap.org/sites/default/d8files/IDD-APDR-Subreport-Pacific-SIDS.pdf
26 ADB 2013. Economics of climate change in the Pacific

Historical Climate Change

As set out in recent IPCC Reports, there is no space for interpretation: "*changes in the environment are already and will continue to be the single greatest threat to the security and well-being of Pacific peop*le"[27] Sea surface temperatures (SST) have been rising steadily in the region over recent decades, contributing to sea-level rise, altering ocean currents and potentially altering storm tracks and leading to changes in marine ecosystems. Figure 3, Figure 4 and Figure 5 illustrate sea temperature hotspots and the trends recent in SST. 2024 was the hottest year on record. [28] Further, sea-level rise in the region over the last three decades has exceeded global averages – at around 3.94 mm/year compared with the 3.5 mm/year global average (Figure 5). [28]

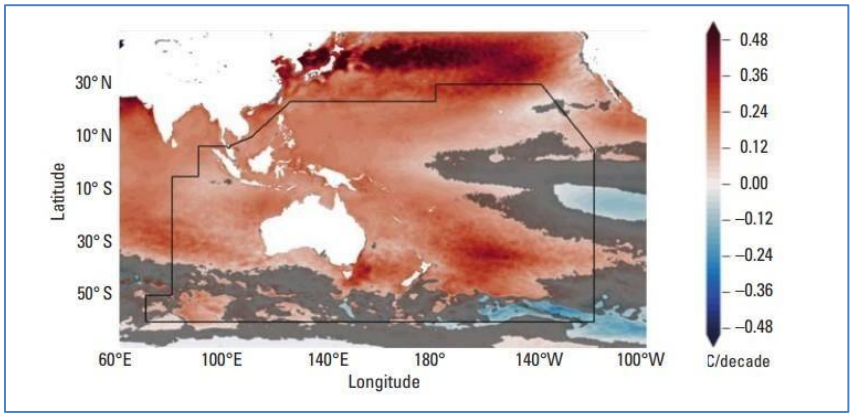


Figure 3: Map of regional SST trends over the period 1982–2024 (source: WMO, 2025)

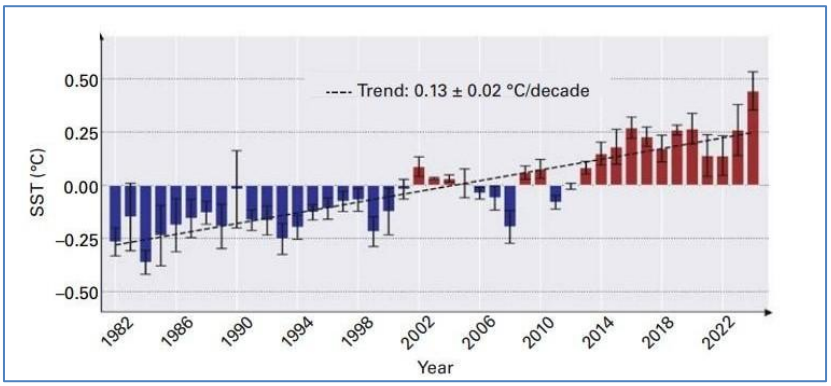


Figure 4: Area-mean ocean heat content averaged over the WMO South-West Pacific region relative to the 1960–2024 reference period. The dashed line indicates the linear trend over the period (source: WMO, 2025).

27 Fact Sheet: Small Islands (IPCC AR6 WGII 2024).
[28] WMO (2025). State of the Climate in the South-West Pacific – 2024.

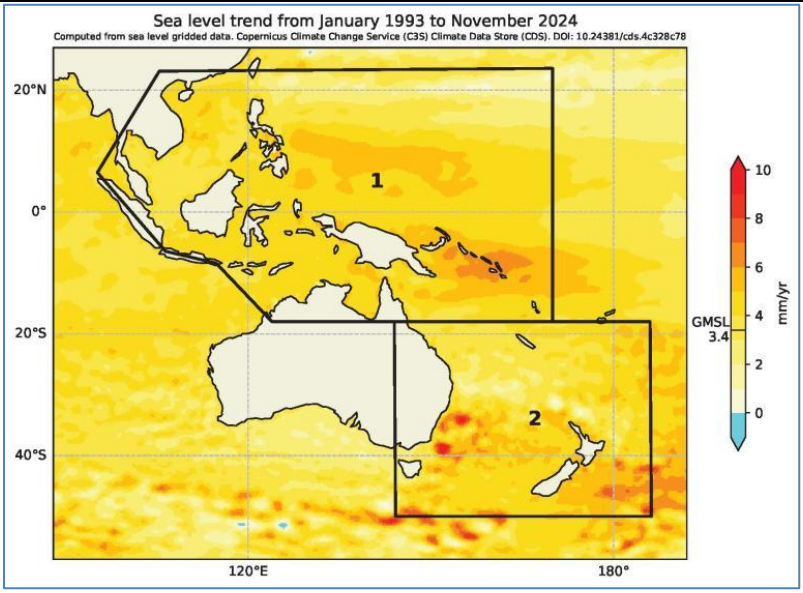


Figure 5: Annual mean sea-level trend (mm/year) in the western Pacific and Australia region, over recent decades (source: WMO, 2025)

Differentiated Exposure and Vulnerability

Exposure to these hazards is fundamentally shaped by geographic typology, which determines how hazards are generated, transmitted, and experienced. The three dominant island typologies in the Pacific are: atolls, volcanic uplifted islands and large, high islands. Atoll and low-lying island systems are particularly influenced by ocean processes, while high volcanic islands exhibit greater interaction between oceanic and topographic influences. Larger island systems display additional complexity due to their spatial diversity. The climate system changes also interact with social structures in differentiated ways: for example women in low-lying atolls face heightened risks when saltwater intrusion contaminates the household water sources; youth dependent on fisheries and small-scale agriculture are disproportionately affected when ocean warming and rainfall variability disrupt these practices; and persons with disabilities experience compounded exposure when extreme events damage transport and communication systems, limiting access to health and emergency services.

Figure 6 Illustrates how PICs fall across five typologies[29] that reflect differences in elevation, geomorphology, hydrology, and settlement patterns, and therefore define distinct exposure pathways across the region. The following analysis reduces the typologies into three, i.e.: Low-Lying Coral Atoll Systems; High Volcanic and Uplifted Island Systems, and; Large High-Island Systems. It is noted that many countries have islands of more than one typology – for example, Cook Islands has nine atolls or sand cays, five high islands and one mixed. Therefore, the typology supports the exposure and vulnerability discussion and guides the interventions but should also reflect the variability within countries and not be too deterministic.

[29] ADB RPACA internal working team



Figure 6: Island typology classifications in the Pacific

Low-Lying Coral Atoll Systems

Low-lying coral atoll systems - including Kiribati, Tuvalu, Republic of the Marshall Islands, and Naoero, as well as atoll areas of Federated States of Micronesia and Palau - represent the most physically constrained and uniformly exposed environments in the Pacific.

The hazard environment in these systems is dominated by the interaction of oceanic and atmospheric processes, including sea-level rise, coastal inundation, wave overtopping, and rainfall-induced flooding. Due to the extremely low elevation - often only a few meters above mean sea level - these hazards operate across the entire landmass rather than being confined to specific zones. Regional studies highlight that even modest increases in sea level or rainfall intensity can result in widespread inundation due to limited drainage capacity and high groundwater tables.[30]

Exposure in atoll systems is effectively system-wide, encompassing populations, ecosystems, economic activities, and infrastructure. Human exposure is elevated due to the concentration of settlements in narrow coastal zones, combined with limited access to safe areas during hazard events. Livelihoods, particularly those dependent on fisheries and small-scale agriculture, are highly sensitive to environmental changes driven by heat, salinity, and water availability.

Kiribati, the Marshall Islands, and Tuvalu face extreme infrastructure exposure due to their coastal concentration. In all three countries, nearly all built infrastructure lies within 500 meters of the coast - 97% in Kiribati, 98% in the Marshall Islands, and 99% in Tuvalu - with around two-thirds located within just 100 meters[31]. This spatial concentration makes a significant share of critical infrastructure highly vulnerable to sea-level rise, coastal erosion, and storm impacts.

Environmental exposure is acute, with freshwater lenses, soils, and coastal ecosystems highly sensitive to both gradual and episodic changes. Salinization, erosion, and ecosystem degradation can occur rapidly under compound hazard conditions, with limited natural buffering capacity.

[30] Regional Climate Consortium for Asia and the Pacific (2021). Climate Change in the Pacific: Scientific Assessment and New Research. World Bank (2023). Climate Change Knowledge Portal (CCKP): Pacific Island Country Profiles and Climate Data. Washington, DC.
[31] Kumar, L., Taylor, S. (2015). Exposure of coastal built assets in the South Pacific to climate risks. *Nature Climate Change* **5**, 992–996. https://doi.org/10.1038/nclimate2702

Infrastructure exposure is particularly critical. Transport systems - including roads, causeways, and airstrips - are typically located at low elevation and are highly susceptible to inundation and erosion. Water supply systems, often dependent on rainwater harvesting and shallow groundwater, are vulnerable to both contamination and depletion. Energy systems face exposure to both flooding and heat-related demand increases, while sanitation systems are at risk of failure under inundation conditions.[32] Given the lack of spatial flexibility, exposure cannot easily be reduced through relocation, resulting in high and persistent system-wide vulnerability.

In these settings, women and girls face heightened health risks when saltwater intrusion contaminates household water sources; youth reliant on small-scale agriculture and fisheries are disproportionately affected by salinity and heat stress; and persons with disabilities experience acute isolation when inundation damages transport links and sanitation systems.

High Volcanic and Uplifted Island Systems

High volcanic and uplifted island systems - such as Fiji, Samoa, Tonga, Vanuatu, Solomon Islands, Cook Islands, and Niue - are characterized by more complex terrain and spatial variability in hazard processes.

Hazards in these systems are shaped by the interaction of topography and climate drivers. Orographic rainfall produces high-intensity precipitation in upland areas, generating rapid runoff through steep catchments and increasing the likelihood of flash flooding and landslides. Coastal zones remain exposed to cyclones, storm surge, and coastal erosion, while inland areas experience hazards related to riverine flooding, slope instability, and heat stress. Regional analyses indicate that increasing rainfall intensity and temperature are already affecting both catchment dynamics and coastal processes across these systems.[30]

Exposure is spatially differentiated but highly concentrated in coastal zones, where most population and infrastructure are located. Urban areas are particularly exposed due to high population density, built environment characteristics, and limited drainage capacity. Informal settlements are often located in hazard-prone areas, increasing vulnerability to flooding and heat.

Environmental exposure includes impacts on catchment systems, soils, and vegetation, with increasing temperatures and changing rainfall patterns affecting water availability and ecosystem stability. These changes have implications for agriculture, fisheries, and broader ecosystem services.

Infrastructure exposure reflects both geographic concentration and network characteristics. Transport infrastructure - particularly coastal roads and bridges - is highly exposed to flooding, erosion, and thermal stress. Water supply systems, often dependent on surface water sources, are vulnerable to both flooding and drought-related variability. Energy systems face increasing demand due to heat, while also being exposed to physical damage from extreme events.[33] The interaction of multiple hazards can lead to cascading impacts across infrastructure systems, particularly where redundancy is limited.

In high volcanic and uplifted island systems, informal urban settlements often house youth and low-income families in flood-prone areas, exposing them to repeated losses; women in peri-urban zones carry increased care burdens when water and energy systems fail; and persons with disabilities face mobility barriers when landslides or flash floods disrupt transport and emergency access.

Large High-Island Systems

Large high-island systems, particularly Papua New Guinea and parts of Solomon Islands, exhibit the greatest complexity in hazard processes and exposure pathways.

Hazards in these systems operate across multiple spatial scales, from localized flash flooding and landslides to large-scale riverine flooding across extensive catchments. Climatic variability, including changes in rainfall patterns and temperature, interacts with large and diverse landscapes to produce heterogeneous hazard conditions. Regional assessments indicate increasing variability in rainfall and temperature, contributing to more frequent and severe hazard events across these systems.[30]

Exposure extends across populations, ecosystems, and economic systems. Coastal and urban populations are exposed to flooding, heat, and coastal hazards, while inland populations may experience drought, landslides, and temperature variability. Economic exposure includes impacts on agriculture, critical

[32] Pacific Region Infrastructure Facility (2021). Climate Resilient Infrastructure in the Pacific: Guidance for Practitioners.
Asian Development Bank (2020). Pacific Urban Development and Infrastructure Resilience Assessment. Manila.
[33] Asian Development Bank (2021). Climate Risk and Adaptation in the Pacific: Infrastructure Sector Assessments. Manila.

infrastructure, forestry, and resource-based industries, which are sensitive to both climate variability and extreme events.

Environmental exposure includes impacts on large river systems, forests, and ecosystems, with changes in temperature and rainfall affecting hydrological processes and ecosystem function. These changes can have significant implications for biodiversity and ecosystem services.

Infrastructure exposure is shaped by scale and interdependence. Transport networks extend across large geographic areas and are critical for connectivity, making them highly sensitive to disruption. Flooding, landslides, and heat can damage roads, bridges, and airstrips, isolate communities and affect access to services. Water and energy systems are similarly exposed, with impacts potentially propagating across regions due to network interconnections.[34] The scale of these systems increases the likelihood of cascading failures, where disruption in one sector affects multiple others.

In these larger systems, transport and energy disruptions isolate rural communities, with youth losing access to schools and markets; older persons and those living with disabilities face compounded risks when health and communication services are cut off; and women in resource-dependent households bear expanded responsibilities for food security and caregiving during prolonged outages.

The Critical Role of Infrastructure

Infrastructure in the region faces significant exposure to climate risks, as the majority of populations and urban centres are concentrated along coastlines. Infrastructure is the single most frequently prioritized adaptation activity in the region's Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs), reflecting its criticality and its exposure.[35] A 2015 study found that across 12 Pacific Island Countries, 57% of assessed built infrastructure is located within 500 meters of the coastline, representing an estimated replacement value of US$21.9 billion[36]. In eight of these countries, at least half of all infrastructure falls within this highly exposed coastal zone, with Kiribati, the Marshall Islands, and Tuvalu exceeding 95%. Already, this concentration of assets in vulnerable coastal areas implies significant adaptation costs, placing considerable financial strain on countries that already face limited fiscal capacity and heightened climate risks. Yet, with climate change and projected sea level rise, a larger proportion of the built infrastructure assets will be in closer proximity to the coast, further increasing their risk to coastal hazards[37]. As a result, vulnerability assessments alongside factors like elevation are critical for informing the design of effective adaptation measures. However, in the South Pacific, the development of such assessments has been constrained by limited availability of comprehensive and high-resolution data

The importance of infrastructure in the Pacific goes far beyond its value as standalone assets. On the one hand, infrastructure failures undermine systemic climate resilience, they magnify cascade effects and they impact disproportionately the more vulnerable. On the other hand, resilient infrastructure can strengthen critical service delivery, reduce structural dependencies, enable smart targeting of the more vulnerable and marginal, and provide a platform for broader systems change. This applies to all island typologies

On the Low-Lying Coral Atolls, transport systems - including roads, causeways, and air strips - are typically located at low elevation and are highly susceptible to inundation and erosion. Water supply systems, often dependent on rainwater harvesting and shallow groundwater, are vulnerable to both contamination and depletion. Energy systems face exposure to both flooding and heat-related demand increases, while sanitation systems are at risk of failure under inundation conditions.[38] Given the lack of spatial flexibility, exposure cannot easily be reduced through relocation, resulting in high and persistent system-wide vulnerability.

On the High Volcanic and Uplifted Islands, infrastructure exposure reflects both geographic concentration and network characteristics. Transport infrastructure - particularly coastal roads and bridges - is highly exposed to flooding, erosion, and thermal stress. Water supply systems, often dependent on surface water sources, are vulnerable to both flooding and drought-related variability. Energy systems face increasing

[34] World Bank (2020). Enhancing the Climate Resilience of Infrastructure in the Pacific. Washington, DC.
[35] ADB (2026). Promoting Fiscal Resilience to Scale Adaptation Investment in the Pacific: A Review of Public Financial Management Systems. Forthcoming.
[36] Kumar, L., Taylor, S. (2015)
[37] World Bank (2000). World Bank *Cities, Seas and Storms: Managing Change in Pacific Island Economies. Vol. IV: Adapting to Climate Change*.
[38] Pacific Region Infrastructure Facility (2021). Climate Resilient Infrastructure in the Pacific: Guidance for Practitioners.
Asian Development Bank (2020). Pacific Urban Development and Infrastructure Resilience Assessment. Manila.

demand due to heat, while also being exposed to physical damage from extreme events.[39] The interaction of multiple hazards can lead to cascading impacts across infrastructure systems, particularly where redundancy is limited. Compound events - such as the co-occurrence of storm surge, extreme rainfall, and high winds - can trigger simultaneous failures across energy, transport, and water systems, amplifying overall disruption (e.g., IPCC AR 6; UNDRR, 2022). These cascading failures are especially severe in SIDS resource-constrained systems, where critical infrastructure is tightly interconnected and lacks backup capacity, increasing the risk of prolonged service outages and systemic breakdown.

On the Large High-Island Systems, infrastructure exposure is shaped by scale and interdependence. Transport networks extend across large geographic areas and are critical for connectivity, making them highly sensitive to disruption. Flooding, landslides, and heat can damage roads, bridges, and airstrips, isolating communities and affecting access to services. Water and energy systems are similarly exposed, with impacts potentially propagating across regions due to network interconnections.[40] The scale of these systems increases the likelihood of cascading failures, where disruption in one sector affects multiple others.

Observed Impacts of Coastal Hazards

PICs are already experiencing significant and increasing adverse impacts from coastal climate hazards, including tropical cyclones, storm surge, coastal inundation, erosion, and saline intrusion. These impacts occur in the context of high baseline exposure, where infrastructure, populations, and economic activity are heavily concentrated in low-lying coastal zones. Table 2 provides quantitative evidence of the extent to which coastal hazards are already generating loss and damage across the region.

Table 2: Observed Impacts of Coastal Hazards in Pacific Island Countries

Evidence category	Quantitative evidence (PICs)	RPACA climate rationale
Exposure of built infrastructure	~57% of built infrastructure across 12 PICs within 500 m of coastline; ~US$21.9 billion replacement value[41]	High structural exposure means coastal hazards directly translate into infrastructure damage
Recent disaster losses (2020–2024)	~US$4.3 billion total losses; cyclones ~55% of impacts[42]	Confirms increasing loss trends and cyclone dominance
Population and housing impacts	~1.7 million people affected; ~76,000 houses damaged/destroyed (2020–2024)[42]	Demonstrates large-scale impacts on communities
Cyclone frequency and impacts	~42 cyclones in ~5 years affecting ~1 million people; ~US$2 billion losses[42]	Highlights high recurrence of damaging coastal hazards
Long-term disaster impacts	~9.2 million people affected, ~9,800 deaths, ~US$3.2 billion damage since 1950[43]	Confirms cumulative vulnerability
Macroeconomic shock events	Cyclone Winston (Fiji): ~US$1.38bn (~31% GDP), ~62% population affected[44]	Demonstrates economy-wide disruption
Other major cyclone impacts	Cyclone Pam (Vanuatu): >60% GDP damage; Cyclone Gita (Tonga): ~38% GDP[43]	Recurrent macro-critical shocks
Fiscal and growth impacts	Disasters reduce GDP growth and strain fiscal buffers[45]	Demonstrates long-term economic impacts
Infrastructure disruption	Repeated damage to transport, energy, water systems[46]	Direct linkage to RPACA sectors
Ecosystem degradation	Increasing loss and damage linked to stronger storms and sea-level rise[47]	Ecosystem decline amplifies vulnerability

[39] Asian Development Bank (2021). Climate Risk and Adaptation in the Pacific: Infrastructure Sector Assessments. Manila.
[40] World Bank (2020). Enhancing the Climate Resilience of Infrastructure in the Pacific. Washington, DC.
[41] Kumar & Taylor 2015 coastal infrastructure exposure Pacific Kumar, L., & Taylor, S. (2015). *Exposure of coastal built assets in the South Pacific to climate risks*. Nature Climate Change, 5, 992–996.
[42] Pacific Community Pacific Community (SPC). (2025). *Hazardous Events and Their Impacts in the Pacific (2020–2025)*.
[43] Global Facility for Disaster Reduction and Recovery GFDRR / World Bank. (2014). *Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI): Catastrophe Risk Assessment Methodology*.
[44] World Bank Government of Fiji & World Bank. (2016). *Fiji Post-Disaster Needs Assessment: Tropical Cyclone Winston*.
[45] International Monetary Fund International Monetary Fund. (2026). *Climate Finance and Adaptation Needs in Pacific Island Countries*.
[46] World Bank World Bank. (2026). *Pacific Climate Resilient Transport Program*.
[47] United Nations Office for Disaster Risk Reduction UNDRR. (2025). *Addressing Loss and Damage in the Pacific*.

The evidence in the Pacific region demonstrates a clear and escalating climate impact pathway, where high exposure and increasing hazard intensity result in systemic losses across infrastructure systems, economies, and communities. Impacts within a recent five-year period alone total approximately US$4.3 billion, with cyclones as the dominant driver.[42] Individual events generate severe macroeconomic shocks, with damages exceeding 30–60% of GDP in some cases.[43,44]

Without intervention, projected increases in cyclone intensity, sea-level rise, and compound coastal hazards will significantly amplify these impacts. This establishes a strong climate rationale for RPACA, which seeks to reduce vulnerability and enhance resilience through programmatic investment in climate-resilient infrastructure and coastal adaptation.

Socio-Economic Systems: Impacts and Vulnerability

Across PICs, vulnerability is in part a function of the physical geography (the geographic island typology shapes the interactions between hazard exposure, system sensitivity, and adaptive capacity) and in part of the human geography (i.e. different patterns of settlement, infrastructure configuration, economic structure, and institutional capacity, some of which are in part defined by the geographical type). Vulnerability is not socially or economically neutral, with women and girls, persons with disabilities, people of diverse sexual orientation and gender identity, elderly populations, poor and female-headed households, and communities in remote or under-serviced areas facing intersecting vulnerabilities and compounded risks. Socio-economic constraints such as geographic isolation, dependence on climate-sensitive sectors, and limited fiscal capacity to finance adaptation further magnify these risks. Urban informal settlements and outer-island communities face particularly acute exposure due to inadequate infrastructure, limited-service coverage, and constrained access to early warning systems.

Annex 8 assesses the relationship between climate vulnerability and sexual orientation, gender identity and expression, and sex characteristics (SOGIESC). Despite many advances and best practices, SOGIESC communities continue to face exclusion driven by laws, policies, stigma, and discriminatory attitudes. In several PICs, laws criminalizing same-sex intimacy remain. Social biases and negative attitudes further limit access to services, justice, and safe spaces. These barriers also restrict access to climate-relevant services such as shelters, WASH facilities, and health care, particularly in rural and outer-island settings.

Annex 2 assesses vulnerability and differentiated vulnerability of specific socio-economic sectors in which infrastructure plays a key role, i.e.: urban development, water supply and sanitation, transport and connectivity, energy, coastal protection/management, agriculture and the water-food-energy nexus and disaster risk management systems. The impact pathways and vulnerabilities of these systems for each of the three geographical island types are summarized in Table 3. And below, Figure 7 summarises the impact pathways, showing how climate hazards and climate change lead to complex negative impacts across key sectors, systems and spatial scales, thus creating complex and evolving impact pathways for the region. Finally, it is further noted that vulnerability is evolving under changing climate conditions – for example, population groups and economic activities that previously were not vulnerable, may become so as the sea rises and as rainfall patterns change.

Vulnerability increases under both SSP 2-4.5 and SSP5-8.5 scenarios, with the higher-emissions pathways leading to more severe, widespread, and potentially transformative impacts. Infrastructure systems play a central role in shaping vulnerability, both as exposed assets and as critical enablers of resilience, with their performance determining the extent to which climate hazards translate into impacts across sectors. on all island types.

Table 3: Climate Vulnerability in Pacific Island Countries: Interaction of Island Typology, Hazard Exposure, and Socio-Economic Systems

Socio-economic system	**Hazard-system interaction pathways**	**Island typology**		
		Low-Lying Coral Atolls	**High Volcanic and Uplifted Islands**	**Large High-Island Systems**
Urban development systems	Extreme rainfall events generate rapid runoff and	Development is highly constrained by limited	Vulnerability is shaped by coastal concentration and	Vulnerability is shaped by scale, inequality, and infrastructure gaps.

	flooding. Tropical cyclones introduce compound hazards, including high winds, intense rainfall, and coastal flooding. Extreme heat is an emerging hazard in dense areas. Drought affects water supply. Sea-level rise increases the frequency of coastal flooding and undermines drainage.	land in narrow coastal zones. Infrastructure systems are highly exposed and constrained, whilst facing increasing demands (in part due to climate change).[48] Lack of redundancy mean failures have system-wide consequences.	multi-hazard exposure. Infrastructure systems are critical but vulnerable. Impacts on water and energy systems cascade across sectors.[48] Infrastructure operates close to capacity, reducing resilience.	Infrastructure interdependence is also a key factor in vulnerability. Transport disruptions can isolate urban areas and limit access to services, while failures in energy and water systems affect multiple sectors.[49]
Water supply and sanitation systems	Drought reduces availability and increases demand. Extreme rainfall and flooding damage infrastructure and contaminate sources. Sea-level rise causes saline intrusion into groundwater. Heat increases demand and evaporation. Sanitation systems fail under flooding or water scarcity, heightening disease risk.	Near-total dependence on rainwater and shallow groundwater creates extreme sensitivity to drought and saline intrusion. Flooding contaminates water sources; limited storage and energy constraints compound risk. System-wide failures are likely.	More diverse sources (surface water, groundwater, rainwater) but exposed to both drought and flooding. Catchment degradation and urban demand amplify vulnerability. Sanitation systems stressed by floods and water shortages.	Abundant resources at scale but uneven access and limited coverage. Flooding degrades water quality; drought affects rain-fed systems. Infrastructure gaps and interdependence increase risk of widespread service disruption.
Transport and connectivity	Heavy rainfall and flooding cause erosion, washouts, and bridge failure. Cyclones damage roads, ports, and airports via wind, flooding, and surge. Sea-level rise causes chronic inundation and asset degradation. Heat accelerates material fatigue; landslides disrupt inland corridors.	Highly constrained networks at very low elevations. Roads, causeways, airstrips, and ports exposed to overtopping and erosion. Lack of redundancy creates single-point-of-failure risks with national-scale impacts.	Extensive but coastal- and corridor-focused networks exposed to flooding, surge, and landslides. Bridges often undersized. Urban congestion and limited redundancy create cascading economic and service disruptions.	Dependence on a small number of critical corridors across large areas. Flooding and landslides can isolate regions. Limited alternatives and maintenance constraints increase duration and scale of disruption.
Energy	Cyclones damage generation, transmission, and distribution. Flooding affects substations and access for repairs. Sea-level rise increases chronic flooding and corrosion. Heat raises demand	Small, diesel-dependent systems with growing solar exposure. Coastal sitting and limited redundancy create high outage risk. Heat-driven demand increases stress; failures cascade to water,	Mixed generation (diesel, hydro, renewables) exposed to rainfall variability, flooding, landslides, and cyclones. Rising urban demand and infrastructure concentration increase cascading risk.	Limited coverage and uneven access. Hydropower sensitivity to rainfall and corridor-dependent transmission amplify vulnerability. Disruptions affect large areas and multiple sectors simultaneously.

[48] World Bank (2020). *Enhancing the Climate Resilience of Infrastructure in the Pacific*.

[49] World Bank (2019). *Lifelines: The Resilient Infrastructure Opportunity*.

	while reducing efficiency. Drought reduces hydropower output.	health, and communications.		
Across all island types, sustainable energy is a potential foundation for systemic climate resilience. Degraded energy systems undermine critical service delivery and contribute to increased structural dependencies. Enhanced energy systems enable smart targeting of the more vulnerable and marginal, and provide a platform for broad systems change				
Coastal management	Sea-level rise increases flood frequency and shoreline retreat. Wave overtopping and storm surge cause inundation and erosion. Changes in sediment dynamics alter shorelines. Saline intrusion degrades soils and groundwater. Ecosystem degradation reduces buffering capacity.	Systemic and existential risk. Entire land areas exposed to wave-driven flooding and erosion. Infrastructure, water lenses, and ecosystems highly sensitive; failures occur at island scale with few adaptation buffers.	Impacts spatially concentrated but economically critical. Urban drainage affected by backflow; ports, coastal roads, and cities exposed. Development and ecosystem degradation increase erosion and flood risk.	Diverse coastal types including deltas and plains. River–coastal interaction creates compound flooding. Ports and corridors are critical vulnerabilities; ecosystem degradation amplifies impacts across regions.
Agriculture and the water-food-energy nexus	Drought reduces soil moisture and yields. Extreme rainfall causes erosion, flooding, and crop damage. Heat stresses crops, livestock, and labour. Sea-level rise causes soil and groundwater salinity. Cyclones cause compound crop and soil losses.	Highly constrained production with poor soils and freshwater limits. Salinity and drought sharply limit yields. Strong dependence on water and energy systems; climate shocks rapidly undermine food security.	More diverse production systems but exposed to rainfall variability, erosion, and salinity in coastal areas. Transport and energy disruptions affect value chains and post-harvest losses.	Subsistence-dominated systems highly sensitive to climate variability. Linkages to transport, water, and energy are critical; infrastructure gaps amplify food insecurity and livelihood impacts.
Disaster risk management	DRM systems are exposed to the same hazards they manage. Cyclones, floods, landslides, drought, heat, and sea-level rise disrupt transport, energy, water, and communications needed for response. Increasing compound and overlapping events strain capacity.	National-scale exposure with few safe zones. Coastal flooding, drought, and heat frequently co-occur. Lifeline infrastructure (ports, airstrips, water, power) highly exposed; external assistance often required.	Multi-hazard landscapes require simultaneous response across coastal, riverine, and upland zones. Critical governance and logistics hubs are themselves exposed; infrastructure resilience determines response effectiveness.	Large, dispersed emergencies exceed capacity despite partial unaffected areas. Limited networks and pre-existing service gaps mean hazards both create needs and disable response mechanisms. Cascading failures across sectors are likely.

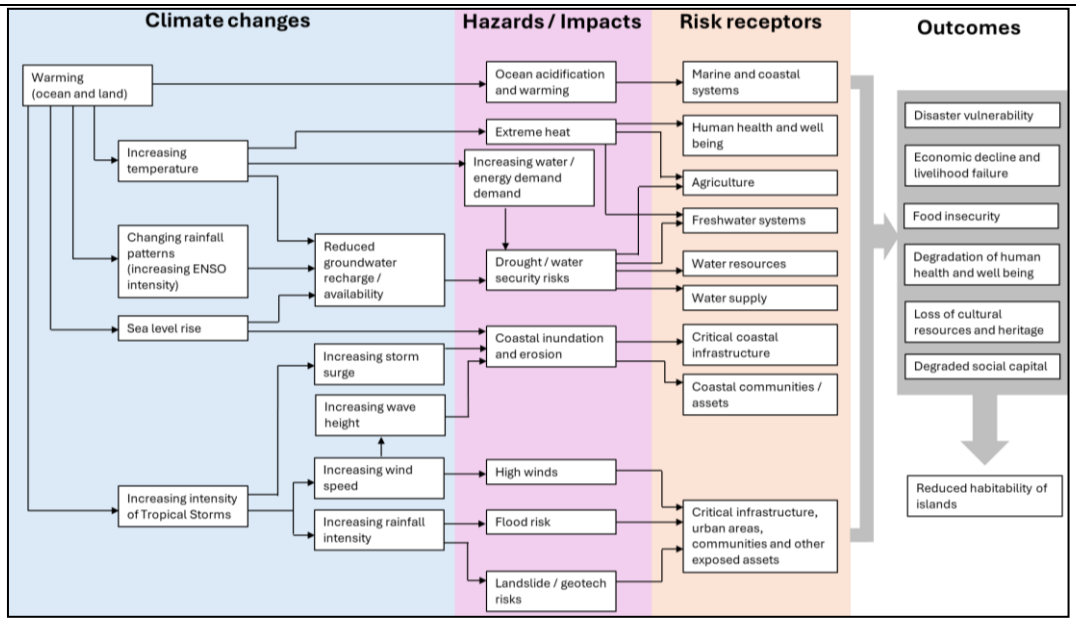


Figure 7: Typical impact/vulnerability pathways in the Pacific illustrating climate drivers and risk receptors (not illustrating cross-sectoral and compounding risks)

Cross sector, compounding and critical risks

Across the Pacific, multiple climate drivers produce multiple hazards simultaneously. Then, these diverse climate hazards interact - across land, ocean, and atmosphere – and compound before converging on a system or a sector. Then, impacts on several systems can cascade. And finally, negative feedback loops can lock in or magnify vulnerability, for example as recovery costs, ecosystem degradation, and reduced investment further increase exposure and sensitivity.

A typical compound event scenario involves a tropical cyclone generating wind damage, heavy rainfall, flooding, and storm surge. Coastal infrastructure may be damaged by surge and wave action, while inland areas experience flooding and landslides. At the same time, energy and communications systems may fail, reducing the ability to coordinate response.[50] Such events significantly increase the likelihood of system failure by placing multiple, overlapping demands on infrastructure and institutional capacity. When transport, energy, or water systems fail, the social impacts are uneven: women often face increased care burdens when health and sanitation systems are disrupted; youth and informal workers lose income opportunities when supply chains stall; and persons with disabilities are disproportionately affected when mobility and communication networks break down.

Another common pathway begins with transport system disruption. Flooding, landslides, or coastal damage to roads, bridges, ports, or airports can isolate communities and disrupt supply chains. This immediately affects the delivery of fuel, food, water treatment chemicals, and medical supplies, while also limiting access for emergency response and repair crews.[51] As a result, impacts extend rapidly into water supply, energy, health services, and economic activity. Energy system failure, water system failure, and coastal system degradation can trigger similar damage followed by secondary, tertiary, and interacting negative impacts. Further, as these pathways are rarely linear, they often involve feedback loops, where failures in one system exacerbate stress in others. For example, transport disruption delays repair of energy systems, prolonging outages, which in turn affect water supply and health services.

A major consequence of this is that important societal outcomes (e.g. reduced habitability, e.g. persistent vulnerability) emerge over time, not from single events.

The RPACA Response

The Regional Program for Adaptation and Climate Action (RPACA) is a multi-country, multi-sector initiative designed to strengthen resilience across Pacific Island Countries (PICs). It responds to the region's urgent need for adaptation measures that are inclusive, practical, and sustainable. Initially, the proposed programme

[50] Asian Development Bank (2021). *Climate Risk and Adaptation in the Pacific*.
[51] World Bank (2020). *Enhancing the Climate Resilience of Infrastructure in the Pacific*.

is financed by the Green Climate Fund (GCF), the Asian Development Bank (ADB), the Pacific Community (SPC) and the Secretariat of the Pacific Regional Environment Programme (SPREP).

RPACA was initiated and developed by Pacific Leaders. It was developed through a consultative process originating in 2023. It is designed to be strongly aligned to the Framework for Resilient Development in the Pacific (FRDP) and the 2050 Strategy for the Blue Pacific Continent. It also responds to global commitments including the Paris Agreement under the UNFCCC, the Sendai Framework for Disaster Risk Reduction, and the Sustainable Development Goals (SDGs) embedding gender equality and social inclusion as cross-cutting obligations rather than optional co-benefits.

RPACA has been deliberately designed to complement, scale and institutionalize existing regional and national initiatives rather than duplicate them. The programme addresses a recognized implementation gap in the Pacific: while substantial investments have been made in climate science, disaster risk information, adaptation planning and climate readiness, comparatively less attention has been given to systematically translating these assets into investment-ready pipelines, climate-responsive public financial management systems, and large-scale adaptation investments.

At the regional level, RPACA builds upon the Pacific's established institutional architecture. It utilizes climate science, hazard information and technical services developed by SPC, SPREP and programmes such as PCRAFI as foundational inputs rather than recreating climate information systems. Existing hazard datasets, exposure models and climate services are converted into practical decision-support tools for Ministries of Finance, sector agencies and infrastructure planners, enabling climate risks to be incorporated into fiscal planning, public investment management and infrastructure prioritization. RPACA therefore represents the "last-mile" application of existing regional knowledge to investment and fiscal decision-making.

Within the public financial management (PFM) space, RPACA complements ongoing World Bank, IMF/PFTAC and bilateral reform programmes. Existing initiatives have focused primarily on diagnostic assessments (including PEFA, Climate-PIMA, fiscal risk analysis and macro-fiscal advisory support) and strengthening core PFM systems. RPACA does not repeat these assessments. Instead, it operationalizes their findings by embedding climate fiscal risk analytics, medium-term fiscal framework tools, climate-informed budgeting processes and investment prioritization methodologies into routine government systems. Activities are explicitly timed to align with each country's existing PFM reform cycle and build upon, rather than replace, ongoing reforms.

RPACA similarly complements National Adaptation Plans (NAPs), Joint National Action Plans (JNAPs), Nationally Determined Contributions (NDCs) and other national adaptation strategies. These frameworks identify national priorities and adaptation objectives, but many countries continue to face constraints in translating strategic priorities into prioritized, costed, finance-ready investment programmes. RPACA provides the missing implementation bridge by supporting system-scale climate risk assessments, project prioritization, preparation of investment pipelines, and mobilization of climate finance for implementation.

The programme is also designed to complement GCF Readiness, Pacific Climate Finance Access and Mobilization Strategy (CFAMS) and bilateral adaptation programmes. Readiness projects have successfully developed institutional capacity, planning frameworks and climate finance capabilities, but many have been time-bound and project-specific. RPACA institutionalizes these gains by embedding climate risk management, fiscal resilience tools and investment planning processes within permanent government systems and by establishing a regional community of practice that enables peer learning, knowledge exchange and continuous improvement beyond individual projects.

Importantly, RPACA differentiates itself through its programmatic regional investment model. Existing initiatives generally focus on individual countries, individual sectors or discrete technical assistance activities. RPACA integrates climate science, fiscal resilience, investment planning and infrastructure delivery across fourteen Pacific Island Countries within a single programmatic framework. This allows countries to share methodologies, standardise approaches, reduce transaction costs, jointly develop investment pipelines, and demonstrate scalable adaptation solutions that can be replicated across the region while remaining fully aligned with national priorities and existing regional institutions. Section 7.6 of Annex 2 (Feasibility study) provides information on how RPACA initiatives complement existing regional and national programmes.

Accordingly, RPACA functions as an integrating platform that links existing regional knowledge, national planning processes, PFM reforms and climate finance mechanisms into a coherent system capable of delivering transformational adaptation at scale. Rather than establishing parallel institutions or duplicate

activities, the programme accelerates the transition from climate planning and diagnostics to sustained implementation, investment and long-term institutional change.

B.2 (a). Theory of change narrative and diagram (max. 1500 words, approximately 3 pages plus diagram)

RPACA – The Four Mutually Reinforcing Components

RPACA is operationalized through the strategic integration of four Components (see Figure 8). Component 1 establishes the enabling environment- notably strengthening public financial management, embedding climate risk analytics into planning systems, and developing a pipeline of bankable, risk-informed investments supported by innovative financial instruments. Components 2, 3 and 4 implement investment projects, and will initiate the translation of the pipeline into climate-resilient infrastructure and development projects across key sectors, ensuring that all investments are derived from, and consistent with, risk-informed frameworks, adaptation criteria and financing structures developed upstream. This linkage works to ensure that infrastructure investments are not standalone assets but part of a continuously evolving system in which risk information, fiscal decision-making, and investment delivery are mutually reinforcing.

This Funding Proposal relates to ADB RPACA and Components 1 and 2 only. The ADB RPACA initiative, under Components 1 and 2, is designed to achieve many sustainable impacts on advancing climate resilience across the Pacific. When approved, the strategic sequential roll-out of the two sister RPACA programs will leverage further resilience benefits due to the complementary and synergistic nature of the interactions across all Components.[52]

The Secretariat of the Pacific Regional Environment Programme (SPREP) is responsible for driving Component 4[53]. SPREP's advantage in the Pacific stems from its in-depth regional expertise and extensive network of partnerships. SPREP's deep understanding of local environmental issues, combined with its established relationships with regional and international organizations, enhances its ability to design and implement effective interventions. Its technical expertise in areas such as waste management and pollution control, climate change adaptation, and biodiversity conservation further strengthens its capacity to deliver innovative solutions in key areas. Under Component 4[54], SPREP aims to focus on addressing pollution and waste management challenges and knowledge sharing, communication and coordination.

[52] Note: approval of this document does not imply GCF commitment to either Components 3 and 4, nor to the contents of Components 3 and 4 should they be approved

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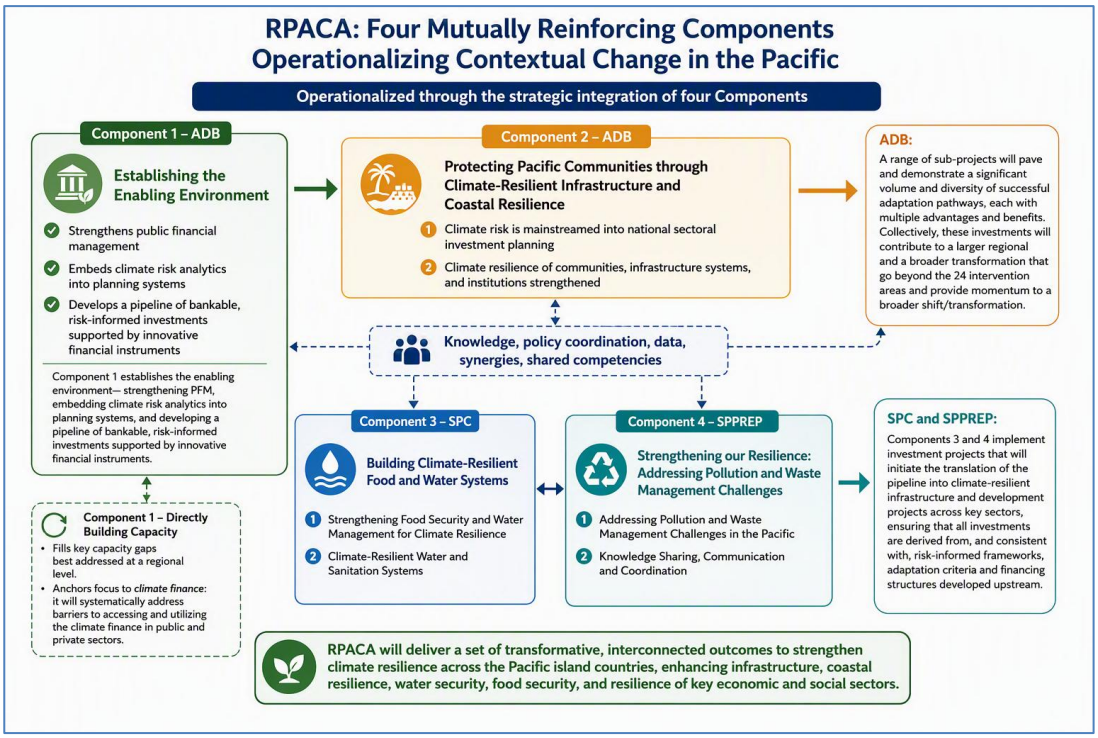


Figure 8: How RPACA's initial four components are to operationalize contextual change in the Pacific

As seen in Figure 8, the 4 components work together to ensure:

- Each partner can optimally contribute whilst working to its strengths;
- All countries and more sectors can be covered;
- The complementary comparative advantages of the accredited entities (financial dynamism, optimal business modalities, political leveraging, strong science-based and community-led approaches) ensure gaps are filled and few opportunities missed.

This has been achieved since the start of the process to develop RPACA and will continue through the start-up of RPACA ADB to the end of RPACA support. Operationally, the three regional partners and member governments achieves this by:

- Regular sharing of lessons learnt knowledge;
- Cross-interacting on policy and technical advice;
- Regular steering initiatives involving all partners;
- Sharing out responsibilities to the most competent partner;
- Etc.

Components 1 and 2 provide the foundational enabling environment and investment platform upon which the SPC- and SPREP-led components can build, creating a coherent and sequential programme rather than four stand-alone initiatives. Component 1 strengthens the underlying systems in the Pacific SIDS that are required for sustained adaptation investment by enhancing climate-responsive public financial management, climate risk analytics, adaptation planning, and innovative climate finance mechanisms. These upstream reforms directly support the implementation of planned SPC Component 3 and SPREP Component 4 by ensuring that investments in food systems, water security, public health, pollution management, and waste management are identified through common risk assessment methodologies, prioritized within national planning and budgeting systems, and developed as finance-ready investments.

In parallel, Component 2 delivers climate-resilient infrastructure and coastal resilience investments that will complement SPC's planned sectoral investments in resilient agriculture, water, sanitation and public health, while creating opportunities for integrated adaptation solutions across the same countries and communities. As the SPC and SPREP programmes are rolled out approximately 12–18 months after the ADB programme, they will leverage the institutional capacity, investment pipelines, financing mechanisms

and implementation experience established under Components 1 and 2, allowing RPACA to progressively expand its sectoral reach, geographic coverage and transformational impact across the Pacific.

The collaboration between ADB's Components 1 and 2 and future SPC/SPREP Component 3 and 4 would be operationalized through shared planning, coordinated implementation, joint governance (Regional Steering Committee), and SPREP's integrated learning system that maximises programme-wide outcomes while avoiding duplication. ADB will generate implementation-driven knowledge from Components 1 and 2, including lessons on climate-responsive public financial management, innovative adaptation finance instruments, resilient infrastructure design, and coastal resilience approaches. These technical products will be systematically transferred to SPREP under Component 4 through formal knowledge-sharing arrangements, where they will be synthesized, integrated with lessons from SPC's food, water and health interventions. These lessons will be disseminated regionally through the SPREP Pacific Climate Change Centre and other select established regional platforms coordinated by SPC and SPREP (e.g., Pacific Climate Change Roundtable, Pacific Resilience Partnership).

At the same time, SPC's technical expertise, sectoral data, and scientific knowledge will strengthen the design and implementation of ADB-supported investment pipelines, while SPREP's regional coordination, communication and climate change policy outreach will facilitate the uptake and replication of successful approaches across Pacific Island Countries. The joint steering arrangements (see section B.4), harmonised results frameworks, regular technical exchanges, coordinated country and NDA engagement, and adaptive management processes ensure that evidence generated through implementation continuously informs policy, investment design and scaling across all four components. Together, the four components function as an integrated regional adaptation system in which enabling policy reforms, finance mobilization, infrastructure investment, sectoral resilience, and regional knowledge management reinforce one another to achieve impacts that would not be possible through isolated projects.

ADB RPACA Vision Statement: The RPACA envisions a resilient, inclusive, and climate-secure Blue Pacific Continent where all peoples can lead safe, healthy, and prosperous lives in the face of accelerating climate change and disasters, consistent with the 2050 Strategy for the Blue Pacific Continent"[55]. Over a 10-year horizon, the Programme aims to transform an approach based on fragmented climate interventions, mostly climate proofing, into regionally coordinated, nationally-led transformational adaptation approaches, built on the increased mobilization of finance through integrated national programming cycles and partnerships. Recognising that RPACA resources will support a select set of catalytic investments in each country, the Programme's core value lies in establishing the enabling environment - systems, capacity, standards, and financing mechanisms - that extend impact beyond individual projects (RPACA++ scenario).

By embedding equity, science-based planning, and regional cooperation, the programme seeks to empower women, youth, older persons, and persons with disabilities as active agents of resilience while strengthening institutions and ecosystems. In doing so, RPACA supports Pacific Island countries to enhance adaptive capacity, unlock climate finance at scale, and reinforce the region's leadership in global climate action. The RPACA vision also aligns to the "Framework for Resilient Development in the Pacific[56]. This is a long-term vision of a Pacific Region of peace, harmony, security, social inclusion and prosperity, ensuring that all Pacific people can lead free, healthy and productive lives in changing conditions and extreme events.

ADB RPACA Goal Statement

The goal is for climate impacts and threats, including sea level rise, drought, coastal erosion, ecosystem degradation and flooding, to be sustainably managed across the Pacific and for the vulnerability of key

[55] PIFS (2022). 2050 Strategy for the Blue Pacific Continent / Pacific Islands Forum Secretariat. Suva, Fiji: Pacific Islands Forum Secretariat. Specifically with regards to climate change, the Blue Pacific Continent Strategy envisions that "*all Pacific peoples remain resilient to the impacts of climate change and disasters and are able to lead safe, secure and prosperous lives. The region continues to play a leadership role in global climate action*". This vision recognises that women, youth, older persons, and persons with disabilities face heightened vulnerability, and must be empowered as active agents of resilience and climate solutions

[56] Pacific Community (SPC), Secretariat of the Pacific Regional Environment Programme (SPREP), Pacific Islands Forum Secretariat (PIFS), United Nations Development Programme (UNDP), United Nations Office for Disaster Risk Reduction (UNISDR) and University of the South Pacific (USP) (2016). Framework for Resilient Development in the Pacific: An Integrated Approach to Address Climate Change and Disaster Risk Management [FRDP] 2017 – 2030

communities and sectors to be significantly reduced. Reducing vulnerability requires enabling those most at risk to participate fully in adaptation and resilience efforts. As illustrated in the Theory of Change (ToC) diagram (Figure 9), at the highest level, all outcomes and co-benefits will contribute to the overarching goal of the Programme, supporting the achievement of a paradigm shift where PICs are transformed to become more resilient to key climate change threats facing a number of sectors - infrastructure and coastal protection, food, water and public health systems, and pollution and waste management.

Theory of Change Statement

IF we adopt a coordinated, long-term approach that integrates climate risk-informed adaptation strategies across sectors, enhances regional collaboration, mobilizes sustained and diversified finance, and promotes shared implementation

THEN Pacific Island countries will strengthen community resilience, maximize benefits, and achieve sustainable development

BECAUSE this strategy aligns national and regional efforts, restructures institutions, financing architectures, and transformational approaches, it sets a new standard for effective and impactful adaptation outcomes in the region. Integrating the leadership and capacities of vulnerable groups ensures resilience gains are equitable and transformative.

ADB RPACA Strategic Imperative

The comprehensive, multi-partner approach is designed to enable the transformation of Pacific Island economic sectors and systems, urban spaces and communities.

ADB RPACA Expected Outcomes and Outputs

RPACA will deliver a set of transformative, interconnected outcomes (see Figure 8 and Figure 9) that strengthen climate resilience across the Pacific island countries and promote sustainable development aligned with national strategies and with the 2050 Blue Pacific Strategy. RPACA directly helps countries achieve their long-term climate ambitions as set out in the NDCs. By addressing systemic barriers and scaling integrated adaptation measures, RPACA will enhance infrastructure and coastal resilience, water security, food security, resilience of key economic sectors as well as the social protection, education and health systems. These outcomes will also reduce the heightened vulnerability of women, youth, older persons, and persons with disabilities, ensuring they are empowered as active participants in resilience efforts.

As presented in the theory of change, Component 1 responds to the key barriers to effective adaptation investment in the Pacific – the absence of programmatic adaptation investment pipelines, the adaptation finance gap, and limited government capabilities. In response, it (i) strengthens the capabilities of Ministries of Finance, central banks, financial regulators, and national financial institutions to expand the volume, quality, and sustainability of climate finance; (ii) mobilises public, private, and blended capital so that governments, financial institutions, and MSMEs (especially women-led) can invest in resilience rather than only respond to shocks; and (iii) transitions adaptation finance toward a country-led, systemically embedded, and scalable ecosystem. It delivers this through three lines of output: capacity development, climate-aligned PFM systems, and private/blended finance. Component 1 will strengthen capabilities of Ministries of Finance, Central Banks, Financial Regulators and National Financial Institutions to expand the volume, quality, and sustainability of climate finance in the Pacific. It will systematically address the climate finance barriers related to all other components - both in public and private sectors. Component 1 will fill key capacity gaps that are best addressed at a regional level, notably targeting public climate finance. Further, component 1 provides the necessary capacity building, technical assistance and knowledge management to ensure that activities across all RPACA Components are implemented in an optimal manner and have optimal benefits. This technical support will include supporting system climate assessments, addressing gender and vulnerability, mobilizing finance, and using nature-based solutions. In terms of knowledge management, Component 1 (and later in connection with Component 4[57]) will

[57] Note: approval of this document does not imply GCF commitment to either Components 3 and 4, nor to the contents of Components 3 and 4 should they be approved

ensure that all data and knowledge is collected and stored and easily accessible for future users. By systematically addressing vulnerability and enabling participation of those most at risk, Component 1 ensures that capacity building and finance access strengthen resilience across all social groups.

RPACA Components 2, 3 and 4 include significant transformational adaptation investments across the region and across sectors. These will immediately deliver resilience to a large number of diverse beneficiaries. Collectively, the range and diversity of activities under Components 2, 3 and 4 will lead to the demonstration of a large number of practices and approaches. This will generate knowledge of how to adapt in diverse contexts, in various sectors, across the region. Further, all activities under Components 2, 3 and 4 will be designed to be implemented in a manner so as to strengthen adaptive capacity to access, absorb and deliver climate finance. Finally, the RPACA ambition is that the scale of Components 2, 3 4 will take Pacific climate resilience efforts to a tipping point, significantly increasing climate adaptation investment, after which approaches that are currently considered transformational will become standard. This scale will also embed inclusive practices, ensuring resilience gains are equitably shared across households and communities.

The Outcomes, Outputs and Activities from this ADB proposed GCF RPAC Program are set out in Table 4.

Table 4: GCF-Aligned Outcome Framework for Climate-Resilient Development under the RPACA, with a focus on ADB components

Program Component	Outcome	Outputs	Description of likely activities
Component 1: Enhancing Pacific Island Countries' Access to Climate Finance	Outcome 1.1 Climate-, disaster-, and gender-responsive* public financial management (PFM) capacity of Pacific Island Countries' Ministries of Finance and national institutions strengthened.	Output 1.1.1. Skills and capacity to address climate-disaster- and gender-responsive PFM are enhanced, retained and applied. Output 1.1.2 Regional climate finance and adaptation planning coordination with gender equality and inclusion mainstreamed and enhanced.	Strengthens Ministries of Finance and public institutions to integrate climate and disaster risks into budgeting, fiscal planning, and investment management by building capacity through training, professional development, peer learning, knowledge systems, and regional coordination mechanisms. The focus goes beyond improving access to external climate finance to embedding a broader fiscal risk management approach, including understanding the macro-fiscal implications of climate change, strengthening domestic revenue resilience (e.g. other climate-sensitive sectors), and improving national systems to identify, manage, and finance climate and disaster risks in a holistic and sustainable way.
		Output 1.1.3 Climate-related fiscal risk analytics and budget integration tools developed. Output 1.1.4 Climate Adaptation Investment Planning (CAIP) framework for appraising and prioritizing climate adaptation investments established. Output 1.1.5 Innovative climate finance instruments and enabling	Strengthens the PFM systems and tools that Ministries of Finance use to deliver three core functions: climate fiscal risk assessment, climate risk management in public investment planning, and climate finance mobilization. It embeds climate risk in fiscal policy and budget processes, establishes the frameworks through which adaptation investments are appraised and prioritized into costed pipelines, and expands access to diversified public, private, and blended finance instruments.

		frameworks designed.	
	Outcome 1.2 Climate-resilient and inclusive financing for MSMEs and infrastructure is expanded/scaled-up through innovative and scalable financial instruments by Pacific financial institutions.	Output 1.2.1 Regional blended finance approach for MSME adaptation lending established Output 1.2.2 Pacific Infrastructure Risk Advisory and Transfer (PAC-INFRAT) advisory support piloted	Mobilizes private capital and reduces investment risk through blended finance, credit enhancement, insurance and risk-sharing approaches.
	Outcome 1.3 Financial sector authorities and financial institutions adopt regional and international aligned climate finance approaches.	Output 1.3.1 National financial sector policy, regulatory and institutional capacities are strengthened (in accordance with regional and international frameworks)	Support Pacific central banks, development banks and financial institutions to implement and operationalise climate-aligned financial sector policies, sustainable finance frameworks, regional and national taxonomies, and climate risk management practices.
Component 2: Protecting Pacific Communities through Climate-Resilient Infrastructure and Coastal Protection	Outcome 2.1 Climate resilience of communities, infrastructure systems, and institutions in Pacific Island Countries strengthened with gender equality and social inclusion mainstreamed.	Output 2.1.1 Evidence-based, system-scale climate adaptation sub-projects developed and approved. Output 2.1.2 Climate-resilient and inclusive adaptation infrastructure sub-projects completed and operationalized. Output 2.1.3 Institutional capacity and enabling environment of national agencies for climate-resilient and inclusive infrastructure management strengthened.	Embeds system-scale climate risk assessments into infrastructure planning, ensuring country-specific investments are identified, designed, and approved based on climate science, vulnerability analysis, and inclusion standards. Delivers up to 21 national sub-projects across coastal, water, transport, energy, urban, and social systems while strengthening institutional capacity, policy frameworks, and long-term operations and maintenance systems. Specifically, beyond the direct investments, RPACA establishes the enabling architecture>>integrated planning systems, climate-informed PFM, bankable pipelines, standardised design approaches, and blended finance mechanisms>>that allows countries to mobilize, absorb, and scale additional public and private finance

ADB RPACA Expected Co-benefits

RPACA delivers a transformative, system-wide adaptation benefit for the Pacific by strengthening the resilience of infrastructure, ecosystems, economies, and essential services, thereby reducing climate-driven losses, protecting livelihoods, and enabling sustainable and inclusive development across highly climate-vulnerable island systems.

Mitigation Co-Benefits: Although primarily an adaptation programme, RPACA contributes to emissions avoidance and energy security that improves the resilience of Pacific communities. This is achieved through increased deployment of renewable energy, reduced reliance on diesel generation, and improved energy and transport system efficiency, leading to lower greenhouse gas emissions across key infrastructure sectors.

Ecological Co-Benefits: The program strengthens the resilience and functionality of coastal, marine, and urban ecosystems. It reduces ecosystem degradation from climate hazards, supports restoration of

mangroves and coastal habitats, and enhances biodiversity and fisheries productivity. RPACA promotes ecosystem-based adaptation and nature-based solutions, improves urban environmental management (including waste, drainage, and sanitation), and protects coastal food systems that underpin local livelihoods and food security.

Social Co-Benefits: RPACA delivers improvements in human well-being, equity, and service delivery in the Pacific. It enhances access to safe and reliable infrastructure services (water, health, education, energy, and transport), reduces climate-sensitive health risks, and strengthens resilience of vulnerable groups including women, children, older persons, and coastal communities. The programme reduces service disruption during disasters, improves livelihood stability, and enhances quality of life through safer and more reliable living conditions. It also strengthens institutional and community capacity for inclusive climate resilience and supports human capital development through reduced education disruption.

Economic Co-Benefits: RPACA generates macroeconomic and household-level gains by reducing climate-related losses and improving efficiency across key systems. These include avoided GDP losses from infrastructure disruption, reduced damage and maintenance costs, improved transport and trade connectivity, and protection of tourism-dependent economies. The program also reduces fuel import dependence through energy security, improves utility efficiency and revenue collection, and enhances productivity by reducing time poverty and service interruptions. Additional gains arise from avoided health-related economic losses and strengthening reliability of critical economic corridors.

Together, these co-benefits position RPACA as a paradigm-shifting program that delivers measurable, long-term contributions to climate-resilient development in the Pacific, while advancing the GCF's mandate to strengthen adaptation, sustainability, and inclusive growth across highly climate-vulnerable Small Island Developing States. The Program's multidimensional benefits will be tracked through specific indicators across economic resilience, ecosystem integrity, social inclusion, and institutional capacity as outlined in the Results Framework (Section E).

Barrier Landscape: Business as Usual Scenario in the Pacific Islands

The scale of adaptation efforts is growing across the region. The many ongoing initiatives are too little, too slow and are not adequately reaching the most vulnerable communities, locations and economic activities in the Pacific[58]. An accelerated transformation or paradigm shift is required to transform current 'development' pathways - that are characterized by incremental, progressive change - into long-term, resilient, adaptation pathways. One example of this, and of the need to better target vulnerabilities, is the need for a Gender-Transformative Climate Action (GTCA) approach, as outlined in Annex 8. This would ensure that women are empowered as leaders in resilience efforts, and that youth, older persons, persons with disabilities, and SOGIESC groups are recognized and engaged as active agents in climate solutions rather than treated as passive beneficiaries.

Coastal zones across island typologies in PICs, although central to economic activity, service delivery, and connectivity, are increasingly exposed to intensifying climate hazards such as sea-level rise, storm surge, erosion, and saline intrusion (See Figure 1; and Annex 2). Under prevailing BAU conditions, infrastructure development remains constrained by limited fiscal space, institutional fragmentation, and reliance on historical climate data, resulting in inadequate integration of forward-looking risk assessments into planning and design. Consequently, critical assets are often located in high-risk coastal areas, with protection measures that are under-designed for future conditions and insufficiently maintained. Too often, this reactive approach - characterized by repeated rebuilding to similar standards following disasters - perpetuates exposure, increases fiscal burdens, and undermines the reliability of essential services, while compounding environmental degradation and social vulnerability. The scale and pace of risk escalation in

[58] Maguire, R., Carter, G., Howard, E., Mangubhai, S., Manley, M., Gero, A., & Winterford, K. (2023). Institutional barriers to climate finance through a gendered lens in Fiji, Samoa, and Solomon Islands.

the coastal sector mean that future outcomes are increasingly determined not only by climate change itself, but by how infrastructure is planned, financed, and managed[59],[60].

The detailed barrier assessment (Annex 2, Section 8.2) identified a series of critical technical, policy and institutional (see Annex 2, Appendix 2.2), financial, and ecological barriers to this transformation. These, and how the proposed RPACA will address the barriers, are summarized in Table 5. Gender equality and social inclusion barriers are not treated as a separate category; instead, empowerment, and inclusion logic is mainstreamed across institutional, technical, financial, and ecological barriers.

Table 5: Summary of Barriers and Proposed Solutions for Advancing Climate Transformation in the Pacific under the RPACA Program

Barrier	Description	Proposed Solutions
Institutional		
Sector and context specific climate assessments are low priority and low importance	The prevailing institutional structures and procedures, at national and regional levels, in governments and development partners, ensure that, in practice, climate-assessments are given a low priority in project development. Further, upstream' and 'system' assessments are of even lower priority (see Annex 2, Appendix 2.2).	Output 1.1.3 should increase priority allocated to these assessments; Output 2.1.1 should greatly increase familiarity, understanding, and lower barriers. Assessments will explicitly integrate gender equality and social inclusion, ensuring women, youth, older persons, persons with disabilities, and SOGIESC groups are visible in risk analysis and resilience planning.
Institutional structures are not sufficiently conducive achieving climate resilience.	The institutional structures are evolving, however, not sufficiently conducive to achieving climate resilience. This concerns the structures both across and within organizations. For both cases, the mandates, responsibilities, linkages, capacities were designed for other purpose and so are not aligned to climate resilience (see Annex 2, Appendix 2.2).	Component 2 will demonstrate across several sectors, in several countries, how institutions can and should work together to achieve climate resilience; Output 1.1.4 will provide regional institutional backing and solid technical support to this transformation. Institutional reforms will embed GESI mandates, empowering women and other under-represented groups to participate in governance and decision-making processes.
Most available climate funding is 'project-based' and mitigation focused	Most available climate funding is 'project-based', be it for public sector, private sector or for non-governmental activities. Most climate funding has its origins in 'development finance', largely mitigation skewed in PICs, and project-based, with the development partners committing to short timelines (see Annex 2, Appendix 2.2). While there is clear value in deploying development finance for resilience in highly vulnerable contexts, a key barrier is that such financing is not consistently structured to promote risk-sensitive, long-term decision-making and investment. As a result, funding flows remain fragmented, short-term, and unpredictable, providing a weak foundation for the identification and design of sustained, programmatic adaptation investments. This is	RPACA, as a program, will demonstrate program approaches. Outcome 1.1 will build PFM capacity – reducing a major barrier to programmatic and long-term approaches. Programmatic approaches will also ensure funding mechanisms dismantle exclusion barriers, enabling women, youth, and socially excluded groups to access and benefit from climate finance.

[59] Intergovernmental Panel on Climate Change. (2022). *Climate Change 2022: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*. Cambridge: Cambridge University Press.
[60] Asian Development Bank (ADB). (2022). Sea-Level Change in the Pacific Islands Region: A Review of Evidence to Inform Guidance on Selecting Sea-Level Projections for Climate Risk and Adaptation Assessments.

	a poor basis for identifying and designing long-term investments.	
Development partners have too much influence.	Development partners typically have more skilled people, better data and information and more resources than Pacific governments. This leads to a bias where development partners often drive development and climate resilience. This influences policies, funding flows, project cycles, etc.	RPACA is regionally and nationally driven and exemplifies how development partners should work in support of national and regional partners. Outcome 1.1, and Output 2.1.3 to some extent, will build government capacity and confidence to drive and manage climate change adaptation. This shift will strengthen national ownership of GESI priorities, ensuring women's empowerment and inclusion of vulnerable groups are not sidelined by external agendas.
Technical		
Insufficient and misaligned capacity to undertake system, upstream climate assessments.	Climate assessments are often done at the national sector levels and considered an 'add-on' to investment design rather than a driver of investment conception and design. As a result, climate assessments are used to validate climate proofing, rather than to create opportunities for advancing overall or sector resilience, reflecting insufficient and misaligned upstream capacity to undertake system-level, forward-looking climate risk analysis. The skills and resources allocated to the climate assessment are driven by gaps in specialized skills (e.g. probabilistic risk modelling, climate scenario analysis, economic appraisal of adaptation options, and spatial planning) and limited access to integrated data systems, analytical tools, and sustained technical resources within governments.	Output 2.1.1. will enhance, develop, and mainstream the technical and institutional skills and practices required in order to prioritize upstream, system assessments. These assessments will integrate GESI, ensuring women, youth, older persons, persons with disabilities, and SOGIESC groups are visible in risk analysis and empowered to shape resilience pathways.
The limited capacity to identify and develop adaptation pathways, in a collaborative manner.	There is limited capacity of any one institution to design, implement, and monitor climate projects. This stems from a lack of skilled personnel, high turnover of skilled personnel, lack of retention of trained staff, inadequate infrastructure, and insufficient access to relevant data and information. Current development pathways are not adapted to climate change, compound events and cascading risks. The identification of alternative development pathways is a new need. This requires new skills, new information, and in particular new interconnections of skillsets and information bases. This is only developing slowly in the region.	Output 1.1.1 and 1.1.2 will target to retain trained staff and attracting diaspora expertise in countries. Output 2.1.1., notably activity 2.1.1.1, will target this capacity gap. Capacity development will embed GTCA principles, equipping institutions to co-design pathways that empower women and vulnerable groups as active participants in adaptation planning and monitoring.
The detailed capacity to develop solutions that are specific for each and every investment is lacking.	In general, the solutions to climate change are known and piloted – for example more mangroves, higher walls, or retreat. However, the detailed capacity to develop solutions that are specific for each and every investment, at each site, is lacking. This contributes to the "last mile" problem, or an inability to move from knowing what to do to being able to act	Component 2, all outputs, will implement climate resilience across several sectors, developing and using detailed specific solutions. Learning by doing will ensure this capacity is sustainably maintained. Solutions will be tailored to address differentiated vulnerabilities, ensuring women, youth, persons with disabilities and socially

	at scale. Powerful, regionally pertinent examples of this are: (i) the shortage of capacity and skills to identify and design nature-based solutions; (ii) the capacity to generate cross-sectoral solutions to cross-sectoral challenges, and (iii) the capacity to develop multi-country investments that lead to climate resilience.	excluded groups benefit equitably and are engaged in designing site-specific resilience measures.
Financial		
Insufficient public sector funds	Insufficient funds available for climate change in the Pacific. This is linked to the unpredictability of the available funds.	Outcome 1 is to enhance PFM capacity to access, manage and mobilize climate finance. Many other activities build the related and required capacities to operationalize this. Strengthening PFM will also ensure that women, youth, older persons, persons with disabilities, and other vulnerable and underrepresented groups are not excluded from resource allocation, embedding equity in budget tagging and expenditure tracking.
Inadequate public sector architecture	The prevailing financial architecture - for public, private and community investments - is geared to development, to business-as usual - not to resilience/adaptation.	Outcome 1, based on institutional mapping, will target this for the public sector. Outcomes 1.2 and 1.3 will target this for parts of the private sector (MSMEs in some sectors) Reforms will integrate GTCA principles, ensuring financial systems empower women, youth and socially excluded groups to access and influence adaptation investments.
Lack of bankable pipeline in private sector	Current MSME finance programs in PICs show cross-sector demand, but adaptation investments are still not a distinct or widely recognized asset class. Both MSMEs and financial institutions often lack the knowledge and capacity to develop, assess, and fund these investments. Women-led MSMEs face even greater challenges -such as limited access to finance and resources - which further restricts the creation of viable adaptation projects. This results in a shortage of bankable adaptation finance opportunities, especially for women-owned businesses.	Outcome 1.2 will support the development of bankable pipelines of MSME adaptation projects by strengthening project identification, structuring, and investment readiness, with targeted measures to address barriers faced by women-led enterprises and to promote inclusive access to adaptation finance. To bring scale and sustainability to Outcome 1.2 in the Pacific, Outcome 1.3 will work with national MSME and SME institutions (e.g. Ministries of Commerce/Industry, SME agencies, and national development banks) and strengthen capacity of national financial intermediaries and central banks to ensure pipeline development is embedded in existing economic governance systems, not project-based structures.
High perceived and actual credit risk	Risk appetite constraints remain a critical barrier. MSMEs are often perceived as high risk due to limited collateral and “thin file” characteristics, while adaptation investments introduce additional uncertainty due to limited data, unfamiliar business models, and concentrated exposures in small markets. Market-based risk transfer solutions remain underdeveloped, and technical capacity gaps limit effective risk assessment.	Outcome 1.2 aims to lower barriers for financial institutions by providing risk-sharing mechanisms and supporting improved risk assessments. These measures will include gender-responsive strategies to reduce bias in credit evaluations and increase financing of women-led and underserved businesses involved in adaptation.

Ecological Barriers		
Vulnerability of Natural Ecosystems and Coastal Zones	Pacific SIDS have fragile ecosystems in costal zones (inclusive of human settlements) that are highly vulnerable to climate change impacts, such as coral bleaching, sea-level rise, and extreme weather events. The degradation of these ecosystems further reduces the resilience of these nations to climate impacts.	Capacity building under Output 1.1.1 will contribute to managing these threats and increasing resilience. Some investments in Component 2 will contribute to enhancing resilience of ecosystems. A combination of engineered and nature-based solutions in coastal zones, alongside transformative measures such as planning for retreat where necessary, supported by strengthened spatial planning, institutional coordination, and financing mechanisms. Ecosystem resilience measures will dismantle structural barriers to participation, ensuring women are empowered in resource governance and that other under-represented groups are actively engaged in designing and implementing nature-based solutions such as mangrove restoration, coastal protection, and community-managed marine areas.
Limited Land and Water Resources	Many Pacific SIDS have limited land and freshwater resources, making them more susceptible to the impacts of climate change. Over-reliance on natural resources can lead to environmental degradation and reduced resilience.	Soft and hard investments under Component 2 aim to increase the sustainable availability and access to land and water resources. Investments will be structured to ensure equitable access, prioritizing women, youth, persons with disabilities and other under-represented groups so that resource management strengthens both resilience and social inclusion.

Key Assumptions: The successful implementation of the RPACA programme is based on several key assumptions that must hold for the intended outcomes and long-term impacts to be achieved. These relate to sustained political commitment and regional cooperation across the PICs, effective institutional coordination at national and regional levels, stable and predictable climate finance flows, and strong engagement of communities and stakeholders.

- Climate and disaster risks remain within manageable bounds for implementation (i.e. soft adaptation limits are monitored and detected early), and that enabling conditions continue to support inclusive, community and nationally-led adaptation and resilience-building.
- Sustained political commitment and regional cooperation are maintained across Pacific Island governments, including continued alignment with NDCs, NAPs, and regional frameworks such as the 2050 Strategy for the Blue Pacific Continent and FRDP.
- Economic and geopolitical stability of operating conditions is broadly maintained, including manageable climate hazard levels and no major political instability, conflict, or large-scale displacement that would significantly disrupt implementation
- Institutional engagement and coordination remain strong, with effective collaboration across national agencies, regional organizations, and development partners supporting implementation of RPACA activities.
- Technical and absorptive capacity is progressively strengthened, enabling Pacific Island Countries to design, implement, and maintain climate resilient investments and systems.
- Adequate and predictable climate finance is mobilized, including timely disbursement of GCF resources, donor contributions, and complementary co-financing from governments and partners.
- Private sector participation in adaptation finance increases, supported by de-risking instruments, concessional finance, and enabling regulatory environments for climate-resilient investment.
- Community acceptance and engagement are sustained, with local populations willing to adopt and maintain climate-resilient practices, technologies, and governance reforms.

- Delivery by co-implementing accredited entities, SPC and SPREP successfully implement components 2 and 4 as planned on schedule and to the required quality, since achievement of the program-level Outcome depends on outputs delivered outside of ADB's direct management.

Risk Management: The detailed risks, and approach to management, are set out in Section F (with further details in Annex 2, Section 19). These include technical, political, environmental, financial, operational, and institutional risks that may affect the successful delivery of RPACA. These risks reflect the complex and highly climate-vulnerable context of PICs, as well as the multi-country and systemic nature of the program and are addressed through targeted mitigation measures embedded in program design, supported by adaptive implementation approaches and continuous learning mechanisms.

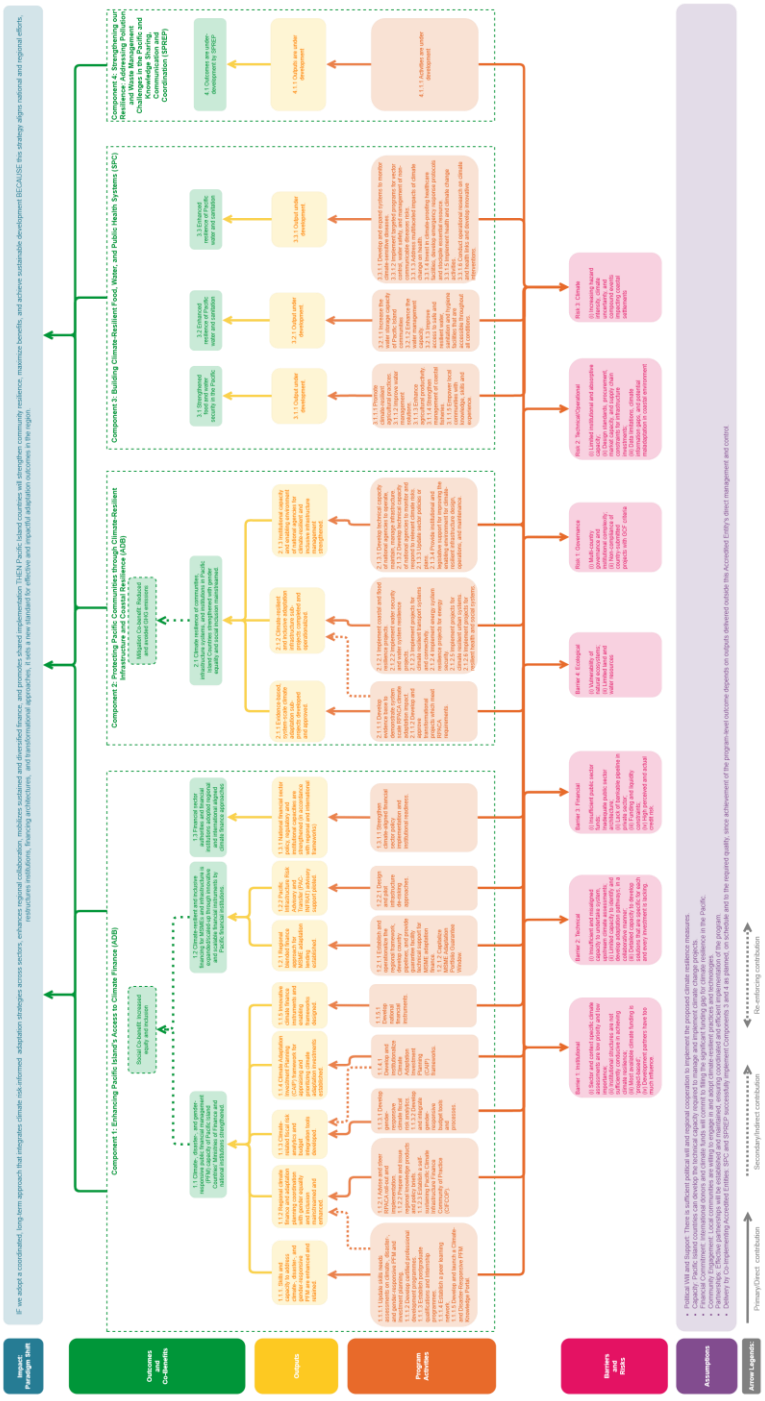


Figure 9: Theory of Change for ADB RPACA (see Annex 23 for details)

B.2 (b). Outcome mapping to GCF results areas and co-benefit categorization

Outcome number	GCF Mitigation Results Area (MRA 1-4)				GCF Adaptation Results Area (ARA 1-4)			
	MRA 1 Energy generation and access	MRA 2 Low-emission transport	MRA 3 Building, cities, industries, appliances	MRA 4 Forestry and land use	ARA 1 Most vulnerable people and communities	ARA 2 Health, well-being, food and water security	ARA 3 Infrastructure and built environment	ARA 4 Ecosystems and ecosystem services
Outcome 1.1	☐	☐	☐	☐	☒	☐	☐	☐
Outcome 1.2	☐	☐	☐	☐	☒	☐	☐	☐
Outcome 1.3	☐	☐	☐	☐	☒	☐	☐	☐
Outcome 2.1	☐	☐	☐	☐	☒	☒	☒	☒

Co-benefit number	Co-benefit					
	Environmental	Social	Economic	Gender	Adaptation	Mitigation
Co-benefit 1: Various social co-benefits (See Annex 2)	☐	☒	☐	☐	☐	☐
Co-benefit 2: Reduction of and avoided GHG emission (see Annex 22)	☐	☐	☐	☐	☐	☒

B.3. Project/programme description (max. 2500 words, approximately 5 pages)

RPACA Programmatic Approach

Climate risks in Pacific Island Countries are systemic, operating across interconnected sectors such as transport, water, energy, and coastal systems, and cannot be effectively addressed through isolated, project-level interventions. RPACA therefore establishes a unified framework that links system-scale climate risk assessment, integrated planning, and coordinated financing mechanisms to ensure that investments are grounded in a common understanding of risk and aligned with national and regional priorities. The programmatic approach enables countries to move beyond incremental adaptation toward a coherent transformation of how infrastructure systems are planned, financed, and managed under changing climate conditions.

This program is operationalized through the integration of Component 1 and Component 2. Component 1 establishes the enabling environment; Component 2 implements a pipeline of climate-resilient infrastructure across sectors.

The program approach has several aspects. First, is the connective tissue that is woven across all activities. This includes the system-scale climate risk assessments that link hazards to sectors and to investments. This includes the use of the typology-based framework to guide interventions (atoll / volcanic

/ large island systems). Also, this includes the upstream integration of adaptation into policy and planning systems, and the similar embedding of risk into fiscal systems and investment pipelines. With regards to adaptation finance, this programmatic approach is able to address fundamental institutional binding constraints, spanning for example the full range of ministry functions, and calibrated to specific country needs, and sustained over a sufficient timeframe for institutional change to take hold. Then there is the cross-sector network – linking transport–water–energy–coastal systems and the use of regional pooling of knowledge, finance and expertise. And then GESI aims are woven through the entire implementation framework.

A second aspect is the direct linkages between Components 1 and 2. Through this, Component 1 contributes to creating a system that makes the types of investment in Component 2 more possible, scalable, and climate-focused:

Enabling System (strengthened under Component 1)	→	**Resilience advancing investments (e.g. Sub-projects under Component 1 and Component 2)**
Enhanced Public Financial Management (PFM) + climate finance access	→	Funds climate-resilient infrastructure
Risk analytics	→	Identify and design investment priorities
Pipeline development	→	Generates eligible investments
Financial instruments (blended finance, PAC-INFRAT)	→	De-risk and finance investments
Institutional capacity	→	Enables implementation and O&M

Figure 10: Strategic linkages between Components 1 and 2

A third aspect is the added values brought by the program approach. This changes how investments are conceived, financed, and governed, through multiple layers. At the systemic level, this ensures a move from fragmented projects to integrated systems change, and so embedding climate risk into fiscal systems, sector planning and infrastructure design. At the economic and operational level, this reduces transaction costs, enables standardization (e.g. criteria, templates, typologies) and leverages economies of scale and regional platforms. At the financial level, this mobilizes new instruments and blended finance. It also links public finance and private sector investments. Next, at the institutional level, the program approach allows the building of permanent capacity and the establishment of regional coordination and knowledge systems. Finally, in terms of equity, the program approach facilitates the embedding of GEDSI in finance and infrastructure systems and tends to force equitable participation and benefit tracking.

Within this framework, individual investments—such as climate-resilient road networks in Papua New Guinea or airport infrastructure in Cook Islands—are connected not by geography but by their shared function within critical regional connectivity systems and their grounding in a common analytical and financing architecture. Both types of investments address single points of failure within national and regional transport systems and are prioritized through the same typology-based approach, system-scale risk assessments, and program-wide investment criteria. The added value of the programmatic approach lies in this ability to treat infrastructure as part of an integrated resilience system: strengthening the reliability of connectivity networks across diverse island contexts.

RPACA provides an integrated, science-led solution to the escalating climate threats facing one of the world's most vulnerable regions. RPACA will deliver a set of transformative, interconnected outcomes that strengthen climate resilience across the Pacific Island Countries. By addressing systemic barriers and scaling integrated adaptation measures, RPACA will enhance infrastructure and coastal resilience, water security, food security, resilience of key economic sectors as well as the social protection, education and health systems. Within the ADB-led Funding Proposal, RPACA will be implemented through two interlinked and complementary Components.

How RPACA components work together

As described in section B2 and Figure 8, the RPACA Program is structured around four interdependent components that collectively address the institutional, technical, financial, and infrastructural barriers to climate resilience across Pacific Island Countries. Component 1 provides capacity building, technical assistance and knowledge management to directly reduce barriers and to contribute to the sustainable impact of Component 2 (and, later, Components 3 and 4[61]). This will link into the overall knowledge management mechanisms to be established, later, under Component 4[62]. Notably, Component 1 will systematically address the climate finance barriers – both in public and private sectors. Further, Component 1 will fill key capacity finance and investment planning gaps that are best addressed at a regional level; it will provide support to Component 2 helping to ensure that all actions under Component 2 are of high quality and ensure coherence across the region. This technical support will notably be related to undertaking system climate assessments, addressing gender and vulnerability, mobilizing finance and using nature-based solutions. In terms of knowledge management, Component 1 will ensure that all data and knowledge is collected and stored and easily accessible for future users – and this will contribute later to the knowledge management work under Component 4.[63]

Component 2 is the resilient infrastructure investment component of RPACA. It has the following Outcome: Climate resilience of communities, infrastructure systems, and institutions in Pacific Island Countries strengthened with gender equality and social inclusion mainstreamed. Component 2 is to be implemented by ADB through stand-alone, national infrastructure investment projects, hereafter referred to as 'sub-projects'. With strategic alignment across 14 countries enabling implementation of a curated portfolio of adaptation projects, it is more than a financing mechanism. RPACA also serves as a blueprint for regional adaptation, a platform for demonstrating transformation and building capacity, and a vehicle to shift development in key socio-economic systems towards resilient pathways. Further, the program eliminates typical delays between design and implementation, and gaps between phases. This develops ownership and commitment whilst accelerating climate impact. Together, components 1 and 2 form a mutually reinforcing framework that links finance, planning, and implementation, enabling a cohesive and scalable model for transformational adaptation in the Pacific.

RPACA Adaptation Pathways

As explained above, not only is infrastructure vulnerable to multiple climate hazards (Figure 2), but its damage can also cause cross-sectoral, cascading, and complex impacts. RPACA's response, as illustrated for two sectors (water supply and energy) in Figure 11, is to provide infrastructure that is not only climate proof, but also contributes broadly to long-term system resilience and adaptation pathways, advancing resilience of entire sectors or areas. Figure 11 also illustrates the key complementary themes such as nature-based solutions, disaster risk reduction and mitigation co-benefits.

There are a large number of infrastructure and climate change adaptation interventions across the Pacific. Historically, these have been somewhat isolated, with infrastructure development projects being climate proof but not climate transformative. In parallel, adaptation projects often stand-alone and with insufficient finance to provide significant infrastructure. Recent developments – at the regional and national levels – identify and promote a more integrated approach. Governments and development partners are increasingly recognizing the potential role of infrastructure in climate resilience.

In at-risk coastal zones, an adaptation pathways approach (Annex 2, Section 7.1.4) offers a proactive and dynamic framework for managing coastal risk under uncertainty across all island types. It integrates multiple climate scenarios, including long-term sea-level rise projections, into planning and design processes, and aligns infrastructure investment with dynamic coastal hazard assessments and long-term development objectives. Complementary investments in early warning systems (underway in several PICS via GCF), coastal monitoring, hybrid approaches, and risk financing strengthen preparedness and reduce

[61] Note: approval of this document does not imply GCF commitment to either Components 3 and 4, nor to the contents of Components 3 and 4 should they be approved

[62] Note: approval of this document does not imply GCF commitment to either Components 3 and 4, nor to the contents of Components 3 and 4 should they be approved

[63] Note: approval of this document does not imply GCF commitment to either Components 3 and 4, nor to the contents of Components 3 and 4 should they be approved

residual risk[64]. Hybrid approaches that combine engineered and ecosystem-based measures further enhance system resilience while delivering environmental and social co-benefits. Compared to BAU, adaptation pathways reduce lifecycle costs, enhance system resilience, and improve socio-economic and environmental outcomes. By enabling this transition, RPACA can support a paradigm shift in coastal infrastructure development across the Pacific, moving from a cycle of increasing vulnerability toward a pathway of sustained resilience - transitions from reactive risk management to sustained climate resilience in the Pacific coastal sector.

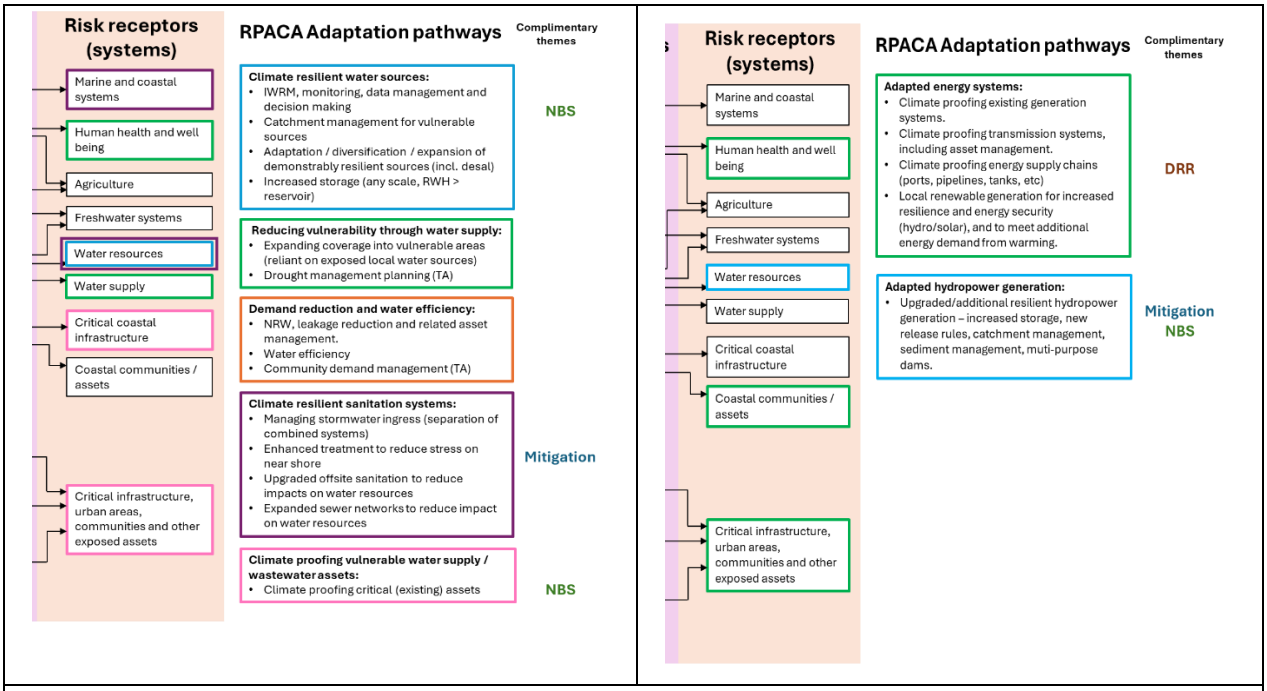


Figure 11: Potential adaptation pathways in the Pacific for water (left) and energy (right) systems (source: ADB RPACA internal working team.

The 21 investments in Component 2, across multiple sectors and PICs, will pave and demonstrate a significant volume and diversity of successful adaptation pathways, each with multiple advantages and benefits (including, for example, the preferred use of NBS). Collectively these 21 investments will contribute to a barrier removal and a knowledge generation that go beyond the 21 intervention areas and provide significant momentum to a broader, overall shift/transformation. In parallel, Component 1 will strengthen the enabling environment, in particularly regarding climate finance, to facilitate replication and upscaling of the adaptation pathways.

Core Eligibility and Design Criteria for RPACA

A specific set of criteria has been elaborated for RPACA in order to provide a robust and transparent framework for developing, evaluating, and approving technical assistance and sub-projects under Component 1 and Component 2. These criteria serve to enable the delivery of a program of technical assistance (component 1), design and pilot of infrastructure de-risking approaches (component 1), and national infrastructure and coastal resilience investment sub-projects (component 2) that align with ADB and GCF requirements as well as contribute to the Outputs and Outcomes of RPACA. The starting point for determining these criteria was the standard GCF investment Criteria. The criteria (Table 6) were developed through stakeholder consultations, feasibility assessment, and alignment with ADB's safeguard and planning frameworks, as well as the GCF investment priorities.

These RPACA criteria ensure that technical assistance and selected sub-projects:

- Are capable of delivering measurable, scalable climate outcomes;

[64] United Nations Office for Disaster Risk Reduction (UNDRR) & World Meteorological Organization (WMO). (2024). Global Status of Multi-Hazard Early Warning Systems 2024. Geneva: United Nations.
[64] World Bank. (2021). Financial Protection of Critical Infrastructure Services. World Bank.

- Are technically and institutionally feasible;
- Are strategically aligned with national and regional climate objectives;
- Are gender-inclusive and responsive to identified vulnerable groups;
- Catalyze innovation in climate adaptation;
- Enable transformational planning and system-wide resilience;
- Strengthen regional knowledge systems for replication and upscaling; and
- Produces public, financial-sector, or market-system benefits.

The indicative pipeline of sub-projects under components 1 and 2 comprise a range of sub-projects that are consistent with the RPACA Eligibility and Design Criteria. Further details are provided in Annex 2.5, including a comprehensive long list and descriptions of 26 potential sub-projects proposed for consideration during implementation. The final selection and financing of sub-projects will be subject to further due diligence, technical and economic appraisal, country endorsement, and compliance with ADB policies, procedures, and applicable GCF requirements.

Table 6: RPACA specific criteria

RPACA Eligibility and Design Criteria	Requirements
Program	• Sub-project will be executed nationally by one of the 14 eligible PIC SIDS. • The value of the funding request is within the agreed (remaining) RPACA funding envelope / allocation for the Country. • The project can be implemented within the RPACA program timeline.
Scientific evidence base for adaptation is provided	• Sub-project aligns with one or more RPACA adaptation project type (as defined in the RPACA adaptation Typology above). • A system-scale climate risk assessment and vulnerability assessment has been undertaken. A system can be a sector, a community, an island). The assessment will identify context specific risks and vulnerabilities and identify interventions to reduce them (which will be the foundation for project design). To reduce the likelihood of maladaptation and the opportunity for cascading failures the assessment must (i) extend beyond the lifetime of the proposed project; (ii) evaluate robustness under multiple climate scenarios; and (iii) be grounded in quantitative evidence (e.g. modelling). The assessment must also identify differentiated vulnerabilities of women, youth, persons with disabilities, and other under-represented groups. • A climate risk assessment of any proposed assets has also been undertaken to inform the design, technology, and scale of the intervention to ensure is climate proof. (this can be linked to the system-scale climate risk assessment (CRA). • Proposed sub-projects must be clearly distinct from business-as-usual development and demonstrate how the design has been adapted to address climate risks. • The sub-project delivers direct and measurable climate adaptation benefits and has outcome level indicators on adaptation/resilience in the DMF.
Enabling environment for resilience is strengthened	• Institutional regulatory and policy environment are evaluated, and weaknesses/gaps are addressed • O&M requirements are clearly defined, and infrastructure management capacity is strengthened where necessary. This specifically covers any additional O&M requirements resulting from possible climate impacts. • Institutional reforms, training and capacity development activities must integrate Gender Assessment and Action Plan commitments to gender equality and social inclusion. • Ensure representative governance, with women and other under-represented groups holding formal seats in project decision making structures.
TA-specific eligibility (applicable to component 1)	• Directly strengthens climate-responsive PFM, adaptation investment planning, climate finance mobilization, financial sector resilience, or adaptation financing mechanisms aligned with RPACA Outcomes 1.1–1.3. • Demonstrates clear demand and commitment from Ministries of Finance, financial sector regulators, or other mandated national authorities, licensed

	financial institutions (FIs) and is embedded within national systems and priorities. • Sustainable systems and capacity development, with clear pathways to institutionalization, replication, and long-term use. • Additionality and gap-filling, including evidence that the activity addresses a recognized adaptative capacity barriers, constraint and challenges in the region. • Addresses a clearly identified constraint to increasing the quantity, quality, or effectiveness of adaptation investment, finance, or risk management. • Inclusiveness, regional learning, and partnership value, including GEDSI considerations, knowledge sharing, and potential regional benefits. • Complementarity with existing and planned support, inclusiveness, and regional value – avoids duplication with existing initiatives, promotes coordination and knowledge sharing.
The project is transformational	• Demonstrated potential for upscaling, replication, and policy integration to support long term adaptation potential beyond the project 'boundary'.
Co-benefits are demonstrated	• Environmental, social and economic co-benefits are identified. • Social co benefits must be gender sensitive and inclusive, ensuring equitable access to services and livelihoods.
GEDSI considerations are incorporated into design	• Gender and social analysis has been undertaken. • Vulnerable groups are identified and the project actively reduces their vulnerabilities. • The project clearly supports improved access to infrastructure and services for all through gender-responsive and universal design standards. • Gender analysis and Gender Action Plans prepared.
Nature based solutions are implemented	• The relevant sub-project(s) under component 2 incorporates nature-based solutions. If not, clear explanation why Nature based Solutions are not appropriate is required.
Environmental and social safeguards are provided to mitigate risks	• Safeguard categorization and compliance with ADB's Environmental and Social Framework. • Social risks are evaluated and risk mitigation measures are designed into the project and project administration manual and action plans. Including: grievance redress mechanisms, gender-based violence, sexual exploitation abuse and harassment, and inclusive stakeholder consultation processes. • Environmental risks are evaluated and risk mitigation measures are designed into the project and project administration manual and action plans.
Stakeholder engagement is demonstrated	• Stakeholder engagement with infrastructure operators during the design process is clearly demonstrated. • Stakeholder engagement with beneficiaries during the design process is clearly demonstrated. • Stakeholder engagement outcomes are incorporated into project design.
Country ownership is demonstrated	• The sub-project is supported by the recipient government and NDA • The sub-project aligns with national climate policies.
Additionality, efficiency, and affordability is demonstrated	• Number of direct and indirect beneficiaries has been estimated. • An economic and financial appraisal has been developed that can demonstrate (i) the project's economic rationale for adaptation (e.g. avoided losses, resilience return on investment RROI), (ii) affordability to beneficiaries, and (iii) cost efficiency
Grant eligibility.	Must meet one of the below: • Recipient country is an ADB Development Member Country within the ADF Grant, OCR Blend or ADF Blend lending category. AND Clear rationale for the need for grant funding is provided and illustrated in the financial appraisal (for example, debt stress, investment in public good, project is a non-revenue-generating activity, high additional cost of adaptation and resilience). Must align to indicative country and sector floors and ceilings, as follows: • in order to promote an equitable regional distribution of GCF resources, each country may receive between 1.2% and 15% of GCF resources. The

	floors/ceilings are indicative and may be adjusted in order to optimally align with the other criteria in this Table. • No one sector can receive more than 34% of GCF resources. Flexibility will be maintained for other sectors to ensure RPACA is able to flexibly respond to emerging priorities and opportunities.
Appropriate monitoring and learning frameworks are provided	• Sub-projects must be aligned with the overall RPACA Theory of Change and incorporate the program's results architecture into their respective design and monitoring frameworks. Specifically, outcome and output level indicators where appropriate, as well as the co-benefit indicators. This ensures that data and lessons can be consolidated at the program level for reporting to GCF. • All monitoring data must be sex- and age-disaggregated, enabling analysis of how different social groups are affected by or benefit from the intervention. Gender-sensitive and inclusive indicators should be incorporated into results monitoring. • MEL systems must enable real-time learning and course correction. Projects should have mechanisms in place to review progress, identify bottlenecks, and adapt strategies accordingly during implementation. • Projects must include dedicated activities for the documentation and dissemination of lessons learned success stories, challenges, and innovations. These learnings should be used to inform potential scaling, replication, and policy dialogue, in line with RPACA Theory of Change and ADB's knowledge-driven development mandate.
Additional considerations applicable to Activity 1.2.1.2 (Capitalize MSME adaptation guarantee windows)	
General Criteria	• Financial institutions in Host Countries of Independent State of Papua New Guinea, Independent State of Samoa, Solomon Islands, Kingdom of Tonga, and Republic of Vanuatu are eligible to participate in Activity 1.2.1.2. • Each participating financial institution can receive no more than $2 million (two million US dollars) for the purposes of capitalizing MSME adaptation guarantee windows. • Such capital can only be committed after Activity 1.2.1.1 confirms demand and determines specific thresholds for each category listed in this table.
Eligibility of PFIs	• Participating financial institutions will be selected through a country-level due diligence process. • Eligible PFIs are expected to be licensed and prudentially regulated financial institutions with demonstrated financial soundness, sound governance, adequate operational capacity and experience in MSME lending.[65] • Institutions should satisfy applicable integrity, environmental and social safeguard, and reporting requirements, and demonstrate their ability to originate, monitor and administer eligible adaptation lending portfolios in accordance with the Facility's operational requirements. This can be waived in well-justified cases, as outlined in ADB's policy on Sovereign Financially Intermediated Loans. • Final eligibility criteria and any country-specific financial thresholds will be established during detailed facility design and documented within each country window's operating manual.
Basic Underwriting Criteria	• Eligible adaptation investments are screened by PFI before any credit decision is taken. The PFI will confirm that the proposed loan satisfies the two-layer eligibility test: that the underlying investment qualifies under the Adaptation Investment Eligibility and Assessment Framework (outlined in Table 1 above), and that the loan meets the Portfolio Guarantee Eligibility Requirements outlined in this table at all times. • Credit appraisal, scoring and the final lending decision are then undertaken by the PFI in accordance with its own established credit policies, underwriting standards and risk appetite. The PFI lends from its own balance sheet and retains full responsibility for the credit decision. • The guarantee shares a portion of portfolio credit risk on eligible loans; it does not replace prudent lending standards, does not substitute for the PFI's credit judgement, and does not indemnify lenders against poor underwriting practices. Loans that are eligible but do not meet the PFI's credit criteria are not required to be made. • Risk sharing will be tailored to each eligible country's market, which will be determined through PFI due diligence, assessments including the level of market failure and maturity

[65] The eligibility criteria will follow the guidance provided in ADB's Sovereign Financially Intermediated Loan policy document.

	of MSME adaptation lending in the country, and legal reviews. The facility may adopt pari passu, first loss, or hybrid approaches, depending on assessment findings. Loss sharing structures, detachment points, and maximum facility liability will be calibrated to each country based on available loss-side evidence (non-performing loans stock).
Eligible Borrowers	MSMEs meeting programme definitions and the lending criteria of participating financial institutions. The respective country facility may establish additional requirements relating to enterprise size, business activity, operating history, or geographic focus areas to support programme objectives.
Loan Size Limits	Minimum and maximum loan sizes may be established to ensure the facility targets underserved MSME market segments and achieves an appropriate balance between outreach, diversification and administrative efficiency.
Sector Requirements	The facility may establish sector eligibility or concentration parameters to promote alignment with country adaptation priorities, encourage diversification, and avoid excessive exposure to individual sectors or value chains.
Portfolio Concentration Limits	PFIs, at their discretion, may limit exposure to individual borrowers, sectors, geographic areas or other risk categories to support prudent portfolio management and reduce concentration risk.
Guarantee Coverage Rules	The respective national facility will establish guarantee coverage percentages, portfolio caps, loss-sharing arrangements, claims procedures and recovery requirements to balance risk sharing between participating financial institutions and the facility while maintaining appropriate lending incentives.

Note: The above criteria for 1.2.1.1 represent the proposed programme-level design framework and remain subject to further due diligence, consultation and confirmation. Before implementation, specific eligibility criteria will be calibrated according to each RPACA member's national financial sector and market conditions, respective MSME financing needs, institutional arrangements, and the design and operating requirements of any existing national guarantee facility or mechanism. Existing facilities will be used and adapted where appropriate, with additional requirements introduced where necessary to meet RPACA objectives and applicable ADB policies, requirements and procedures. Final eligibility criteria, risk parameters and operational arrangements will be agreed at country level and reflected in the relevant facility documentation.

Component 1: Enhancing Pacific Island Countries' Access to Climate Finance

In 2025, Pacific Islands Forum Economic Ministers endorsed the Pacific Climate Finance Access and Mobilization Strategy (CFAMS) as the region's central framework to strengthen how PICs access, manage, and scale climate finance. Closely aligned with the 2050 Strategy for the Blue Pacific Continent and the Pacific Roadmap for Economic Development (PRED), CFAMS focuses on enhancing institutional capacity, streamlining access to international climate funds, and mobilizing private capital to support resilient development pathways. Within this context, RPACA has been recognized by Forum Economic Ministers as a flagship regional initiative, with a critical role in translating regional priorities into investment-ready, programmatic proposals that can unlock new and diversified sources of climate finance.

Component 1 is designed across three outcomes as illustrated in Figure 12 to strengthen the capacity of PICs to access, mobilize, and manage climate finance at the scale their adaptation needs require. PICs need to invest approximately 6.5-9.0% of GDP in adaptation annually (around US$1 billion) to confront the rising effects of climate change – but current flows only reach approximately US$220 million per year.[66] This shortfall reflects persistent weaknesses in the institutional and fiscal systems through which investments are identified, appraised, and financed, and in the financial systems through which capital is raised and intermediated - weaknesses that constrain public and private finance alike (though in different ways).

Component 1 establishes the enabling conditions required for RPACA to deliver transformative, sustained climate resilience across the Pacific. Its central objective is to equip MoFs, governments and financial institutions with the capacity and resources to develop, finance, and implement pipelines of good-value adaptation investments, to sustain these activities over the long term, and to facilitate private sector investment.

Component 1 addresses priority actions under CFAMS and supports its operationalization by addressing the systemic constraints that have historically limited access to and effective use of climate finance in the

[66] Pacific Islands Forum Secretariat, *Agenda Item 6A: Climate Change Finance*, PIFS (22) FEMM.6a, 2022.

Pacific[67]. Through long-term capacity development within MoFs and national institutions, it supports integration of climate and disaster risks and resilience considerations into budgeting, fiscal planning, public investment management, and financial oversight. This embeds climate resilience at the core of public financial systems and financial markets, improves countries' absorptive capacity in line with CFAMS objectives, and helps shift adaptation finance from fragmented, project-by-project interventions to a coherent, programmatic approach. The focus extends beyond improving access to external climate finance to a broader climate fiscal risk management approach, including assessing the macro-fiscal impacts of climate change and strengthening domestic revenue resilience.

At the regional level, Component 1 will enhance coordination, standardize tools, and streamline engagement with international climate funds, directly supporting CFAMS' goal of more efficient and programmatic access. By strengthening the fiscal systems, investment pipelines, institutional capabilities, and incentive frameworks that underpin climate-resilient investment, Component 1 provides the foundations which enhance the sustained impacts of Component 2 – and later Components 3 and 4.[68]

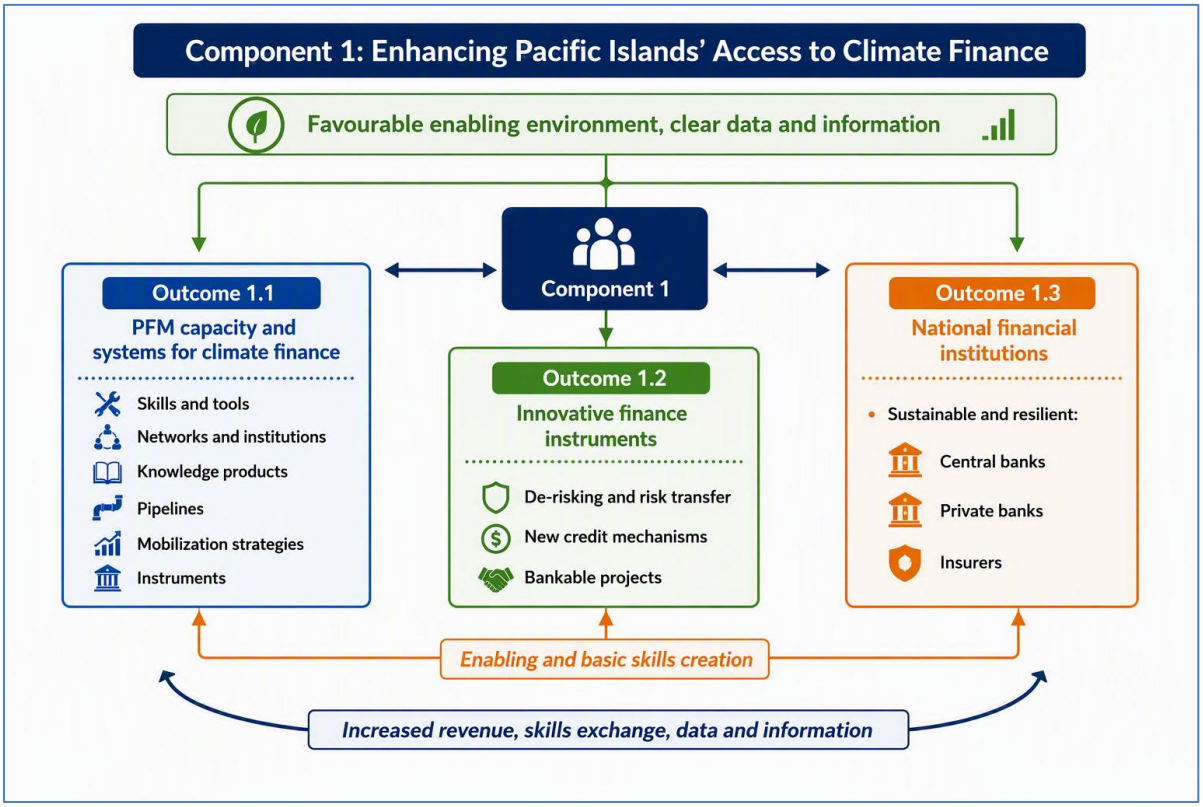


Figure 12: Outcomes under Component 1

To achieve this, Component 1 has three mutually supportive Outcomes (see Figure 12):

- Outcome 1.1 works through Ministries of Finance and national institutions. It builds the human capital, institutional conditions, and PFM systems and tools MoFs need to engage effectively with technical assistance and increase the quantity and quality of adaptation investment: investing in skills development and upskilling across Government staff, and integrating risk analytics into fiscal planning, integrating risk analytics into fiscal planning, strengthening the appraisal and prioritization of adaptation investments, and expanding countries' access to diversified climate finance instruments, mechanisms, and sources. It also strengthens peer learning networks, knowledge management systems, and regional coordination mechanisms needed to scale

[67] PIFS. 2025. Forum Economic Ministers Meeting 2025. Agenda Item.8: Investment Forum (Access to Climate Finance). Suva, Fiji: Pacific Islands Forum Secretariat. Available: https://forumsec.org/sites/default/files/2026-01/PIFS%2825%29FEMM.8%20%E2%80%93%20Investment%20Forum%20%28Access%20to%20Climate%20Finance%29.pdf

[68] Note: approval of this document does not imply GCF commitment to either Components 3 and 4, nor to the contents of Components 3 and 4 should they be approved

investment in adaptation. This upgrading of the public sector also enables future private sector development.

- Outcome 1.2 works through financial instruments and mechanisms. Through five sub-projects, it supports the development, piloting, and scaling of innovative financial instruments and mechanisms applicable across the region, targeting adaptation. As MSMEs are the backbone of the Pacific economies, this notably includes a blended finance platform for MSME adaptation lending. Outcome 1.2 further establishes the Pacific Infrastructure Risk Advisory and Transfer (PAC-INFRAT) advisory mechanism, and the feasibility and market testing of further instruments.
- Outcome 1.3 works through national financial institutions. It strengthens national financial institutions, including central banks, financial regulators, and commercial and development banks to integrate climate risk into supervision, regulation, and lending practices in a sustained way. It complements Outcome 1.1 with its ultimate focus to facilitate private investment.

The three Outcomes are mutually reinforcing, and each is insufficient alone. Outcome 1.1 supports governments to identify, appraise, and prioritize adaptation investments and build the financing strategies needed to support them. Outcome 1.2 determines whether instruments and mechanisms exist (through public and private capital) to reach those investments. Outcome 1.3 determines whether national financial institutions are equipped to assess climate risk and lend and invest accordingly. Component 1 pursues all three in parallel, establishing the enabling conditions on which Component 2 will build.

ADB's knowledge, management and learning activities under component 1 are limited to generating implementation-focused knowledge and technical learning that directly supports the design, delivery and adaptive management of Components 1 and 2, including innovative climate finance, climate-resilient infrastructure and coastal adaptation, without establishing parallel regional knowledge platforms. These outputs- including technical guidance, policy notes, toolkits and implementation lessons- will be shared with the future SPREP-led Component 4[69], which will lead programme-wide knowledge management, regional learning, synthesis and dissemination through existing regional mechanisms such as the Pacific Climate Change Centre. This proposed clear division of roles ensures complementarity by positioning ADB as the generator of sector and investment-specific knowledge and SPREP as the regional knowledge integrator and disseminator on climate change, avoiding duplication while strengthening the overall RPACA learning ecosystem.

Outcome 1.1: Climate-, disaster-, and gender-responsive public financial management capacity of Pacific Island Countries' Ministries of Finance and national institutions strengthened

Description: Outcome 1.1 addresses a specific and well-evidenced set of constraints within Pacific governments related to adaptation finance. It addresses gaps in two interconnected layers of PFM. The first is foundational: the core budget processes, expenditure management systems, fiduciary controls, and fiscal risk frameworks that underpin all government financial activity. The second is the climate PFM layer that depends on these foundations: the systems through which governments identify climate risks, plan and appraise adaptation investments, and build the financing strategies needed to attract and sequence capital. Outcome 1.1 constitutes a programmatic response to both layers, beginning with the foundational human capital and institutional conditions that must be in place before technical assistance can be leveraged, building up to specific PFM reforms needed to generate investable adaptation pipelines and diversified, country-led financing strategies. See Annex 2, Chapter 10 for a full assessment of PFM across the Pacific and implications for adaptation finance.

This outcome combines long-term, systemically anchored capacity development within Ministries of Finance (MoFs) and related public institutions with support to strengthen the systems and tools needed to integrate climate and disaster risks into PFM systems and investment decision-making and investment management.

Capacity will be built through training, professional development, peer learning, knowledge systems, and regional coordination mechanisms. The focus goes beyond improving access to external climate finance to embedding a broader fiscal risk management approach, including understanding the macro-fiscal implications of climate change, strengthening domestic revenue resilience (e.g. other climate-sensitive sectors of PICs), and improving national systems to identify, manage, and finance climate and disaster risks in a holistic and sustainable way.

[69] Note: approval of this document does not imply GCF commitment to either Components 3 and 4, nor to the contents of Components 3 and 4 should they be approved

This Outcome addresses three core gaps: weak climate risk integration in fiscal planning, limited translation of adaptation priorities into bankable project pipelines, and constrained access to diversified climate finance instruments (see Annex 2, section 10.3 for analysis of gaps). It focuses on strengthening the systems and tools needed to deliver key PFM functions: climate fiscal risk assessment, management and resource mobilization. Rather than developing PFM and budget support from the ground up, it aims to draw together existing risk data (PCRAFI, SPREP, SPC), analysis (PFTAC), and regional coordination and finance mechanisms (PIFS, ADB, GCF) to develop jointly owned regional tools.

Outcome 1.1 support is structured in two tiers. Foundational support under Outputs 1.1.1-1.1.3 (capacity development, regional coordination, and climate-fiscal risk assessment tools) is offered to all 14 PICs. A smaller sub-set of countries with a more established foundation for climate-responsive PFM (higher implementation readiness) would receive full support across Outputs 1.1.1-1.1.5, adding climate risk management and public investment planning (1.1.4) and climate resource mobilization (1.1.5) so that all three functions are strengthened together. Drawing on the ongoing PFRI regional mapping of PFM practices (see section 9 of Annex 2), the preliminary candidates for this fuller package are Fiji, Samoa, Tuvalu, Solomon Islands, PNG and Palau, each of which is developing MoF-led approaches to climate-responsive PFM systems. The final selection of countries will be confirmed at inception stage through a structured readiness assessment applying five criteria:

- an established, MoF-led basis for climate-responsive PFM across all three PFM functions (risk assessment, risk management, resource mobilization), assessed using the country diagnostic results from the PFRI review;
- government demand and ownership, evidenced through direct MoF consultation and documented commitment such as a formal expression of interest or the reflection of climate-responsive PFM in national fiscal planning;
- absorptive and implementation capacity, assessed against each country's track record of delivering comparable PFM or climate-finance reforms within programme timeframes;
- the size of the adaptation investment gap relative to the economy, drawing on the fiscal-risk exposure estimates in the PFRI regional report;
- and complementarity with existing and planned support, confirmed through a mapping of current climate-PFM engagements to avoid duplication and enable co-financing.

The above selection criteria of countries will be guided by a documented readiness matrix scoring each DMC against the five dimensions, providing a basis for confirming or adjusting the preliminary shortlist at inception. The intention is not to exclude other PICs, but rather to build on existing baseline, momentum and generate practical lessons, tools, and demonstration effects that can accelerate uptake and learning amongst other countries in the region.

Output 1.1.1: Skills and capacity to address climate-, disaster-, and gender-responsive Public Financial Management (PFM) are enhanced, retained, and applied

Description: Despite increasing volumes of climate finance in the Pacific, persistent institutional and human-resource constraints limit countries' ability to access and manage funds effectively through national systems. Climate change units and MoFs often operate in silos, resulting in weak integration of climate finance into budgeting, fiscal planning, public investment management, and oversight frameworks. Technical assistance has historically focused on environmental ministries, while the fiscal systems responsible for budgeting, debt, and expenditure management lack ownership and capacity (see Annex 2, section 10 for barriers).

Critical technical skills gaps exist in climate-sensitive fiscal risk analysis, disaster risk finance, climate budget tagging, resilient public investment management, and monitoring and evaluation of adaptation expenditures. High staff turnover and limited career incentives undermine institutional memory and sustainability. Short-term consultancy models have further limited durable systems change, with reforms often reverting once external support ends. Output 1.1.1 addresses these challenges through establishing long-term, regionally anchored capacity development that positions MoFs as co-drivers of climate finance design, appraisal, implementation, reporting, and oversight. It supports the adoption and sustained use of climate-responsive PFM tools, increased volumes of climate finance managed through country systems, and stronger alignment with gender equality, disability inclusion, and social equity objectives.

Output 1.1.1 Activities - Complementarity and Gap Filling

This Output is designed as a single continuum: the stackable credentials architecture allowing Pacific participants to progress through their careers. Activities 1.1.1.1 through 1.1.1.5 are inter-related and mutually reinforcing, targeting distinct populations and career pathways and stages. After the assessments (1.1.1.1), 1.1.1.2 upskills current mid-career staff through short courses, while 1.1.1.3 builds the entry pipeline of new graduates. Activities 1.1.1.4 and 1.1.1.5 are mechanisms to convert individual skills into regional institutional memory.

All activities have been deliberately designed for cost-efficiency by working through existing platforms rather than creating new structures. The activities are designed to addresses a critical gap in the Pacific by developing, retaining, and institutionalising the specialised workforce needed to embed climate and disaster risk considerations within public financial management systems. Through integrated skills assessments, stackable learning pathways, professional development, and regional knowledge networks, the output ensures that adaptive capacity is sustained within national and regional institutions, enabling more effective planning, financing, and implementation of climate-resilient investments over the long term.

Box 1: Output 1.1.1 Activities - Complementarity and Gap Filling

Delivery will follow a two-phase approach:

- Phase 1 (Year 1): Capacity Needs Assessments (CNAs), programme design, knowledge portal development, and peer network setup.
- Phase 2 (Years 2–3): Scaled delivery through regional cohorts, scholarships, internships, peer convenings, and operation of online platforms.

Activity 1.1.1.1: Update Skills Needs Assessments on Climate, Disaster, and Gender-responsive PFM and Investment Planning

Update assessments will be conducted with MoFs and relevant central agencies in all 14 PICs to assess institutional and technical capacity related to climate- and disaster-responsive PFM and investment planning (see Annex 2)[70] . The assessments will identify priority gaps, inform programme design, and tailor training and institutional support. SAs will be undertaken collaboratively with ADB experts and regional academic partners to ensure relevance, ownership, and alignment with national reform processes.

Activity 1.1.1.2: Develop Certified Professional Development Programmes

This activity supports the co-design and delivery of certified professional development programmes in climate- and disaster-responsive PFM and investment planning. Programmes will be modular and flexible, allowing participants to progress from individual courses to full professional certification. Target groups include young professionals, mid-career and senior civil servants from MoFs, planning agencies, climate finance units, treasuries, and related institutions, with priority for women, persons with disabilities, and under-represented Pacific communities.

Curricula will be structured around functional MoF roles, including climate-responsive budgeting, fiscal risk and disaster risk finance, and resilient public investment management. Delivery will use a training-of-trainers' model with national public service institutions and regional universities providing certification and quality assurance. Regional exchanges and study tours will be incorporated where appropriate.

Activity 1.1.1.3: Establish Postgraduate Qualifications and Skills Development Internship Programme

This activity supports postgraduate qualifications and structured entry pipelines to build a future cohort of climate-responsive PFM professionals. In partnership with regional and national universities, stackable postgraduate programmes will allow progression from certificate to diploma to master's level. Internships and mentorship placements will provide practical experience across budgeting, investment planning, treasury, audit, and climate finance functions, linked to concrete PFM reform priorities such as climate budget tagging or disaster risk finance strategies. Scholarships, internships, and exchanges will reduce entry barriers and strengthen long-term public-sector talent retention.

[70] Existing capacity and needs assessments in the Pacific region are largely fragmented, outdated, or project-specific, often focused on general PFM or earlier phases of climate finance readiness support rather than current climate-responsive budgeting and investment systems. Many were developed prior to the latest updates in NDCs (2.0 and 3.0), NAPs, and evolving climate finance architectures (e.g. CFAMS), meaning they do not fully reflect current implementation gaps, institutional mandates, or the increasing complexity of climate-related fiscal risks. An updated Capacity Needs Assessment is required to ensure alignment with revised NDCs, NAPs, and emerging climate risks and finance frameworks, enabling ADB to accurately identify current institutional gaps and tailor capacity building to support effective implementation of national climate and investment priorities across Pacific SIDS.

Activity 1.1.1.4: Establish Peer Learning Network

A peer-to-peer learning network will be established through existing platforms (e.g. Pacific Climate Change Centre, RCM-PFM), linked to regional policy processes such as FEOM and FEMM. The network will facilitate knowledge exchange, dissemination of tools, and adoption of PFM reforms, ensuring learning is embedded within active decision-making processes.

Activity 1.1.1.5: Develop and Launch a Climate- and Disaster-Responsive PFM Knowledge Portal

A federated online knowledge portal will aggregate existing Pacific resources into a single, MoF-relevant platform. Hosted on or integrated with existing regional systems, the portal will provide self-paced learning modules, practical tools, and case studies relevant to climate-responsive PFM and investment planning.

Together with the network (1.1.1.4), this portal addresses the core problem of high staff turnover and the failure of short-term engagement models. The portal codifies knowledge, mitigating the loss of expertise when trained staff move on, while the network sustains application of skills in official duties. The portal will aggregate and organize existing but currently fragmented Pacific resources (i.e. the PCCC, the Pacific Climate Change Portal, Pacific Disaster Net, and partner-developed PFM tools) under a common taxonomy relevant to Ministries of Finance. This will build upon activities implemented under ADB's Pacific Fiscal Resilience Initiative, applying processes that are currently being developed for Papua New Guinea. This will be particularly useful for smaller PICs whose officials cannot regularly participate in regional convenings.

Efforts will be made to engage some or all of the following partners (which already have established partnerships with ADB):

- National and regional universities: UPNG, USP
- Regional CROP agencies: PIFS, SPREP-PCCR and SPC
- International Partners: Universities (SOAS, ANU), IFIs (IMF / PFTAC)
- Formal Coordination Mechanisms: RCM-PFM.

Contribution to RPACA Objectives:

- Strengthens core PFM systems by embedding climate and disaster risk considerations into budgeting, fiscal planning, and investment decision-making processes across Pacific Island Countries
- Builds a sustained pipeline of skilled professionals through certified training, postgraduate pathways, and internships, ensuring long-term institutional capacity rather than short-term technical assistance.
- Enhances country ownership and use of national systems by equipping Ministries of Finance to design, access, manage, and track climate finance directly.
- Promotes regional coherence and peer learning, enabling countries to adopt, adapt, and scale best practices in climate-responsive PFM through networks, exchanges, and shared tools.
- Establishes durable knowledge infrastructure (e.g., portal and learning systems) to retain institutional memory, standardise tools, and support continuous learning and reform implementation.

Complementarity and coherence with PIC climate readiness:

- Aligns with and builds on existing GCF Readiness and preparatory support by moving beyond short-term technical assistance toward institutionalized, long-term PFM capacity, ensuring that readiness investments translate into sustained system reforms and increased use of country systems.
- Reinforces Climate Finance and Economic Management reforms supported by embedding climate risk into fiscal frameworks, public investment management, and budgeting processes, thereby operationalizing policy commitments into actionable financial decision-making tools.
- Enhances regional coherence across Pacific climate initiatives (e.g., PIFS, SPREP, PCCC platforms) through shared methodologies, peer learning networks, and a common knowledge portal, reducing duplication and ensuring consistent application of climate finance and PFM approaches across PICs.
- Strengthens complementarity with multilateral and bilateral partner programmes (including ADB, World Bank, and GCF projects) by providing the institutional backbone - skills, systems, and

pipelines - needed to absorb, manage, and scale climate finance, thereby improving overall effectiveness and coordination of climate investments in the Pacific.

Expected Results: PICs achieve sustained, system-wide improvements in climate-responsive public financial management, enabling increased access to, effective use of, and long-term scaling of climate and disaster risk finance through strengthened national institutions.

Output 1.1.2: Regional climate finance and adaptation planning coordination with gender equality and inclusion mainstreamed and enhanced.

Description: Coordination and collaboration across the region are generally strong and built upon many existing mechanisms, for example PIFS, SPREP, SPC etc. Weaknesses in current collaboration mechanisms tend to be more at the operational and technical levels, collaboration is stronger at the political level. Further, there are no existing mechanisms with a focus, at the technical level, on climate finance and climate resilient infrastructure. This Output, through initially guiding and technically steering the broad range of RPACA partners and activities, and through the production and development of a series of targeted knowledge and policy products, will build a strong community of practice across these innovative domains. Activities initially under this Output aim to support project roll out and implementation and grow into an enduring support and collaboration mechanism, coordinating technical and policy responses to the climate change challenge.

This collaboration mechanism will be housed within existing facilities in the region. Although the optimal form of this collaboration mechanism is yet to be determined, a strong possibility is a semi-formal community of practice - Pacific Climate Infrastructure Finance Community of Practice (CIFCOP). It is anticipated to function as a non-binding, practice-based forum for sustained collaboration on adaptation financing, addressing sea level rise, infrastructure resilience, climate-smart agriculture, and integrated water management, operating in full respect of national sensitivities. CIFCOP will be explicitly inclusive, ensuring representation of women, persons with disabilities, youth, and marginalized communities in governance and knowledge exchange. The key strategy is that the CIFCOP will be created and built through practice: from the outset, it will be charged with implementing, supervising, and overseeing specific tasks, acquiring the skill sets, experience, and credibility needed to develop into a sustainable, self-sufficient mechanism over time.

Output 1.1.2 addresses all knowledge management and learning directly related to Components 1 and 2. It does not cover knowledge management and learning for Components 3 and 4[71]. Initially, in addition, 1.1.2 will address overall, RPACA program level, knowledge management and learning needs. However, once under implementation, Component 4[72] is responsible for all overall, program level, knowledge management and learning needs.

Activity 1.1.2.1: Advise and steer Programme roll-out and implementation

Steering Committee and Advisory Panel structures will be codesigned with participating governments and regional stakeholders to provide strategic oversight, facilitate country ownership, coordinate implementation across programme components, and monitor programme performance. This activity supports governance functions, including Steering Committee and Advisory Panel meetings, technical advice, secretariat support, and participation of member countries and regional partners. Meetings will be aligned with existing regional fora and delivered through hybrid modalities where feasible to minimise costs. Initially, the governance arrangements will oversee Components 1 and 2 and will be expanded to include Components 3 and 4 as implementation commences. See Section B.4 RPACA Governance Structure for more information.[73]

Activity 1.1.2.2: Prepare and issue regional knowledge products and policy briefs

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This activity supports generation and dissemination of regional knowledge products related to components 1 and 2, i.e. with a focus on climate finance and investment infrastructure planning. These could cover, for example: transformational adaptation, including programmatic and regional approaches; nature-based and community-driven pathways; and private-sector engagement, including on financial mechanisms. Outputs may include policy briefs, toolkits, digital products, and regional action roadmaps. Note, this activity does not cover knowledge management and learning for Components 3 and 4. Initially, prior to the start-up of Component 4[74], 1.1.2.2 will cover program level knowledge or policy products. However, once under implementation, Component 4[75] is responsible for program level, knowledge management and learning needs.[76,77]

Activity 1.1.2.3: Establish a self-sustaining, Pacific climate infrastructure finance community of practice (CIFCOP)

Based on the partnerships developed and the experience acquired through the two preceding activities, forms and modalities to establish a permanent, durable, self-sufficient knowledge platform will be explored and developed. A feasibility study will be developed through a thorough analysis of related existing entities, a full assessment of needs and resources, elaboration of a workplan, and a business and financing strategy. Membership criteria and governance frameworks will ensure balanced representation across genders, age groups, and abilities, and equity outcomes will be tracked in the workplan.

Contribution to RPACA Objectives:

- Strengthens regional knowledge generation and dissemination on transformational adaptation approaches, enabling countries to access, apply, and scale best practices.
- Promotes practice-based learning and institutional credibility by linking knowledge development directly to implementation tasks, ensuring the CIFCOP or equivalent evolves as a functional and results-driven platform.
- Supports the creation of a self-sustaining, long-term regional platform for climate policy coordination, technical exchange, and programmatic adaptation planning beyond RPACA.

Expected Results: A sustainable, regionally owned institutional platform is established to coordinate, guide, and scale climate adaptation ambition, finance, and implementation across PICs.

Complementarity and Coherence with PIC Climate Readiness Actions:

- Builds on GCF Readiness and preparatory support by providing a permanent regional platform (CIFCOP) that consolidates and sustains knowledge, tools, and institutional linkages developed through readiness projects.
- Reinforces Climate Finance and Economic Management (CFEM) processes by offering a regional coordination and peer-learning mechanism that supports consistent application of fiscal resilience, planning tools, and climate finance strategies for planned climate investments.
- Aligns and coordinates with existing regional architecture (e.g., PIFS, SPREP, PCCC, SPC) by embedding CIFCOP, avoiding duplication and strengthening coordination across climate, finance, and sectoral initiatives.
- Enhances donor and partner coherence (ADB, GCF, World Bank, bilateral programs) by serving as a central platform for knowledge exchange, policy alignment, and programmatic approaches, improving the effectiveness and scalability of climate investments in the Pacific.

Output 1.1.3: Climate-related fiscal risk analytics and budget integration tools developed.

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[76] Note: approval of this document does not imply GCF commitment to either Components 3 and 4, nor to the contents of Components 3 and 4 should they be approved

[77] Output 1.1.2 will address all knowledge management and learning directly related to Components 1 and 2. Overall, program level knowledge management and learning is addressed under Component 4 that is to be developed as a separate FP by SPREP. As Component 4 is to be operationalized later and given the critical need to start early with knowledge and learning, this may be covered initially by 1.1.2 and later coordinated with SPREP and SPC.

Description: This output builds government capacity to identify, measure, and disclose climate-related fiscal risks (Activity 1.1.3.1) and embed them in fiscal and budgetary frameworks (Activity 1.1.3.2).

Activity 1.1.3.1: Develop gender-responsive climate fiscal risk analytics

Standardized methodologies will be developed to translate existing hazard assessments (from PCRAFI, SPREP, and SPC) into economic cost estimates usable by MoF staff. The analytics will combine scenario analysis and fiscal stress-testing (modelling the budgetary impact of cyclones, floods and slow-onset events under alternative climate and macro-fiscal pathways), open-source models that finance ministries can maintain and run internally, and a shared regional climate-economic database that pools hazard, exposure and loss data across countries. Because these tools and the underlying methodologies are regional resources, they are developed once and made available to all 14 PICs. This aims to fill a critical gap identified through the forthcoming ADB-led review of public financial management systems: Ministries of Finance lack decision-relevant climate fiscal risk information. This gap persists despite ongoing efforts (see section on complementarity and coherence with ongoing actions).

Activity 1.1.3.2: Develop and integrate gender-responsive budget tools and processes

Inter-ministerial coordination mechanisms, revised Medium-Term Fiscal Framework (MTFF) templates, and budget guidance will be developed to ensure climate risk information systematically informs budget and investment decisions across all PICs. This support will use PFTAC and World Bank PFM diagnostics as the starting point, and time its work around each country's existing PFM reform cycle.

Contribution to RPACA Objectives:

- Strengthens national fiscal resilience systems by embedding climate-related fiscal risk analysis into budgeting, debt sustainability assessments, and macro-fiscal planning processes (Activity 1.1.3.1).
- Enhances evidence-based decision-making in Ministries of Finance through standardized climate fiscal risk methodologies that translate hazard data into economic and fiscal cost estimates.
- Improves integration of climate risk into core budget processes by establishing inter-ministerial coordination mechanisms and formalized data flows between sector agencies and MoFs (Activity 1.1.3.2).
- Supports systematic incorporation of climate considerations into national planning frameworks through revised MTFF templates and budget circular guidance aligned with climate risks.
- Builds regional consistency in fiscal risk assessment and reporting by developing shared tools, templates, and economic analysis frameworks applicable across Pacific SIDS.

Expected Result: PICs systematically integrate climate-related fiscal risks into national budgeting and planning systems, improving fiscal resilience, investment prioritization, and long-term economic stability.

Complementarity and Coherence with PIC Climate Readiness Actions:

- Advances CFAMS objectives by strengthening the core fiscal and planning systems that underpin improved access to, and effective use of, climate finance, particularly through enhanced absorptive capacity within Ministries of Finance.
- Builds on IMF/PFTAC and World Bank PFM support (including PEFA and Climate-PIMA diagnostics, advisor missions, and macro-fiscal analyses) by institutionalizing these diagnostics as internal tools.
- Transitions GCF Readiness investments in fiscal risk, PFM, and climate budgeting from pilots into institutionalized, government-led fiscal risk processes embedded in the national budget frameworks.
- Converts regional climate and disaster data (PCRAFI, SPREP, SPC) into standardized fiscal and economic decision-making tools, ensuring risk information is in a format fiscal and budgetary processes can absorb.
- Delivers through ADB's existing relationships with Pacific Ministries of Finance and GCF NDAs, allowing RPACA to embed these tools within institutions ADB already works with rather than building new entry points.

Output 1.1.4: Climate Adaptation Investment Planning (CAIP) framework for appraising and prioritizing climate adaptation investments established.

Description: This output strengthens the policy and institutional architecture through which central agencies plan, appraise, and prioritize climate adaptation investment. It supports Ministries of Finance and central planning agencies to develop and institutionalize Climate Adaptation Investment Planning (CAIP) frameworks that integrate climate risk into public investment programming and budgeting. Applying these frameworks enables governments to produce national adaptation investment plans that translate adaptation priorities into prioritized, costed, and sequenced pipelines, which feed into existing infrastructure planning, private finance, and PPP channels.

Activity 1.1.4.1: Develop and institutionalize Climate Adaptation Public Investment Planning (CAIP) frameworks

CAIP will support finance, planning and line agencies to align public investments with adaptation objectives through investment in institutions, capacity, infrastructure and technology. Support will be provided to strengthen the policy and institutional architecture for risk assignment; enhance climate-aligned public investment programming and budgeting; and align fiscal instruments (e.g. tax and subsidy policy) with adaptation objectives. Support will also include structured dialogue platforms that will bring governments and private investors together to address bankability constraints, support project preparation, and advance priority projects toward financing. This will enable governments to produce national adaptation investment plans, aligned with their fiscal frameworks, that translate adaptation priorities into programmatically sequenced, costed pipelines.

Contribution to RPACA Objectives:

- Strengthens the Ministry of Finance mandate and coordination role in climate-aligned public investment planning by establishing the inter-ministerial coordination mechanisms through which MoFs and sector agencies jointly prioritize and finance adaptation investment (Activity 1.1.4.1).
- Enables governments to develop prioritized, costed, and sequenced adaptation investment pipelines that align climate risk information with national development strategies and fiscal frameworks.
- Improves Strengthens national standards and processes for project preparation, including guidance on concept development, feasibility studies, and financial structuring, applied by agencies to advance priority adaptation investments.
- Establishes structured investment dialogue platforms and pipeline review mechanisms through which governments and private investors jointly address bankability constraints (Activity 1.1.4.1).

Expected Result: PICs develop and operationalize prioritized, bankable, and finance-ready adaptation investment pipelines that systematically integrate climate risk into public investment planning and enable scaled climate finance mobilization, a key CFAMS priority of the region.

Complementarity and Coherence with PIC Climate Readiness Actions

- Complement existing investment planning activities by working with ministries of finance and central planning agencies to plan and allocate public finance to investments that advance resilience. This may include PPP investments. This notably complements the work of the Pacific Region Infrastructure Facility (PRIF)[78] with sector agencies on investment planning and investment preparation. This also notably complements the work of ADB's Office of Markets Development and Public-Private Partnership (OMDP)[79] on the structuring and setting-up of individual PPP transactions. Project pipelines informed by CAIP will be fed into existing infrastructure plan, private-finance and PPP channels (including those supported by PRIF, OMDP, and the ADB Wayfinder (Pacific) Program).[80]

[78] ADB (2025). Pacific Region Infrastructure Facility Annual Report 2024. Available from: https://www.adb.org/documents/pacific-region-infrastructure-facility-annual-report-2024
[79] ADB (2025). Office of Markets Development and Public-Private Partnership (OMDP). https://www.adb.org/what-we-do/topics/public-private-partnerships
[80] ADB (2025). Report and Recommendation of the President to the Board of Directors: ADB Wayfinder (Pacific) Program under the Enhanced Faster Approach to Small Nonsovereign Transactions Policy (Project 59142-001). Manila.

- Directly advances GCF Readiness and pipeline development support by transitioning from early-stage concept development to structured, investment-ready pipelines and funding proposals aligned with GCF standards.
- Operationalizes CFAMS objectives by strengthening national systems for identifying, prioritizing, and packaging adaptation investments that can be efficiently channelled into international climate finance mechanisms.
- Builds on existing GCF NDA and readiness coordination structures by formalizing and strengthening NDA–MoF–line ministry linkages, ensuring improved alignment between climate priorities and fiscal planning.
- Enhances coherence with regional and bilateral project preparation facilities (e.g., ADB PRIF, World Bank, SPC/SPREP) by standardizing pipeline development processes and improving coordination across project preparation support providers, reducing fragmentation and duplication.

Output 1.1.5: Innovative climate finance instruments and enabling frameworks designed.

Description: This output supports technical feasibility, market sounding, and pilot development of innovative finance instruments across public, private, and blended finance. (It only comprises technical assistance; it does not provide financing.)

Activity 1.1.5.1: Develop national financial instruments

This activity will provide technical support to PICs to explore, assess, and develop potential instruments to mobilize finance for adaptation investments. This includes support to improve the governance of National Trust Funds to mobilize and disburse resources effectively; design and deploy climate finance instruments like resilience bonds and carbon finance; and support to strengthen domestic resource mobilization strategies – including use of green taxes and levies to enable investment in adaptation. It also includes support for development of innovative financing mechanisms for climate financing including regional adaptation trust funds, parametric insurance products for MSMEs, capital market solutions for adaptation and Debt-for-climate or debt-for-nature swaps (Annex 2, section 10.4.3 details barriers in PICS in relation to finance instruments).

Climate finance in the Pacific remains heavily weighted toward grants and standard concessional loans - the most accessible instruments, rather than those best matched to country needs - leaving a wide and widening adaptation finance gap. A far broader set of mechanisms including regional climate funds, parametric insurance, blended finance, carbon markets, debt-for-climate swaps, and national trust funds could be accessed and sequenced, and early adopters such as Fiji (sovereign green and blue bonds) show diversification is achievable. For most DMCs, the binding constraint is not the absence of instruments but the lack of MoF capacity and frameworks to identify, structure, and negotiate access to them.

Contribution to RPACA Objectives:

- Supports countries to translate climate finance needs into actionable, country-prioritized financing solutions through targeted feasibility and structuring support.
- Expands access to diversified climate finance sources by matching adaptation pipelines with appropriate instruments such as GCF, blended finance, sovereign lending, insurance, and private co-finance mechanisms.
- Strengthens national capacity to mobilize and structure climate finance through targeted training, finance matchmaking analyses, risk-layering frameworks, strengthened safeguard frameworks and policy guidance for Ministries of Finance and NDAs.
- Supports development of innovative, country-specific financial instruments such as trust funds, carbon mechanisms, debt swaps, insurance, bonds, and loss and damage facilities tailored to national priorities and readiness levels.
- Builds a pipeline of screened, market-tested, and investment-ready financing concepts to feed into broader RPACA financing and investment components.
- Enhances regional knowledge sharing and learning on innovative climate finance through cross-country application and evidence generation.

Expected Results: PICs are able to systematically access, structure, and deploy a broader and more diversified range of climate finance instruments, resulting in scaled-up, inclusive, and sustainable financing for adaptation.

Complementarity and Coherence with PIC Climate Readiness Actions:

- Directly strengthens GCF Readiness and accreditation pathways by bridging the gap between readiness support and full institutional access to GCF funding.
- Operationalizes CFAMS objectives by enabling countries to translate improved climate finance access systems into practical mobilization of diverse finance instruments and blended finance solutions, including private sector capital.
- Builds on existing NDAs, climate finance units, and regional readiness platforms by improving their ability to structure, sequence, and coordinate financing strategies across multiple funding sources in a coherent way.
- Enhances coherence with regional and multilateral partners (ADB, World Bank, UN agencies, SPC/SPREP) by standardizing finance mobilization approaches, reducing fragmentation in instrument design, and ensuring consistent application of risk screening and safeguard frameworks across programs.

Outcome 1.2: Climate-resilient and inclusive financing for MSMEs and infrastructure is expanded/scaled-up through innovative and scalable financial instruments by Pacific financial institutions.

Description: Outcome 1.2 supports the development, piloting, and scaling of innovative financial instruments to mobilize private capital for climate adaptation in Pacific Island countries. It focuses on three complementary areas: (i) establishing blended finance to expand MSME adaptation lending, with a strong emphasis on women-led enterprises; (ii) piloting infrastructure de-risking solutions, including insurance and risk transfer mechanisms, to improve the bankability of adaptation investments; and (iii) supporting the feasibility, design, and market testing of priority instruments such as regional trust funds, parametric insurance products, capital market solutions, and debt-for-climate or nature swaps.

By combining upstream instrument development with downstream implementation support, the outcome moves beyond ad hoc pilots to build scalable, institutionalized financing mechanisms. This includes strengthening pipeline development, improving risk allocation, and enabling financial institutions to deploy longer-term, appropriately structured financing. In doing so, Outcome 1.2 directly addresses key CFAMS priorities, including blended finance, climate risk insurance, and fiscal resilience instruments, while enhancing country ownership and readiness to access and deploy these solutions at scale.

Sub-project pipeline: Output 1.2.2. will be operationalized by a set of strategic sub-projects, each delivering transformational system adaptation benefits through MSME investments. The sub-projects will be designed to align to NAPs, NDCs, national development priorities and ADB country partnership strategies. The identification and development of sub-projects follows a structured, country-driven process rooted in national and regional climate priorities. Extensive consultations are ongoing with all key partners and stakeholders. The approach and eligibility criteria are set out above and in Annex 2 (Section 9.3.1). Information on an indicative pipeline of sub-projects is provided in Appendix 2.5.

Output 1.2.1: Regional blended finance approach for MSME adaptation lending established.

Description: A regional MSME Adaptation Finance Facility Model will support the mobilization of blended finance for MSME adaptation investments across Pacific SIDS, using existing in country facilities. The model combines derisking technical assistance and portfolio guarantee mechanisms to address key barriers to adaptation lending, while prioritizing investments in climate-exposed sectors and promoting women-led enterprises and inclusive development outcomes.

These activities build upon and work through existing national MSME guarantee and credit enhancement arrangements that have already been established under ADB-supported MSME finance programmes. They will utilise existing national governance, legal, administrative and operational arrangements while introducing a dedicated adaptation finance window with its own operating rules and eligibility requirements. RPACA funds will be used to capitalize a ring-fenced guarantee reserve. The capital will not be disbursed to financial institutions: it is retained and managed centrally and is drawn upon only if and when a guaranteed loan suffers a realised loss. This approach is designed to leverage existing relationships,

delivery channels and institutional capabilities while strengthening the long-term sustainability of adaptation finance markets. No new entity of facility is to be established under this activity.

This output will support the development of adaptation finance markets for MSMEs in Pacific SIDS by addressing both supply- and demand-side barriers that constrain lending for climate resilience investments. It will establish a replicable MSME Adaptation Finance Facility Model combining technical assistance to develop a pipeline of bankable adaptation investments with portfolio guarantee mechanisms that reduce risk for participating financial institutions. The output will focus on mobilizing private sector capital towards adaptation investments in climate-vulnerable sectors, with particular attention to women-led and underserved MSMEs. By strengthening financial institution capacity, improving the quality of adaptation investment opportunities, and sharing portfolio risk, the programme aims to demonstrate adaptation lending as a viable and scalable market segment and catalyse increased private investment in climate resilience.

Annex 2 (Section 9.2) provides the detailed justification, strategy, and approach for mobilising blended finance for MSME adaptation lending. In summary:

Activity 1.2.1.1 Establish and operationalize the regional framework, develop country pipelines, and provide guarantee facility technical support for MSME adaptation finance

Market-development TA will strengthen MSME adaptation pipelines through eligibility frameworks, screening tools, advisory support, and engagement with local business-service providers.

Activity 1.2.1.2 Capitalize MSME Adaptation Portfolio Guarantee Windows

Grants will be used to mitigate residual credit risk, reduce collateral requirements, and enable lending to underserved MSMEs. This builds through existing successful models where ADB's grant resources in countries like Tonga and Vanuatu are being used to improve financial access for MSMEs through public and private financial institutions to address climate resilience and business needs.

Contribution to RPACA objectives:

- Establishes a regional, modular MSME adaptation finance platform combining TA and guarantees, to unlock private sector adaptation investment at scale in Pacific SIDS.
- Builds a bankable pipeline of climate-resilient MSME investments by reducing technical, informational, and underwriting constraints through targeted derisking support.
- Expands inclusive access to finance - particularly for women-led MSMEs - by reducing collateral barriers and improving risk-sharing through credit guarantees.
- Enhances institutional readiness of financial intermediaries and MSME ecosystems to systematically integrate climate risk and adaptation outcomes into lending practices

Expected result: A scalable regional MSME adaptation finance ecosystem is operational, enabling participating financial institutions to systematically expand lending to climate-resilient and inclusive MSME investments across Pacific SIDS.

Complementarity and coherence with PIC climate readiness actions:

- Directly operationalizes CFAMS priorities by translating climate finance access goals into investable MSME-level instruments that channel finance through national systems and financial institutions.
- Builds on GCF readiness and accreditation support by strengthening private sector and MSME pipeline quality, project preparation, and financial intermediation capacity needed for GCF-aligned private sector engagement.
- Complements ADB, PFTAC, and World Bank PFM and financial sector reforms by addressing the "missing middle" of MSME finance and linking fiscal, financial, and private sector systems.
- Enhances coherence across Pacific readiness initiatives by standardising adaptation eligibility, risk screening, and investment pipelines that can be reused across GCF, CFAMS, and national climate finance mechanisms.

Output 1.2.2: Pacific Infrastructure Risk Advisory and Transfer (PAC-INFRAT) advisory support piloted[81]

Description: A regional Infrastructure De-Risking program will pilot risk advisory support services focused on integrated procurement, risk assessment, and insurance solutions. The support assistance will improve project bankability, insurability, and investor confidence.

This Output is to provide targeted technical assistance to selected adaptation infrastructure investments to improve project insurability, strengthen climate risk management, support more effective procurement and risk allocation, and facilitate access to appropriate insurance and risk transfer solutions. The support provided will include risk assessment, procurement support, and setting up risk transfer (through, for example, parametric insurance for natural hazard risks and indemnity insurance for construction, liability, and delay risks). Existing institutions and mechanisms are to support dissemination and replication. No new entity of facility is to be established under this activity.

Activity 1.2.2.1: Design and Pilot Infrastructure De-risking Approaches[82]

The pilot will test governance, operational protocols, and insurance solutions across a selected infrastructure pipeline from Component 2, document lessons, and develop a scale-up roadmap.

Contribution to RPACA objectives:

- Establishes a regional Infrastructure De-risking Mechanism that integrates procurement, risk assessment, and risk transfer into infrastructure project cycles to improve insurability and bankability.
- Enhances resilience of infrastructure investment pipelines by embedding multi-hazard risk analysis and lifecycle resilience measures into project design and implementation.
- Mobilises public and private capital by improving risk transparency, enabling insurance placement (including parametric solutions), and strengthening investor confidence in climate-resilient infrastructure.

Expected result: A scalable infrastructure de-risking approach is developed in the Pacific SIDs, improving insurability, reducing project risk exposure, and enabling increased investment in climate-resilient infrastructure systems.

Complementarity and coherence with PIC climate readiness actions:

- Complements GCF readiness support and CFAMS by translating climate risk information and preparedness investments into structured insurance and risk-transfer solutions that enable implementation of funded infrastructure projects.
- Strengthens coherence with regional platforms (e.g., PRIF, and MDB programs) by operationalising shared risk data, harmonised procurement standards, and coordinated pipeline development across PICs.

Outcome 1.3 Financial sector authorities and financial institutions adopted regional and international aligned climate finance approaches

Description: Outcome 1.3 strengthens national financial institutions to integrate climate risk and climate investment considerations into financial sector policy, regulation, lending, investment decision-making, and disclosure. The outcome focuses on integrating climate and adaptation considerations into financial regulation, supervision, and strategic planning across Pacific central banks, while building long-term institutional capacity with FIs to manage climate-related financial risks and implement regional and national climate and adaption finance frameworks (i.e. regional sustainable finance taxonomies, international disclosure standards, and governance arrangements tailored to the specific contexts of Pacific SIDS (see Annex 2, section 10 on barriers to national financial institutions).

Key Outputs and Activities:

[81] Response to synergies with ADB DRR insurance initiative
[82] Note: this provides advice and technical support. It has no finance.

Output 1.3.1: National financial sector policy, regulatory and institutional capacities are strengthened (in accordance with regional and international frameworks)

Description: This output focuses on building capacity across financial institutions and financial sector regulators. As expressed in design consultation by Pacific banking associations (Annex 7, stakeholder engagement and consultation) there is a need for a dedicated, tiered programme to strengthen the commercial financial sector. This output focuses on the capacity of Pacific Island Countries' banks and financial institutions to identify, assess, and manage climate and disaster-related risks across their operations and portfolios, while enhancing their ability to finance adaption measures. Activities will support the development and uptake of climate-relevant financial products, ensuring these products are accessible to and inclusive of women, and other underserved groups.

Activity 1.3.1.1: Strengthen climate-aligned financial sector policy implementation and institutional readiness

Technical assistance will be delivered through three integrated workstreams. The first will undertake country diagnostics to assess institutional readiness, identify implementation priorities, map existing initiatives, and prepare country implementation roadmaps. The second will provide demand-driven support to central banks and other financial sector authorities to implement sustainable finance and adaptation-finance frameworks, including application of regional taxonomy principles, climate risk management, climate-related disclosure, governance arrangements, implementation tools, and GEDSI integration, tailored to national priorities and institutional capacity. The third will support sector-wide implementation through technical backstopping, capacity building delivered through industry associations and regional networks, peer learning, regional coordination, knowledge exchange, and documentation of good practices to strengthen implementation across participating Pacific financial institutions.

Contribution to RPACA objectives:

- Strengthen institutional readiness across central banks, development banks, commercial banks, insurers and other financial institutions to implement sustainable finance reforms.
- Support country-led implementation of sustainable finance policies, climate risk management practices, adaptation finance classification systems and climate-related disclosure frameworks.
- Develop institutional capacity through country diagnostics, implementation planning, technical advisory services and peer learning.
- Promote consistent implementation of regional sustainable finance principles while allowing nationally tailored approaches that reflect institutional capacity and country priorities.
  Strengthen the enabling environment for mobilization of private capital for climate adaptation by embedding climate considerations into financial sector policy, regulation, lending and investment practices.

Expected result: Participating Pacific financial sector authorities and industry representative bodies have the institutional capacity, implementation tools and technical support required to operationalise sustainable finance frameworks, i and promote the integration of climate and adaptation considerations across the financial sector, thereby creating stronger enabling conditions for the mobilisation of private investment for climate adaptation.

Complementarity and coherence with PIC climate readiness actions:

- Build on sustainable finance frameworks, taxonomies and policy initiatives developed through programmes led by GGGI, IMF, World Bank, ADB, AFI, UNCDF, GGGI and other development partners.
- Address the implementation gap by providing country diagnostics, institutional readiness assessments, demand-driven technical assistance and ongoing implementation support.
- Coordinate implementation with existing national programmes and partner initiatives to maximize synergies and avoid duplication.
- Utilize established regional delivery platforms, including central bank networks, ADFIP and national banking associations, to strengthen implementation capacity and regional collaboration.
- Generate implementation experience and regional knowledge products that support continuous improvement and wider adoption of sustainable finance practices across Pacific Island Countries.

Component 2: Protecting Pacific Communities through Climate-Resilient Infrastructure and Coastal Protection

Overall description

Component 2 represents the core infrastructure investment component of the RPACA programme. It is designed to deliver transformational climate adaptation outcomes across Pacific Small Island Developing States (SIDS). It combines upstream climate resilience inputs to existing of project preparation processes, implementation of large-scale infrastructure investments, and strengthening of the enabling environment required to sustain climate resilience over the long term.

The component contributes to two overarching outcomes: (i) climate risk is mainstreamed into PIC's sectoral infrastructure investment planning; and (ii) key infrastructure systems - including coastal, flood, water, energy, transport, urban, and social systems - are climate resilient across Pacific SIDS. More than a financing mechanism, RPACA provides a programmatic framework for developing a pipeline of scalable, high-impact adaptation investments across multiple countries and sectors.

Component 2 will be operationalized by a set of up to 21 strategic investments. These 'sub-projects,' across multiple sectors and PICs, will pave and demonstrate a significant volume and diversity of adaptation pathways, each with multiple advantages and benefits. Collectively, these investments will contribute to a barrier removal and a knowledge generation that go beyond the 21 intervention areas and will provide significant momentum to a broader, overall shift/transformation. This as Component 1 strengthens the enabling environment for replication and upscaling. For example, many sub-projects will implement and support the sector-wide investment planning reforms of Component 1, ensuring they are embedded within national infrastructure pipelines rather than treated as standalone or external add-ons. Further, the sub-projects will be structured to link into Component 1's blended finance, risk reduction, and investment mobilization mechanisms. These measures will enable replication and scale-up of the adaptation pathways.

Gender and vulnerability All infrastructure and coastal protection investments will apply RPACA Gender and Inclusion Standards, embedding universal design, accessibility benchmarks, disaggregated data systems, representative governance, survivor-centered SEAH safeguards, and tenure access measures from the outset. Additional GAP standards - including inclusive consultations, climate-resilient design, procurement compliance, budget tagging, emergency accessibility, inclusive O&M, nature-based solutions, and capacity-building requirements - will be systematically integrated into sub-project preparation and implementation. This ensures that resilience planning is technically robust, equitable, inclusive and moves beyond compliance to systemic reform.

Sub-Project Pipeline

Component 2 will be operationalized by a set of strategic sub-projects, each delivering transformational system adaptation benefits. Each sub-project will be designed to align to NAPs, NDCs, national development priorities and ADB country partnership strategies. The identification and development of sub-projects is ongoing and follows a structured, country-driven process rooted in national and regional climate priorities. Extensive consultations are conducted with governments, particularly ministries of climate change, finance, natural resources and environment and sectoral ministries, as well as development partners and civil societies. Further, all sub-projects are aligned to a typology (based in part on the analysis of climate vulnerabilities) and each sub-project is rigorously assessed against a comprehensive list of eligibility criteria to ensure it is eligible for support under the RPACA. The typologies are summarized below, with full details provided in Annex 2. Annex 2 also provides an indicative pipeline of potential sub-projects and initial design parameters (Appendices 2.3 and 2.5).

RPACA Component 2 adaptation project typology

The adaptation sub-projects under Component 2 will align with one or more RPACA adaptation project typologies. These typologies were determined by (i) mapping climate change and hazards through risk receptors to sectoral climate impacts (ii) and mapping the climate impacts to project typologies and adaptation pathways (see examples in Figure 13, and see Annex 2 for full details). This RPACA adaptation project typology serves several functions. First, it provides a structured classification system for identifying,

screening, and developing adaptation investments across key infrastructure sectors. Only sub-projects with potential to deliver transformational adaptation outcomes will be supported. Second, it enables the early articulation of the climate rationale for projects by linking climate risks to system vulnerabilities and identifying appropriate adaptation responses. And it also promotes consistency, comparability, and scalability across sub-projects, thereby facilitating replication across countries and sectors.

The project typologies/adaptation pathways are presented in Figure 13. The RPACA sub-project development process represents a transformational shift in infrastructure planning and investment. It embeds early, system-scale climate risk and vulnerability assessment into sub-project development. System-scale CRAs extend beyond individual assets to consider entire systems—such as sectors, islands, or communities - and their interdependencies. This enables identification of cascading risks, integrated adaptation pathways, and prioritized investment options.

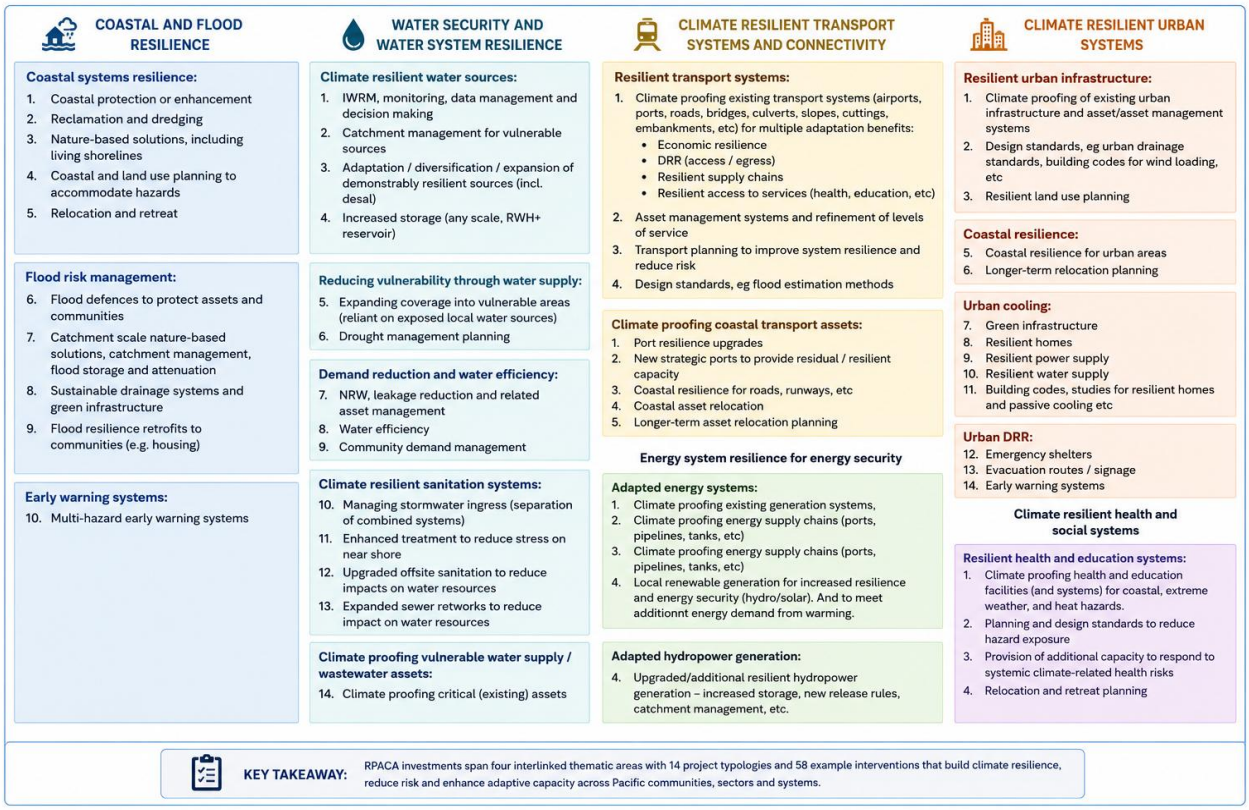


Figure 13: Summary of RPACA Project typologies and adaptation pathways

Unless business as usual with standard CRAs, this approach is transformational because:

- Early and systemic assessment of risks and vulnerabilities enables systemic adaptation, identification of multiple integrated adaptation projects, and reduction in single project preparation cost;
- The systemic approach improves potential for scaling and replication across sectors and countries;
- Activities to remove technical barriers to climate finance - including improved data, evidence, and analytical capacity- are embedded within sub-project preparation;
- Maladaptation potential is reduced through robust, evidence-based design;
- Partnerships with regional organisations enable efficient use of technical resources, including data, assessments, and specialised skills;
- A programmatic approach across multiple years and geographies embeds this methodology within ADB processes, delivering lasting change in infrastructure planning;
- System-scale CRAs will integrate disaggregated social data, differentiated vulnerability analysis allows evaluation of the vulnerability, mobility, safety, and service needs of women, youth, persons with disabilities, and other under-represented groups to reduce risk and enhance resilience.

Overall, component 2 strengthens the ADB project cycle by front-loading climate risk analysis and integrating adaptation into core decision-making, rather than treating it as an add-on. This is driven by the RPACA eligibility criteria, which clearly define the standards that sub-projects must meet to become eligible for funding. The eligibility criteria set out in the Funding Proposal and the Term Sheet will explicitly require integration of gender and inclusion standards, and sex-disaggregated monitoring indicators. Following this process an indicative pipeline of RPACA sub-projects has been developed – see Annex 2 (Appendix 2.5).

Component 2: Outcome, Outputs and Activities

Component 2 is the infrastructure investment component of RPACA it has the following Outcome: Climate resilience of communities, infrastructure systems, and institutions in Pacific Island Countries strengthened with gender equality and social inclusion mainstreamed. The Outputs of Component 2 are:

- Output 2.1.1 Evidence-based, system-scale climate adaptation sub-projects developed and approved.
- Output 2.1.2 Climate-resilient and inclusive adaptation infrastructure sub-projects completed and operationalized.
- Output 2.1.3 Institutional capacity and enabling environment of national agencies for climate-resilient and inclusive infrastructure management strengthened.

Output 2.1.1: Evidence-based, system-scale climate adaptation sub-projects developed and approved

Rationale & Description:

This Output includes activities required to develop RPACA sub-projects in accordance with the RPACA project development process described above. The activities under this output will transform project preparation processes so they are built on early system-scale climate risk assessment. This Output ends with all projects fully approved for implementation.

Activity 2.1.1.1: Develop evidence base to demonstrate system scale RPACA climate adaptation impact

This activity underpins the development of transformational sub-projects through the preparation of system-scale climate risk assessments (CRAs). The transformational nature of these assessments lies in both their scope and timing. They assess risks across sectors, geographies, and interconnected systems, capturing cascading impacts and interdependencies. They are undertaken early in sub-project development. RPACA shifts climate risk assessment upstream, as a decision-making tool. By embedding CRAs early in sub- project development, climate risks and vulnerabilities become a primary driver of investment design. This ensures that infrastructure investments are aligned with identified system-level risks and benefits extend beyond the lifetime of the sub-project.

These assessments integrate, as necessary:

- Historical climate and meteorological data;
- Climate projections;
- Topographic and geospatial data;
- Earth observation data;
- Infrastructure and service data and analysis;
- Socio-economic and demographic data and analysis;
- Land use and spatial planning data and analysis;
- Hydrological and hydrogeological data and analysis;
- Oceanographic and coastal data and analysis;
- Hazard and risk modelling and analysis

Partnerships with both SPC and SPREP established under RPACA will support data collection and CRA assessments. Existing data and hazard/risk assessment will be used where available, new data and analysis will only be commissioned where necessary. The results inform identification of adaptation sub-

projects that deliver measurable and scalable resilience benefits. They also explicitly consider differentiated vulnerabilities, ensuring inclusive design. Over time, this approach will also be embedded into ADB's and Government's standard project preparation processes, shifting from reactive climate proofing to proactive, system-based adaptation planning and fundamentally transforming infrastructure development practices.

Activity 2.1.1.2: Develop and approve transformational projects which meet RPACA requirements

This activity completes the preparation and approval (by ADB Board and RPACA Technical Working Group) of transformational sub-projects following development of the climate adaptation evidence base. Sub-projects are developed in accordance with RPACA eligibility criteria set out in the Funding Proposal and the Term Sheet, GEDSI considerations, safeguards, and economic evaluation. Sub-projects are to:

- Integrate GEDSI considerations and ensure inclusive design;
- Incorporate nature-based solutions where appropriate;
- Ensure compliance with environmental and social safeguards;
- Undertake economic and financial analysis demonstrating additionality and affordability;
- Develop monitoring, evaluation, and learning frameworks.

Sub-projects are then submitted for RPACA funding approval. Validation will also require systematic review against GAAP infrastructure standards: ensuring disaggregated social data and differentiated vulnerability analysis are integrated; confirming universal design and emergency accessibility measures; verifying survivor-centered SEAH safeguards; checking procurement compliance with gender and inclusion requirements; and embedding inclusive O&M provisions. This strengthens legitimacy, accountability, and resilience outcomes. Some GCF funding has been allocated for these enhanced GEDSI activities.

This majority of this activity will be funded by ADB as an in-kind contribution to the program as it will primarily be delivered by existing ADB staff and project development teams, and consultants working on 'normal' project development contracts funded through existing Technical Assistance projects.

Justification of Output 2.1.1 from Feasibility Assessment:

- The importance of cascading and systemic risks means strong climate assessments are required;
- The importance of cross-sectoral impacts means systemic and upstream assessments are required;
- Gap and barrier analysis identify inadequate climate assessment and insufficient use of science in adaptation investment design as major constraints to adaptation;
- See sections 5.4, 6 and 7 in the FS.

Complementarity and Coherence with PIC Climate Change Initiatives:

- directly supports implementation of key Pacific frameworks such as the Framework for Resilient Development in the Pacific (FRDP) and national adaptation plans (NAPs), by ensuring projects are evidence-based, risk-informed, and nationally endorsed.
- complements ongoing regional shifts (e.g., SPREP, SPC initiatives) toward integrated, cross-sectoral resilience planning rather than fragmented, project-by-project interventions.
- aligns with PIC climate finance readiness efforts (e.g., GCF readiness and World Bank programs), improving the quality, bankability, and approval success of adaptation investments.
- by institutionalizing improved project preparation processes, the Output complements ongoing capacity-building programs by embedding skills (e.g., risk assessment, economic analysis, proposal development) within government systems.

Output 2.1.2: Climate-resilient and inclusive adaptation infrastructure sub-projects completed and operationalized.

Rationale & Description:

This output delivers the physical infrastructure investments under RPACA, translating analytical and design work into tangible adaptation outcomes. Up to 21 sub-projects will be implemented across Pacific SIDS. Each sub-project integrates hard infrastructure investments with complementary measures increasing the enabling environment for resilience (under Output 2.1.3) to increase sustainability and long-

term resilience. Each sub-project also aims to demonstrate the creation of an adaptation pathway in the targeted sector.

All infrastructure sub-projects will apply RPACA Gender and Inclusion Standards, embedding universal design, accessibility benchmarks, survivor-centered SEAH safeguards, representative governance mechanisms, tenure access measures, inclusive consultations, and inclusive O&M provisions to ensure equitable and sustainable outcomes.

Activity 2.1.2.1: Implement coastal and flood resilience projects

This activity delivers investments to reduce exposure to coastal hazards and flooding. Interventions include:

- Coastal protection infrastructure (e.g. seawalls, revetments);
- Nature-based solutions such as mangrove restoration and living shorelines;
- Flood defence systems and catchment-scale interventions;
- Urban drainage and green infrastructure;
- Multi-hazard early warning systems.

These investments reduce coastal risks to communities and assets while enhancing ecosystem resilience. Design and implementation will embed universal design, accessibility benchmarks, survivor-centered SEAH safeguards, and inclusive consultations to ensure equitable protection for vulnerable groups.

Activity 2.1.2.2: Implement water security and water system resilience projects

This activity strengthens water systems under climate stress. Interventions include:

- Climate-resilient water sources and desalination
- Expansion of water storage capacity
- Catchment management
- Network expansion to underserved communities
- Demand management and leakage reduction
- Sanitation system upgrades
- Climate-proofing of water infrastructure

These measures improve water security and deliver sustainable and resilient water supply systems. Sub-projects will also integrate tenure access measures, inclusive O&M provisions, and disaggregated monitoring to ensure equitable access and long-term sustainability.

Activity 2.1.2.3: Implement projects for climate resilient transport systems and connectivity

This activity enhances resilience of transport systems. Interventions include:

- Climate-proofing roads, bridges, ports, and airports
- Drainage and slope stabilization
- Coastal protection for transport assets
- Asset management systems
- Climate-informed design standards
- Strategic planning for redundancy and relocation

These investments ensure continuity of connectivity and access to services. Transport sub-projects will embed universal design, accessibility standards, inclusive consultations, and survivor-centered SEAH safeguards to ensure safe, equitable mobility for women, youth, persons with disabilities, and socially excluded groups.

Activity 2.1.2.4: Implement energy system resilience projects for energy security

This activity strengthens resilience energy systems. Interventions include:

- Climate-proofing generation and transmission systems
- Strengthening supply chains

- Expansion of renewable energy systems
- Adaptation of hydropower systems

These measures enhance reliability, reduce disruptions to the delivery of critical public services e.g. health and education, and economic activities, and improve energy security. Energy sub-projects will also embed universal design, accessibility standards, inclusive consultations, survivor-centered SEAH safeguards, and tenure access measures to ensure equitable access and participation in energy services.

Activity 2.1.2.5: Implement projects for climate resilient urban systems

This activity addresses climate risks in urban areas. Interventions include:

- Climate-proofing urban infrastructure
- Land-use planning and zoning
- Urban cooling measures
- Asset management systems
- Disaster risk reduction measures
- Coastal protection for urban areas

These investments enhance resilience of vulnerable urban populations and systems, ensuring urban areas can absorb climate shocks, adapt service delivery, and recover equitably. Urban sub-projects will integrate differentiated vulnerability analysis, inclusive O&M provisions, governance participation mechanisms, and emergency accessibility standards to ensure equitable protection and service delivery.

Activity 2.1.2.6: Implement projects for resilient health and social systems

This activity strengthens resilience of social infrastructure. Interventions include:

- Climate-proofing health and education facilities
- Development of resilient design standards
- Expansion of system capacity
- Relocation and retreat planning

These investments ensure continuity of essential services and protect vulnerable populations. Health and social system sub-projects will embed survivor-centered SEAH safeguards, universal design benchmarks, inclusive consultations, and sex-, age-, and disability-disaggregated monitoring to ensure equitable access and empowerment outcomes.

Justification of Output 2.1.2 from Feasibility Assessment:

- This Output operationalizes the transformation of the approach to implementing infrastructure projects.
- This demonstrates how to fully implement adaptation projects leading to adaptation pathways
- By delivering up to 21 climate adaptation infrastructure investments across a diverse range of sectors, countries, contexts – this will create a foundation for resilient development across the region (see Annex 2, sections 9.1 and 11).

Complementarity and Coherence with PIC Climate Change Initiatives:

- operationalizes priorities identified in the Framework for Resilient Development in the Pacific (FRDP) and country-level strategies (NAPs, JNAPs), translating policy into on-the-ground resilience outcomes.
- aligns with Pacific initiatives promoting whole-of-system resilience rather than sector silos, as emphasized by regional agencies (SPREP, SPC).
- emphasis on adaptation pathways is coherent with Pacific efforts to move toward long-term, staged, and flexible adaptation planning under uncertainty, rather than one-off investments.
- strengthens PIC experience in executing large-scale climate-funded infrastructure programs, complementing readiness efforts and improving long-term absorptive and delivery capacity.

- complements Pacific calls for programmatic, regionally coordinated climate action, reducing fragmentation and aligning with existing coordination platforms and donor partnerships.

Output 2.1.3: Institutional capacity and enabling environment of national agencies for climate-resilient and inclusive infrastructure management strengthened.

Rationale & Description:

This output ensures the long-term sustainability of investments and strengthens system level resilience by developing institutional capacity and enabling environments to implement and operate RPACA sub-projects and future infrastructure assets and related services.

Capacity development will explicitly embed gender and inclusivity ensuring that national agencies integrate universal design, accessibility benchmarks, survivor-centered SEAH safeguards, inclusive consultations, and governance participation mechanisms into technical and institutional processes. Training and institutional support will be designed to ensure equal participation of women and men, and active inclusion of youth, persons with disabilities, and socially excluded groups.

Updated policies and plans will assess national GESI contexts and develop strategies that respond to identified gaps, ensuring climate-resilient planning is inclusive and equitable. Institutional and legislative support will strengthen national frameworks by embedding responses to GESI gaps, and by ensuring laws, regulations, and institutions promote inclusive participation and equitable outcomes.

Activity 2.1.3.1: Develop the technical capacity of national agencies to operate, maintain, manage infrastructure

Proposed interventions include:

- Climate-informed asset management systems;
- Infrastructure monitoring systems;
- Documentation of standard adaptation pathways;
- Standard operating procedures;
- Updated design standards;
- Technical training program (including O&M for climate risk management and inclusivity)

Activity 2.1.3.2: Develop the technical capacity of national agencies to monitor and respond to relevant climate risks

Proposed interventions include:

- Hydro-meteorological monitoring systems;
- Early warning systems;
- Decision-support systems;
- Institutional training;

Activity 2.1.3.3: Update sector policies or plans

Proposed interventions include:

- Climate-resilient sector strategies;
- Spatial and land-use planning;
- System-level adaptation planning;

Activity 2.1.3.4: Provide institutional and legislative support for improving the enabling environment for climate-resilient infrastructure design, operations, and maintenance.

Proposed interventions include:

- Institutional strengthening and restructuring;

- Legislative development;
- Regulatory frameworks;
- Capacity building for policymakers.

Justification of Output 2.1.3 from Feasibility Assessment:

- Fundamental to the sustainability of the investments;
- Strengthen the enabling environment required to ensure that climate-resilient infrastructure investments 1 are effectively operated, maintained, and sustained;
- Establishes a sizable portfolio of adaptation pathways;
- focuses on building the technical, institutional, and regulatory capacity of national and sub-national agencies to manage climate risks and deliver resilient infrastructure services;
- supports the development and operationalisation of climate-informed asset management systems, monitoring and early warning systems, and decision-support tools to enable proactive risk management;
- In parallel, strengthens policy, planning, and regulatory frameworks by integrating climate risk into sector strategies, spatial planning processes, and infrastructure design standards;
- Also addresses key institutional and legislative barriers by supporting institutional strengthening, coordination mechanisms, and legal reforms necessary.

Complementarity and Coherence with PIC Climate Change Initiatives:

- directly supports implementation of the Framework for Resilient Development in the Pacific (FRDP) and country-led instruments such as NAPs and JNAPs, ensuring that adaptation is embedded in national systems rather than project-based.
- by building capacity for operations, maintenance, and risk monitoring, the Output complements Pacific initiatives that emphasize lifecycle management of infrastructure and avoidance of “build–neglect–rebuild” cycles in small island contexts.
- aligns with Pacific-wide efforts to mainstream adaptation into development planning and budgeting processes, by updating sector policies and plans ensures climate change is systematically integrated across sectors (water, transport, health, etc.),
- complements existing reforms aimed at improving whole-of-government coordination on climate change, including clearer mandates between central agencies, line ministries, and local authorities.

B.4. Implementation arrangements (max. 1500 words, approximately 3 pages plus diagrams)

Role of ADB

ADB has an established and recognized record of delivering climate finance at scale across Asia and the Pacific, making it well-positioned to act as the Accredited Entity (AE) for the RPACA Program. ADB has committed to delivering at least USD 100 billion in cumulative climate finance between 2019 and 2030 under its Strategy 2030, with at least 75% of operations supporting climate adaptation and mitigation objectives by 2030. In 2025 alone, ADB delivered over USD 13.5 billion in climate finance, including USD 5.3 billion for climate adaptation – demonstrating its strong implementation capacity and commitment to climate-resilient development. ADB has extensive experience with GCF-funded operations, acting as AE for 16 approved GCF projects as of 2026, totalling over USD 1.669 billion in GCF financing. These projects span multiple sectors, water security, climate-resilient agriculture, energy transition, and disaster risk reduction, and include both mitigation and adaptation objectives. ADB has successfully mobilized co-financing from bilateral, multilateral, and private sector partners, using a range of financial instruments such as grants, concessional loans, and blended finance structures.

In the Pacific region, ADB has an extensive background in supporting development and climate change investments through its country program and regional cooperation activities. The RPACA Program will build on ADB’s extensive climate operations in the region to implement and finance a new generation of

transformative and innovative projects that will serve as demonstration projects and upscale and accelerate adaptation and resilience measures across the Pacific small island states.

ADB will administer grants and technical assistance funds from GCF, as follows:

- Select projects for grants (including TA) as per RPACA/GCF terms and requirements and in accordance with the eligibility criteria set out in the Funding Proposal and the Term Sheet, alongside loans/grants from ADB financing (ADB loans/grants), as applicable;
- In accordance with the AMA and FAA, ADB will carry out such management and administration of the RPACA Proceeds in accordance with its policies, procedures, and practices, and with at least the same degree of care as it uses in the administration of its own funds or other donor funds;
- Establish a governance structure for the RPACA Program comprising of Steering Committee; Advisory Panel, Technical Working Group and RPACA/ADB Secretariat (or Program Management Unit [PMU]);
- Oversee and manage the dedicated RPACA Secretariat (PMU), staffed by full-time and intermittent experts, including additional experts specifically engaged in the RPACA, with the following responsibilities:
    - originate projects and develop a pipeline for RPACA;
    - provide support to structuring projects and identify financing partners;
    - contribute to identifying and screening potential projects, reviewing project documentation and ensuring the project meets the program's criteria;
    - verify and monitor project impacts and prepare annual performance reports to GCF; and
    - as relevant, manage and monitor procurement and contracts.
    - work closely and explore other potential partnerships to identify and mobilize additional parallel financing sources for projects.

As an Accredited Entity to the GCF, ADB will also ensure that sub-project origination, structuring, and monitoring systematically assess national GESI contexts and embed strategies to address identified gaps, so that gender equality, disability inclusion, and social equity are not only mainstreamed across all RPACA investments but also drive transformational change and strengthen the long-term sustainability of adaptation outcomes.

ADB will serve as the EE for the following TA activities: All activities under Outputs 1.1.1, 1.1.2, 1.1.3, 1.1.4 and 1.1.5; Activity 1.2.1.1; All activities under Outputs 1.2.2, 1.3.1 and Output 2.1.1, in line with its accredited entity policies and procedures.

The selected borrower/recipient in the host country will serve as EE for the sub-projects under Activity 1.2.1.2 and all Activities under Outputs 2.1.2 and 2.1.3. The indicative EEs are introduced in Appendix 2.4 and Appendix 2.5 of Annex 2.

For each selected subproject under Components 1 and Component 2, ADB will enter into loan and/or grant agreements with the EE. For each source of financing, separate agreements will be entered into with the EE (i.e., ADB will enter into a separate loan and/or grant agreement with the EE for its own financing). Each subproject will be implemented in compliance with ADB policies and RPACA requirements as agreed between the GCF and ADB. If additional financing from other partner financing institutions is also included, these will be provided as parallel financing to the ADB and GCF proceeds. The subprojects will be identified and selected in accordance with the agreed eligibility criteria set out in this Funding Proposal and Term Sheet during ADB's country programming process, prepared in accordance with ADB's internal policies and procedures. The subprojects will be fully administered by ADB and likewise benefit from ADB's project preparation, due diligence processes, project administration, and monitoring and evaluation systems. Each subproject will be presented for approval to the ADB Board (or approving authority) on a project-by-project basis, and subsequent approval shall include the provision of GCF Proceeds to be administered by ADB. Each project will be implemented in compliance with ADB policies and GCF requirements.

RPACA Governance Structure

RPACA has been conceptualized, designed and will be implemented through a shared programmatic framework and common Theory of Change. Components 1 and 2 establish the enabling environment, governance mechanisms and infrastructure and coastal investments needed to deliver climate resilience outcomes, while Components 3 and 4 provide complementary sectoral interventions and programme-level knowledge management functions. The Regional Steering Committee serves as the common governance structure for all RPACA components and will expand to include SPC and SPREP implementation arrangements as those components are designed and become operational. Should Components 3 and 4 be delayed, Components 1 and 2 remain fully functional and capable of delivering their intended outcomes, although opportunities for enhanced regional coordination, sectoral integration and programme-wide learning would be reduced.

The RPACA governance structure establishes a multi-level framework that combines strategic oversight, technical implementation, and independent expert advice to ensure transparent, accountable, and country-led delivery of the programme. Figure 14 illustrates the proposed governance structure for the RPACA. A Steering Committee of participating Pacific countries provides strategic direction, supported by an independent Regional Advisory Panel, while ADB, as the accredited entity for Components 1 and 2, is responsible for programme implementation, coordination, and reporting. By building on existing regional institutions and governance mechanisms- rather than creating parallel structures - the framework strengthens coordination across national and regional stakeholders, promotes shared learning and accountability, and enhances the effectiveness and long-term sustainability of climate adaptation investments across the Pacific.

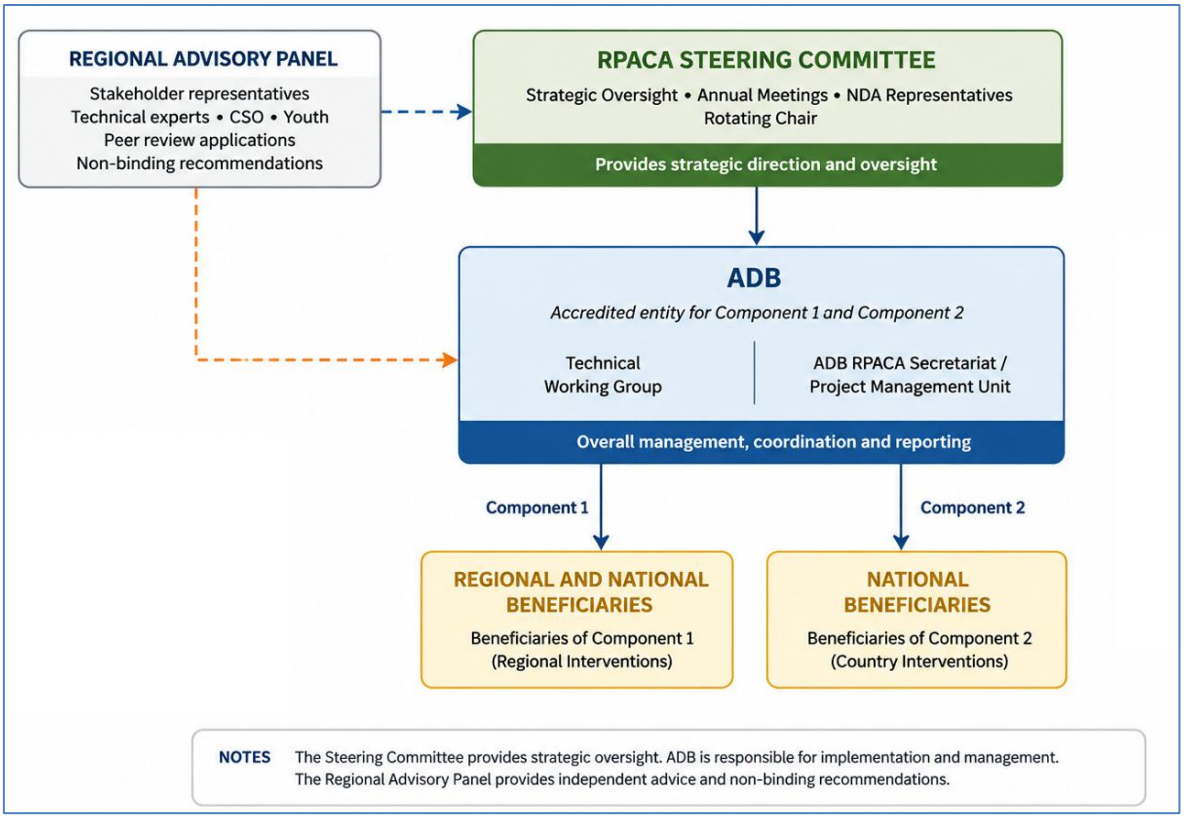


Figure 14: Proposed Governance Arrangements

The RPACA Program will be implemented under the oversight and guidance of the governance bodies described below.

The RPACA Steering Committee (RSC)

The RPACA Steering Committee is a high-level committee providing non-operational oversight. Day-to-day management is delegated to the ADB/RPACA Secretariat or Program Management Unit.

The RSC has the following characteristics, procedures and functions:

- Strategic Oversight – the RSC provides high-level strategic direction and oversight for the entire RPACA program (ADB, SPC, SPREP, DAE).
- National Representation - all countries are to be represented through their NDA. Details of the representation modality to be determined by the countries.
- Functioning - Annual Meetings to be convened on an annual basis to review progress, endorse ADB, SPC and SPREP annual RPACA work plans, and provide guidance, including on shared learning and knowledge component.
- Rotating Chair - Chairpersonship rotates among member Pacific country NDAs to ensure equitable regional ownership. The length of terms and process of co-chair nomination to be determined by NDAs.
- Program Accountability - Holds ADB, SPC and SPREP accountable to regional climate priorities and RPACA goals (ADB/SPC an SPREP submit annual work plans for SC endorsement, and updates SC annual on progress each year).
- Ensures equitable allocations between countries.
- Ensures agreed gender equality and social inclusion (GESI) principles and standards are systematically applied in investment design, allocation, and monitoring across all RPACA components
- Oversight of All Bodies - receives consolidated reports from ADB PMU, SPC, and SPREP; ensures strong coordination between entities e.g. sharing of data. Receives feedback from independent Regional Advisory Panel (RAP).
- Partnerships - develops and maintains regional partnerships with concerned regional entities.
- Cofinancing and Development – identifies, attracts and negotiates with potential additional investors.
- The RSC is designed as a common regional governance framework that may be expanded to include Components 3 and 4 as they become operational. Any governance activities relating to Components 3 and 4 will be financed and supported by their respective Accredited Entities and implementation arrangements, not through Component 1 resources.

The RPACA Advisory Panel (RAP)

The RAP is an independent external peer review body. It has a non-binding advisory role. Notably:

- Membership and Representation: RAP includes representatives from Pacific island countries (government technical staff, civil society, gender/youth, disability, academic representatives) to ensure Pacific ownership, cultural integrity and the integration of GESI perspectives.
- Appointments: ADB/SPC/SPREP jointly decide and propose nominated representatives to the RSC for endorsement. Nominations to RAP confirmed by Steering Committee.
- Role: Advisory. A key role is the independent review and peer-review of all project proposals for quality, relevance and regional fit.
- Role: The RAP is mandated to technically support the RSC on all issues.
- Functioning: Representatives meet virtually on a quarterly basis and as needed. All efforts will be made to facilitate annual in-person meetings.
- RAP will provide broader guidance, related to all four Components strategy, activities and outputs.

ADB RPACA Secretariat (or Program Management Unit [PMU])

The Secretariat or PMU will be established within ADB.

- Composition: A dedicated Program and/or Fund Manager, a dedicated Monitoring and Evaluation (M&E) Specialist, a Gender and Inclusion Specialist and other support staff as needed. This may include Communication Specialists, and Finance and Administrative Officers, etc.The PMU will serve as the focal point for the Program's day-to-day operations, with the following activities: (i) preparing the annual work plan and annual report; (ii) supervising day-to-day implementation of the annual work plan; (iii) preparing documentation of project endorsement/approval; (iv)

monitoring and evaluation and collating reports to be submitted to GCF; (v) disseminating RPACA accomplishments and lessons learned; (vi) ensuring implementation of the Gender Analysis and Action Plan (GAAP), embedding agreed GESI requirements into project design, work planning, monitoring and evaluation, and semi-annual reporting, with compliance tracked alongside fiduciary and technical criteria; and (vii) coordinate RPACA Steering Committee committees and SPREP and SPC engagements (as required). It will guide the implementation of projects in close coordination with project implementation unit (PIUs), RPACA Steering Committee, Regional Agencies (SPC and SPREP) and resident missions. The program implementation guidelines will serve as the manual for implementing the Program, outlining processes to implement the Program in accordance with the provisions in the FAA. The PMU will also implement TA activities under RPACA, including overseeing procurement of consulting services, design and delivery of TA activities, overseeing events and training, and developing knowledge products.

- The Secretariat/PMU will provide semi-annual reporting to the GCF Secretariat to continuously assess the compliance of the approved projects with the eligibility criteria and, where appropriate, recommend remedial measures. Such reporting will be in addition to annual performance reports.

ADB Technical Working Group (TWG)

The principal role of the TWG is the efficient screening of all sub-projects under Component 2 to ensure technical robustness of proposals from a resilience perspective. The TWG comprises ADB staff nominated by their respective departments to serve on the working group for a period of 2 years.
The TWG includes technical staff with expertise from across sectors (coastal management, health, energy, transport and water and urban development), and gender and social inclusion, and climate change. Their key task includes Review and provide technical inputs/suggestions into project proposals which are submitted for RPACA funds and endorse the projects for RPACA funds once projects meet technical standards.

As part of technical support, the TWG will be supported by full-time and intermittent climate change specialists with expertise in the RPACA sectors who will be responsible in reviewing and endorsing projects to be financed under the RPACA program in accordance with the eligibility criteria set out in the Funding Proposal and the Term Sheet. The proposals will be processed in accordance with all relevant ADB policies and procedures for loans and grants approval (including TA), including review of consulting services and procurement, environmental and social safeguards, financial management and reporting, and anti-corruption (following ADB policies on anticorruption and due diligence) and governance. The TWG will also ensure gender equality and social inclusion considerations are suitably met by the projects with explicit review of compliance against the GAAP.

Allocation of Resources

The GCF proceeds for the RPACA Program will be ring-fenced within ADB GCF Trust Fund which will be created pursuant to the AMA. The procedure for allocation of resources from RPACA (which will blend ADB and GCF proceeds) will include the following steps:

- Activity or sub-Project proposals for RPACA can be initiated by ADB in discussion with all relevant governments.
- The Secretariat/PMU in close consultation with the Technical Working Group (TWG) will prepare the annual work plan which would include the list of prioritized sub-project proposals.
- Governments and/or ADB will prepare project proposals using a standardized application form (to be developed as part of Implementation Guidelines) and prepare all relevant approval documents in accordance with ADB policies and procedures and will submit them to the Secretariat for review of the TWG.
- The PMU with support from the TWG will review applications according to the criteria for specific components of the Program. If the application does not meet the agreed criteria set out in this Funding Proposal and the Term Sheet, the TWG will discuss the issues for further revision or withdrawal of the project.
- The PMU defines the review and endorsement procedures in the Program implementation guidelines. Where needed, the PMU may engage technical climate change experts (consultants) to support the TWG review of proposals, conduct the climate assessments of the projects.

- The proposals will be processed in accordance with all relevant policies and procedures for grant and loan approval, including, without limitation, consulting services and environmental and social safeguards, financial management and reporting, and anticorruption and governance. Compliance with the GAAP and agreed GESI standards will also be a mandatory criterion in the review and allocation process.

Contractual Arrangements

Under Component 1 (except Activity 1.2.1.2) and under Output 2.1.1, ADB will be the contracting party, and will directly enter into contracts with consulting firms and individual consultants, and other suppliers. Payments to these entities are directly made by ADB through bank transfer.
Under Component 2 (except Output 2.1.1) and for Activity 1.2.1.2, the selected EE will enter directly into contracts with consulting entities, contractors and suppliers, as the contracting party. Procurement of these contracts will be subject to ADB's Procurement Policy. There are 3 possible payment arrangements for contracts administered by EEs, which are determined on the basis of a financial management capacity assessment of the EE, and size/nature of contract. These include:

a. Direct payment arrangements. This is where ADB transfers funds for portion of contract that ADB and GCF will be financing directly to the consultant, contractor or supplier. Typically used for large consulting services or civil works contracts, or where there is limited EE financial management capacity.
b. Reimbursement arrangements. The EE makes payments directly to consultant, contractor or supplier under contract, and seeks reimbursement of portion of contracts that ADB and GCF financing, based on proof of expenditure incurred. This arrangement is not typical in most Pacific countries due to limited cash flow.
c. Advance account arrangements. Typically used for small expenditures and small recurrent expenditures (e.g. payment of national consultants, stationery, fuel etc.) subject to EE demonstrating that they have sufficient financial capacity to manage the account. ADB advances funds for portion of expenditures that it is financing, and then EE uses these funds to make expenditures. EE then liquidates the advance account by submitting supporting documentation as proof of expenditures incurred to ADB. Advance account is replenished typically every 6 months. A separate bank account must be established for each funds source, i.e. separate accounts for ADB and GCF funds.

Flow of GCF Funds

Under RPACA, the GCF transfers approved grant and non-grant resources to ADB, as the Accredited Entity, which manages the funds through dedicated trust accounts and allocates them to approved activities and subprojects implemented either directly by ADB or through Government Executing Entities. As illustrated by Figure 15, depending on the nature of the expenditure and the financial management capacity of the executing entity, funds are disbursed using direct payment arrangements (where ADB pays consultants, contractors, or suppliers directly), reimbursement arrangements (where governments pre-finance eligible expenditures and seek reimbursement), or advance account arrangements (where ADB provides advances for smaller operational expenditures that are subsequently liquidated and replenished). These flexible financing mechanisms ensure fiduciary integrity while accommodating the diverse institutional capacities of Pacific Island Countries. Throughout implementation, ADB maintains financial oversight and reporting to GCF, ensuring that grant resources are efficiently translated into technical assistance, infrastructure investments, and climate resilience outcomes for beneficiaries across the Pacific.

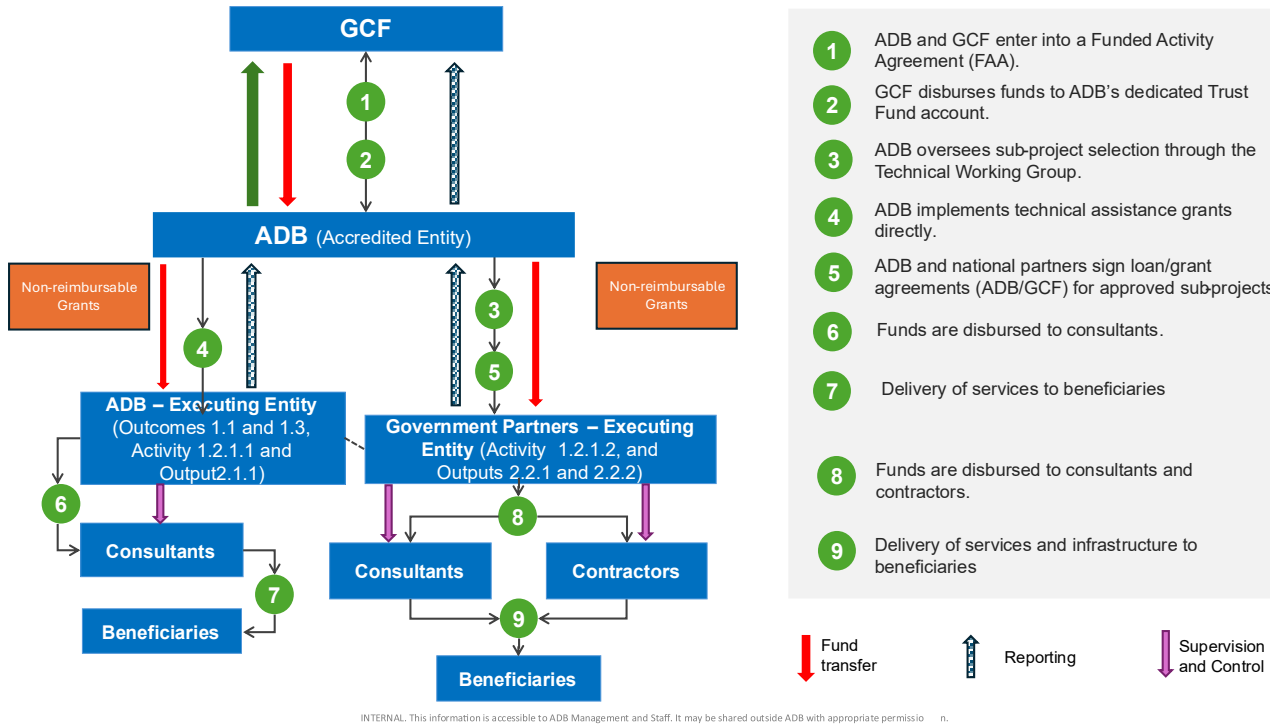


Figure 15: Proposed Flow of GCF Funds

B.5. Justification for GCF funding request (max. 1000 words, approximately 2 pages)

RPACA is structured as a blended public adaptation finance programme. The request to GCF is for grant financing only, while ADB co-financing includes a differentiated mix of grants, highly concessional loans and ordinary capital resources lending. This structure reflects the diversity of PIC' fiscal positions, debt sustainability constraints, borrowing capacity and eligibility under ADB's lending framework. This modality is critical since (i) adaptation interventions are largely not revenue generating, (ii) Pacific DMCs face disproportionate climate impacts, and (iii) have limited fiscal space to keep debt levels sustainable reflecting a differentiated financing approach. Countries with greater borrowing capacity may be able to absorb concessional or ordinary capital resources lending for selected sub-projects, subject to ADB's country classification, debt sustainability considerations and confirmation of government willingness to borrow. Countries with limited borrowing capacity, elevated debt distress risks or grant-only eligibility require a higher share of grant financing. The grant-loan mix is therefore determined by country-specific debt capacity and ADB lending eligibility, rather than by the general nature of adaptation investments.

Adaptation Nature: RPACA interventions largely focus on climate change adaptation in key vulnerable sectors (e.g., water security, coastal protection, flood control, critical services) and aim to deliver critical social and environmental benefits. The investments are unlikely to generate direct revenue streams; they produce benefits in terms of avoided losses and resilience, which would make it difficult to justify lending.

Vulnerability to shocks: Pacific DMCs face high and chronic vulnerability to shocks due to climate change and natural hazards. The damages are disproportionately large, reaching 60% of GDP in Samoa (2005), 64% in Vanuatu (2015), and between 25% and 46% in Tonga and Vanuatu during Cyclone Harold in 2020. More recent events continue this pattern, including 18.2% of GDP losses from Tonga's 2022 eruption and tsunami, and successive shocks in Vanuatu in 2023–2024 causing damages of 40%-43% of GDP. This underscores the region's extreme vulnerability. Climate change makes these disasters larger and more frequent (See Annex 2 for detail).

Limited Fiscal Space and Debt Distress. Pacific SIDS spending needs are substantial and limited fiscal space and high debt-distress curtail the scope for additional borrowings for adaptation. For example, as of February 2026, 6 out of 13 Pacific SIDS are classified as being at high risk of debt distress, with remaining

8 assessed at moderate risk (see Section 17, Annex 2 for details). Overall debt outlook remains fragile, as IMF debt sustainability stress tests indicate that even a single severe climate shock could potentially breach their debt thresholds and push them back into high distress. Because of the debt distress, many pacific DMCs are eligible for grant only for ADB's financing. If GCF funds were to be in the form of loans, this would significantly restrict the potential to provide GCF funds to the Pacific SIDS. Further, even for the countries with access to ADB loans, they are highly concessional loans, and many countries do not access the concessional loans due to debt distress concerns. If RPACA financing is offered in loan, many pacific SIDS will unlikely be interested. Finally, vulnerability is to some extent caused by debt stress – if adaptation leads to more debt, it may also lead to more vulnerability.

Countries' policy stance: Small island nations, including those in the Pacific, repeatedly expressed opposition to debt financing for climate adaptation in international forum. For example, Alliance of Small Island States explicitly stated that "Adaptation finance should be public, grant based, predictable and accessible" in the COP26 Opening Statement. Early consultations with Pacific governments and accredited entities in March-May 2024 (including the Pacific Climate Change Roundtable in Apia) established a clear preference that GCF financing be provided as grants, which was reflected in the RPACA Concept Note submitted in April 2025. Many Pacific SIDS point to issues of equity, justice and efficiency, in opposing loans for climate adaptation projects and may opt not to tap into the RPACA resources even if available as concessional loans from the GCF. This would represent a significant missed opportunity for scaling up access to the much-needed climate finance in the region, and to the continued fragmentation of climate action in the region.

Grant financing is essential to close the viability and affordability gap for sub-projects that are economically justified but not financially self-sustaining. Loans would exacerbate debt distress in Pacific SIDS, while grants ensure sustainability by enabling countries to close GESI and vulnerability gaps without worsening fiscal fragility.

B.6. Exit strategy (max. 500 words, approximately 1 page)

RPACA has been designed so that its principal legacy is not only the infrastructure delivered during implementation, but a permanent shift in how Pacific Island Countries identify, finance, deliver, operate and maintain climate-resilient investments. The programme therefore exits from implementation while leaving strengthened national systems, regional partnerships, investment pipelines and institutional capabilities that continue to generate adaptation benefits well beyond the GCF funding period.

Ownership of all investments will rest with participating governments through their designated Executing Entities, consistent with ADB financing arrangements. Through component 1 led investments, RPACA will exit through strengthened and institutionalized Pacific systems rather than project-funded delivery mechanisms, with climate-responsive PFM tools, fiscal risk analytics, adaptation investment planning frameworks, sustainable finance approaches, and knowledge resources embedded within Ministries of Finance, central banks, financial regulators, and national financial institutions that will continue to operate under national mandates and budgets. Long-term ownership will be secured through MoF-led capacity development pathways, accredited professional training programmes, regional university partnerships, peer-learning networks, and integration of climate risk management functions into routine government and financial sector operations, reducing reliance on external technical assistance over time. Sustainability of financial market interventions will be achieved by embedding climate risk assessment, adaptation finance products, sustainable finance frameworks, and blended-finance approaches within participating financial institutions, enabling commercial banks, development banks, insurers, and MSME finance providers to continue originating, assessing, and financing adaptation investments using their own capital and market-based financing mechanisms.

Infrastructure delivered under Component 2 will be incorporated into national sector plans, asset-management systems and long-term investment pipelines. Operations and maintenance responsibilities will be embedded within government agencies, utilities or other responsible asset owners through established budget allocations, institutional mandates, service agreements and, where appropriate, public-private partnerships. A key objective of RPACA is to strengthen O&M systems, policies and institutional responsibilities so that climate-resilient infrastructure continues to perform throughout its design life. RPACA's paradigm-shifting impact will be sustained through continued government, private sector, and regional stakeholder action to integrate climate risk into fiscal planning, financial regulation, investment

decision-making, and infrastructure financing, creating self-reinforcing incentives that expand adaptation investments.

RPACA's contribution extends beyond Components 1 and 2. Component 1 embeds climate-responsive public financial management, climate-risk analytics, innovative financing mechanisms and investment planning into government systems, while Components 3 and 4[83] will expand regional knowledge exchange, strengthen resilient food, water, health, environmental and waste-management systems, and establish enduring regional coordination through SPC and SPREP. Together, the four components create an integrated platform linking planning, financing, implementation and knowledge management, ensuring that adaptation becomes institutionalized rather than project based.

The programme's structured approach to sub-project selection is itself a lasting outcome. The climate-risk screening framework, adaptation typologies, investment eligibility criteria set out in the Funding Proposal and the Term Sheet and prioritization methodology establish a transparent and repeatable process for selecting high-impact investments. Demonstration projects across multiple sectors, countries and island typologies will generate practical evidence on resilient infrastructure, nature-based and hybrid solutions, financing mechanisms and implementation approaches. Lessons will be systematically captured through RPACA's monitoring, evaluation and learning framework and shared across countries, strengthening regional knowledge and accelerating adoption of proven approaches.

Collectively, these outcomes establish RPACA as a blueprint for future Pacific adaptation investment. The programme demonstrates how integrated climate-risk assessment, programmatic financing, regional collaboration and investment-ready project pipelines can replace fragmented project-by-project approaches. The methodologies, institutional arrangements and financing mechanisms developed under RPACA can be replicated by governments, ADB, SPC, SPREP, development partners and private investors to mobilize successive rounds of climate finance from GCF and other sources. Insights generated through project selection, implementation and performance will continuously strengthen future investment planning across the Pacific.

GCF resources leverage significant co-financing and private-sector participation. The operationalisation of blended finance instruments and credit-enhancement mechanisms will support scaling beyond the programme period and accelerate the transition towards predictable, long-term financing pipelines rather than fragmented funding. Sustainability is further reinforced through mainstreaming gender equality, disability inclusion and social inclusion within planning, financing and implementation systems, ensuring that resilience benefits continue to reach the most vulnerable populations.

In conclusion, RPACA's exit strategy is not a withdrawal, but a managed transition from externally supported implementation to self-sustaining, nationally led and regionally connected systems. By embedding climate-informed investment planning, strengthening asset management, institutional capacity and regional cooperation, and creating a scalable programmatic model for climate finance, RPACA will sustain its transformational contribution to Pacific resilience long after GCF financing concludes.
RPACA Components 3 and 4 are planned to come on-line approximately 12-18 months later than the RPACA ADB program. This will expand the scale of RPACA. Further, it will expand the typologies, methodologies, partnerships and technical reach of RPACA. The Pacific Community (SPC) is responsible for driving

Component 3. SPC’s advantage in the Pacific stems from its comprehensive expertise across a broad spectrum of sectors, including agriculture, fisheries, and environmental management. SPC’s regional focus, combined with its extensive technical knowledge and data-driven approach, enables it to provide tailored solutions that address the unique challenges faced by PSIDS Countries. Its established relationships with national governments, local stakeholders, and international partners further enhances its effectiveness in implementing climate resilience projects. Under Component 3, SPC aims to focus on building climate-resilient food, water and public health systems.

[83] Note: approval of this document does not imply GCF commitment to either Components 3 and 4, nor to the contents of Components 3 and 4 should they be approved

C. FINANCING INFORMATION

C.1. Total financing

(a) Requested GCF funding (i + ii + iii + iv + v + vi + vii)	Total amount	Currency
	250,000,000	million USD ($)

GCF financial instrument	Amount	Tenor	Grace period	Pricing
(i) Senior loans	000,000,000	Enter years	Enter years	Enter %
(ii) Subordinated loans	Enter amount	Enter years	Enter years	Enter %
(iii) Equity	Enter amount			Enter % equity return
(iv) Guarantees	Enter amount	Enter years		
(v) Reimbursable grants	Enter amount			
(vi) Grants	250,000,000			
(vii) Results-based payments	Enter amount			

(b) Co-financing information	Total amount	Currency
	839,300,000	million USD ($)

Name of institution	Financial instrument	Amount	Currency	Tenor & grace	Pricing	Seniority
ADB	Grant	342,100,000	million USD ($)	n/a	n/a	senior
ADB	Senior Loans	220,000,000	million USD ($)	FLP maximum Average Maturity 19 years/ 8 years grace (negotiated)	50bps+ SOFR[84]	senior
ADB	Senior Loans	247,200,000	million USD ($)	40 years/ 10 years Grace	1%	senior
Click here to enter text.	Options	Enter amount	Options	Enter years Enter years	Enter%	Options

(c) Total financing (c) = (a)+(b)	Amount	Currency
	1,059,300,000	million USD ($)

[84] Pricing is updated regularly. Latest applicable pricing, at the time of FP submission, is available here: https://www.adb.org/sites/default/files/institutional-document/1162161/revised-lending-rates-funding-cost-margins-jul-dec-2026.pdf

(d) Other financing arrangements and contributions (max. 250 words, approximately 0.5 page)	**ADB Co-Financing** GCF funds will support up to 26 sub-projects over the lifetime of the RPACA program. At the sub-project level, GCF funds will be complemented by co-financing from ADB, with amounts and terms varying by project. ADB will provide concessional co-financing through a differentiated financing structure aligned with its Concessional Assistance Policy and country classification system, combining approximately $342.1 million in grants, $247.2 million in highly concessional ordinary capital resources loans (COL, ADB's SIDS pricing) and $220 million in ADB's Ordinary Capital Resources (OCR) loans, and/or blended loans across 26 sub-projects over the programme lifetime. Grant resources will be prioritized for Group A (concessional assistance only) and highly climate-vulnerable contexts, while concessional and blended loan terms will be tailored for Group A blend and Group B countries, reflecting debt sustainability, creditworthiness, and climate finance access constraints. As per ADB's Country Classification and Graduation of Developing Member Countries Policy[85], developing member countries (DMCs) are classified using a three-tier system: groups A, B, and C for lending eligibility based on their income levels (i.e., gross national income per capita based on the Atlas method) and creditworthiness. To assess their creditworthiness, DMCs are placed under three categories: (i) adequate creditworthiness, (ii) limited creditworthiness, and (iii) lack of creditworthiness. ADB uses the following three-tier classification system: group A (concessional assistance-only countries), group B (OCR blend countries), and group C (regular OCR only countries). These categories help determine the types of financial products ADB offers to each country, such as concessional and regular ordinary capital resources (OCR) lending, and grants. The RPACA Program proposes differentiated GCF concessional support based on each country's ADB lending group classification, climate vulnerability, nature of interventions, and climate finance access barriers. The Pacific region includes Group A and B countries: **Group A (Concessional – ADF Grants-only):** Kiribati, Tonga, Tuvalu **Group A (50% ADF grant/50% COL):** Naoero, Vanuatu, Federated States of Micronesia, Republic of Marshall Islands, Samoa **Group A (COL only):** Solomon Islands **Group B (OCR Blend):** Fiji, Papua New Guinea, Palau, Cook Islands, Niue **Category A: Concessional Assistance (CA)-Only Countries** • **Characteristics:** Low-income and least developed countries, usually with limited creditworthiness. Economic vulnerability premium for eligible small island developing states • **Financing Terms:** o Eligible for grants and ADF grant only based on risk of debt distress (generally derived from the WB/IMF's debt sustainability analysis conducted every 1-2 years as part of IMF's Article IV missions) o Loans from the Asian Development Fund (ADF) and the concessional window (COL) of ADB. (50 ADF:50 COL) o Near-zero interest with long grace periods and maturities. Pacific SIDS can access SIDS pricing for COL which is cheaper than normal COL (1% interest rate, a 10-year grace period, a 40-year maturity, and principal repayments of 2% per year for the first 10 years after the grace period and 4% per year thereafter) **Category B: OCR Blend Countries** • **Characteristics:** Countries eligible for both concessional (COL) and non-concessional financing (OCR, i.e., middle-income but still need development support, particularly economically vulnerable SIDS). • **Financing Terms:** o Access to both concessional and regular OCR financing. o Group B Pacific SIDS can access SIDS pricing for COL which is cheaper than normal COL (1% interest rate, a 10-year grace period, a 40-year maturity, and

[85] ADB. 1998. A Graduation Policy for the Bank's DMCs. Available : https://www.adb.org/documents/graduation-policy-banks-dmcs

principal repayments of 2% per year for the first 10 years after the grace period and 4% per year thereafter)
- May receive blended financing packages, i.e. COL+OCR.
- Note that some Group B Pacific SIDS, while eligible for higher cost OCR loans, choose only to access COL.

Additional Notes:

- **Concessional assistance policy:** ADB's concessional assistance framework determines when Developing Member Countries (DMCs) transition from concessional assistance to Ordinary Capital Resources (OCR)-only terms, based primarily on sustained income growth and creditworthiness assessments.
- **Country classification system**: ADB's classification of DMC eligibility and access to concessional resources is periodically reviewed and updated to reflect changes in income levels, debt sustainability, and development conditions, with the most recent major update issued in July 2025 under the revised operational classification framework.

Asian Development Fund Thematic Grants for Group A and B Countries

In addition, the Asian Development Fund (ADF) 14 Thematic Window provides grant financing to support high-impact projects that may not otherwise proceed due to limited financial returns, higher risks, or the need to generate broader regional and development benefits. The grants are designed to accelerate investments in three strategic areas: climate change adaptation and disaster risk reduction (CCA-DRR), regional cooperation and integration including regional public goods (RCI-RPG), and SDG 5's transformative gender agenda. By providing additional grant resources, the Thematic Window helps developing member countries' pilot innovative approaches, strengthen resilience, address shared regional challenges, and deliver transformational development outcomes aligned with ADB's Strategy 2030 priorities. Both Group A and Group B countries are eligible for ADF thematic grants. Thematic grant funds are competitively allocated on the basis of funding applications which are submitted in response to an annual call for proposals. Proposals are scored on how strongly they align with the strategic objectives of the thematic window and whether they demonstrate additionality and transformational impact beyond what would normally be financed through ADB operations, proposals from SIDS are given additional weighting in the scoring.

Note on ADB Loans Pricing:

- Pacific SIDS COL: 1% interest rate, a 10-year grace period, a 40-year maturity, and principal repayments of 2% per year for the first 10 years after the grace period and 4% per year thereafter)
- OCR: 50 basis points spread, for Group B 10-20bps Maturity Premium, and commitment charge of 15bps
- See: https://www.adb.org/sites/default/files/adb-flexible-loan-product-202307.pdf

C.2. Financing by component[86]

Component	Output	Indicative cost Options	GCF financing		Co-financing		
			Amount Options	Financial Instrument	Amount Options	Financial Instrument	Name of Institutions
Component 1: Enhancing PICs' Access to Climate Finance	1.1.1. Skills and capacity to address climate- and disaster-responsive PFM are enhanced, retained and applied.	3,781,825	3,781,825	Grant	0	Grant	ADB
	1.1.2 Regional climate finance and adaptation planning coordination with gender	2,250,000	2,250,000	Grant	0	Grant	ADB

[86] Allocations are subject to applicable ADB policies and procedures including classification of ADB developing member countries.

	equality and inclusion mainstreamed and enhanced.						
	1.1.3. Climate-related fiscal risk analytics and budget integration tools developed	999,980	999,980	Grant	0	Grant	ADB
	1.1.4 Climate Adaptation Investment Planning (CAIP) framework for appraising and prioritizing climate adaptation investments established.	1,149,995	1,149,995	Grant	0	Grant	ADB
	1.1.5 Innovative climate finance instruments and enabling frameworks designed	1,950,000	1,950,000	Grant	0	Grant	ADB
	1.2.1 Regional blended finance platform for MSME adaptation lending established	46,650,000	15,650,000	Grant	31,000,000	Grant	ADB
	1.2.2 Pacific Infrastructure Risk Advisory and Transfer Support (PAC-INFRAT) piloted	1,500,000	1,500,000	Grant	0	Grant	ADB
	1.3.1 National financial sector policy, regulatory, and institutional capacities are strengthened (in accordance with regional and international frameworks)	4,500,000	4,500,000	Grant	0	Grant	ADB
	Component 1 Gender action plan implementation.	1,218,000	1,218,000	Grant	0	Grant	ADB
	Programme level M+E	1,500,000	1,500,000	Grant	0	Grant	ADB
Component 2: Climate-Resilient Infrastructure & Coastal Protection	2.1.1 Evidence-based, system-scale climate adaptation sub-projects developed and approved.	10,000,000	10,000,000	Grant	0	Grant	ADB
	2.1.2 Climate-resilient and inclusive adaptation infrastructure sub-projects completed and operationalized.	933,800,000	194,389,000	Grant	272,211,000	Grant	ADB
					467,200,000	Loans	ADB
	2.1.3 Institutional capacity and enabling environment of national agencies for climate-resilient infrastructure management strengthened.	48,468,000,	9,579,000	Grant	38,889,000	Grant	ADB
	Component 2 Gender action plan implementation	1,532,000	1,532,000	Grant	0	Grant	ADB
	Indicative total cost (USD)	**$1,059,300,000**	**250,000,000**		**$809,300,000**		

C.3 Capacity building and technology development/transfer (max. 250 words, approximately 0.5 page)

C.3.1 Does GCF funding finance capacity building activities?	Yes ☒ No ☐
C.3.2. Does GCF funding finance technology development/transfer?	Yes ☒ No ☐

Capacity Building and Technology Transfer Activities: All programme components and outputs will contribute to strengthening the capacity of PIC governments and relevant stakeholders. The programme will deliver targeted capacity building and support technology development and transfer to enable effective implementation, replication, and long-term sustainability of climate adaptation solutions across the Pacific.

The programme directly advances **GCF capacity-building priorities** by combining dedicated institutional strengthening and technical training with a “learning-by-doing” approach across both components, ensuring that PICs develop enduring skills, systems, and networks to access, manage, and deploy climate finance. Key capacity outcomes and activities will include:

- **Component 1, Output 1.1.1** is a dedicated output that can be considered 'purely' capacity strengthening and development across the PSIDS region. Its focus and its endpoint are to build capacity.
- Other specific capacity building outcomes under component 1 include:
    - **Outcome 1.1**, Output 1.1.1 focuses specifically on capacity development for accessing climate finance. This will include developing a Certified Professional Development Programme, Undergraduate and Postgraduate Qualifications and a4 Peer learning network for sustained knowledge and learning.
    - **Outcome 1.1, Output 1.1.2** provides broad support to capacity development of public financial management in order to increase the capacity of PIC governments to access and manage climate finance. This will help the Pacific nations to undertake risk analysis and access varied forms of climate finance. Outcome 1.2 focuses more on soft technology transfer. Outcome 1.2 will transfer the technologies required to increase investments in private sector to implement adaptation activities. The technologies included are a derisking facility,
    - a credit enhancement facility, parametric insurance products , etc. The focus is on MSME and on women-led enterprises. Outcome 1.2 is limited to a small number of countries that are best able to benefit from this.
    - **Outcome 1.3** will build 'green finance' capacity. Output 1.3 will build capacity in banks and insurance companies to access and channel climate finance. in Outcome 1.3 is limited to the countries that are best able to benefit from this.
- **Component 1, other Outputs** All other outputs and outcomes will 'build capacity by doing', the capacity built is a critical co-benefit next to the primary design benefit. They will support individuals, teams and institutions across the region to undertake key tasks, and this support will be delivered in a manner that leads the individuals, teams and institutions to acquire the skillsets, tools, competencies, networks and knowledge required to then undertake such activities without external support
- **Component 2** consists of investment projects in all participating countries– the sub-projects. Component 2 will deliver up to 21 climate adaptation investments through these investment sub-projects. The sub-project investments will be focused into key sectors (coastal management, water and urban services, health and social services, energy, transport). The analysis in the Feasibility Study (Annex 2, Section 13.2) identifies that, across the Pacific, ADB has developed a range of additional and bespoke support measures to address capacity constraints associated with its investment projects. Accordingly, in the Pacific, ADB investment projects follow a similar project cycle and implementation curve, and project will generally have three parts:
    - Identification, participatory design, appraisal and approval. In the Pacific, this is typically a sizable component of the project and is funded by ADB;
    - Infrastructure completed and operationalized. This accounts for the bulk of the project funds. It is overseen by design supervision teams.
    - Capacity building of beneficiaries and strengthening then enabling environment. In the Pacific, this typically accounts for 5-20% (see Annex 2, Section 13.2) of the project budget. The activities are determined through the project design process and target specific needs relate to the investment and in the targeted sector. This may include, for example, data management, individual training, financial management, institutional strengthening, policy reform, planning, etc.

Together, these activities strengthen country ownership, enhance absorptive capacity, and create the enabling environment needed for sustained, programmatic climate action in the Pacific.

Best available technologies and practices. Component 1 is grounded in the application of best available technologies and context-appropriate good practices for system-level climate risk assessment and adaptation planning. This includes the use of integrated, forward-looking climate risk models, geospatial analysis, and sector-specific decision-support tools aligned with regional standards developed by institutions such as SPREP, SPC, and ADB. These approaches ensure that proposed interventions are not only technically robust but also responsive to projected climate scenarios. The selection of methodologies reflects global best practice while being tailored to local data availability, institutional capacity, and socio-economic conditions.

The project development process embeds the best international practice in climate-resilient planning, including the use of adaptation pathways, economic appraisal of resilience options, and participatory, government-led prioritization. By applying these approaches, RPACA ensures that sub-projects are transformational, scalable, and aligned with long-term resilience objectives, rather than incremental or short-term responses.

Component 2 will ensure that all infrastructure investments apply fit-for-purpose best available technologies and engineering practices to ensure resilience under current and future climate conditions. Design standards incorporate climate-resilient specifications (e.g., elevated structures, nature-based coastal protection, flood-resilient drainage

systems, water-efficient and drought-resilient supply systems) informed by downscaled climate projections and hazard assessments. Technology choices are guided not only by global best practice but also by local appropriateness, maintainability, and lifecycle cost-effectiveness, recognizing the capacity and resource constraints. To the extent possible, hybrid solutions combining grey and nature-based infrastructure will be prioritized.

In addition, the project adopts best practice in resilient infrastructure delivery and asset management, including quality assurance during construction, integration of climate risk into asset management systems, and capacity building for operations and maintenance.

D. EXPECTED PERFORMANCE AGAINST INVESTMENT CRITERIA

This section refers to the performance of the project/programme against the investment criteria as set out in the GCF's Initial Investment Framework.

D.1. Impact potential (max. 500 words, approximately 1 page)

The RPACA programme is designed to deliver large-scale, transformational adaptation outcomes across PSIDS, one of the most climate-exposed and capacity-constrained regions globally. The programme responds to interconnected climate risks, compound hazards and cascade risks, including from sea-level rise, coastal erosion, rainfall variability, intensifying cyclones, and water insecurity. These threaten livelihoods, ecosystems, infrastructure, and essential public services in vulnerable communities in the Pacific. By combining upstream strengthening of climate finance systems and institutional capacity with downstream investments in resilient infrastructure, coastal ecosystems, and critical service delivery systems, RPACA enables systemic adaptation across the climate – water -coastal-infrastructure-livelihood nexus. This integrated, programmatic approach aligns with GCF adaptation result areas and contributes to the achievement of core adaptation indicators under the GCF Results Management Framework.

Specifically, the programme is expected to deliver substantial outcomes in two key areas:

- **GCF Core Adaptation Result Indicator**: The number of direct and indirect beneficiaries with enhanced climate resilience across PSIDS.
- **GCF Strategic Plan Target**: Supporting PICs in climate-resilient infrastructure and services.

The following estimations of target beneficiaries are based on national and sector-level data across participating countries, with particular focus on vulnerable populations in coastal and climate-sensitive sectors such as agriculture, fisheries, water, and urban systems. Geographic prioritization is informed by country-driven investment pipelines and high-risk areas identified through national adaptation plans and risk assessments, enabling more robust estimation of direct beneficiaries and the scale of ecosystems and assets brought under improved climate-resilient management.

Direct Beneficiaries:

The estimated total number of direct beneficiaries is 851,334 with the majority benefiting from Component 2. With around 12 million population in the Pacific, this implies that RPACA could directly reach roughly 5% of the region's most vulnerable people, a substantial share given the program's focus on targeted, high-risk sectors and geographies:

- For the small island states with populations under 50,000 (Marshall, Palau, Cook, Niue, Naoero, Tuvalu), each sub-Project is envisaged to directly impact around 40% of the population. This is equivalent to, for example all residents of capital city, or residents of several outer islands.
- For the larger Pacific SIDS with populations up to 1,000,000, each sub-project is envisaged to directly impact around 10% of the population (for example all residents of one city, or one island).
- In PNG, each investment typically directly impacts 1-3% of the population.
- For those countries in which there are two investments, it is conservatively estimated that 20% of those benefitting from the second project did not benefit from the first (except in PNG where the projects are geographically independent and Naoero, where it is conservatively estimated that a second project would have no additional beneficiaries, given the likely close vicinity of project sites).

Indirect Beneficiaries

In the Pacific context, the scale of **indirect beneficiaries** reflects the systemic nature of climate risk and the structure of small island economies. In the Pacific context, the scale of indirect beneficiaries- estimated at 2,871,545 people - highlights the inherently systemic nature of climate impacts and the high degree of population exposure across interconnected island economies:

- For the small island states with populations under 50,000 (Marshall, Palau, Cook, Niue, Naoero, Tuvalu), given the small nature of islands and populations, a single climate-resilient investment or sub-project can indirectly benefit close to 100% of the population by strengthening essential services such as water, energy, transport, and coastal protection.
- For the small island states with populations up to 1,000,000, each sub-Project is envisaged to indirectly impact around 40% of the population.

- In larger and more geographically dispersed countries such as Papua New Guinea, indirect benefits are more spatially distributed but still significant. Indirect benefits are conservatively estimated to reach 40% of the population within the geographic catchment of each project through improvements in critical infrastructure nodes and service systems.

Collectively, the total estimate of **3.72 million direct and indirect beneficiaries** underscores that RPACA delivers climate resilience at a system-wide scale in the Pacific - strengthening infrastructure resilience, building (adaptive) capacity, reducing disruption to essential services, and enhancing economic stability across the region, far beyond those directly targeted by individual projects/investments.

Contribution to GCF Results Areas.

RPACA will deliver transformative infrastructure investments across the Pacific enhancing resilience in the following systems: urban development, water supply and sanitation systems, transport and connectivity, energy, coastal management, and disaster risk management. As such it will contribute to all four GCF results areas as follows:

ARA 1: Most vulnerable people and communities Due primarily to geographical circumstances, almost all people and communities in the Pacific are vulnerable, even highly vulnerable to climate and climate change. RPACA will benefit a significant portion of these people. Within that, the most vulnerable people and communities in Pacific Island countries are those highly exposed to climate hazards, and who simultaneously face systemic economic, and/or social, and/or institutional constraints. These include coastal and outer-island communities, subsistence farmers and fishers, women and underrepresented groups, and populations reliant on fragile ecosystems and climate-sensitive livelihoods. Their vulnerability is compounded by limited access to resilient infrastructure, water and food security, health and social protection systems, and by weak institutional capacity and short-term, project-based development approaches. RPACA responds by prioritizing inclusive participation, addressing gender and vulnerability in climate assessments, strengthening social systems, and building national ownership and capacity so that adaptation efforts reduce structural inequalities rather than reinforce them.

ARA 2: Health, well-being, food and water security Health, well-being, food security, and water security are tightly interlinked and increasingly threatened by climate change in the Pacific, particularly through drought, flooding, ecosystem degradation, and cascading risks. Climate impacts place pressure on freshwater availability, reduce agricultural productivity and fisheries resilience, and increase health risks associated with extreme events and service disruptions. RPACA aims to address these risks by scaling integrated adaptation investments that strengthen water security, food systems, and health and social protection services, while embedding climate risk–informed planning upstream in development decisions. By moving from fragmented projects to programmatic, system-based approaches, the initiative seeks to shift development pathways toward long-term resilience that safeguards human well-being alongside environmental sustainability.

ARA 3: Infrastructure and built environment Infrastructure and the built environment are a central focus of RPACA, reflecting their critical role in enabling climate resilience. Current infrastructure planning often treats climate risk as an add-on rather than a core design driver, resulting in assets that are poorly suited to future conditions and to advancing resilience. Component 2 explicitly targets a transformation in how infrastructure projects are conceived, designed, and implemented by fully integrating system-wide, upstream climate assessments into the project cycle. Through diverse adaptation investments across sectors and countries, RPACA will demonstrate both hard and soft solutions that enhance resilience to sea-level rise, flooding, and extreme events, while strengthening institutional coordination, technical capacity, and access to sustainable finance for resilient infrastructure development.

ARA 4: Ecosystems and ecosystem services Ecosystems and their services are both highly vulnerable to climate change and essential to Pacific resilience, particularly in small island developing states with limited land and freshwater resources. Coral reefs, mangroves, coastal systems, and freshwater ecosystems are threatened by climate impacts, and their degradation further amplifies exposure to hazards such as storm surge, erosion, and food insecurity. RPACA addresses these ecological barriers through capacity building, the use of nature-based solutions, and targeted investments that enhance ecosystem resilience while supporting sustainable access to land and water resources. By integrating ecosystem considerations into climate assessments and cross-sectoral adaptation planning, the program positions healthy ecosystems as foundational assets for long-term economic, social, and climate resilience

D.2. Paradigm shift potential (max. 500 words, approximately 1 page)

RPACA is designed to catalyse a fundamental paradigm shift in climate adaptation in the Pacific, moving from fragmented, reactive, and project-based interventions toward systemic, programmatic, and transformational resilience-building pathways. This shift occurs across multiple dimensions - planning, financing, implementation, and governance - resulting in long-term structural change rather than incremental improvements.

From project-based to programmatic adaptation. A central element of the paradigm shift is the transition from isolated projects to a coordinated, multi-country programmatic approach. Historically, climate adaptation in the Pacific has been characterized by short-term, donor-driven projects with limited continuity, and standalone investments that do not address systemic risks. RPACA aims to replace this model with a programmatic architecture that links climate risk assessment, pipeline development, and financing across Pacific countries.

From reactive climate-proofing to proactive, system-based resilience. Traditional approaches have focused on retrofitting infrastructure to withstand known risks. RPACA shifts this toward forward-looking, system-scale climate risk assessments, integrating compound and cascading risks, and the development of adaptation pathways, rather than one-off solutions. This represents a move from reactive risk management to anticipatory, science-led resilience planning, fundamentally changing how infrastructure and systems are designed.

From standalone investments to integrated systems transformation. RPACA understands that infrastructure investments are embedded within socio-economic systems, and that risks and impacts cascade across sectors. To work with this, in RPACA, investments are designed as part of integrated resilience systems, not isolated assets. Further, the programme will strengthen both the physical infrastructure and the institutional systems that support it.

From external dependency to national driven and responsibility. A core aspect of the paradigm shift is the transition from donor-held finance and projects to nationally owned and institutionally embedded adaptation. The integration of climate risks into public financial management, fiscal policy, and investment planning systems contributes to this, as does the broad use of national ministries and agencies act as executing entities, building long-term capacity. Regional coordination mechanisms will support a collective ownership and knowledge exchange.

From fragmented finance to programmatic and scalable climate finance. Climate finance in the Pacific has traditionally been fragmented, unpredictable, and difficult to access. RPACA drives a shift toward: (i) programmatic, long-term financing approaches aligned with national planning cycles; (ii) the integration of climate finance into fiscal frameworks and investment pipelines; and (iii) the mobilization of blended finance, private sector participation, and innovative financial instruments.

From marginal inclusion to transformative social equity. RPACA embeds a gender-transformative and inclusive approach within all components. This encompasses vulnerable groups (women, youth, persons with disabilities) being are treated as active agents of resilience, not passive beneficiaries. Also, inclusion is integrated into the risk assessments, planning, financing, and implementation systems.

Two other aspects of the anticipated paradigm shift are (i) moving from filling knowledge gaps to an approach of continuous learning and innovation and (ii) designing for a “tipping point”, after which the changes become self-sustaining and irreversible.

In conclusion, RPACA contributes to a paradigm shift by redefining how climate adaptation is conceived, financed, and implemented in the Pacific. It transitions the region from fragmented, reactive approaches to integrated, forward-looking, and system-based resilience-building, embedded within national institutions and supported by scalable finance. Through this transformation, RPACA not only delivers immediate resilience benefits but also establishes a new development model in which climate resilience becomes the foundation of long-term sustainable growth.

Scalability RPACA is explicitly designed to promote scalability across countries, sectors, and financing streams, enabling it to move beyond a finite project and function as a long-term platform for transformational climate adaptation in the Pacific. Its scalability is embedded in its architecture, combining a strong enabling environment (Component 1) with a replicable pipeline of investments (Component 2), supported by regional coordination and knowledge systems. Scalability lies in its ability to move from individual investments to systemic transformation. By combining programmatic design, pipeline-based investment generation, institutional strengthening, financial innovation, and regional coordination, the programme creates a self-sustaining platform for continuous expansion of climate adaptation action. Key elements of scalability are (i) the programmatic architecture that enables scaling across countries and sectors as well as from pilot investments to system-wide transformation; (ii) the continuous pipeline approach, rather than a fixed set of subprojects, and so scalability is driven by ongoing investment

generation; and (iii) the focus on the financial model: RPACA creates a pathway toward progressively diversified and scaled climate finance flows.

D.3. Sustainable development (max. 500 words, approximately 1 page)

RPACA directly advances Pacific sustainable development priorities as articulated in the 2050 Strategy for the Blue Pacific Continent, particularly its goals on climate resilience, sustainable economic development, and people-centered well-being. It supports progress toward the Sustainable Development Goals (SDGs) most critical to the Pacific context, including SDG 13 (Climate Action), SDG 9 (Resilient Infrastructure), SDG 6 (Clean Water and Sanitation), and SDG 14 (Life Below Water), by reducing climate-related damage to infrastructure, safeguarding ecosystems, and improving essential service delivery as detailed in

Table 7.

Table 7: Strategic Alignment of RPACA Program Components with GCF Result Areas, SDGs and Pacific Regional Strategies

RPACA Component	Contribution to GCF Result Areas	Relevant SDGs (Goals & Targets)	ADB Climate Change Action Plan 2030	Framework for Resilient Development in the Pacific (FRDP)	2050 Strategy for the Blue Pacific Continent
Component 1: Enhancing PICs' Access to Climate Finance	• Increased climate finance mobilization (mitigation & adaptation) • Strengthened enabling environments and institutional capacity • Private sector engagement and risk reduction instruments	• SDG 13.a (climate finance mobilisation) • SDG 17.3 (resource mobilization) • SDG 8.3 (financial sector development) • SDG 9.a (financial and institutional capacity building)	• Pillar 1: Climate finance mobilization; Pillar 2: Strengthening enabling environments; Target: scaling adaptation finance share to 75% and strengthening country systems for access and delivery	• Strengthens resilient national systems for planning, budgeting, and accessing climate finance• Supports FRDP Pillar 1 (Integrated Risk Management) and Pillar 3 (Climate and Disaster Risk Governance) • Enhances public financial management systems to integrate climate risk into development planning	• Advances Strategic Priority 1: Climate Change and Disaster Resilience through strengthened finance systems • Supports "Fit-for-purpose finance systems" enabling sovereign ownership of adaptation pathways • Reinforces regional solidarity in climate finance, access and delivery
Component 2: Climate-Resilient Infrastructure & Coastal Protection	• Increased resilience of infrastructure and built environment• Enhanced ecosystem-based adaptation and risk reduction • Strengthened adaptive capacity of vulnerable communities	• SDG 9.1 (resilient infrastructure) • SDG 11.5 (disaster risk reduction) • SDG 13.1 (resilience and adaptive capacity) • SDG 14.2 (marine ecosystem protection) • SDG 6.1–6.2 (water and sanitation resilience)	• Pillar 3: Scaling climate- and disaster-resilient infrastructure; Target: 100% Paris-aligned operations; expansion of nature-based and resilient infrastructure investment	• Directly supports FRDP Pillar 2 (Resilient Development) through climate-resilient infrastructure investment • Strengthens coastal risk management and ecosystem-based adaptation• Reduces disaster losses and improves continuity of essential/critical services (energy, transport, water, health)	• Advances Strategic Priority 1: Resilience and Adaptation by protecting critical infrastructure and coastal systems • Supports *Blue Pacific identity* as ocean-based resilient societies • Contributes to safeguarding livelihoods, mobility, and settlement sustainability in atoll and coastal states

Through investments in resilient infrastructure, energy transition, water security, and health and education systems, RPACA strengthens economic stability, reduces disaster-related losses, and protects climate-sensitive sectors such as tourism and fisheries that underpin Pacific economies. By investing in integrated, inclusive, and appropriate

adaptation solutions, RPACA generates transformational benefits that extend beyond direct climate resilience outcomes, as follows:

Economic benefits

- The economic and financial analysis of the programme shows that the indicative portfolio is expected to generate substantial avoided-loss benefits by reducing climate-related damage, service disruption and productivity losses across critical infrastructure and socio-economic systems in Pacific SIDS (Annex 3). These include avoided disruption and damage losses across critical infrastructure (airports, roads, bridges, ports, coastal assets, energy, water, health, and education facilities), reducing GDP losses from climate and disaster events.
- The economic appraisal demonstrates that RPACA would generate net economic benefits with a benefit-cost ratio of 1.21 and an economic rate of return above ADB's benchmark (Table 8). These results provide evidence that the programme constitutes an efficient and effective use of concessional climate finance, supporting GCF's investment rationale for large-scale adaptation investments that deliver significant public resilience benefits across the Pacific region.

Table 8: Summary of the Economic Appraisal Results for RPACA

Indicator	RPACA Result	Interpretation
ENPV	US$148.88 million	Creates substantial net economic value for Pacific SIDS.
BCR	1.21	Every US$1 invested generates approximately US$1.21 in economic benefits.
EIRR	8%	Above ADB's 6% benchmark, indicating strong economic viability.

- Other economic benefits of the programme include:
    - Improved continuity of national and regional connectivity, including air, road, and maritime access, reducing closure risks, travel time losses, and transport unreliability that constrain trade, tourism, and domestic markets.
    - Protection of tourism-dependent economies, with reduced assessed tourism GDP losses, safeguarded gateway infrastructure, and maintained market access in countries where tourism accounts for a large share of GDP.
    - Lower operation, maintenance, and emergency repair costs for transport, energy, WASH, and coastal protection assets through resilient design and reduced climate exposure.
    - Reduced fuel import dependence and generation costs through increased renewable energy supply, avoided diesel consumption, strengthened energy security, and lower exposure to fuel price volatility.
    - Increased revenue and efficiency of utilities, including incremental billed water and electricity sales, reduced non-revenue water, and lower system losses.
    - Productivity gains and reduced time poverty, from improved water, sanitation, transport reliability, and electricity access, benefiting households, firms, and caregivers.
    - Avoided health-related economic losses, including reduced disease burden (avoided DALYs), lower health service disruption, and reduced caregiver productivity losses.
    - Safeguarded domestic connectivity and business activity, especially where critical corridors or assets have few alternative routes and high systemic importance.

Ecological benefits

- Reduced climate exposure and degradation of coastal and marine ecosystems, through protection against erosion, inundation, storm surge, and sea-level rise.
- Restoration and protection of coastal habitats, strengthening ecosystem services such as shoreline stabilization, fisheries productivity, and natural buffering against hazards.
- Avoided ecosystem degradation losses, with benefits to biodiversity, fisheries, and coastal environmental quality.
- Support for ecosystem-based adaptation, demonstrating nature-based solutions in low-lying SIDS and coastal urban environments.
- Improved urban environmental conditions, including better waste management, drainage, and sanitation, reducing pollution of coastal and lagoon systems.
- Improved resilience of fisheries and local food systems, reducing climate-related losses and import dependence where coastal ecosystems underpin food security.

Social benefits

- Improved safety, reliability, and accessibility of essential services, including transport, water and sanitation, health care, education, and energy.
- Strengthened public health outcomes, with reduced WASH-related and climate-sensitive diseases, improved maternal and neonatal health, and stronger continuity of health services during shocks.
- Enhanced resilience of vulnerable groups, including coastal communities, older persons, women, students, and climate-exposed households.
- Reduced service disruption days for schools, hospitals, care facilities, utilities, and transport systems, sustaining social and economic functioning during climate events.
- Stronger livelihoods and community resilience, through protected coastal livelihoods, reliable access to electricity and water, and reduced climate-related income shocks.
- Improved quality of life, from reliable infrastructure, reduced disaster stress, improved hygiene and sanitation, and safer living environments.
- Strengthened institutional and community capacity, including planning, implementation, and scaling of climate-resilient infrastructure and adaptation investments.
- Human capital development for a climate-resilient economy, through reduced education disruption and improved relevance and inclusiveness (including gender responsiveness) of secondary education.

Collectively, the above integrated outcomes of RPACA reinforce and advance implementation of Pacific regional priorities under frameworks such as the Framework for Resilient Development in the Pacific, ensuring that climate action simultaneously drives resilience, sustainability, and inclusive economic transformation across the Blue Pacific.

D.4. Needs of recipient (max. 500 words, approximately 1 page)

RPACA directly responds to the acute and escalating climate vulnerabilities faced by PICS by targeting the systemic risks that climate change poses to Pacific identity, lives, livelihoods, infrastructure, and long-term development trajectories. It recognises that PSIDS are among the most exposed globally to both rapid-onset hazards such as cyclones and flooding, and slow-onset processes such as sea-level rise and coastal erosion, with impacts disproportionately affecting vulnerable groups including women, youth, elderly populations, and remote communities. By embedding adaptation across infrastructure systems, public finance, and institutional strengthening, RPACA treats climate change not as a standalone sectoral issue but as a core, cross-cutting constraint on development. While Pacific Island Countries have made important progress in developing National Adaptation Plans (NAPs)- with 7 submitted to the UNFCCC to date - and updated NDC 3.0, with 11 submissions, implementation remains constrained by limited fiscal space, fragmented institutional arrangements, and weak cross-sectoral integration (see Annex 2 – Appendix 2.1 for NAP and NDC submission status in the region). The RPACA design and priorities were therefore directly shaped through extensive engagement with Pacific Island governments, regional organisations, civil society, and other stakeholders, ensuring the program reflects nationally defined needs and priorities (see Annexes 2a & 7).

Scale and intensity of climate vulnerability: The PICS are among the most climate-vulnerable countries in the world due to their small land areas, long coastlines, low elevation, geographic isolation, and high dependence on climate-sensitive ecosystems and sectors. They face increasing frequency and intensity of extreme events, including tropical cyclones, flooding, storm surge, droughts, and heat stress, as well as slow-onset impacts such as sea-level rise, coastal erosion, saline intrusion, ocean warming, and acidification. Critical infrastructure, public services, settlements, and productive assets are predominantly located in coastal and low-lying areas, making them highly exposed to climate hazards. The climate impacts affect entire national populations, but vulnerability is particularly acute among specific beneficiary groups. These include women and girls, who often bear disproportionate responsibility for water, food production, and caregiving while facing constraints in access to land, finance, skills, and decision-making; youth and children, whose education, health, and long-term livelihood prospects are increasingly disrupted by climate events; the elderly and people with disabilities, who face heightened risks during disasters; and outer-island and remote communities with limited access to services, markets, and emergency response. Without scaled-up adaptation, climate risks threaten long-term habitability in parts of the region and risk reversing decades of development progress.

Economic and social development level: The PICS are predominantly small island and lower-middle-income economies with limited economic diversification and high vulnerability to external shocks. Per capita incomes mask

underlying fragility, including high dependence on subsistence and informal livelihoods, narrow export bases, and limited employment opportunities. Key economic sectors - such as agriculture, fisheries, tourism, and coastal services - form the backbone of food security, income generation, and social stability yet are highly climate-sensitive. Climate change directly undermines these sectors, increasing poverty risks, food insecurity, and inequality, particularly for rural and coastal populations. Recurrent climate shocks divert scarce public resources away from human development priorities such as health, education, and social protection toward emergency response and reconstruction. In this context, adaptation is not an incremental development addon, but a core requirement to safeguard economic productivity, social outcomes, and inclusive development pathways. The scale of climate impacts relative to economic size means even moderate shocks can have economy-wide and long-lasting consequences.

Adaptation Finance Gap: For the Pacific region specifically, studies and Multilateral Development Bank analyses indicate that climate finance flows remain heavily skewed toward mitigation, with adaptation receiving a minority share of funding (often <10% of climate finance globally), and Pacific SIDS receiving only a very small share of global flows despite high vulnerability. The estimated adaptation needs coverage ratio is 33% - meaning that current annual adaptation finance commitments represent about a third of the region's annualized future adaptation needs[87]. Across the region, climate investments remain largely small-scale, donor-driven, and project-based, with insufficient scale and coherence to address systemic and compounding climate risks affecting coastal, urban, and rural systems. Critical enabling infrastructure- including climate data systems, early warning systems, resilient connectivity, and integrated coastal and watershed management- remains underdeveloped or unevenly implemented. While community-led adaptation approaches are widely recognized, they are not yet systematically embedded into national planning, financing, and delivery frameworks at the scale required for long-term resilience.

Absence of alternative sources of financing: The PICS face chronic constraints in accessing and mobilizing financing for large-scale and sustained climate adaptation. Domestic fiscal space is limited by small tax bases, high per-capita costs of service delivery due to remoteness and dispersion, and elevated public debt levels following repeated climate and economic shocks. Balance-of-payments pressures are significant, driven by import dependence, disaster-related expenditures, and volatility in external revenues. Local capital markets are shallow, with limited availability of long-term finance and minimal track record in funding climate-resilient infrastructure or adaptation investments. The scale, long time horizons, and public good nature of adaptation measures make them poorly suited to commercial financing. As a result, governments are unable to fund priority adaptation investments through domestic resources or market-based instruments alone. Concessional and grant-based climate finance is therefore essential to close the financing gap and enable timely, proactive adaptation rather than reactive post-disaster spending.

PICs face a persistent policy-to-implementation gap: While climate risks are widely recognized in national and sector policies (e.g. NAPs and NDCs), this has not translated into routine practice due to weak institutional systems, limited resourcing, and lack of operational tools such as standards, budgets, and monitoring frameworks (see Annex 2 - results of Sectoral climate policy review). As a result, adaptation is often implemented through isolated, project-driven interventions (e.g. climate-proofed infrastructure) rather than embedded across sector systems. Recipient countries therefore need support to convert policy commitments into institutionalised practice - including strengthening sector procedures, financing mechanisms, and implementation capacity - so that climate resilience becomes a standard part of planning, investment, and service delivery. This gap has practical consequences for RPACA. It means that in most countries and sectors, RPACA subprojects will operate within a policy framework that nominally supports climate adaptation but will not find operational sector systems that routinely apply it. RPACA's soft components - technical assistance for standards, procedures, guidelines, and institutional arrangements - are therefore not supplementary to physical investment but are the mechanism through which policy commitments can be converted into durable operational practice.

Need for strengthening institutions and implementation capacity: Institutional and human capacity constraints significantly limit the ability of the PICS to plan, finance, and implement effective adaptation responses. Public administrations are small and overstretched, with limited specialized expertise in climate risk assessment, climate-responsive planning, resilient infrastructure design, environmental and social safeguards, procurement, and monitoring and evaluation. Fragmented institutional mandates and reliance on short-term, project-based support further constrain effectiveness and sustainability. Strengthening institutions and implementation capacity is therefore a central need alongside physical investments. This includes building government capacity to integrate climate risk into policies, sector plans, public investment management, and budgets; improving coordination across national and

[87] Gonguet F., X. Han, C. Lim, T. Dao and S. Nawar. (2026). Climate Finance and Adaptation Needs In Pacific Island Countries. IMF Working Paper WP/26/83. Washington, DC.

subnational levels; and enhancing the ability to manage and scale climate finance. Regional approaches are particularly important in the Pacific context, allowing countries to pool scarce technical expertise, reduce transaction costs, and achieve economies of scale while respecting country-specific needs.

D.5. Country ownership (max. 500 words, approximately 1 page)

National frameworks and strategies

RPACA was developed in close collaboration with the participating countries' governments, ensuring strong country ownership and drive. Each country's NDA actively engaged in shaping the programme through the RPACA Working Group. Further, RPACA is anchored in national climate policies and strategies including the National Adaptation Plans (NAPs) or equivalent climate resilience strategies where they exist (e.g. Kiribati Joint Implementation Plan for Climate Change and Disaster Risk Management 2019-2028). RPACA is aligned with the GCF country programmes (CPs) of the fourteen participating PSIDS and offers a mechanism to deliver on the CP pipelines activities. It will also directly help countries meet their NDC adaptation goals for climate resilient development.
Across all fourteen Countries, RPACA responds to high-priority goals in climate change adaptation and disaster risk reduction, with interventions anticipated in the following sectors:

- Water security
- Coastal resilience
- Agriculture and food systems
- Energy infrastructure
- Health
- Ecosystems
- Social protection

A common priority across all fourteen countries is the need to significantly strengthen access to and mobilization of climate finance. As consistently articulated in national policies, investment plans, and regional strategies, there are constraints in translating adaptation priorities into funded, implementable investments due to limited technical capacity, fragmented pipelines, and complex financing processes. This includes both the need to improve access to public climate finance and to better enable private sector investment that contributes to resilience outcomes. These shared challenges have directly informed the design of RPACA Component 1, which will provide regional and multi-country technical assistance to strengthen climate finance access and mobilization. This includes support for public financial management and climate budgeting, project preparation and pipeline development, and enabling environments for private sector engagement, with the aim of unlocking increased and more effective flows of climate finance across the Pacific.

The RPACA Working Group (WG) was formed in early 2024 to guide RPACA development. The WG comprises representatives from PSIDS governments as well as some of the region's GCF Accredited Entities. The RPACA Working Group is co-chaired by the NDAs of the Cook Islands and Palau. The individual NDAs and Focal Points (FPs) have also participated in multiple regional meetings throughout RPACA development.

Regional frameworks and strategies

RPACA is aligned with the regional activities across the Pacific, it will:

- Complement the *Council of Regional Organisations of the Pacific* (*CROP*) including the *Pacific Community* (SPC*)*, *Secretariat of the Pacific Regional Environment Programme* (SPREP*)* and *Pacific Islands Forum* (PIF).
- Align with the regional pacific resilience-building initiatives such as the *Pacific Regional Infrastructure Facility* (PRIF), *Pacific Renewable Energy Infrastructure Facility* (PREIF), and the *Pacific Resilience Partnership*, as the *Pacific Climate Change Centre (PCCC)*, the *Climate and Oceans Support Program in the Pacific* (2023-2029, COSPPac), *Weather Ready Pacific* (2023-2029), amongst many others.
- Build on pacific-led programs which enhance climate information and services (e.g. GCF FP147: *Enhancing Climate Information and Knowledge Services for resilience in 5 island countries of the Pacific Ocean*, 2020-2026, and the SPREP *Climate Services and Applications* (ClimSA) initiative), and knowledge sharing platforms such as the SPC *Pacific Data Hub,* SPREPs and the SPREP *Environment Data Portal.*
- Supplement regional strategies including the *Framework for Resilient Development in the Pacific* (FRDP) (2017-2030), the *2050 Strategy for the Blue Pacific Continen*t, *Climate Finance Access Network* (CFAN), and *Climate Finance Access and Mobilization Strategy* (CFAMS)
- Complementing PICs initiative on the *Pacific Resilience Facility* (PRF); RPACA and the PRF are inherently complementary, operating at different but mutually reinforcing scales of climate action in the Pacific. PRF is being designed to deliver small-scale, community-based grant financing that directly strengthens local resilience, while RPACA focuses on enabling larger-scale, programmatic investments through the ADB, alongside regional technical support delivered through institutions such as SPC and SPREP.

RPACA delivers on CFAMS by transforming climate finance from a fragmented, project-based approach into a coherent, country-led, and systemically embedded financing ecosystem, thereby contributing directly to the 2050 Strategy's objective of improving PICs' access to and effective utilization of climate and disaster finance.

Regional consultation and design workshops were also convened to inform alignment with Pacific regional frameworks and climate finance architecture. The **2025 Forum Economic Ministers Meeting** was updated on the development of RPACA and its linkages with complementary regional initiatives, including the Unlocking Blue Pacific Prosperity (UBPP) initiative and the CFAMS[88]. Ministers recognized CFAMS as a strategic coordinating framework to align climate finance across the region and agreed on the importance of coordinating regional efforts by building on existing initiatives such as RPACA, UBPP, and the PRF to enhance synergy in climate finance delivery.

Regional workshop discussions have also highlighted the role of the CFAMS as the overarching coordination platform for regional climate finance initiatives, providing a structured framework through which RPACA, the PRF, and other programmes can be aligned within a coherent regional programmatic, investment architecture. Regional organisations and partners welcomed the clarity provided by RPACA and CFAMS in articulating the relationships between different climate finance initiatives and noted the value of a coordinated regional, long-term approach to minimise duplication and enhance the effectiveness of climate finance delivery in the Pacific. Participants further emphasised the importance of strengthening vertical integration between regional mechanisms (above) and national policies (NAPs and NDCs) and programming, including enhanced engagement with Ministries of Finance, central agencies, and national development banks though RPACA to support improved investment coordination and climate finance mobilisation (see Annex 7).

Role of National Designated Authorities and Direct Access Entities

In all countries, as for all GCF activities, the NDA will provide strategic oversight, ensure national alignment, and facilitate stakeholder coordination. Further, RPACA activities in each country will be implemented in partnership with National Designated Authorities (NDAs) and Ministries of Finance through national implementation partners (e.g. sectoral ministries, State Owned Entities, SOEs) and regional partners. Partners include:

- Ministries responsible for Finance, Climate Change, Infrastructure, Water Resources, and Environment.
- Relevant SOEs for water, infrastructure, power, utilities, airports, and ports.
- National Social protection agencies (ministries of health, youth, disability, and others).
- GCF Regional Direct Access Entities: The Pacific Community (SPC) and Secretariat of the Pacific Regional Environment Programme (SPREP).
- Development banks including ADB and Fiji Development Bank (FDB).

Across the fourteen countries, these institutions are supported by various national Climate Change Councils, Climate Reference Groups or inter-ministerial climate committees that coordinate cross-sectoral responses to climate challenges. ADB, as GCF International Accredited Entity (AE), brings extensive experience developing, leading and executing investments that advance climate resilience across the Pacific regions. ADB, SPREP and SPC will work through capable national partners, liaise with NDAs and FPs to implement RPACA.

Regional and national consultation process

To prepare and strengthen institutional ownership, RPACA was developed through a series of high-level regional and national consultations. These meetings have ensured strong government ownership, regional coherence, and momentum for cross-border collaboration. Regional consultations include:

- Regional Workshops on Climate Finance & RPACA in Fiji in April 2024 and Samoa in May 2024
- GCF Regional Dialogue with the Pacific & Asian SIDS in Cooks Islands (May 2025).
- Pacific Regional Climate Change Roundtable (August 2025)
- RPACA Regional Consultation Workshops (March 2024 & March 2026), engaging key regional agencies (SPC, SPREP and PIFS) and NDAs in the design of components

Further details, including on the individual country priorities and ownership, are provided in Annex 2a - Appendix 2.1: Ownership and Alignment. Annex 2a details how RPACA was informed by each country's national ambitions for resilience and adaption, outlines the national-level ownership RPACA, the national-level consultation and

engagement and explains the indicative implementation and execution arrangements for each country. Annex 7 details regional and national stakeholder consultations as part of the RPACA design process.

D.6. Efficiency and effectiveness (max`. 500 words, approximately 1 page)

Leveraging GCF funds for large-scale, cost-effective climate action: RPACA's programmatic approach is designed to deliver efficiency, effectiveness, and cost-effectiveness through the strategic use of GCF resources alongside substantial financing from the ADB, and other partners. The Programme will deploy a lead contribution of USD 250 million from the GCF to mobilize an additional USD 839.3 million, achieving a co-financing ratio of over 1:3. This level of leverage is particularly significant in the context of climate adaptation, where mobilising large-scale finance remains challenging, especially in remote and highly vulnerable Pacific Island countries. By targeting GCF funding toward the climate-specific, or 'additional', ADB-supported investments of PICs, RPACA draws on established financial, governance, sovereign lending capacity and implementation systems, reducing transaction costs and accelerating delivery. By doing so, RPACA reduces transaction costs, accelerates project preparation and delivery, and enables scalable investment in high-cost, high-risk adaptation contexts across PICs.

Strategic focus of the RPACA Programme for climate adaptation: RPACA will support climate resilience investments across urban systems, water infrastructure, energy, transport, and other priority sectors. Many of these interventions do not generate sufficient direct financial returns, and as such, the risk of crowding out private capital is minimal. Concessional GCF finance is therefore appropriate. By focusing on investments with limited commercial viability but high social, environmental, and resilience benefits, the Programme directs resources toward areas of greatest need, while strengthening enabling conditions for future investment.

Regional approach and economies of scale: The Pacific context is characterised by high costs driven by geographic fragmentation and limited economies of scale. RPACA addresses these constraints through a regional, multi-country approach that enables the sharing of technical expertise, data, and implementation resources. This supports standardisation of methodologies and reduces duplication, resulting in lower unit costs and improved efficiency compared to stand-alone projects.

Private sector engagement: RPACA aims to expand the role of adaptation partners and increase private sector participation (especially women-led MSMEs) over time. While private sector involvement in adaptation is currently limited in the Pacific, the Programme strengthens the enabling environment, reduces risk, and builds capacity, supporting a gradual transition toward increased private sector engagement in climate resilience.

Concessionality justification. Across ADB's lending groups, the Programme incorporates significant concessionality relative to market-based financing terms, reducing the cost of capital and enhancing financial feasibility. GCF resources are targeted specifically at the incremental costs of adaptation, ensuring that concessional finance is applied efficiently and only where required.

Economic efficiency and cost-effectiveness: The economic appraisal confirms that RPACA represents an efficient use of resources. Under a conservative scenario, the Programme generates an Economic Net Present Value of approximately USD 148.88 million, compared to baseline climate-related losses of USD 1.496 billion without intervention. This corresponds to a Benefit-Cost Ratio of approximately 1.21 indicating good value for money. The Economic Internal Rate of Return is 8%, above standard thresholds.

Financial performance and need for GCF support: Despite strong economic returns, many interventions, particularly protective infrastructure and nature-based solutions, do not generate sufficient revenue to achieve commercial viability. The Financial Internal Rate of Return is therefore low or negative without concessional finance. GCF funding improves financial feasibility but does not fully commercialize these investments, demonstrating that it provides the minimum concessionality required without crowding out private capital.

Grounding best practice with Pacific innovation in design: RPACA Components 1 and 2 integrate best available technologies and adaptation practices from the Pacific and proven ADB experience (e.g. resilient coastal protection in Solomon Islands and Fiji, climate-proofed road and urban drainage designs, and water security investments in Kiribati and Tuvalu) with international best practice in climate-resilient infrastructure and innovative finance. Component 1

[88] PIFS. 2025. Forum Economic Ministers Meeting 2025. Agenda Item.8: Investment Forum (Access to Climate Finance). Suva, Fiji: Pacific Islands Forum Secretraita. Available: https://forumsec.org/sites/default/files/2026-01/PIFS%2825%29FEMM.8%20%E2%80%93%20Investment%20Forum%20%28Access%20to%20Climate%20Finance%29.pdf

adapts global tools such as blended finance, de-risking instruments, and parametric insurance, but tailors them to Pacific realities by simplifying structuring requirements, embedding them within national PFM systems, and focusing on scalable, pipeline-based financing rather than stand-alone facilities. Component 2 applies state-of-the-art adaptation approaches including system assessments, nature-based coastal protection, climate-resilient urban planning, and hybrid grey-green infrastructure, while adjusting global standards to reflect small island geographies, limited maintenance capacity, and exposure to compound climate risks (storm surge, sea-level rise, and rainfall extremes). Across both components, RPACA moves beyond “off-the-shelf” solutions by embedding context-specific design modifications, stronger integration into national systems, and programmatic scaling mechanisms, ensuring that globally tested technologies are operationally feasible, locally maintainable, and capable of being replicated across diverse Pacific contexts.

E. LOGICAL FRAMEWORK

*This section refers to the project/programme's logical framework in accordance with the **GCF's Integrated Results Management Framework** to which the project/programme contributes as a whole, including in respect of any co-financing.*

E.1. Project/Programme Focus

Please indicate whether this proposal is for a mitigation or adaptation project/programme. For cross-cutting proposals, select both.

☐ Reduced emissions (mitigation)

☒ Increased resilience (adaptation)

E.2. GCF Impact level: Paradigm shift potential (max 600 words, approximately 1-2 pages)

RPACA is assessed to have high transformational impact due to its system-level focus, potential for replication and scale, institutional strengthening effects, and strong alignment with national and regional development pathways - see detail in Annex 2. By transforming the operating environment for climate finance rather than delivering isolated outcomes, the programme is well positioned to generate lasting climate resilience and development benefits consistent with the GCF's mandate. The following characteristics contribute to the high paradigm shift potential: the transformational nature of the programmatic approach; the expansion of adaptation partners to increase private sector participation; the high levels of alignment and country drivenness; the strong technology alignment; the level of scaling; and the transformational nature of the regional approach.

Assessment Dimension	Current state (baseline)		Potential target scenario (Description)	How the project/programme will contribute (Description)
	Description	Rating		
Scale	Climate change poses escalating risks to identity, lives, livelihoods, infrastructure, and long-term development trajectories, with impacts disproportionately affecting vulnerable groups, including women, youth, and the elderly. The baseline demonstrates a substantial adaptation financing gap across Pacific SIDS, with adaptation receiving a disproportionately small share of climate finance despite extremely high vulnerability. There is significant climate finance imbalance and shortfall, with adaptation receiving a relatively small share (often less than 10%), and Pacific SIDS capturing only a limited portion of these resources despite their high	Low	The paradigm shift under RPACA involves: (i) transitioning from fragmented, project-based and reactive responses to coordinated, programmatic and integrated adaptation approaches across PICs; (ii) mainstreaming climate and disaster resilience into national planning, public financial management systems, and sectoral investment frameworks-particularly in coastal, water, energy, and urban systems that underpin Pacific livelihoods and economies; and (iii) unlocking and scaling innovative and blended finance mechanisms to support climate-resilient infrastructure, nature-based solutions, and community livelihoods at scale, aligned with Pacific contexts and long-term development pathways. Notably the transformational nature of the regional approach, the scale of the program, and the inclusion	RPACA is explicitly designed for scalability across countries, sectors, and financing streams, enabling it to move beyond a finite project and function as a long-term platform for transformational climate adaptation in the Pacific. Its scalability is embedded in its architecture, combining a strong enabling environment (Component 1) with a replicable pipeline of investments (Component 2), supported by regional coordination and knowledge systems. Scalability lies in its ability to move from individual investments to systemic transformation. By combining programmatic design, pipeline-based investment generation, institutional strengthening, financial innovation, and regional coordination, the programme creates a self-sustaining platform for continuous expansion of climate adaptation action. Key elements of scalability are (i) the programmatic

	vulnerability. Existing responses are insufficient relative to the magnitude of climate risks, creating considerable scope for scaling adaptation finance, resilient infrastructure, and institutional systems. This represents a high unmet need and therefore high paradigm shift potential.		of private sector will all contribute to project results spreading both inside and beyond the intervention areas.	architecture that enables scaling across countries and sectors as well as from pilot investments to system-wide transformation; (ii) the continuous pipeline approach, rather than a fixed set of subprojects, and so scalability is driven by ongoing investment generation; and (iii) the focus on the financial model: RPACA creates a pathway toward progressively diversified and scaled climate finance flows.
Replicability	Adaptation investments in the Pacific are often implemented as standalone, donor-driven projects with limited cross-sectoral integration and weak replication pathways. Structural innovations (financing, planning, delivery mechanisms) remain largely isolated within individual projects and are rarely institutionalised or transferred across countries or sectors. While current adaptation projects are largely fragmented and donor-driven, Pacific countries have demonstrated growing interest in programmatic approaches, regional cooperation, and knowledge sharing. Replication mechanisms exist but remain underdeveloped. This suggests moderate barriers rather than complete absence of replication pathways.	Medium	Core RPACA design elements - programmatic planning, integrated resilience investment frameworks, and innovative financing instruments - are systematically replicated across sectors (coastal, water, infrastructure, finance, energy, urban, education) and across PICs, forming a standardised regional approach to climate-resilient development.	RPACA would strengthen replicability mechanisms through standardized approaches, regional learning, and scalable financing models for vulnerable sectors. The programme embeds replicable structural innovations, including regional programming, harmonised investment planning tools, and scalable financing mechanisms (e.g., blended concessional finance, risk pooling, insurance solutions). Strong country ownership and alignment with national systems ensure transferability across sectors and PICs. Regional knowledge platforms and coordinated implementation arrangements will enable lessons learned and successful models to be replicated beyond initial intervention areas, supporting regional diffusion of resilience-building approaches.

Sustainability	Existing adaptation outcomes often depend on external donor support and are not fully embedded within government planning, budgeting, and financial systems. As such many adaptation interventions in the Pacific have limited post-project continuity due to reliance on donor funding cycles, weak integration into public financial systems, and limited institutional capacity. Financial, technical, and institutional sustainability remains uneven, with resilience gains often not fully embedded in long-term planning or budgetary frameworks. However, several countries have strengthened climate governance, in the process of public financial management reforms, climate budget tagging, have mature climate targets and policies, and developing institutional frameworks.	Medium	Sustainability therefore exists in part but remains incomplete, providing clear opportunities for RPACA to institutionalize long-term resilience. Adaptation investments would be embedded in national planning, budgeting, and sector investment systems, ensuring sustained financing and strong institutional ownership. Climate resilience is mainstreamed across infrastructure planning, public investment management, and private sector engagement in PICs. RPACA prioritizes sustainability through Component 1 financial reforms and integration across Component 2, while its programmatic, country-driven design and focus on vulnerable sectors will strengthen technical and institutional capacity, ensuring durable resilience systems and financing beyond the project cycle.	RPACA strengthens sustainability through three interlinked pathways: (i) financial sustainability via Component 1 reforms and blended finance mechanisms that crowd in long-term public and private investment; (ii) institutional sustainability through integration of climate resilience into planning, PFM systems, and sectoral frameworks; and (iii) technical sustainability via capacity strengthening, regional knowledge systems, and private sector engagement. The programmatic and country-led design of sub-projects ensures that systems, tools, and financing mechanisms continue beyond the GCF investment period, embedding resilience as a permanent feature of development planning in the Pacific.

E.3. GCF Outcome level: Reduced emissions and increased resilience (IRMF core indicators 1-4, quantitative indicators)

Select appropriate IRMF core and supplementary indicators to monitor project/programme progress. More than one IRMF (core and or supplementary) indicators may be selected as applicable for each GCF results area and project/programme outcome (as defined in the table in section B.2(b)). If IRMF indicators are unable to measure any given project/programme outcomes, project/programme-specific indicators should be developed under section E.5 (project/programme specific indicators).

GCF Result Area	IRMF Indicator	Means of Verification (MoV)	Baseline	Target		Assumptions / Note
				Mid-term	Final[89]	
Total Number of Direct and Indirect Beneficiaries	Core 2: Direct and indirect beneficiaries reached	Program Surveys, National or sub-national statistics	0	Beneficiary disaggregation: Total: 1,116,863 Direct: 255,399 Indirect: 861,464 Sex disaggregation:	Beneficiary disaggregation: Total: 3,722,878 Direct: 851,334 Indirect: 2,871,545	The baseline value is 0, consistent with GCF's IRMF guidelines. In Smaller SIDS, 52% of population benefits indirectly; 40% in the medium-sized SIDS, and 10% in PNG. The detailed

[89] The final target means the target at the end of project/programme implementation period. However, for core indicator 1 (GHG emission reduction), please also provide the target value at the end of the total lifespan period which is defined as the maximum number of years over which the impacts of the investment are expected to be effective.

				Female: 558,434 Male: 558,429 Country disaggregation: COO: 7,350; FIJ: 133,242; FSM: 16,665; KIR: 19,666; NAU: 3,633; NIU: 500; PAL: 5,358; PNG: 688,614; RMI: 11,850; SAM: 34,047; SOL: 123,380; TON: 16,167; TUV: 3,001; VAN: 53,390	Sex disaggregation: Female: 1,861,441 Male: 1,861,437 Country disaggregation: COO: 24,500; FIJ: 444,142; FSM: 55,547; KIR: 65,553; NAU: 12,111; NIU: 1,666; PAL: 17,861; PNG: 2,295,380; RMI: 39,500; SAM: 113,491; SOL: 411,265; TON: 53,890; TUV: 10,004; VAN: 177,968	methodology is provided in Annex 24. A series of de-duplication processes were implemented to ensure that the aggregated number of beneficiaries is only counted once, according to the following conditions: (1) the sum of direct and indirect beneficiaries must not exceed the total country-level population; (2) in countries with multiple sub-projects that cover 100% of the total population and implemented in the same location, only the sub-project with higher (or equal) number of beneficiaries was counted; (3) in countries with multiple sub-projects with different locations, the beneficiaries are combined, given that the sum would not exceed the total population of the country. The mid-term figure is a conservative estimate of approximately 30% of the final figure, since sub-project approval is expected to happen in 2027-2030.
ARA1 Most vulnerable people and communities	Core 2: Direct and indirect beneficiaries reached	Program Surveys, National or sub-national statistics	0	Beneficiary disaggregation: Total: 1,116,863 Direct: 255,399 Indirect: 861,464 Sex disaggregation: Female: 558,434 Male: 558,429 Country disaggregation:	Beneficiary disaggregation: Total: 3,722,878 Direct: 851,334 Indirect: 2,871,545 Sex disaggregation: Female: 1,861,441	The same process and consideration were implemented as provided above.

				COO: 7,350; FIJ: 133,242; FSM: 16,665; KIR: 19,666; NAU: 3,633; NIU: 500; PAL: 5,358; PNG: 688,614; RMI: 11,850; SAM: 34,047; SOL: 123,380; TON: 16,167; TUV: 3,001; VAN: 53,390	Male: 1,861,437 Country disaggregation: COO: 24,500; FIJ: 444,142; FSM: 55,547; KIR: 65,553; NAU: 12,111; NIU: 1,666; PAL: 17,861; PNG: 2,295,380; RMI: 39,500; SAM: 113,491; SOL: 411,265; TON: 53,890; TUV: 10,004; VAN: 177,968	
ARA2 Health, well-being, food and water security	Core 2: Direct and indirect beneficiaries reached	Program Surveys, National or sub-national statistics	0	Beneficiary disaggregation: Total: 339,903 Direct: 87,848 Indirect: 252,055 Sex disaggregation: Female: 169,955 Male: 169,948 Country disaggregation: FSM: 15,807; KIR: 18,809; NAU: 2,907; NIU: 500; PAL: 5,358; PNG: 134,754; RMI: 2,180; SAM: 32,865; SOL: 98,697; TON: 14,985; TUV: 3,001; VAN: 10,040	Beneficiary disaggregation: Total: 1,133,007 Direct: 292,826 Indirect: 840,181 Sex disaggregation: Female: 566,504 Male: 566,503 Country disaggregation: FSM: 52,690; KIR: 62,696; NAU: 9,689; NIU: 1,666; PAL: 17,861; PNG: 449,178; RMI: 7,268; SAM: 109,549;	The same process and consideration were implemented as provided above.

					SOL: 328,991; TON: 49,948; TUV: 10,004; VAN: 33,466	
ARA3 Intrastructure and built environment	Core 2: Direct and indirect beneficiaries reached	Program Surveys, National or sub-national statistics	0	Beneficiary disaggregation: Total: 1,108,056 Direct: 253,295 Indirect: 854,761 Sex disaggregation: Female: 554,032 Male: 554,024 Country disaggregation: COO: 7,350; FIJ: 132,385; FSM: 15,807; KIR: 18,809; NAU: 3,633; NIU: 500; PAL: 5,358; PNG: 687,108; RMI: 11,850; SAM: 32,865; SOL: 122,197; TON: 14,985; TUV: 3,001; VAN: 52,208	Beneficiary disaggregation: Total: 3,693,518 Direct: 844,321 Indirect: 2,849,198 Sex disaggregation: Female: 1,846,761 Male: 1,846,757 Country disaggregation: COO: 24,500; FIJ: 441,285; FSM: 52,690; KIR: 62,696; NAU: 12,111; NIU: 1,666; PAL: 17,861; PNG: 2,290,359; RMI: 39,500; SAM: 109,549; SOL: 407,323; TON: 49,948; TUV: 10,004; VAN: 174,026	The same process and consideration were implemented as provided above.
ARA4 Ecosystems and ecosystem services	Core 2: Direct and indirect beneficiaries reached	Program Surveys, National or sub-national statistics	0	Beneficiary disaggregation: Total: 1,108,056 Direct: 253,295 Indirect: 854,761 Sex disaggregation: Female: 554,032	Beneficiary disaggregation: Total: 3,693,518 Direct: 844,321 Indirect: 2,849,198 Sex disaggregation:	The same process and consideration were implemented as provided above.

				Male: 554,024 Country disaggregation: COO: 7,350; FIJ: 132,385; FSM: 15,807; KIR: 18,809; NAU: 3,633; NIU: 500; PAL: 5,358; PNG: 687,108; RMI: 11,850; SAM: 32,865; SOL: 122,197; TON: 14,985; TUV: 3,001; VAN: 52,208	Female: 1,846,761 Male: 1,846,757 Country disaggregation: COO: 24,500; FIJ: 441,285; FSM: 52,690; KIR: 62,696; NAU: 12,111; NIU: 1,666; PAL: 17,861; PNG: 2,290,359; RMI: 39,500; SAM: 109,549; SOL: 407,323; TON: 49,948; TUV: 10,004; VAN: 174,026	
ARA1 Most vulnerable people and communities	Supplementary 2.1: Beneficiaries (female/male) adopting improved and/or new climate-resilient livelihood options	Program surveys, National statistics	0	Beneficiary disaggregation: Total: 48,076 Direct: 12,403 Indirect: 35,673 Sex disaggregation: Female: 24,039 Male: 24,037 Country disaggregation: NAU: 2,907; TUV: 3,001; VAN: 42,168	Beneficiary disaggregation: Total: 160,253 Direct: 41,344 Indirect: 118,908 Sex disaggregation: Female: 80,126 Male: 80,127 Country disaggregation: NAU: 9,689; TUV: 10,004; VAN: 140,560	The mid-term figure is a conservative estimate of approximately 30% of the final figure. The same process and consideration were implemented as provided above.
ARA1 Most vulnerable people and communities	Supplementary 2.5: Beneficiaries (female/male) adopting innovations that	Program surveys, National statistics	0	Beneficiary disaggregation: Total: 12,671	Beneficiary disaggregation: Total: 42,236 Direct: 19,802	The mid-term figure is a conservative estimate of approximately 30% of the final figure.

	stregthen climate change resilience			Direct: 5,940 Indirect: 6,731 Sex disaggregation: Female: 6,336 Male: 6,335 Country disaggregation: RMI: 9,670; TUV: 3,001	Indirect: 22,434 Sex disaggregation: Female: 21,118 Male: 21,118 Country disaggregation: RMI: 32,232; TUV: 10,004	The same process and consideration were implemented as provided above.
ARA2 Health, well-being, food and water security	Supplementary 2.3: Beneficiaries (female/male) with more climate-resilient water security	Joint Monitoring Programme for Water Supply, Sanitation, and Hygiene (JMP) survey results, National surveys, Water company records	TBD based on JMP survey results at the start of the program	Beneficiary disaggregation: Total: 308,366 Direct: 80,259 Indirect: 228,107 Sex disaggregation: Female: 154,185 Male: 154,181 Country disaggregation: FSM: 15,807; PAL: 5,358; PNG: 134,754; RMI: 2,180; SAM: 26,545; SOL: 98,697; TON: 14,985; VAN: 10,040	Beneficiary disaggregation: Total: 1,027,885 Direct: 267,531 Indirect: 760,355 Sex disaggregation: Female: 513,943 Male: 513,942 Country disaggregation: FSM: 52,690; PAL: 17,861; PNG: 449,178; RMI: 7,268; SAM: 88,482; SOL: 328,991; TON: 49,948; VAN: 33,466	The mid-term figure is a conservative estimate of approximately 30% of the final figure. The same process and consideration were implemented as provided above.
ARA2 Health, well-being, food and water security	Supplementary 2.4: Beneficiaries (female/male) covered by new or improved early warning systems	Program monitoring data, National population statistics	0	Beneficiary disaggregation: Total: 552,355 Direct: 116,261 Indirect: 436,094 Sex disaggregation:	Beneficiary disaggregation: Total: 1,841,181 Direct: 387,535 Indirect: 1,453,646 Sex	The baseline is zero as this indicator counts the number of beneficiaries covered by either new or improved systems following GCF-funded activities/support.

				Female: 276,178 Male: 276,177 Country disaggregation: PNG: 552,355	disaggregation: Female: 920,590 Male: 920,591 Country disaggregation: PNG: 1,841,181	The same process and consideration were implemented as provided above.
ARA2 Health, well-being, food and water security	Supplementary 2.7: Change in expected losses of lives due to the impact of extreme climate-related disasters in the geographic area of the GCF intervention	Historical data on losses of lives during previous disasters; Cost-benefit analysis; National population statistics	0	2,000	10,000	Estimated reduction in the annual number of people exposed to potentially life-threatening impacts from extreme climate-related disasters as a result of RPACA investments. Estimates are based on the current Component 2 pipeline. The methodology assumes that resilient infrastructure investments reduce mortality risk through improved evacuation access, reduced infrastructure failure, improved continuity of essential services, reduced exposure to flooding and storm surge, and strengthened emergency response capacity. Values are indicative portfolio-level estimates and will be refined during detailed sub-project appraisal, hazard modelling, and climate risk assessment. Mid-term values assume approximately 20% implementation progress toward final programme outcomes.
ARA3 Intrastructure and built environment	Core 3: Value of physical assets made more resilient to	Program/project financial data from pre-feasibility studies; economic/financial	$0.00	**Total:** $298,140,000.00 **Country**	**Total:** $993,800,000.00	Total replacement value of physical assets that are constructed, rehabilitated, upgraded, or protected to

	the effects of climate change and/or more able to reduce GHG emissions	analysis; technical needs assessment		**disaggregation:** COO: $8,808,000; FIJ: $36,000,000; FSM: $7,809,000; KIR: $17,310,000; NAU: $16,350,000; NIU: $3,600,000; PAL: $14,340,000; PNG: $95,388,000; RMI: $24,102,000; SAM: $12,993,000; SOL: $24,816,000; TON: $8,058,000; TUV: $14,100,000; VAN: $14,466,000	**Country disaggregation:** COO: $29,360,000; FIJ: $120,000,000; FSM: $26,030,000; KIR: $57,700,000; NAU: $54,500,000; NIU: $12,000,000; PAL: $47,800,000; PNG: $317,960,000; RMI: $80,340,000; SAM: $43,310,000; SOL: $82,720,000; TON: $26,860,000; TUV: $47,000,000; VAN: $48,220,000	climate-resilient standards under RPACA. This includes transport infrastructure, airports, coastal protection systems, water and sanitation infrastructure, energy systems, urban infrastructure, and social infrastructure such as health and education facilities. Values include both directly financed resilient assets and existing infrastructure assets benefiting from resilience enhancement or protection measures. Estimates are derived from the current investment pipeline and associated infrastructure replacement values across participating Pacific Island Countries. Values are portfolio-level estimates and will be refined during engineering design, economic appraisal, and detailed asset inventory assessments. Mid-term values assume progressive implementation and commissioning of infrastructure investments. The baseline is zero as this indicator aggregates the USD value of the support cost incurred via GCF-funded projects during the implementation period and does not measure the existing value or market value of physical assets.
ARA3 Intrastructure and built environment	Supplementary 2.6: Beneficiaries (female/male) living in buildings that have increased resilience against climate hazards	Program monitoring data; National population statistics	0	Beneficiary disaggregation: Total: 52,479 Direct: 13,402 Indirect: 39,077 Sex disaggregation:	Beneficiary disaggregation: Total: 174,925 Direct: 44,671 Indirect: 130,254 Sex	Estimated number of people benefiting from buildings and associated infrastructure systems that have increased resilience to climate hazards, including flooding, cyclones, coastal inundation, erosion,

				Female: 26,240 Male: 26,239 Country disaggregation: KIR: 18,809; NIU: 500; RMI: 9,670; SOL: 23,500	disaggregation: Female: 87,463 Male: 87,462 Country disaggregation: KIR: 62,696; NIU: 1,666; RMI: 32,232; SOL: 78,331	extreme rainfall, and heat. This includes beneficiaries using or residing in resilient housing-related infrastructure, schools, hospitals, evacuation centers, community facilities, water and sanitation facilities, and urban infrastructure systems supported under RPACA. Estimates are based on the current investment pipeline and projected beneficiary reach across participating countries. The methodology assumes that resilient public and community infrastructure provides direct and sustained resilience benefits to surrounding populations and vulnerable groups. Mid-term estimates assume approximately 20% achievement of final programme implementation outcomes. The baseline is zero since this indicator counts the number of individuals residing in buildings supported via GCF-funded interventions.
ARA3 Intrastructure and built environment	Supplementary 3.1: Change in expected losses of economic assets due to the impact of extreme climate-related disasters in te geographic area of the GCF intervention	Historical data on economic losses; Cost-benefit analysis; Measured impact on changes in economic losses	USD$ 0	USD$20,960M annually avoided losses (net present value)	USD$ 48,607M annually avoided losses (net present value)	Estimated reduction in expected annual economic losses resulting from climate-related disasters due to RPACA investments. Estimates are based on the net present value of avoided damage and disruption to transport, coastal, water, energy, urban, and social infrastructure systems exposed to climate hazards including tropical

						cyclones, flooding, storm surge, coastal erosion, sea-level rise, and extreme rainfall. The methodology considers avoided repair and replacement costs, avoided service disruption, and reduced economic losses associated with infrastructure failure. Estimates have been modelled in the EFA and are informed by the current RPACA investment pipeline, historical disaster loss data in Pacific Island Countries, and the high concentration of infrastructure assets in exposed coastal zones. Values are indicative portfolio-level estimates and will be refined through detailed climate-economic modelling and sub-project appraisal processes. Mid-term values assume partial implementation and operationalization of resilience investments.
ARA4 Ecosystems and ecosystem services	Core 4: Hectares of natural resources brought under improved low-emission and/or climate-resilient management practice	Program monitoring data; national/regional GIS data	0	Total: 4,500 Country disaggregation: COO: 126; FIJ: 487; FSM: 136; KIR: 206; NAU: 126; NIU: 269; PAL: 160; PNG: 2,120; RMI: 190;	Total: 22,425 Country disaggregation: COO: 420; FIJ: 1,623; FSM: 453; KIR: 686; NAU: 420; NIU: 896; PAL: 532; PNG: 7,068; RMI: 634;	Assumes: 40% of coastal areas in small nations, 10% in medium sized nations (with less than 1,000 km of coastline), 1% in large nations. Assumes a strip 350m wide along the coastal areas that benefit. See table in Annex 11.

				SAM: 486; SOL: 1,037; TON: 955; TUV: 101; VAN: 329	SAM: 1,621; SOL: 3,458; TON: 3,182; TUV: 336; VAN: 1,096	
ARA4 Ecosystems and ecosystem services	Supplementary 4.1: Hectares of terrestrial forest, terrestrial non-forest, freshwater and coastal marine areas brought under resoration and/or improved ecosystems	Program monitoring data; national/regional GIS data Other specific or jurisdictional management plans (e.g., coastal zone management plan or subnational or community-based initiatives)	0	Total: 4,500 Country disaggregation: COO: 126; FIJ: 487; FSM: 136; KIR: 206; NAU: 126; NIU: 269; PAL: 160; PNG: 2,120; RMI: 190; SAM: 486; SOL: 1,037; TON: 955; TUV: 101; VAN: 329	Total: 22,425 Country disaggregation: COO: 420; FIJ: 1,623; FSM: 453; KIR: 686; NAU: 420; NIU: 896; PAL: 532; PNG: 7,068; RMI: 634; SAM: 1,621; SOL: 3,458; TON: 3,182; TUV: 336; VAN: 1,096	The same consideration as provided above (Core Indicator 4).

E.4. GCF Outcome level: Enabling environment (IRMF core indicators 5-8 as applicable)

Select at least two relevant IRMF core (enabling environment) indicators to monitor and elaborate the baseline context and project/programme's targeted outcome against the respective indicators. Rate the current state (baseline) vis-à-vis the target scenario and select the geographical scope of the outcome to be assessed. Describe how the project/programme will contribute towards the target scenario. Refer to a case example in the accompanying guidance to complete this section.

Core Indicator	Baseline context	Rating for current state (baseline)	Target scenario	How the project will contribute	Coverage

	(description)		**(description)**		
Core Indicator 5: Degree to which GCF investments contribute to strengthening institutional and regulatory frameworks for low emission climate-resilient development pathways in a country-driven manner	Countries in the region have met, or are meeting, most international obligations regarding action plans, policies, organization committees related to climate change adaptation. Many have issued or are developing related legal instruments. They have all established a Ministry, Department or Division with responsibility for climate change. However, financial resources, human resources, operational resources are very limited. Climate change plans, organizational units or dedicated resources outside of the standard climate change department are very rare. Hence the institutional and regulatory frameworks are incomplete fragmented. The private sector is generally not involved in the efforts to address climate change. In most countries, sector agencies with key climate related responsibilities (energy, water, transport, agriculture, health) have limited capacity and resources to meet climate change goals, and coordination with ministries responsible for climate change and finance on these issues is weak.	low	Pacific island countries will have achieved sustained, system-wide improvements in climate-responsive public financial management, enabling increased access to, effective use of, and long-term scaling of climate and disaster risk finance through strengthened national institutions. They will be enabled to systematically integrate climate-related fiscal risks into national budgeting and planning. They will have developed and operationalized adaptation investment pipelines They will be enabled to systematically develop a range of climate finance instruments, many innovative. Finally, many Pacific financial institutions will be enabled to operationalise sustainable finance frameworks, integrate climate and adaptation considerations into their core functions, and mobilize greater private	Outcome 1.1 focuses on institutional strengthening and capacity development The principal focus is on ministries responsible for finance and planning. This will lead to human resources, frameworks, directives, planning mechanisms, budgets and investment pipelines that support each country advancing resilience. Outcome 1.2 establishes a common adaptation finance eligibility, assessment and monitoring framework and embeds this within country-level MSME finance and credit guarantee arrangements. Outcome 1.3 strengthens climate-aligned financial sector policy, regulatory frameworks and institutional readiness, including climate risk guidance, sustainable finance classification approaches and integration of adaptation considerations into	Multi-countries

			investment for climate adaptation.	financial sector policy and oversight. Output 2.1.3, through up to 21 sub-projects in all 14 countries, linked to large scale infrastructure investments, will build broad capacity in sectors (energy, water, urban development, transport, coastal protection) to coordinate with climate change agencies and advance resilience in the concerned sector.	
Core Indicator 6: Degree to which GCF investments contribute to technology deployment, dissemination, development or transfer and innovation	There are very few domestic, indigenous efforts to develop, import, pilot, install new or innovative technologies. However, the consistent levels of international support on climate change efforts have focussed to a significant extent on introducing/demonstrating/facilitating new technologies. Financial incentives are rare, and there are few other local initiatives to promote inward technology transfer.	low	Examples, in some countries, of financial commitment and fund flows to improving innovation and transferring existing technologies to address climate change challenges. Increasing examples of organizations having the staff to innovate, develop new or apply existing technologies in new ways. Further, a number of organizations should with models in place to deploy in a timely way new technologies and innovations. Possibly, evidence or examples, of incentivization	Outcome 1.1 (under Outputs 1.1.4 and 1.1.5) contributes to soft technology deployment as follows: investor dialogue platforms, MoF-led investment coordination, and develop inform PPP pipelines, develop and market-test new instruments (parametric insurance, resilience bonds, debt-for-climate swaps). Output 1.3.1 supports developing, piloting and replication/expansion of innovative private sector financing mechanisms. Under Outcome 2.1.3, several sub-projects (notably in PNG, RMI and	Multi-countries

			processes/products – such as access to funding, grants or tax breaks – being developed at the local or national level and being taken up by private sector bodies.	TUV) promote new and innovative technology transfer, both through infrastructure and enabling environment enhancement.	
Core indicator 7: Degree to which GCF Investments contribute to market development/transformation at the sectoral, local, or national level	The market role with regards to climate resilience or resilience products is very, very limited. There has been a very limited number of market assessments, and only a few examples of projects and programmes that contribute to market development, with some recent exceptions. Although MSMEs are active in climate-exposed sectors such as agriculture, fisheries, and tourism, the demand is not translated into bankable opportunities. This may be considered in a "missing market" for MSME adaptation activities. There are many constraints to MSMEs being more active in this space.	low	A scalable regional MSME adaptation finance ecosystem will be operational, enabling financial institutions across the PICs to systematically expand lending to climate-resilient and inclusive MSME investments across.	Outcomes 1.2 and 1.3 include activities, strategies and outputs that contribute to market development. Under Outputs 1.2.1 and 1.2.2, the development of investable MSME adaptation pipelines and the establishing guarantee windows will enable participating financial institutions to expand adaptation lending – thereby addressing both demand- and supply-side barriers. In addition, 1.2.2 supports the development of the infrastructure risk and insurance market by improving project risk information, integrating risk and insurance considerations earlier in the infrastructure lifecycle, and strengthening the interface between project sponsors, financiers and insurers.	Multi-countries

				Output 1.3.1 supports financial sector-wide market transformation by translating regional climate-aligned finance approaches into national policy, regulatory and sector guidance and strengthening the enabling environment for financial institutions to mobilise and intermediate adaptation finance.	
Core indicator 8: Degree to which GCF investments contribute to effective knowledge generation and learning processes, and use of good practices, methodologies and standards	Regional and international partners have played an active role, working with national partners on knowledge generation and management. This has led to credible lesson-learning exercises, the recording and sharing of good adaptation practice examples, and evidence for future action. National partners understand and are committed to the need to develop shared learning platforms – these typically work best at the regional or sub-regional (multi-country) level. However, all countries are far from having routine adaptive management established across organizations, from structured reflective practices based on M&E, and from frequent changes in direction based on learning and knowledge. Coordination is poor. Consequently, there is no evidence that learning is being used to improve methodologies, inform standards, or adapt project direction over time.	medium	Existing knowledge management mechanisms will be supported and strengthened, notably including SPREP, who will expand and address this field in Component 4. Component 1 will achieve knowledge management through: Regional learning exchanges, enabling dialogue among implementing partners, NDAs, and technical agencies; a digital knowledge platform that aggregates tools, innovations, and real-time learning across countries; synthesis reports and learning papers; regional partnerships to share results and scale regional adaptation efforts.	At the overall RPACA level, SPREP under Component 4 takes the lead in knowledge management. Outcome 1.1 will enhance knowledge management and learning on issues specific to component 1 activities. These include: (i) Activities 1.2.1.1 and 1.2.1.2 generate standardised adaptation eligibility, screening, assessment and monitoring methodologies that can be applied across the region and subsequently refined; (ii) activity 1.2.2.1 generates practical methodologies and lessons on integrating risk assessment, risk reduction and risk	Multi-countries

				transfer into infrastructure preparation and delivery; (iii) activity 1.3.1.1 develops and disseminates regional and national climate-aligned financial sector guidance, standardised methodologies and practical tool with lessons from pilot implementation available for regional replication and scaling; (iv) and potentially a community of practice for climate infrastructure finance under 1.1.1 Output 2.1.3, through up to 22 sub-projects in all 14 countries, linked to large scale infrastructure investments, standards are being reviewed or developed in several sectors (energy, water, urban development, transport, coastal protection).	

E.5. Project/programme specific indicators (project outcomes and outputs)

Program Result (Outcome/Output)	Project/Program Specific Indicator	Means of verification (Collection Tool and Data Source	Baseline	Midterm Target	Final Target	Assumptions/Notes
Outcome 1.1 Climate-, disaster-, and gender-responsive public financial management (PFM) capacity of Pacific Island Countries' Ministries of Finance and national institutions strengthened.	Number of PICs where MoFs apply climate-, disaster-, and gender-responsive PFM tools in budget formulation, fiscal planning, and investment decisions	Data source: National budget/records Data collection tool: Document/desk review checklist administered by RPACA Secretariat/PMU	0	5	14	**Definition:** measures the extent to which MoFs institutionalize and use climate-, disaster-, and gender-responsive PFM tools (from Outputs 1.1.1-1.1.4) in government decision-making, rather than merely receiving training. **Assumption/Risk:** MoF leadership sustains political commitment to applying these tools beyond the training period; high staff turnover in MoFs (an identified barrier) could erode consistent application.
	Percentage increase in women's representation in MoF climate-finance decision-making roles in participating PICs	Data source: Organizational records; gender analysis Data collection tool: Gender analysis conducted as part of the Activity 1.1.1.1 Capacity Needs Assessment (CNA).	To be established by CNA/gender analysis	15%	20%	**Definition:** measures whether women gain greater representation in MoF bodies that make climate-finance decisions (e.g., climate finance units, budget committees). **Assumption/Risk:** MoFs are willing to track and publicly report sex-disaggregated staffing data over time.
Output 1.1.1 Skills and capacity to address climate-, disaster-, and gender-responsive PFM are enhanced and retained.	Number of certified professional development programs and postgraduate/internship pathways developed and delivered	Data source: Training program curricula, certification records, and university partnership agreements. Data collection tool: Program training database maintained by the Component 1 TA team.	0 (no certified programs or postgraduate /internship pathways exist prior to RPACA)	TBD	TBD	**Definition:** counts the training products (certified programs, postgraduate/internship pathways) developed and made available, not the number of people trained. **Assumption/Risk:** partner universities and national training institutions have sufficient capacity and willingness to co-design and deliver these programs within the project timeline.

	Number of MoF staff and professionals completing certification	Data source: Training attendance registers and certification/placement records, sex disaggregated. Data collection tool: Program training database.	0	TBD	TBD	**Definition:** measures the number of individuals (MoF staff, future professionals) who complete a certification or placement, evidencing skills enhanced at the individual level. **Assumption/Risk:** certified staff remain in their positions long enough after training to apply their skills (retention); competing demands on MoF staff time may reduce completion rates.
	Number of knowledge-retention infrastructure established and operational	Data source: Peer Learning Network membership records and Knowledge Portal usage/analytics logs. Data collection tool: Portal administrator dashboard and network secretariat records.	0 (neither the Peer Learning Network nor the Knowledge Portal currently exists)	1 (at least one of the two knowledge-retention mechanisms designed and launched by midterm)	2 (Peer Learning Network and Knowledge Portal, both established and operational)	**Definition:** counts the number of durable knowledge-sharing mechanisms established to retain PFM capacity beyond individual training events. **Assumption/Risk:** existing regional platforms (e.g., Pacific Climate Change Centre, RCM-PFM) are willing hosts/partners, and adequate connectivity/IT infrastructure exists across PICs for reliable access.
Output 1.1.2 Regional climate finance and adaptation planning coordination with gender equality and inclusion mainstreamed and enhanced.	Number of regional knowledge products and policy briefs prepared and issued, with % addressing gender equality and inclusion themes	Data source: Knowledge products, policy briefs Data collection: Dissemination tracking tool (to be developed by PMU	0	3	5	**Definition:** This indicator counts regional knowledge products and policy briefs produced and disseminated, with a paired sub-measure of the percentage that substantively address gender equality and inclusion themes. **Assumption/Risk:** climate professionals in the Pacific committed to knowledge exchange on best practices in climate finance
	Pacific Climate Infrastructure Finance Community of Practice (CIFCOP) feasibility study, sustainable governance model, and business plan completed	Data source: Feasibility study report, governance model document, and business plan. Data collection tool: Document review by RPACA Secretariat.	0 (Not started)	2 (Feasibility study underway and draft governance model produced)	3 (Feasibility study, governance model, and business plan completed and adopted)	**Definition:** tracks completion of design deliverables for a permanent regional climate-finance coordination platform; full operation is expected to continue beyond RPACA's implementation period. **Assumption/Risk**: CIFCOP retains support from a suitable hosting regional entity; rebranding could create confusion or duplication with existing regional platforms if not clearly communicated.
Output 1.1.3 Climate-related fiscal risk analytics and budget integration tools developed.	Gender-responsive climate fiscal risk analytics methodology and regional toolkit developed	Data source: Fiscal risk analytics methodology documents and regional toolkit. Data collection tool: Document review of Component 1 technical deliverables.	0 (no regional climate fiscal risk analytics toolkit currently exists)	1 (toolkit drafted and tested with at least one PIC)	1 (toolkit finalized and piloted/ applied in a defined number of PICs' fiscal risk assessments)	**Definition:** measures both development of a standardized regional methodology/toolkit for climate fiscal risk, and evidence it has actually been developed. **Assumption/Risk:** sufficient climate hazard/vulnerability data exists, or can be sourced via SPC/SPREP partnerships, to underpin the analytics.

	Gender-responsive budget tools and processes developed	MoV: Revised templates, budget circulars, and gender-budget tagging guidance. Data collection tool: Document review of national budget documentation.	0 (no gender-responsive budget tools currently integrated into PIC budget systems)	7	14	**Definition:** measures the number of gender-responsive budget tools (e.g., gender-budget tagging, revised templates) developed. **Assumption/Risk:** budget reform processes are often slow-moving and subject to political cycles in PICs, which could delay integration.
Output 1.1.4 Climate Adaptation Investment Planning (CAIP) framework for appraising and prioritizing climate adaptation investments established.	Climate Adaptation Investment Planning (CAIP) framework developed by PICs.	Data source: CAIP framework documentation and country adoption records. Data collection tool: Document review, PMU tracking database.	0 (CAIP framework does not yet exist)	0	14	**Definition:** measures the number of standardized climate adaptation investment planning framework developed. **Assumption/Risk:** national governments are willing to adopt a standardized regional framework rather than retaining fully bespoke national processes.
	USD value of the finance-ready adaptation investment pipeline compiled using the CAIP framework	Data source: National adaptation investment pipeline documents and financial appraisal reports. Data collection tool: Financial data compiled by PMU/Ministries of Finance.	0 (no CAIP-compiled pipeline currently exists)	TBD	TBD	**Definition:** measures the USD value of adaptation investment opportunities identified, prioritized, and packaged for financing - a planning figure, not committed or disbursed finance. **Assumption/Risk:** national governments engage actively in the CAIP process to generate a realistic, costed pipeline.
Output 1.1.5 Innovative climate finance instruments and enabling frameworks designed.	Number of national financial instruments and enabling frameworks designed	Data source: Instrument design documents Data collection tool: Document review.	0	TBD	TBD	**Definition:** measures the number of innovative climate finance instruments/enabling frameworks designed. **Assumption/Risk:** some instruments (e.g., carbon mechanisms, capital market solutions) require regulatory/legal reform that may extend beyond RPACA's implementation timeline.
Outcome 1.2 Climate-resilient and inclusive financing for MSMEs and infrastructure is expanded/scaled-up through innovative and scalable financial	Number of MSMEs in climate-vulnerable sectors that receive RPACA-supported adaptation finance and complete adaptation investment with documented business	Data source: MSME Adaptation Finance Facility portfolio and transaction records Data collection tool: MSME Investment Completion Checklist	0	550	1,300	**Definition:** This indicator counts the number of micro, small, and medium enterprises (MSMEs) operating in climate-vulnerable sectors that satisfy both of the following conditions: (i) Receipt of RPACA-supported adaptation finance, and (ii) completion of adaptation investment with documented business continuity improvement. **Assumption:** Climate-vulnerable sectors are defined as sectors where production, operations, or revenues are demonstrably exposed to

instruments by Pacific financial institutions.	continuity improvements	administered by financial institutions loan officer				climate-related hazards (cyclones, storm surge, flood, drought, heat stress, or sea-level rise) as identified in each participating PIC's national adaptation plan or equivalent national climate risk assessment. . Does not measure total loans or investments, it measures number of unique enterprises reached.
	Cumulative value (USD) of eligible MSME adaptation lending portfolios covered by RPACA-supported credit guarantees.	Data source: MSME Adaptation Finance Facility financial and portfolio records. Data collection tool: Management information system (MIS) reports.	0	$25m	$64m	**Definition:** Measures the cumulative value of PFIs' own capital disbursed as loans for eligible MSME adaptation investments supported by RPACA portfolio guarantees. **Assumption:** Guarantee capital will mobilize eligible term lending with an average tenor of 5yrs, achieving a 4x leverage ratio over 8-year program lending period. **Risk:** PFIs originate and disburse sufficient eligible lending, and portfolio performance remains within the agreed guarantee parameters.
	Value (USD) of infrastructure investments reaching financial close or implementation with PAC-INFRAT-supported insurance or risk-transfer coverage.	Data source: PAC-INFRAT advisory reports and insurance/financing agreements. Data collection tool: Sub-project financial closure documentation.	0	$40m	$80m	**Definition:** Measures the investment value of infrastructure subprojects that: (i) secure insurance or other risk-transfer coverage following PAC-INFRAT support; and (ii) reach financial close or commence implementation. Investment value is based on the total financing formally committed to the subproject. The midterm target represents approximately one Component 2 infrastructure subproject, while the final target represents approximately two Component 2 infrastructure subprojects. **Assumption/Risk**: insurance/reinsurance markets are willing to price and offer coverage for Pacific climate risk at accessible rates.
Output 1.2.1 Regional blended finance approach for MSME adaptation lending established.	Regional MSME Adaptation Investment Eligibility and Assessment Framework completed	Data source: Facility design/operations manual and eligibility framework documentation. Data collection tool: Document review.	Not established	Draft framework developed and validated	Final framework complete	**Definition:** Measures completion of the MSME Adaptation Finance Framework and its constituent design documents. Actual lending and finance mobilization are measured at outcome level. **Assumption/Risk:** existing financing facilities are willing hosts for the blended finance model, since RPACA will build on existing facilities rather than establish new ones.

	Number of MSME adaptation investments screened and assessed as finance-ready under the MSME Adaption Investment Framework	Data source: Pipeline development team and business support orgs Data collection tool: proposal review reports	0	1000	2000	**Definition:** Measures the number of MSME investment opportunities that have been screened against adaptation criteria and developed to a standard suitable for submission to a participating FI. It measures pipeline development, not approved or disbursed finance. **Assumption/Risk:** Pipeline targets a ~25% buffer above expected financed investments. This recognizes that not every screened investment will pass the PFI's credit assessment will pass the PFI's credit assessment.
	Number of financial institutions with signed and operational RPACA guarantee arrangements.	Data source: Executed guarantee agreements and facility implementation records. Data collection tool: Facility MIS reports.	0	6	12	**Definition:** Counts participating financial institutions that have signed at least one guarantee agreement and completed the necessary operational arrangements to originate eligible MSME adaptation loans under the guarantee. **Assumption/Risk:** Eligible financial institutions are willing and able to enter into guarantee arrangements and establish the required systems and procedures.
Output 1.2.2 Pacific Infrastructure Risk Advisory and Transfer (PAC-INFRAT) advisory support piloted	Number of infrastructure subprojects that secure insurance or other risk-transfer coverage as a result of PAC-INFRAT advisory support.	Data source: Executed insurance policies, insurance certificates, binding risk-transfer agreements and project financial-closure documentation. Data collection tool: Review of insurance and financial-closure documentation.	0	1	2	**Definition:** Counts infrastructure subprojects that obtain documented insurance or other binding risk-transfer coverage following PAC-INFRAT advisory support. Completion of a risk assessment, advisory report or insurance application alone is insufficient. Each subproject is counted once after coverage becomes effective. **Assumption/Risk:** Insurance and reinsurance providers are willing to offer suitable coverage for Pacific climate risks at terms that participating subprojects can accept.
	Scale-up roadmap for PAC-INFRAT completed	Data source: Scale-up roadmap document. Data collection tool: Document review.	Not started	Draft roadmap under development	Scale-up roadmap completed	**Definition:** measures completion of a forward-looking plan for expanding PAC-INFRAT beyond the pilot, since full-scale rollout is expected to extend beyond RPACA's implementation period. **Assumption/Risk:** sufficient lessons are generated from the pilot within the program timeline to inform a credible roadmap.

Outcome 1.3 Financial sector authorities and financial institutions adopted regional and international aligned climate finance approaches	Number of central banks/financial regulators applying regional and international climate-aligned (including adaption) policy and institutional systems in supervision and regulation	Data source: Central bank supervisory reports and regulatory notices. Data collection tool: Document review and key informant interviews with regulators.	PNG and Fiji have some progress	3	6	**Definition:** measures whether central banks/regulators actually apply regional climate-risk and climate investment frameworks in real supervisory and regulatory practice, not merely receive training on them. **Assumption/Risk:** regulatory reform adoption by central banks can lag technical assistance delivery, given the independent decision-making timelines of financial regulators.
	Number of financial institutions mobilizing qualifying adaptation finance	Data source: Financial institution lending/investment records and national financial sector reports. Data collection tool: Institution-level MIS reports, aggregated by PMU.	0 institutions;	6	14	**Definition:** measures whether DFIs and financial institutions actually extend adaptation-related lending/investment using their strengthened systems, and the resulting USD volume. **Assumption/Risk:** strengthened institutions choose to allocate additional lending specifically to adaptation-related purposes rather than general lending.
Output 1.3.1 National financial sector policy, regulatory and institutional capacities are strengthened (in accordance with regional and international frameworks)	Regional and international climate-aligned financial sector policy, guidance, regulatory and supervisory approaches developed and introduced at the national level	Data source: Published regulatory framework/taxonomy documents (official gazette or regulator publication). Data collection tool: Document review.	PNG and Fiji have issued guidance;	Draft National guidance/ supervisory frameworks/ taxonomy developed	National Supervisory Frame-works integrated	**Definition:** tracks completion and formal issuance of a national framework (aligned with regional and international approaches) covering climate-risk disclosure, sustainable (and adaption) finance taxonomy, and supervisory guidance. **Assumption/Risk:** central banks across the 14 PICs adopt the regional frameworks
	Number of institutions (and staff) completing institutional-readiness TA and capacity building	Data source: TA program attendance and completion records, institutional participation records (sex-disaggregated). Data collection tool: Training database.	0	Institutions: 6 Persons: 36	Institutions: 14 Persons: 84	**Definition:** measures the number of institutions (and their staff) that complete capacity-building support to strengthen their climate-related institutional readiness. Activities may include participation by government agencies, central banks, development banks, commercial banks, microfinance institutions and other financial sector stakeholders. Personnel are reported as unique individuals completing the programme and are sex-disaggregated. **Assumption:** Participating institutions nominate appropriate staff and maintain sufficient continuity to complete the institutional readiness programme. Capacity-building is tailored to national contexts and builds

						on existing regional knowledge platforms and Pacific-led approaches. Institutional leadership supports the integration of climate risk management and adaptation finance into organisational policies and practices. **Risk:** Small institutional workforces, high staff turnover and limited technical capacity may constrain participation and retention of knowledge. Competing national priorities, or national emergencies may delay training delivery or reduce participation.
Outcome 2.1 Climate resilience of communities, infrastructure systems, and institutions in Pacific Island Countries strengthened with gender equality and social inclusion mainstreamed.	Percentage change in household income attributable to the new/improved livelihood activity relative to baseline	Household livelihood/income surveys; National household income and expenditure surveys (HIES); focus group discussions or key informant interviews for qualitative triangulation of data	0%	10%	15%	**Definition:** This indicator measures the percentage change in average income earned by targeted households from the specific new/improved climate-resilient livelihood activity supported by the project, comparing a pre-intervention baseline to a defined follow-up period (e.g., mid-term and end-of-project). Where "income" refers to income derived specifically from the supported livelihood activity (e.g., climate-smart agriculture output, value-added product sales, alternative income-generating activity), not total household income, unless activity-specific income cannot be isolated–in which case total household income is used together with a comparison group to net out non-project effects. The baseline percentage change is zero, however, the average household income at the project start will be determined by the results of baseline assessment, within 24 months from the start of program implementation. **Assumption:** Baseline and follow-up income data are collected using a comparable methodology, period, and season, so the two figures are genuinely comparable. Households continue practicing the livelihood activity throughout the measurement period.
	Reduction in climate-attributable service disruption across program-supported systems	Damage assessment reports; National utilities/authorities' outage logs; National government service records; Program/project reports/records	TBD	TBD	TBD	**Definition:** This indicator measures the percentage reduction in unplanned, climate-attributable service-disruption days recorded across the climate-resilience-strengthened systems supported under the program (e.g., coastal protection assets/zones, water and sanitation utilities, transport infrastructure, energy generation and distribution systems, urban service networks, and health/social-care facilities) relative to a pre-intervention baseline. A "disruption day" is any day a supported system fails to deliver its intended service at minimum functional level due to a climate hazard (cyclone, storm surge, flooding, drought, extreme rainfall) as distinct from disruptions from routine maintenance, funding shortfalls, or non-climate mechanical failure. The indicator should be expressed as

						disruption days per climate hazard event of a defined severity class (e.g., per named cyclone or per drought episode), not simply per year. A raw annual count conflates two different things–actual system resilience, and how many/severe hazard events happened to occur that year, which is entirely outside the project's control. Normalizing per event isolates system performance from the luck of a quiet or active hazard season. The baseline, midterm and final targets will be determined by the results of baseline assessment within 12-15 months after the start of project implementation. **Assumption:** The frequency and severity of climate hazard events during the reporting period is comparable to the baseline period, so that any observed change in disruption reflects genuine improvement in system resilience rather than simply a quieter or more severe hazard season.
Output 2.1.1 Evidence-based, system-scale climate adaptation sub-projects developed and approved.	Number of sub-projects with a completed system-scale CRA and vulnerability assessment	Data source: System-scale CRA and vulnerability assessment reports. Data collection tool: Document review by RPACA Secretariat, with technical support from SPC/SPREP.	0	Total: 12 Sector disaggregation: TRA: 2 WUD: 4 HSD: 2 AFNR: 2 ENE: 2	Total: 21 Sector disaggregation: TRA: 4 WUD: 9 HSD: 4 AFNR: 2 ENE: 2	**Definition:** measures completion of the technical evidence base (system-scale climate risk and vulnerability assessments) that underpins each sub-project's design. **Assumption/Risk:** sufficient climate/hazard data and technical capacity, including via SPC/SPREP partnerships, are available to complete assessments to the required quality within the program timeline.
	Number of sub-projects meeting all RPACA eligibility criteria and approved for implementation	Data source: RPACA funding approval records/decisions. Data collection tool: PMU tracking database.	0	Total: 12 Sector disaggregation: TRA: 2 WUD: 4 HSD: 2 AFNR: 2 ENE: 2	Total: 21 Sector disaggregation: TRA: 4 WUD: 9 HSD: 4 AFNR: 2 ENE: 2	**Definition:** measures the subset of assessed sub-projects that pass all RPACA eligibility criteria and receive formal funding approval. **Assumption/Risk:** RPACA eligibility criteria are extensive (covering safeguards, GEDSI, and economic viability); sub-projects may face delays meeting all criteria.
Output 2.1.2 Climate-resilient and inclusive adaptation infrastructure sub-	Number of sub-projects completed and operationalized, by sector (coastal/flood, water, transport,	Data source: Sub-project completion certificates and project completion reports.	0	Total: 12 Sector disaggregation:	Total: 21 Sector disaggregation:	**Definition:** measures physical completion and operational status of infrastructure sub-projects, by sector. It covers documentation of evidence on consulting women, youth, persons with disabilities, and other under-represented groups specifically, not just general community consultation.

projects completed and operationalized.	energy, urban, health/social)	Data collection tool: PIU/PMU project tracking system.		TRA: 2 WUD: 4 HSD: 2 AFNR: 2 ENE: 2	TRA: 4 WUD: 9 HSD: 4 AFNR: 2 ENE: 2	**Assumption/Risk:** up to 21 sub-projects spanning 14 countries and six sectors carry significant implementation/coordination risk; delay in one country could affect aggregate targets.
Output 2.1.3 Institutional capacity and enabling environment of national agencies for climate-resilient and inclusive infrastructure management strengthened.	Number of national agencies (sectoral, utilities, public works, transport, infrastructure agencies) with climate-informed asset management/monitoring systems, updated design standards, and O&M SOPs developed and delivered	Data source: Agency asset management system documentation and updated design standards/SOPs. Data collection tool: Document review and agency self-reporting.	0	14	14	**Definition:** measures delivery of technical systems and standards to national agencies for managing climate-resilient infrastructure assets. **Assumption/Risk:** national agencies have sufficient staffing continuity to retain and use new systems/standards after training.
	Number of agencies (sectoral, utilities, public works, transport, infrastructure agencies) with hydro-meteorological monitoring, early warning, and decision-support systems installed	Data source: System installation/commissioning records and agency technical reports. Data collection tool: Document review.	0	TBD	TBD	**Definition:** measures installation of hydro-meteorological and early warning technology at the agency level - distinct from asset management (previous row), since it serves hazard monitoring rather than infrastructure management. **Assumption/Risk**: system maintenance and power/connectivity infrastructure in remote Pacific locations may affect long-term reliability.
	Number of sector policies/plans reviewed and updated to integrate climate-resilient strategies and land-use planning	Data source: Updated policy/plan documents (official gazette or agency publication). Data collection tool: Document review.	0	14	14	**Definition:** measures the number of sector-level planning documents formally updated to integrate climate resilience and spatial/land-use considerations. **Assumption/Risk:** policy reform processes require government legislative time outside RPACA's direct control.
	Percentage of national agency staff (sex-disaggregated) demonstrating strengthened competencies in climate-resilient	Data source: Training assessment records Data collection tool: Document review and agency self-reporting.	0	25%	50%	**Definition:** This indicator measures the share of trained staff who show a measurable gain in competency attributable to the training programme, rather than the number who merely attended. "Improved" is defined as a positive change between a baseline (pre-training) assessment and a follow-up (post-training) assessment of the same individual, using a standardized test, skills checklist, or practical demonstration tied to the specific technical system(s) covered. Data is

	infrastructure management					disaggregated by sex and reported as a percentage of total staff trained. **Assumption/Risk:** national agencies have sufficient staffing continuity to retain and use new systems/standards after training.
Program Co-Benefit Indicators						
Program Result (Outcome/Output)	**Project/Program Specific Indicator**	**Means of verification (Collection Tool and Data Source**	**Baseline**	**Midterm Target**	**Final Target**	**Assumptions/Notes**
Ecological co-benefit: Reduced and avoided GHG emissions	Annual reductions/avoided emissions of GHG emissions (tCO_2e/year)	Program and sub-project baseline, assessments and survey reports. For sub-projects with dentifiable and quantifiable GHG mitigation co-benefits, the RPACA overall management system will nclude a GHG co-benefits record. Where applicable, the record will document: (i) baseline and project scenario assumptions; (ii) applied methodology and version; (iii) project boundary; (iv) commissioning and operating period; (v) monitored activity data; (vi) emission factors and underlying data assumptions/sources; (vii) estimated baseline, project and net emissions avoidance/reductions; (viii) cumulative reductions achieved; (ix) deviations from ex-ante estimates and	n/a	0	104,850	See Annex 22 for detailed assumptions and methodologies on GHG assessment. GHG parameters and achieved reductions will be assessed and monitored, where applicable, for all those individual sub-projects in which substantive mitigation co-benefits are identified and quantifiable during project preparation and due diligence, consistent with the applicable ADB climate and ESF requirements. The aggregated GHG mitigation potential is estimated to achieve total annual emission reductions of 104,850 tCO_2e/year, resulting in cumulative emission reductions of approximately 3.14 million tCO_2e over the program lifetime. It is assumed that sub-projects will become fully operational in years 3, 4 and 5. No sub-projects are projected to be complete by end year 5 – infrastructure being constructed will not be operational. Hence, by mid-term of RPACA program, it is unlikely that GHG emissions reductions will be achieved. This is projected to start in year 6. Hence the RPACA mid-term target for annual reductions 0 tCO_2e/year.

		explanations; and (x) supporting evidence and validation records				
Ecological co-benefit: Reduced and avoided GHG emissions	Lifetime reductions/ avoided emissions of GHG (tCO_2e)	Program and sub-project baseline, assessments and survey reports	n/a	n/a	3,140,000	
Social co-benefit: Increased equity and inclusion	The number of participating sector agencies that adopt and operationalize guidelines on equity, social inclusion and targeting vulnerability.	Program and sub-project baseline, assessments and survey reports.	0	4	14	This is assumed to be currently zero. The final target assumes on average one sector in each country adopts and operationalize the guidelines.

E.6. Project/programme activities and deliverables

Activities	Description	Sub-activities	Deliverables
1.1.1.1 Update skills needs assessments on climate-, disaster-, and gender-responsive PFM and investment planning.	Conduct a Capacity Needs Assessment (CNA) with each MoF to evaluate institutional capacity for climate- and disaster-responsive PFM, establish the baseline indicator, and identify GEDSI gaps.	• Assess existing technical and institutional capacities in each MoF • Identify priority knowledge and capacity gaps, including GEDSI gaps • Tailor content and delivery to country context in collaboration with ADB and regional university partners	• Capacity gap assessment for each PIC with recommendations for programme design, including GEDSI integration • Baseline values for the outcome indicator for each participating country
1.1.1.2 Develop certified professional development programmes.	Co-design and deliver a certified professional development programme in climate- and disaster-responsive PFM and investment planning, targeting MoF staff across career levels, with flexible pathways from single module to professional certificate.	• Design curricula by functional MoF stream with flexible modular pathway • Develop train-the-trainer model and engage regional universities for certification • Embed GEDSI modules and develop case-based teaching materials drawing on Pacific experiences	• Certified professional development programme design, roll-out plan, and train-the-trainer materials • Case-based teaching materials and GEDSI competency framework integrated into certification standards
1.1.1.3 Establish post-graduate qualification and internship programmes.	Co-design and implement a postgraduate qualification and structured internship/mentorship programme with regional universities, providing two scholarships and seven internships per cohort, with stackable credentials and GEDSI-focused selection criteria.	• Co-design postgraduate programme and establish scholarship and internship selection criteria • Develop internship rotations across budgeting, investment planning, audit, and climate finance functions • Embed GEDSI-sensitive tasks in each placement	• Programme design including scholarship criteria, internship placements, and train-the-trainer materials • Impact report, sustainability plan, and documented evidence of GEDSI integration in placements

1.1.1.4 Establish a peer learning network.	Establish a peer-to-peer learning network for MoFs through an existing platform (e.g. Pacific Climate Change Centre or RCM-PFM), linked to regional meeting cycles to support active policy processes.	• Activate existing platform host and design network governance and exchange formats • Link network to FEOM, FEMM, and climate finance and DRF dialogue cycles • Facilitate GEDSI-focused exchanges and curate tools and knowledge products	• Operational peer-to-peer learning network with tools and knowledge products • Evidence of policy tools or reforms adopted following peer-learning exchanges
1.1.1.5 Develop and launch a Climate- and Disaster-Responsive PFM Knowledge Portal.	Develop a federated climate-responsive PFM knowledge hub integrated with existing regional platforms (PIFS, SPREP, or similar), aggregating resources under a common MoF-relevant taxonomy and curating GEDSI tools and case studies.	• Identify institutional host and integrate with existing platforms (PCCC, Pacific Climate Change Portal, Pacific Disaster Net) • Aggregate and organise Pacific PFM and climate finance resources under a common taxonomy • Develop self-paced modules and embed GEDSI resources including equity-focused training materials	• Knowledge portal integrated with existing regional platforms, with self-paced modules and knowledge products • Governance and maintenance plan for long-term institutional hosting beyond RPACA
1.1.2.1 Advise and steer RPACA roll-out and implementation	Co-design and operationalise the RPACA Steering Committee (RSC) and Advisory Panel (RAP) with national governments and regional stakeholders, scheduling meetings back-to-back with existing regional consultations to reduce costs.	• Consult stakeholders and co-design terms of reference and governance for RSC and RAP • Ensure GEDSI expertise and representation in both bodies • Coordinate RSC/RAP meetings with existing regional consultations	• Established and operationalised RPACA Steering Committee and Advisory Panel with agreed governance arrangements
1.1.2.2 Prepare and issue regional knowledge products and policy briefs:	Under RSC oversight and RAP guidance, develop and disseminate knowledge products across all RPACA components, focusing on the transformational and programmatic nature of RPACA. Target: five products by end of programme.	• Identify priority knowledge themes across RPACA components • Commission and develop knowledge products and policy briefs • Disseminate to regional stakeholders	• At least five regional knowledge products and policy briefs on climate transformation developed and disseminated
1.1.2.3 Establish a self-sustaining, Pacific climate infrastructure finance community of practice (CIFCOP)	Develop and establish a permanent, self-sufficient knowledge platform hosted in an existing regional entity, functioning as a non-binding practice-based forum for collaboration on adaptation financing and climate resilience.	• Conduct feasibility study and assessment of existing entities • Develop business and financing strategy and workplan • Establish CIFCOP with governance framework ensuring balanced equity representation	• Feasibility study and business and financing strategy • Established CIFCOP with agreed governance, membership criteria, and equity-tracking workplan
1.1.3.1 Develop gender-responsive climate fiscal risk analytics.	Develop and institutionalize analytical tools to assess, quantify, and disclose climate-related fiscal risks, translating existing hazard assessments into standardised economic cost estimates usable by MoF staff.	• Map fiscal liabilities and model fiscal impacts under climate scenarios for each country • Develop standardised climate fiscal risk assessment methodology for Pacific SIDS • Produce country-level fiscal risk reports and regional toolkit	• Country-level fiscal risk reports with sector-specific findings and disclosure summaries for inclusion in budget documents • Regional climate economic analysis toolkit (methodology guide, templates, and worked country examples)

1.1.3.2 Develop and integrate gender-responsive budget tools and processes.	Develop inter-ministerial coordination mechanisms and revised budget templates to ensure climate risk information feeds systematically into MoF budget management and investment planning, coordinated with PFTAC and World Bank to avoid duplication.	• Design inter-ministerial coordination mechanisms and information flow protocols from line ministries to MoF • Revise MTFF templates and budget circular guidance to embed climate risk and GEDSI reporting requirements	• Inter-ministerial coordination mechanism design documents • Revised MTFF templates and budget circular guidance notes
1.1.4.1 Develop and institutionalize Climate Adaptation Investment Planning (CAIP) frameworks.	Provide technical assistance to establish inter-ministerial climate finance coordination mechanisms and strengthen climate-aligned PIM/PFM systems across the full project cycle, including dedicated MoF climate finance units and NDA-MoF coordination protocols.	• Establish climate finance units or focal points within MoF and develop inter-ministerial committee terms of reference • Integrate climate risk screening into PIM guidelines across the full project cycle • Develop procurement standards incentivizing women-led firms, local SMEs, and community-based organisations	• Inter-ministerial climate finance coordination mechanism design documents • National adaptation investment plans with prioritized, costed, and sequenced pipelines with identified financing sources
	Establish structured dialogue platforms between government pipeline owners and private sector investors and provide project preparation support to advance pipeline projects to commercial feasibility.	• Design and convene climate investment roundtables between government and private sector • Provide project preparation support including pre-feasibility studies, financial structuring, and ESG screening • Develop GCF concept notes and funding proposal drafts for advanced projects	• Climate investment roundtable design package (terms of reference, agenda format, participant guide, facilitator notes) • Pre-feasibility reports, financial structuring notes, and GCF concept notes for priority pipeline projects
1.1.5.1 Develop national financial instruments.	Assess each pipeline project and identify the most appropriate financing instrument; strengthen the fiscal, policy, and regulatory environment for adaptation investment; and build MoF and NDA capacity to access diversified financing sources.	• Conduct climate finance matchmaking analyses for each pipeline project • Develop risk-layering frameworks and investment safeguard standards • Deliver capacity building workshops and produce policy briefs for Finance Ministers	• Country-level climate finance matchmaking analyses with recommended sequencing • Risk-layering framework, investment safeguard standards, and policy briefs for Pacific Finance Ministers
	Provide bespoke instrument design support for countries with readiness to develop new financing mechanisms such as carbon trading schemes, new trust funds, based on country demand.	• Assess country-level readiness and demand for new instruments • Design instrument frameworks, governance structures, and concept proposals	• Framework design and fund governance documents, needs assessments, and positioning notes • Concept proposals for submission to the UNFCCC Fund for Responding to Loss and Damage where applicable
1.2.1.1 Establish and operationalize the regional framework, develop country pipelines, and provide guarantee facility technical support for MSME adaptation finance	Establishment of the Adaptation Investment Eligibility and Assessment Framework together with country-level adaptation investment identification, project preparation, aggregation and pipeline development and guarantee window technical and administrative support.	• Develop a principles-based eligibility framework and standardised MSME opportunity areas linked to NAPs and NDCs • Provide simple screening tools and underwriting guidance to reduce transaction costs for financial institutions	• the MSME Adaptation Investment Eligibility and Assessment Framework, including adaptation principles, investment taxonomy, country-prioritization methodology, investment archetypes, screening methodologies, additionality assessment and MRV requirements; • country diagnostics and Country Adaptation Investment Prioritization Profiles;

		• Engage local business development service providers to address gaps in financial records and proposal quality • Apply an iterative, learning-by-doing approach to refine eligibility criteria through early pilots • Provide support to existing country facilities with the operational, administrative, risk-management, and technical support required to deliver the additional adaptation guarantee program.	• screening tools, assessment templates and reporting tools for MSMEs, business-development providers and participating financial institutions; • screened and finance-ready country pipelines of MSME adaptation investments; investment-preparation and business-development support for MSMEs; and training and technical support for financial institutions on adaptation-loan identification, origination, appraisal and monitoring. • onboarding participating financial institutions, processing transactions, managing portfolios, and undertaking monitoring and reporting. • Guarantee operational manuals, eligibility criteria and reporting systems developed. • Portfolio monitoring and reporting framework established.
1.2.1.2 Capitalize MSME Adaptation Portfolio Guarantee Window.	Partial portfolio credit guarantee mechanism to share lending risk and mobilize private capital for eligible MSME adaptation investments (identified through MSME Adaptation Investment Origination and Pipeline Development activity)	•• Capitalize adaption guarantee windows • Apply country-calibrated portfolio risk-sharing parameters and prudent risk management arrangements.	• Standardized adaption specific portfolio guarantee model . • Country guarantee windows operationalized through participating national institutions
1.2.2.1 Design and Pilot Infrastructure De-risking Approaches	Design and pilot the PAC-INFRAT regional Infrastructure De-risking technical assistance, improving the insurability and investment readiness of Pacific infrastructure projects.	• Review PRIF pipeline and select a diversified pilot portfolio of 5–10 projects; assess insurability gaps • Confirm governance and hosting arrangements; define roles of ADB, governments, insurers, and technical providers • Deliver integrated procurement support, multi-hazard risk assessments, and insurance placement (parametric and indemnity) • Evaluate pilot performance and develop a scale-up roadmap	• Operational pilot programs with confirmed governance and hosting recommendations • Risk assessments and insurance placements for selected pilot projects • Evaluation report documenting pilot performance and lessons learned • Scale-up roadmap for full operationalisation of the approach
1.3.1.1 Strengthen climate-aligned financial sector policy implementation and institutional readiness	Support Pacific central banks, development banks and financial institutions to implement and operationalise climate-aligned financial sector	• Conduct country diagnostics and implementation planning. • Provide demand-driven technical assistance to operationalise sustainable	• Country financial sector diagnostics and implementation roadmaps. • Sustainable finance implementation guidance, operational tools and templates.

	policies, sustainable finance frameworks and climate risk management practices.	finance frameworks, taxonomies and climate risk approaches • Develop implementation guidance, tools and institutional methodologies. • Deliver institutional capacity building, peer learning and regional knowledge exchange. • Support integration of adaptation finance and GEDSI considerations into financial sector implementation.	• Institution-specific technical assistance and advisory support delivered. • Regional implementation workshops, peer-learning programmes and knowledge products. • Case studies and lessons learned documenting implementation experience across participating countries.
2.1.1.1 Develop evidence base to demonstrate system scale RPACA climate adaptation impact.	Undertake system-scale climate risk and vulnerability assessments and supporting studies to identify vulnerabilities, adaptation pathways and transformational investment opportunities.	• Compile and review existing climate, hazard, socio-economic and infrastructure datasets • Undertake targeted data collection to address critical gaps • Undertake hazard and climate risk assessments • Develop system-scale CRVAs • Identify adaptation pathways and priority investments • Collaborate with SPC, SPREP and other technical partners to access data, tools and expertise	• System-scale Climate Risk and Vulnerability Assessment (CRVA) reports • Hazard assessment reports and modelling outputs • Climate, infrastructure and socio-economic datasets compiled and catalogued • Adaptation pathway assessments • Investment prioritization reports • GIS datasets and mapping products • Technical reports produced by SPC, SPREP and other partners • Stakeholder consultation reports
2.1.1.2 Develop and approve transformational projects which meet RPACA requirements.	Prepare adaptation investment projects that satisfy RPACA eligibility criteria and are ready for financing and implementation.	• Feasibility studies and concept development • Engineering investigations and design • Economic and financial analysis • Environmental and social assessments • Stakeholder engagement • Preparation of approval documentation	• Feasibility studies • Concept papers and project preparation reports • Engineering investigations and preliminary designs • Environmental and Social Impact Assessments (ESIA) and ESMPs • Economic and financial analysis reports • RPACA funding requests • ADB Board approval documentation • Approved sub-project investment packages
2.1.2.1 Implement coastal and flood resilience projects.	Implement approved adaptation investments that reduce climate risks associated with coastal hazards, flooding and storm surge.	• Detailed design and procurement of approved investments • Construction, rehabilitation and upgrading of resilience measures • Implementation of safeguards and stakeholder engagement activities • Commissioning and operationalisation of completed assets	• Detailed engineering designs • Completed assets, as built drawings • Construction supervision reports, QA/QC reports. • Asset commissioning certificates • Asset registers • Operations and maintenance manuals as necessary • Completion reports, monitoring reports
2.1.2.2 Implement water security and water system resilience projects.	Implement approved adaptation investments that improve resilience of water resources, water supply and sanitation systems.	• Detailed design and procurement of approved investments	• Detailed engineering designs • Completed assets, as built drawings • Construction supervision reports, QA/QC reports.

		• Construction, rehabilitation and upgrading of resilience measures • Implementation of safeguards and stakeholder engagement activities • Commissioning and operationalisation of completed assets	• Asset commissioning certificates • Asset registers • Operations and maintenance manuals as necessary • Completion reports, monitoring reports
2.1.2.3 Implement projects for climate resilient transport systems and connectivity.	Implement approved adaptation investments that improve resilience of transport systems and connectivity.	• Detailed design and procurement of approved investments • Construction, rehabilitation and upgrading of resilience measures • Implementation of safeguards and stakeholder engagement activities • Commissioning and operationalisation of completed assets	• Detailed engineering designs • Completed assets, as built drawings • Construction supervision reports, QA/QC reports. • Asset commissioning certificates • Asset registers • Operations and maintenance manuals as necessary • Completion reports, monitoring reports
2.1.2.4 Implement energy system resilience projects for energy security.	Implement approved adaptation investments that strengthen resilience and reliability of energy systems.	• Detailed design and procurement of approved investments • Construction, rehabilitation and upgrading of resilience measures • Implementation of safeguards and stakeholder engagement activities • Commissioning and operationalisation of completed assets	• Detailed engineering designs • Completed assets, as built drawings • Construction supervision reports, QA/QC reports. • Asset commissioning certificates • Asset registers • Operations and maintenance manuals as necessary • Completion reports, monitoring reports
2.1.2.5 Implement projects for climate resilient urban systems.	Implement approved adaptation investments that strengthen resilience of urban infrastructure, services and communities.	• Detailed design and procurement of approved investments • Construction, rehabilitation and upgrading of resilience measures • Implementation of safeguards and stakeholder engagement activities • Commissioning and operationalisation of completed assets	• Detailed engineering designs • Completed assets, as built drawings • Construction supervision reports, QA/QC reports. • Asset commissioning certificates • Asset registers • Operations and maintenance manuals as necessary • Completion reports, monitoring reports
2.1.2.6 Implement projects for resilient health and social systems.	Implement approved adaptation investments that strengthen resilience of health, education and other social infrastructure systems.	• Detailed design and procurement of approved investments • Construction, rehabilitation and upgrading of resilience measures • Implementation of safeguards and stakeholder engagement activities • Commissioning and operationalisation of completed assets	• Detailed engineering designs • Completed assets, as built drawings • Construction supervision reports, QA/QC reports. • Asset commissioning certificates • Asset registers • Operations and maintenance manuals as necessary • Completion reports, monitoring reports
2.1.3.1 Develop technical capacity of national agencies to operate, maintain, manage infrastructure	Strengthen technical and operational capacity to sustainably manage climate-resilient infrastructure assets.	• Climate-informed asset management systems • Infrastructure monitoring systems • Climate-responsive operating procedures • Updated design standards	• Climate-informed Asset Management Systems established • Infrastructure monitoring systems installed • Standard Operating Procedures (SOPs) developed • Operational manuals prepared

		• Training and certification programmes	• Updated engineering standards and technical guidelines • Training materials • Training completion reports and attendance records • Knowledge products and technical guidance notes
2.1.3.2 Develop technical capacity of national agencies to monitor and respond to relevant climate risks	Strengthen climate monitoring, forecasting, early warning and climate-informed decision making.	• Monitoring and forecasting systems • Early warning systems • Decision-support tools • Data management systems • Technical training	• Climate monitoring equipment installed • Early warning systems operational • Climate data management platforms established • Decision-support tools developed • Training materials and workshop reports • Technical guidance documents • Initial climate risk monitoring reports
2.1.3.3 Update sector policies or plans	Integrate climate risk and adaptation into sector planning and policy frameworks.	• Policy reviews • Sector adaptation planning • Spatial planning integration • Development of standards and guidance	• Updated sector plans and strategies • Climate adaptation plans • Climate-informed spatial plans • Policy analysis reports • Technical guidance documents • Design standards and planning guidelines • Cabinet papers, approvals or endorsements (where applicable)
2.1.3.4 Provide institutional and legislative support for improving the enabling environment for climate-resilient infrastructure design, operations, and maintenance.	Strengthen institutional arrangements and regulatory frameworks required to sustain climate-resilient development.	• Institutional reviews • Governance strengthening • Legislative and regulatory support • Coordination mechanisms • Capacity development for decision makers	• Institutional assessments • Governance and coordination frameworks established • Memoranda of Understanding and coordination agreements • Legislative review reports • Draft legislation, regulations or amendments • Capacity-building materials and training completion reports

E.7. Monitoring, reporting and evaluation arrangements (max. 500 words, approximately 1 page)

Strategic Overview

Monitoring, Evaluation, and Learning (MEL) is a foundational pillar of the RPACA Program. It responds to a key challenge in climate adaptation across the Pacific: the fragmentation of projects, weaknesses in long-term impact tracking, and limited cross-country learning. RPACA addresses these by embedding a structured and regionally coordinated MEL system into program design from the outset.

The MEL approach supports both compliance and innovation—ensuring accountability to the GCF and ADB, while enabling adaptive learning, reflection, and policy feedback. It facilitates continuous improvement and enhances the program's ability to respond to emerging climate risks and opportunities. To do this, the MEL framework is designed to support two core functions:

- Ensuring compliance and accountability with GCF and ADB reporting, evaluation, and safeguards requirements;
- Fostering adaptive learning to inform decision-making, enable regional collaboration, and promote effective climate resilience strategies in glacial basins and downstream communities.

Alignment with ADB and GCF Frameworks

The RPACA MEL system is firmly grounded in ADB's institutional architecture and aligned with the best global practices:

- ADB's Evaluation Policy ensures independent, credible, and evidence-based evaluation of outcomes, impacts, and institutional effectiveness;
- ADB's Corporate Results framework sets standards for tracking development effectiveness, including resilience, inclusivity, and cross-border cooperation;
- ADB's Knowledge Management Action Plan (KMAP) 2021–2025 promotes the systematic use of knowledge to strengthen program design, implementation, and learning.

At the same time, RPACA Program fully adheres to GCF's:

- Integrated Results Management Framework (IRMF), including core adaptation indicators, paradigm shift potential, and enabling environment criteria;
- Evaluation Policy, which emphasizes learning, accountability, and the assessment of long-term transformation.
- RPACA Program's MEL structure is designed as a multi-level, participatory, and iterative system that reflects both institutions shared commitment to impact, transparency, and continuous improvement.

ADB Knowledge and Impact Assessment Approach

ADB views knowledge as a strategic asset and a core driver of development effectiveness. Under Strategy 2030, knowledge is recognized as one of ADB's operational priorities, and the KMAP (2021–2025) provides a roadmap to operationalize this vision across the project cycle.

RPACA applies the four pillars of ADB's knowledge approach throughout the program:

Enhancing the Quality of Knowledge Products - RPACA will generate practical, demand-driven knowledge products—such as field-based case studies, policy briefs, and learning synthesis papers—to support evidence-informed action and replication across the region.

Improving the Management of Knowledge Assets - A digital knowledge repository will store lessons, implementation results, and community innovations, ensuring institutional memory and wider accessibility even after project completion.

Strengthening Knowledge Partnerships ADB will work with RPACA partners – SPC and SPREP and other regional platforms (e.g. PRIF, PIFS), academic institutions, and civil society to co-develop knowledge and promote peer-to-peer learning across participating countries.

Promoting a Knowledge Culture The program will invest in building the capacity of NDAs, executing entities, and local stakeholders in adaptive learning, results communication, and impact assessment. Regional learning events and country-level workshops will further embed a culture of inquiry and learning.

Monitoring and Evaluation Arrangements

The MEL system is structured across three levels:

- Sub-Project Level: EEs will conduct semi-annual reporting, monitor safeguards (ESMPs, IPPs, GAPs), and provide audited financial statements. This ensures systematic data collection on outputs and early outcomes.
- Program Level: ADB, as Accredited Entity, will submit Annual Performance Reports to GCF, aggregating progress across projects and assessing achievements against core indicators, gender and inclusion targets, and financial milestones.
- Independent Oversight: Mid-Term Reviews and Terminal Evaluations will be conducted by external experts to ensure objectivity. All evaluations will be publicly disclosed and include mechanisms for tracking follow-up actions.

Participatory monitoring will be institutionalized through annual stakeholder reviews, led by NDAs and involving local communities, civil society organizations, and marginalized groups. RPACA will also, where appropriate, adopt evaluative monitoring—a hybrid approach that not only tracks implementation milestones but also captures learning on how resilience is built, what adaptation pathways succeed, and under what conditions.

Baseline Assessment

The indicator and results framework provided herein, and Annex 11 is based on best available information at the time of preparing the RPACA. Given the programmatic nature of RPACA, it is not possible to clearly determine the baseline and targets for each indicator prior to RPACA approval. Hence, within the first two years, a comprehensive baseline assessment will be undertaken that covers all activities, Outputs and Outcomes. This will determine the baseline value mid-term and final targets for all indicators. The baseline assessment will include a robust sensitivity assessment reflecting programme uncertainties associated with the finalised project pipeline. The baseline assessment is covered by the AE agency fees.

Evaluation Schedule and Approach

RPACA will undergo the following evaluations:

- Mid-Term Review (Year 3–5): To assess implementation status, identify emerging outcomes, and enable course correction.
- Terminal Evaluations (end of project/program): To evaluate strategic relevance, effectiveness, sustainability, and contributions to transformation using GCF's three-point paradigm shift and enabling environment rating scales.

All evaluations will be independent, methodologically rigorous, and structured to feed into both GCF reporting and ADB's organizational learning.

Sub-project Baselines and Results Measurement

At the sub-Project level, each project will establish:

- Quantitative baselines for output and outcome indicators, disaggregated by gender, geography, and beneficiary group;
- Qualitative baselines to assess institutional readiness, enabling environment, and risk context;
- Scorecards based on GCF's IRMF to track progress toward enabling transformation at midterm and terminal stages.

Knowledge Generation and Learning Systems

To support regional learning and replication, RPACA will establish a dedicated Knowledge and Learning Workstream under Component 1. Should the future SPREP-led RPACA proposal be approved by the GCF, this workstream will be integrated with the broader programme-wide knowledge management and learning functions under Component 4, ensuring a coherent and coordinated RPACA knowledge ecosystem while avoiding duplication[90]. This will include:

- Regional learning exchanges, enabling dialogue among implementing partners, NDAs, and technical agencies;
- A digital knowledge platform that aggregates tools, innovations, and real-time learning across countries;
- Synthesis reports and learning papers that communicate lessons to GCF, ADB, and external audiences;
- Regional partnerships to share results and scale regional adaptation efforts.

ADB supported knowledge, management and learning activities under Component 1 are limited to generating implementation-focused knowledge and technical learning that directly supports the design, delivery and adaptive management of Components 1 and 2, including innovative climate finance, climate-resilient infrastructure and coastal adaptation, without establishing parallel regional knowledge platforms. These outputs, including technical guidance, policy notes, toolkits and implementation lessons - will be shared with the future SPREP-led Component 4, which will lead programme-wide knowledge management, regional learning, synthesis and dissemination through existing regional mechanisms such as the Pacific Climate Change Centre. This clear division of roles ensures complementarity by positioning ADB as the generator of investment-specific knowledge and SPREP as the regional knowledge integrator and disseminator, avoiding duplication while strengthening the overall RPACA learning ecosystem. A Knowledge Management Strategy targeting Components 1&2, in coordination with SPC and SPREP, will be finalized during inception to ensure learning is embedded in implementation and contributes to policy and institutional development at the national and regional levels.

MEL Governance and Capacity

A dedicated RPACA MEL Expert will be embedded in the Program Management Unit and will:

- Oversee the design and implementation of MEL systems across countries and components;
- Ensure consistency in data collection, safeguards reporting, and results synthesis;
- Manage external evaluations and quality assurance;
- Facilitate learning loops and engagement between NDAs, EEs, and ADB teams.

The MEL Expert will work closely with ADB's evaluation and knowledge departments to ensure that findings are used to strengthen current operations and shape future climate programs. Annex 11 details a Monitoring and Evaluation Plan.

F. RISK ASSESSMENT AND MANAGEMENT

F.1. Risk factors and mitigations measures (max. 3 pages)

The RPACA program recognises the diverse and multi-layered risks associated with delivering a regional, multi-country, and multi-sectoral climate adaptation initiative across PICs. These risks reflect the unique characteristics of the Pacific context, including geographic isolation, small and capacity-constrained institutions, high exposure to climate hazards, and reliance on external financing and technical support. They also include systemic gender equality and social inclusion (GESI) risks that can undermine effectiveness, equity, and sustainability if not addressed.

The selected risk factors presented in this section are grouped by category, described in terms of their likelihood and potential impact, and accompanied by appropriate mitigation strategies. Each risk is assessed based on its probability and the severity of its potential consequences for program implementation and outcomes. Where relevant, risks are analysed through a gender and inclusion lens to ensure differentiated impacts on women, youth, persons with disabilities, and other vulnerable groups are recognised and mitigated.

[90] Note: approval of this document does not imply GCF commitment to either Components 3 and 4, nor to the contents of Components 3 and 4 should they be approved.

The mitigation measures are designed to reduce both the likelihood of risks occurring and the magnitude of their impacts, through a combination of institutional strengthening, robust technical design, enhanced coordination mechanisms, and adaptive program management. This includes embedding gender-responsive budget tagging, universal design standards, SEAH-safe safeguards, and inclusive governance mechanisms into program delivery. The programme emphasises upstream risk reduction, such as strengthening national systems, improving planning and data availability, and ensuring alignment with country priorities, as well as downstream measures that enhance resilience during implementation. This integrated approach ensures that climate action does not reinforce existing inequalities but instead contributes to transformative inclusion.

The ADB implements a number of programmes and projects in the Pacific Island region. The institutional knowledge of implementation in the region will strengthen RPACA and broader Pacific programming by systematically learning from existing regional climate and development initiatives to better anticipate, manage, and reduce programme risks under RPACA. Many Pacific initiatives already operate in environments with similar constraints -small markets, fragile infrastructure systems, data gaps, and high climate exposure - so they provide practical lessons on what delivery models actually work in practice.

The risk management approach for RPACA is aligned with the policies and standards of the Green Climate Fund (GCF), as well as the applicable frameworks of the implementing entities, including the Asian Development Bank. These include ADB's Anticorruption Policy (1998, as amended) and Integrity Principles and Guidelines; the Procurement Policy (2017, as amended) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time); the Environmental and Social Framework (2024); and ADB's financial management, disbursement, and fiduciary assurance procedures, including financial management assessments and audit requirements applied to sovereign operations.

In addition, implementation will be guided by ADB's operational guidance on climate risk management and disaster risk management, as well as its approaches for Fragile and Conflict-Affected Situations (FCAS) and Small Island Developing States (SIDS). Together, these frameworks guide due diligence, fiduciary oversight, procurement integrity, environmental and social safeguards, and compliance across all program activities, ensuring that risks are managed in a consistent, transparent, and accountable manner. Risk and mitigation measures specific to gender equality and social inclusion are detailed in Annex 8: GAAP, which provides the program's dedicated framework for systematically identifying, mitigating, and monitoring GESI risks.

Risk management under RPACA will be implemented as a continuous and adaptive process throughout the programme lifecycle. Regular monitoring, reporting, and review mechanisms will be established to track risk levels, assess the effectiveness of mitigation measures, and enable timely adjustments in response to evolving risks, including those associated with climate variability, economic conditions, and institutional changes. Monitoring frameworks will require sex, age, and disability-disaggregated data, and grievance mechanisms will be SEAH-safe and accessible to all groups**.** This adaptive management approach will ensure that RPACA remains responsive to the dynamic risk environment of the Pacific region and is able to safeguard the achievement of its intended outcomes and long-term resilience objectives.

Selected Risk Factor 1: Multi-Country Governance and Institutional Coordination Complexity		
Category	**Probability**	**Impact**
Governance	Medium	High
Description		
RPACA will be implemented across multiple PICs, each characterised by distinct governance systems, institutional arrangements, regulatory frameworks, and sectoral priorities. Differences in national planning cycles, procurement rules, safeguards requirements, and reporting obligations create inherent coordination challenges across jurisdictions. These challenges are compounded by overlapping mandates between national governments, regional organisations, and development partners, as well as small public administrations with limited staffing and high turnover. Further, RPACA is designed as an integrated, programmatic intervention in which the four components are mutually reinforcing and collectively necessary to achieve the intended paradigm shift outcomes. While Components		

1-2 (ADB), Component 3[91] (SPC), and Component 4[92] (SPREP) are implemented through separate financing proposals reflecting institutional mandates, the programme logic is explicitly structured to ensure functional interdependence rather than fragmentation.

The risk that components may not progress in sync, or that delays or partial implementation could affect overall programme outcomes, is recognized. However, this risk is mitigated through several design and implementation safeguards. Without effective coordination, there is a risk of fragmented implementation, inconsistent application of standards, duplication of effort, delays in decision-making, and reduced program coherence across countries and sectors. There is also a risk that governance platforms exclude women, youth, persons with disabilities, youth and SOGIESC groups, limiting equitable voice and access to program benefits.

Mitigation Measure(s)

RPACA will implement an integrated regional coordination model that combines strong central oversight with country-level ownership, ensuring consistency while allowing flexibility for national contexts. A dedicated Program Management Unit (PMU) will provide strategic oversight, technical guidance, and quality assurance across all participating countries, supported by regional and national governance structures. Standardised ADB implementation procedures, reporting frameworks, and safeguards systems will be applied to ensure harmonisation, while formal agreements will clarify institutional roles and responsibilities. Continuous coordination, adaptive management, and alignment with national policies will reduce fragmentation and ensure timely decision-making. Key measures include:

- Programme is anchored in a single theory of change, where outcomes are not allocated linearly to individual components but are instead achieved through their combined effect.
- Formation of regional steering committee and links to national coordination platforms to ensure effective oversight and coordination – a regional and joint coordination architecture will bring together ADB, SPC, and SPREP, along with participating governments. This ensures alignment on sequencing, risk monitoring, and adaptive implementation, and provides a structured mechanism to manage delays or recalibrate delivery pathways if needed.
- Sequencing logic is embedded in design, with Components 1 and 2 (ADB-led) acting as foundational enablers for scaling finance and investments, while Components 3 (SPC) and 4 (SPREP)[93] strengthen enabling systems (capacity, information, and climate services). Where sequencing risks arise, implementation will be adjusted through adaptive management to prioritise critical dependencies.
- If Components 3 and 4 are delayed or do not proceed, ADB-led implementation under Components 1 and 2 will continue, including delivery of adaptation investments, enabling systems, and institutional strengthening. Regional collaboration and knowledge management activities will be scaled through Component 1 and integrated into national adaptive management and sub-project implementation under Component 2.
- The Regional Steering Committee will oversee alternative coordination arrangements, leveraging existing regional platforms (e.g., Pacific Climate Change Roundtables) and complementary ADB technical assistance to maintain regional knowledge exchange, coordination, and programme coherence. Adoption of standardised operating procedures, templates, and reporting systems (i.e. ADB procurement, environmental and social safeguards, and financial management procedures)
- Formalization of roles through project-level MoUs and implementation agreements
- Alignment with national policies, NAPs, and sector strategies;
- Regular coordination meetings, joint reviews, and adaptive management processes.
- Transparent reporting on participation and benefit-sharing, disaggregated by sex, age, and disability

Selected Risk Factor 2: Non-Compliance of Country-Submitted Projects with GCF Investment Criteria		
Category	**Probability**	**Impact**
Governance / Technical	Medium	High

[91] Note: approval of this document does not imply GCF commitment to either Components 3 and 4, nor to the contents of Components 3 and 4 should they be approved

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[93] Note: approval of this document does not imply GCF commitment to either Components 3 and 4, nor to the contents of Components 3 and 4 should they be approved

Description
Under RPACA, participating countries will identify and submit priority projects for inclusion in the program pipeline. There is a risk that proposed projects may not fully align with GCF investment criteria, including climate rationale, paradigm shift potential, sustainable development impact, efficiency and effectiveness, and country ownership. In some cases, project concepts may be insufficiently developed, lack robust climate justification, or not meet GCF technical, financial, gender or safeguards requirements. This risk is heightened by varying levels of institutional capacity across PICs and limited experience with GCF processes. As a result, non-compliant proposals may delay program preparation, require significant revision, or be excluded from funding, affecting overall program delivery and pipeline strength.
Mitigation Measure(s)
RPACA will implement a structured project screening, development, and quality assurance process to ensure that all country-submitted proposals meet GCF and RPACA investment criteria prior to inclusion in the program. This will include clear guidance to countries, early-stage screening against GCF requirements, and provision of technical support to strengthen project concepts. A centralized review mechanism, through the Program Management Unit and Technical Working Group, will ensure consistency and quality across submissions, while iterative engagement with countries will support alignment with GCF expectations. This approach will reduce the risk of non-compliant proposals entering the pipeline and improve overall program readiness and approval prospects. Key measures include: • Disseminate standardised project selection criteria aligned with GCF investment criteria • Establish a centralised screening and quality assurance process within the Program Management Unit • Provide technical assistance to countries for project concept development and climate rationale strengthening • Implement multi-stage review processes (concept, pre-feasibility, full proposal) • Conduct capacity building on GCF requirements for national stakeholders • Facilitate early engagement with GCF Secretariat and NDAs for feedback and alignment • Maintain a pipeline management system to track compliance and readiness of projects • Integrate gender, women's empowerment and social inclusion criteria into project screening and appraisal as outlined in the GAAP • Require sex, age, and disability-disaggregated data in planning and reporting

Selected Risk Factor 3: Limited Institutional and Absorptive Capacity		
Category	**Category**	**Impact**
Technical and operational	Medium	High
Description		
PICs typically operate with small public sectors, limited technical expertise, and high dependence on external support, which constrains their capacity to implement complex, multi-sectoral programs. These constraints affect procurement, financial management, safeguards compliance, monitoring, and reporting, particularly in the context of large-scale climate finance. Competing priorities, including disaster response and essential service delivery, further strain limited institutional resources. Institutional cultures may be male-dominated, limiting participation and influence of women, youth, and persons with disabilities. As a result, there is a risk of delays in implementation, reduced quality of output, exclusion of a significant portion of the population and increased fiduciary and compliance risks.		
Mitigation Measure(s)		
The program will adopt a capacity-first implementation model, embedding technical assistance and institutional strengthening within all program components to ensure that capacity development occurs alongside delivery. Comprehensive capacity assessments will inform tailored support packages, including training, mentoring, and deployment of embedded specialists in key areas such as procurement, financial management, and safeguards. A phased implementation approach will align activities with institutional readiness, while continuous performance monitoring will enable adaptive support. This integrated approach ensures that national systems are progressively strengthened, reducing long-term dependence on external support. Key measures include:		

- Conducting institutional and capacity assessments as part of ADB due diligence process
- Providing targeted training, mentoring, and technical assistance
- Embedding procurement, financial, and safeguards specialists within agencies
- Implementing phased rollout aligned with capacity levels
- Establishing ongoing performance monitoring and support mechanisms
- Provide training and tools for ministries to apply gender-responsive budgeting and track allocations to excluded groups
- Introduce change-management and leadership training to embed inclusive institutional norms.

Selected Risk Factor 4: Design standards, Procurement, Market Capacity, and Supply Chain Constraints for Infrastructure Investments		
Category	**Probability**	**Impact**
Technical and operational	High	High
Description		
Infrastructure investments, including transport, water, and energy systems, face a heightened risk of being under-designed for future climate conditions in the Pacific. This risk is driven by limited availability of localized climate or baseline data, evolving technical standards, and constrained engineering capacity across PICs. These challenges are compounded by procurement bottlenecks, a limited pool of contractors, the small size and remoteness of PIC markets, and shallow supplier market depth. Regional supply chains are fragile, with restricted availability of qualified contractors, suppliers, and service providers. Procurement systems often have limited experience with international standards, increasing the likelihood of delays and administrative inefficiencies. Supply chains are particularly vulnerable due to infrequent shipping services, limited port capacity, and high exposure to climate related disruptions. Male-dominated contractor networks and limited supplier diversity risk excluding women-owned businesses, youth enterprises, and disability-inclusive suppliers. Collectively, these factors elevate the risk of project delays, cost overruns, reduced competition, and compromised construction quality, ultimately undermining the effectiveness and resilience of infrastructure investments.		
Mitigation Measure(s)		
The program will implement a proactive, risk-based procurement and supply chain strategy, through ADB's strategic procurement planning process for each project under RPACA, that strengthens national systems while leveraging regional and international markets. Standard procurement frameworks and documentation will be applied, supported by targeted capacity building for national agencies. Contract packaging and regional procurement approaches will be used to attract qualified firms, while advanced logistics planning will mitigate supply chain risks. Local contractor development will also be promoted to enhance market capacity over time. Key measures include: • Application of climate standards and climate risk screening across all infrastructure investments, • Using updated hazard data and scenario analysis • Applying ADB procurement frameworks and standard bidding documents • Providing procurement training • Packaging contracts to attract qualified regional and international firms • Leveraging on ADB technical assistance, regional procurement approaches and, where available, framework agreements • Developing advanced logistics and supply chain management plans • Supporting local contractor capacity development • Embed inclusive procurement standards to ensure diverse suppliers can participate equitably. • Require contractors to adopt SEAH-safe safeguards and compliance mechanisms		

Selected Risk Factor 5: Increasing Hazard Intensity, Climate Uncertainty, and Compound Events Impacting Coastal Settlements		
Category	**Probability**	**Impact**

Climate	High	High
Description		
PICs are highly exposed to climate hazards, including tropical cyclones, extreme rainfall, droughts, and sea-level rise. Climate change is expected to increase the intensity and frequency of these hazards, while uncertainty in climate projections complicates infrastructure planning and design. Compound events, where multiple hazards occur simultaneously or in close succession, have the potential to significantly amplify impacts on infrastructure systems, livelihoods, and institutional capacity. These climate shocks may disrupt RPACA implementation by diverting government and community attention and resources toward immediate response and recovery efforts. As a result, participation in programme activities may be reduced, leading to delays in implementation and diminished effectiveness. Such disruptions may limit the ability of communities and governments to engage consistently in RPACA activities, adversely affecting delivery timelines and outcomes.		
Mitigation Measure(s)		
The program will adopt a climate-resilient and adaptive design approach that incorporates uncertainty and future risk scenarios into all investments. Climate projections aligned with international standards will inform design thresholds, while scenario-based planning will ensure flexibility. Disaster risk management will be integrated into program design, and nature-based solutions will be used where appropriate to enhance resilience. Continuous updating of data and design parameters will ensure that investments remain robust under changing conditions. Key measures include: • Applying IPCC-aligned climate projections and design standards • Using scenario-based and adaptive design approaches, Integrating disaster risk management and contingency planning to ensure continuity of programme activities during and after climate events • Incorporating nature-based and hybrid solutions • Updating designs using latest climate data and modelling • Incorporate flexible and adaptive implementation arrangements, including contingency planning with countries • Re-sequence activities in response to shocks		

Selected Risk Factor 6: Data Limitations, Climate Information Gaps and Potential Maladaptation in the Coastal Environment		
Category	**Probability**	**Impact**
Technical	Medium	Medium
Description		
Coastal investments, including hybrid shoreline protection measures and nature-based solutions, risk resulting in maladaptation or suboptimal outcomes if they are not informed by robust, location-specific understanding of coastal processes and long-term climate projections. This risk is heightened by significant data and climate information gaps, as limited availability and variable quality of climate, hydrological, and environmental data constrain effective risk assessment, planning, design, and monitoring. Monitoring networks across Pacific Island Countries are often sparse, and historical datasets may be incomplete or inconsistent. While regional datasets are available, they may not adequately capture fine-scale local variability across islands and coastal settings, reducing confidence in projections and undermining evidence-based decision-making for site-specific interventions.		
Mitigation Measure(s)		

RPACA will implement a coordinated data-strengthening approach that combines targeted investments in climate, coastal, and environmental monitoring systems with strategic use of regional and global datasets. Data-sharing platforms will be strengthened to improve accessibility, interoperability, and use across institutions, while partnerships with regional organisations will support data generation, analysis, and application. Capacity-building initiatives will ensure national agencies are able to effectively interpret and apply data in planning, design, and decision-making. Where data gaps materially affect investment decisions, RPACA will support the collection of location-specific data to inform climate-resilient design and future adaptation planning at the project level. Key measures include:

- Integrate climate risk and vulnerability assessments into all investment due-diligence, planning, and design processes.
- Invest in priority data collection, monitoring systems, and targeted local studies to address critical climate and data gaps.
- Systematically apply climate projections and multi-hazard modelling, using multiple data sources, to manage uncertainty.
- Strengthen data-sharing systems and national capacity to improve access, interoperability, and use of climate and environmental information for decision-making.

Selected Risk Factor 7: Money laundering, terrorist financing and prohibited practices		
Category	**Probability**	**Impact**
Prohibited practices	Low	Low
Description		
Money laundering, terrorist financing and prohibited practices: Risks related to use of GCF finance for money laundering, terrorist financing and prohibited practices		
Mitigation Measure(s)		
GCF financing will be provided as grants to sovereign entities. As GCF funds will be provided alongside co-financing from ADB, ADB anticorruption and integrity policies and required due diligence will apply at project level, which will mitigate this risk. ADB conducts integrity due diligence (IDD) on nongovernment counterparts or recipients of ADB financing, to assess any previous involvement in integrity-related or money-laundering issues. In addition, ADB conducts proactive integrity reviews on ongoing sovereign projects to mitigate integrity risks. ADB's Office of Anticorruption and Integrity (OAI) through its Due Diligence Unit, is tasked to (i) advance awareness of ADB's anticorruption and AML/CFT policies in collaboration with other departments; (ii) act as focal point for and provide independent advice to Management and concerned departments on significant integrity or money laundering or financing of terrorism (ML/FT) concerns, including investigations as required to facilitate ADB's ability to assess significant integrity or ML/FT concerns; and (iii) provide oversight and guidance to concerned departments on integrity and ML/FT risks, including AML/CFT internal controls, and integrity due diligence, which encompasses ML/FT checks. Furthermore, all projects must comply with ADB's Anticorruption Policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through its agents, any alleged corrupt, fraudulent, collusive or coercive practice relating to the projects; and recipients of the grant/loan shall cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation. In terms of financial management assessment, in accordance with ADB's Charter, all projects must take necessary measures to ensure that the proceeds of any loan made, guaranteed or participated in by ADB, are used only for the purposes for which the loan was granted and with due attention to considerations of economy and efficiency. Accordingly, ADB undertakes financial due diligence and financial management assessment (FMA) of the executing agency and/or implementing agency of ADB-funded projects. The FMA is a review of the entity's systems, to assess gaps and mitigation measures for financial and management accounting, reporting, auditing, and internal controls. It also involves an assessment of the entity's disbursement and cash flow management arrangements, and governance and anticorruption measures. ADB defines "executing agency" as the agency with overall responsibility and oversight for the carrying out of a loan, grant or a TA-grant funded project, and it will be specifically identified in the financing agreement for the project. A		

project may also include one or more “implementing agencies”, which are governmental or other bodies responsible for implementing specific activities under a project. The proceeds for projects under the program will be disbursed in accordance with ADB’s Loan Disbursement Handbook (2017, as amended from time to time), which sets out detailed parameters and procedures for the release of funds to the borrower. Public disclosure of the audited project’s financial statements, including the auditor’s opinion on the project financial statements, will be guided by ADB’s Access to Information Policy. ADB’s OAI serves as the initial point of contact for all allegations of integrity violations in projects and other activities of ADB. Allegations are independently and objectively assessed and, where necessary, investigated pursuant to ADB’s Anticorruption Policy. OAI registers and reviews all complaints to determine whether they require further investigation. This information is accessible to ADB Management and staff. It may be shared outside ADB with appropriate permission. Witness Protection, ADB protects, to the extent possible, the identities of whistleblowers and witnesses acting in good faith, to ensure they are not subjected to retaliation. Pursuant to ADB’s procurement rules, individuals and entities listed in the United Nations Security Council (UNSC) sanctions list will not be eligible to participate in, or to be awarded, a contract financed under the CRPP. ADB also screens implementing agencies and payees against the UNSC sanctions list and undertakes the necessary risk assessment and management. Moreover, none of the ADB’s project activities will be undertaken in any jurisdiction which is subject to UNSC sanctions.

Selected Risk Factor 8: Prohibited Activities		
Category	**Probability**	**Impact**
Prohibited practices	Low	Low
Description		
Prohibited Activities: Certain activities are strictly prohibited from being financed by ADB or the GCF, as defined in ADB’s Environmental and Social Framework (2024) and its Prohibited Investment Activities List (PIAL). These include activities involving child labor or forced labor, trade in endangered species, conversion or degradation of critical natural habitats, and production or trade in harmful or banned substances.		
Mitigation Measure(s)		
ADB will conduct rigorous environmental and social due diligence as per the new ESF guidelines. Screening tools and safeguards will be applied to exclude any activities falling under the PIAL. Project activities will be pre-assessed for compliance, and appropriate exclusion clauses will be embedded in financing agreements and procurement documents. Monitoring will be ongoing, with independent oversight to ensure alignment with ADB’s and GCF’s environmental, social, and ethical standards. List of Prohibited Activities – See Annex 6, or ADB ESF.		

G. GCF POLICIES AND STANDARDS

G.1. Environmental and social risk assessment (max. 750 words, approximately 1.5 pages)

Environmental and Social Risk Classification

ESS will be conducted in accordance with the Asian Development Bank's Environmental and Social Framework (ESF), 2024 which are aligned with the GCF ESS. The RPACA Program has been classified as Environmental and Social Risk **Category A and as High Risk** (see Annex 6 ESMF).

Justification for Category A (Selected High-Risk Activities):

- Based on the activity with the highest anticipated E&S risks and impacts, and in accordance with the requirements of ADB's ESF and its relevant standards, the overall E&S risk classification for the RPACA Programme is **High** (see Annex 6, Section D).
- The primary E&S risks and impacts are expected to arise during construction activities. These impacts are anticipated to be largely site-specific and reversible through the implementation of appropriate mitigation measures, which will be incorporated into Environmental and Social Management Plans (ESMPs) and associated subplans. The risk classification has been assigned in accordance with ADB's Environmental and Social Framework (ESF), 2024 and effective as of 1 January 2026**.**
- An Environmental and Social Management Framework (ESMF) will be prepared in accordance with the ADB's ESF (2024) and all relevant policy requirements, as well as the GCF Environmental and Social Policy and associated requirements.
- The highest-risk activity identified relate to the proposed multipurpose dam sub-project under component 2 in Samoa, which is classified as High Risk due to its proximity to a Key Biodiversity Area (KBA) and associated biodiversity sensitivities.
- To address these risks, the Samoa subproject will include as part of due diligence:
    - A dedicated biodiversity conservation component to strengthen ecological outcomes and monitoring
    - Development of a Biodiversity Trust Fund to support long-term mitigation and offset measures
    - Implementation partnerships with local communities, NGOs, and government agencies to ensure inclusive and effective biodiversity management
- This risk classification may be subject to revision as specific activities are further defined and confirmed in consultation with participating DMCs.

The ESMF defines the screening process and environmental and social risk classification procedures that will be applied to assess and classify the E&S risks and impacts of each activity financed under the RPACA. Following confirmation of specific activities in consultation with participating countries, the applicable E&S documentation and requirements, in accordance with ADB's ESF (2024)**,** will be identified and prepared. This may include technical assessments, as required, based on the presence of sensitive environmental or social receptors.

For activities involving financial intermediation, an audit-based approach will be applied to assess and verify compliance with applicable E&S standards among participating clients. This will include the establishment and implementation of Environmental and Social Management Systems (ESMS) to guide screening, risk classification, and monitoring of such activities.

The capacity of executing entities (EEs) to implement ESMPs and ESMFs, and to ensure effective compliance monitoring, supervision, and reporting, will be strengthened through targeted capacity development activities.

Grievance Redress Mechanism (GRM)

A dedicated Grievance Mechanism (GM) will be established under the program in accordance with the requirements of ADB's **ESF** to receive, record, and resolve concerns or grievances related to RPACA activities. The Programme GM will include a confidential and survivor-centered mechanism to address sexual exploitation, abuse, and harassment (SEAH)-related incidents, consistent with relevant good practice guidance and ESF requirements.

In addition, each participating DMC will establish or strengthen its own grievance mechanism aligned with the Programme-level GM. A comprehensive project-level GRM will be established in each participating country to handle complaints and ensure accountability. Key features include:

- Gender- and child-sensitive intake and resolution mechanisms;
- Local accessibility and culturally appropriate procedures;
- Linkage with the ADB Accountability Mechanism and the GCF Independent Redress Mechanism;
- Monitoring and reporting of grievances by type, location, and demographics.

Stakeholder Engagement and Information Disclosure

More than **450 people participated in RPACA national and regional consultations** across participating 14 countries (Annex 7). A Stakeholder Engagement Plan (SEP) for RPACA has been developed in accordance with ADB's ESF**,** specifically ESS 10, to guide engagement with relevant stakeholders at regional and national levels. The SEP defines stakeholder engagement approaches throughout the preparation and implementation phases of Programme activities.

All relevant information and documentation prepared under the Programme will be disclosed in accordance with ADB's *Access to Information Policy***,** the Green Climate Fund *Information Disclosure Policy***,** and applicable provisions of their respective environmental and social policies. Project-specific SEPs will be prepared during implementation. All environmental and social instruments (ESMF, IPPF, ESMPs, etc.) will be disclosed publicly on ADB and national portals, in accordance with:

- The GCF Information Disclosure Policy; and
- The ADB Access to Information Policy (2018).

Indigenous Peoples

In the context of Pacific SIDS, most people are Indigenous peoples of their respective island nations and are best understood as country-specific customary and traditional communities (e.g., iTaukei, Ni-Vanuatu, Kanak), rather than a single regional group. Social identity is closely tied to land, kinship, and customary governance systems, not just ethnicity. As diverse groups of project beneficiaries, all RPACA-financed activities will be systematically screened for potential impacts on Indigenous Peoples as part of the Environmental and Social Management Framework (ESMF) in Annex 6, ensuring early identification of risks and culturally sensitive planning. Furthermore, RPACA will:

- The Programme will apply a hierarchy consistent with the ADB ESF and GCF Indigenous Peoples Policy, prioritizing avoidance of adverse impacts on Indigenous Peoples' rights, livelihoods, cultural heritage, and well-being.
- Where Indigenous Peoples are present or potentially affected, RPACA will ensure meaningful, inclusive, and culturally appropriate consultations, undertaken in a manner that respects traditional governance systems and decision-making processes.
- Free, Prior and Informed Consent will be obtained where required under applicable safeguards standards, particularly for activities that may significantly affect Indigenous Peoples' lands, resources, or cultural identity.
- Where impacts are identified, Indigenous Peoples Plans (IPPs) will be prepared in accordance with ADB's ESF (ESS7 and ESS10) and the GCF Indigenous Peoples Policy, ensuring tailored mitigation measures and culturally appropriate benefit-sharing arrangements.
- Ensure equitable access to project benefits, including climate resilience investments, capacity building, and livelihood opportunities, with deliberate attention to inclusion of Indigenous communities.
- Culturally appropriate grievance redress mechanisms will be established or strengthened to ensure accessible, safe, and responsive channels for Indigenous Peoples to raise concerns and seek resolution.
- All Indigenous Peoples safeguards requirements, including screening tools, implementation arrangements, and capacity-building provisions, are fully embedded in the ESMF (Annex 6), which governs safeguards implementation across all RPACA countries and subprojects.
- RPACA will be guided by both the ADB ESF and GCF Indigenous Peoples Policy, ensuring consistent application of international best practice in protecting rights, dignity, and cultural integrity.

- Capacity-building measures for implementing agencies and contractors will be included to ensure effective, consistent, and culturally competent application of Indigenous Peoples safeguards throughout the programme lifecycle.

G.2. Gender assessment and action plan (max. 500 words, approximately 1 page)

Gender Equality and Inclusion Analysis and Action Plan (GAAP). The GAAP has been prepared for RPACA, aligned with the Green Climate Fund's Gender Policy (2022). It operationalizes core requirements by embedding intersectional analysis, ensuring diverse groups participate in governance, and addressing differentiated risks so that women, youth, persons with disabilities, and socially excluded groups benefit equitably from climate finance and infrastructure investments. While the analysis identifies programme-wide gender and inclusion criteria agreed by Pacific leaders, it focuses on ADB-managed Components One and Two.

Process and Co-Design. The GAAP was developed through policy reviews and consultations, supported by intersectional analysis of risks and opportunities in climate action and finance. A regional design workshop consolidated inputs, with ministries of finance, national designated authorities, and civil society organisations codesigning the framework. Iterative drafting and validation ensured the GAAP reflects structural barriers and compounded vulnerabilities, while examining how these dynamics shape access to climate finance, fiscal governance, and coastal protection decisions.

Climate Vulnerabilities and Social Impacts. Pacific Island Countries face rising seas, ocean warming, and severe cyclones that displace communities, damage infrastructure, and erode growth and social capital. Climate migration and resettlement are reshaping social structures, with families losing land, livelihoods, and cultural continuity. Women and girls shoulder intensified workloads and caregiving, face heightened risks of exclusion and exploitation, and reduced access to finance and authority. Persons with disabilities, elderly populations, SOGIESC communities, and female-headed households encounter compounded barriers to relocation, recovery, and governance. Intersectional realities magnify exclusion, shaping who adapts, who recovers, and who is left behind. Demographic pressures, including youth bulges and aging populations, disability prevalence, and rapid urbanization, combine with climate-driven migration to concentrate vulnerability and intensify differentiated impacts.

Systemic Adaptation Challenges. Adaptation challenges are systemic. Coastal concentration of populations and infrastructure amplifies risk, while reliance on agriculture, fisheries, and tourism heightens sensitivity to shocks. Displacement and saline intrusion undermine food and water security, while health systems struggle with disease and disrupted care. Climate impacts could reduce GDP growth and require investment equal to 2–3% of GDP annually, yet fiscal space is constrained. Strengthening public financial management is essential to mobilize and track climate finance, while infrastructure and coastal protection must embed universal design, SEAH-safe protocols, and inclusive governance. Adaptation cannot succeed without shifting decision-making structures to institutionalize diverse representation, dismantling discriminatory norms, and resourcing civil society and community-led approaches.

The Gender Equality and Inclusion Action Plan. The GAAP sets programme-wide gender and inclusion criteria and applies them across RPACA. It provides actions and indicators, alongside component-specific measures for ADB-managed Components One and Two. The plan identifies barriers, defines actions, sets timelines and responsibilities, and integrates monitoring and budget provisions to embed equality, inclusion, and resilience throughout climate finance and adaptation. Grounded in a Gender-Transformative Climate Action (GTCA) approach, the GAAP frames resilience outcomes as systemic shifts, embedding empowerment logic and active participation of women, youth, persons with disabilities, and socially excluded groups, and institutionalizing inclusive practices across the programme. The specific costs of implementing the GAP ($3.75 million) are earmarked within Outputs 1.1.2 and 2.2.2.

G.3. Financial management and procurement (max. 500 words, approximately 1 page)

Financial Management and Procurement

All projects and technical assistance activities under the RPACA Program will be implemented in accordance with ADB's systems and policies on financial management, auditing, integrity, disbursement, and procurement. These systems are designed to ensure strong fiduciary oversight, accountability, and value for money across all GCF-funded components of the program.

ADB's institutional standards will apply to all projects supported under RPACA, consistent with the FAA and aligned with national systems and the roles of Executing and Implementing Entities (as outlined in Section B.4 on Implementation Arrangements).

1. **Financial Management and Audit**

Financial management procedures for each RPACA project will be developed during project preparation and outlined in their respective Project Administration Manuals (PAMs) or Grant Implementation Manuals (GIMs). These procedures will adhere to the principles of ADB's:

- Financial Management and Analysis of Projects,
- Loan Disbursement Handbook (2022, as amended),
- Access to Information Policy (2018).

ADB will assess the financial management capacity of executing and implementing agencies, including fiduciary risk, internal controls, staffing, and ability to report in a timely and accurate manner. Where necessary, capacity-strong measures will be identified and implemented.

Disbursements for all GCF-supported RPACA activities will be made in accordance with ADB's Loan Disbursement Handbook, and arrangements will be agreed upon with the governments and agencies concerned. Public disclosure of audited financial statements, including auditor opinions, will follow ADB's Access to Information Policy.
Financial statements, including auditor opinions, will follow ADB's Access to Information Policy. Performance will be supervised regularly through:

- Quarterly financial progress reporting;
- Annual audited financial statements (AFS) and management letters;
- Monitoring of compliance with financial covenants (where applicable).

2. **Integrity and Anti-Corruption**

ADB will conduct integrity due diligence on executing and implementing agencies in accordance with its Anticorruption Policy (1998, as amended), which includes measures on anti-money laundering and counter-terrorist financing. All project partners must adhere to ADB's requirements regarding:

- Prohibited practices (fraud, corruption, coercion, collusion, and obstruction);
- Use of GCF proceeds solely for intended and eligible purposes;
- Notification and handling of integrity-related risks or complaints.

ADB's Office of Anticorruption and Integrity (OAI) will oversee compliance and may conduct spot reviews or investigations where appropriate.

3. **Procurement Arrangements**

All procurement under RPACA, including goods, works, and consulting services, will be carried out in accordance with:

- ADB's Procurement Regulations for ADB Borrowers (2017, as amended),
- ADB's Procurement Guidelines,

Each project's procurement approach will be detailed in its PA or GI and include:

- Selection methods and packaging strategy;
- Thresholds for prior and post-review;
- Procurement oversight and performance reporting.

ADB has conducted or will conduct a procurement capacity and risk assessment for each Implementing Agency. Identified risks will be addressed through:

- Tailored procurement plans;

- Hands-on support from ADB staff;
- Procurement training and compliance tools.

Procurement processes will be managed by national agencies with ADB support, ensuring alignment with country systems while adhering to GCF and ADB fiduciary requirements. A detailed procurement plan for the use of GCF grants, including the technical assistance component, is provided in Annex 10.

4. Roles and Responsibilities

ADB, as the AE, will:

- Provide fiduciary oversight of all GCF-funded projects;
- Review and clear financial reports, audits, and procurement packages;
- Monitor and report on compliance with financial and procurement covenants;
- Provide technical and policy support to strengthen the financial management and procurement capacities of national agencies.

EE will be responsible for maintaining adequate financial records, submitting timely financial and procurement reports, and complying with audit requirements. Implementing Agencies will conduct procurement in line with the approved plans and monitor contract implementation.

5. Insurance Arrangements on Loan Agreements

ADB's sovereign loan and grant regulations require borrowers and recipients to maintain insurance arrangements, or other risk-financing arrangements satisfactory to ADB, against risks and in amounts consistent with sound asset management and prudent commercial practice. Where specific insurance policies are not maintained, self-insurance or equivalent loss-provisioning arrangements may be acceptable where these are considered adequate and appropriate under national circumstances and satisfactory to ADB. In addition, ADB requires that goods financed from loan or grant proceeds and imported for project purposes be insured against hazards associated with acquisition, transport, and delivery to the point of use or installation.

For individual RPACA sub-projects, insurance requirements will be determined during project preparation and due diligence, taking into account the nature of the investment, risk profile, borrower capacity, national legal requirements, market availability, and ADB policies and procedures. Depending on the project, this may include appropriate forms of construction-period and operational risk coverage consistent with sound industry practice and applicable laws and regulations. The specific insurance arrangements will be documented in the relevant financing, procurement, and contract documentation developed for each sub-project.

Consistent with RPACA's programmatic approach, final insurance requirements and risk-transfer arrangements will be determined on a sub-project basis during detailed design and due diligence and will be reflected in the relevant project agreements and implementation documents.

Conclusion

By applying ADB's robust fiduciary and procurement systems, the RPACA Program ensures transparency, accountability, and efficiency in the use of GCF resources. The institutional safeguards provided by ADB's policies, combined with the oversight of the AE and executing agencies, offer a high level of assurance for financial integrity and delivery performance across all components of the program.

G.4. Disclosure of funding proposal

Note: The Information Disclosure Policy (IDP) provides that the GCF will apply a presumption in favour of disclosure for all information and documents relating to the GCF and its funding activities. Under the IDP, project and programme funding proposals will be disclosed on the GCF website, simultaneous with the submission to the Board, subject to the redaction of any information that may not be disclosed pursuant to the IDP. Information provided in confidence is one of the exceptions, but this exception should not be applied broadly to an entire document if the document contains specific, segregable portions that can be disclosed without prejudice or harm.
Indicate below whether or not the funding proposal includes confidential information.

☐ No confidential information: The accredited entity confirms that the funding proposal, including its annexes, may be disclosed in full by the GCF, as no information is being provided in confidence.

☒ With confidential information: The accredited entity declares that the funding proposal, including its annexes, may not be disclosed in full by the GCF, as certain information is being provided in confidence. Accordingly, the accredited entity is providing to the Secretariat the following two copies of the funding proposal, including all annexes:

- full copy for internal use of the GCF in which the confidential portions are marked accordingly, together with an explanatory note regarding the said portions and the corresponding reason for confidentiality under the accredited entity's disclosure policy, and
- redacted copy for disclosure on the GCF website.

The funding proposal can only be processed upon receipt of the two copies above, if containing confidential information.

☒	Annex 1	NDA no-objection letter(s) **(template provided)**
☒	Annex 2	Feasibility study - and a market study, if applicable
☒	Annex 3	Economic and/or financial analyses in spreadsheet format
☒	Annex 4	Detailed budget plan **(template provided)**
☒	Annex 5	Implementation timetable including key project/programme milestones **(template provided)**
☒	Annex 6	E&S document corresponding to the E&S category (A, B or C; or I1, I2 or I3): **(ESS disclosure form provided)** ☐ Environmental and Social Impact Assessment (ESIA) or ☐ Environmental and Social Management Plan (ESMP) or ☒ Environmental and Social Management System (ESMS) ☐ Others (please specify – e.g. Resettlement Action Plan, Resettlement Policy Framework, Indigenous People's Plan, Land Acquisition Plan, etc.)
☒	Annex 7	Summary of consultations and stakeholder engagement plan
☒	Annex 8	Gender assessment and project/programme-level action plan **(template provided)**
☒	Annex 9	Legal due diligence (regulation, taxation and insurance)
☒	Annex 10	Procurement plan **(template provided)**
☒	Annex 11	Monitoring and evaluation plan **(template provided)**
☒	Annex 12	AE fee request **(template provided)**
☐	Annex 13	Co-financing commitment letter, if applicable **(template provided)**
☒	Annex 14	Term sheet including a detailed disbursement schedule and, if applicable, repayment schedule -–

H.2. Other annexes as applicable

☐	Annex 15	Evidence of internal approval **(template provided)** –
☐	Annex 16	Map(s) indicating the location of proposed interventions – N/A
☒	Annex 17	Multi-country project/programme information **(template provided)**
☐	Annex 18	Appraisal, due diligence or evaluation report for proposals based on up-scaling or replicating a pilot project
☐	Annex 19	Procedures for controlling procurement by third parties or executing entities undertaking projects financed by the entity
☐	Annex 20	First level AML/CFT (KYC) assessment
☐	Annex 21	Operations manual (Operations and maintenance)
☒	Annex 22	Assessment of GHG emission reductions and their monitoring and reporting (for mitigation and cross cutting-projects)[94]
☒	Annex 23	Theory of Change

☒	Annex 24	Estimation of Adaptation Beneficiaries
☒	Annex 25	Complementarity, Additionality and Coordination with Existing Regional and National Initiatives

** Please note that a funding proposal will be considered complete only upon receipt of all the applicable supporting documents.*

[94] Annex 22 is mandatory for mitigation and cross-cutting projects.