



Access to Climate Finance in Pacific Islands Countries

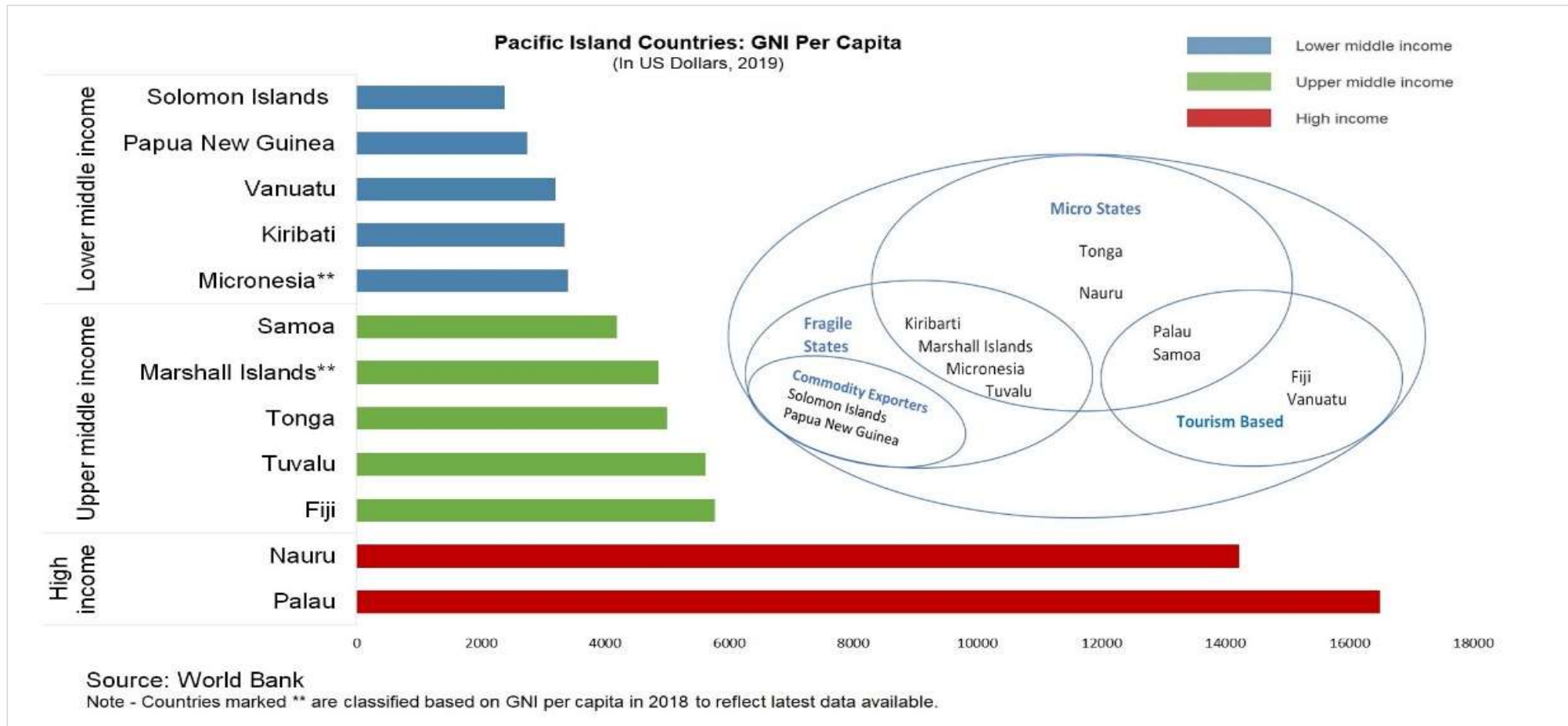
NOVEMBER 25, 2021



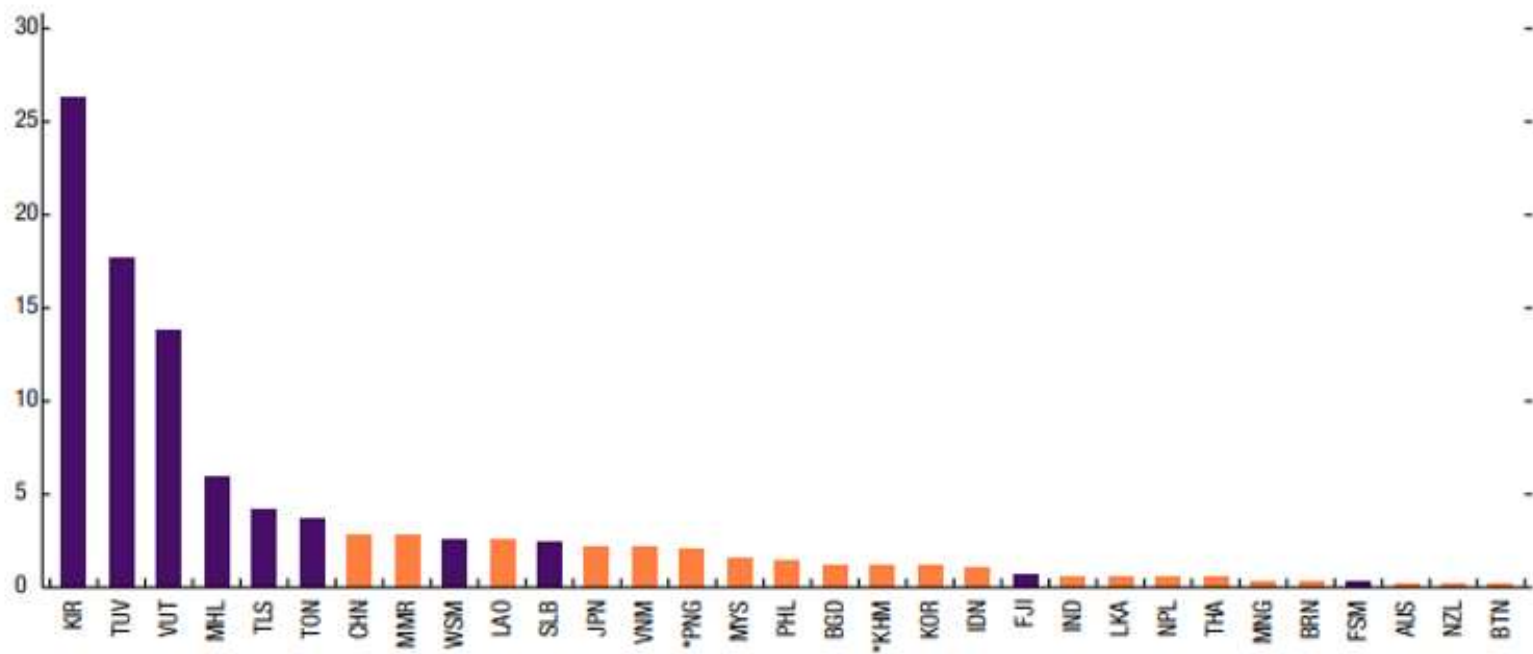
David Kloeden,
PFTAC Director
on behalf of IMF authors:
Ms. Gemma Preston, FAD
Ms. Natalija Novata, APD

Asia and Pacific Department
Fiscal Affairs Department

Pacific Islands Countries are a diverse group, including small, poor and very vulnerable to climate change...

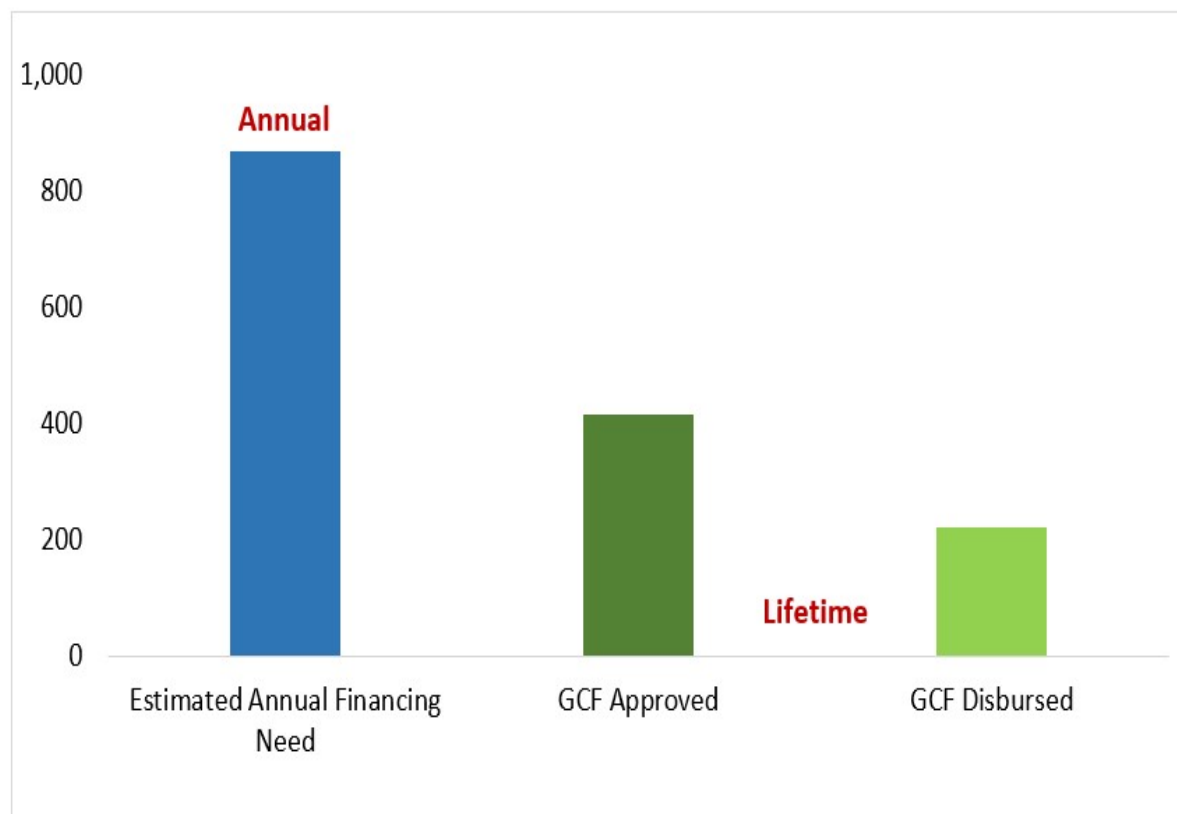


Costs of Adaption are high, fiscal space is scarce and risk of debt distress is already high in many countries



Source: IMF 2021 (Fiscal Policies to Address Climate Change in the Pacific).

The Climate Finance Gap



➔ Increasing Pacific Islands access to grants and concessional loans is a critical macroeconomic issue in the coming decade.

Access to Climate Finance

Direct Access

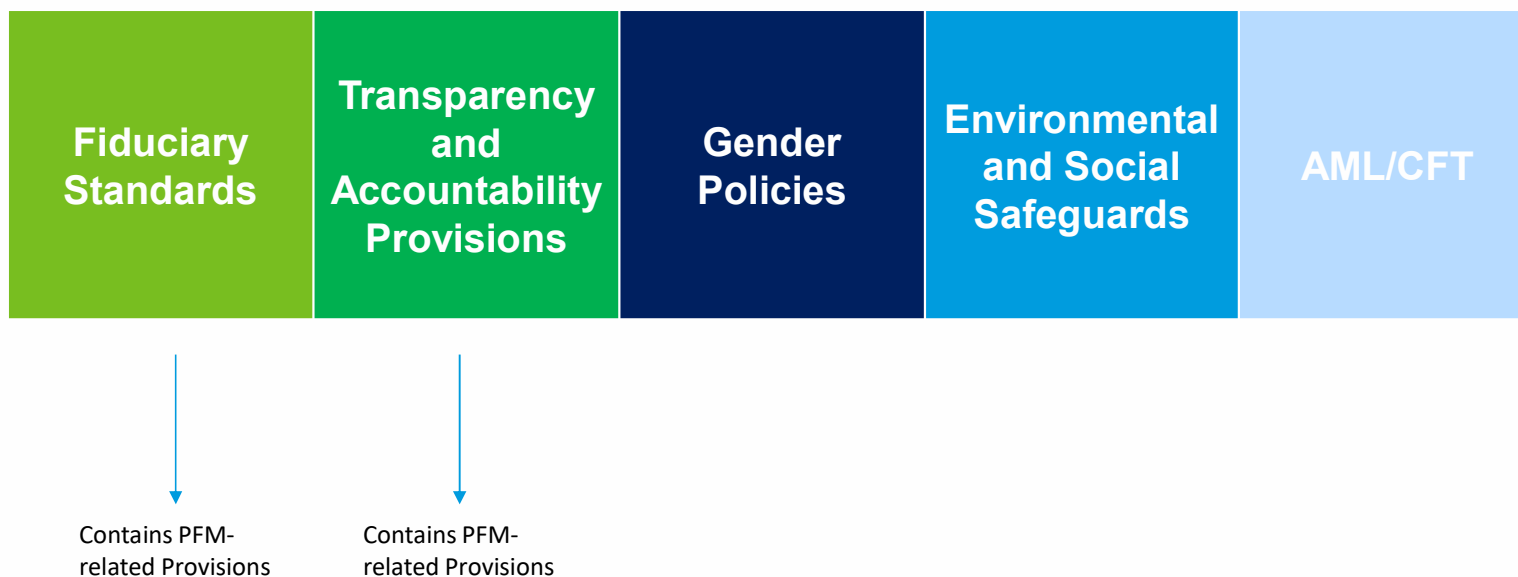
Regional Access

**International
Access**

**Requires
Accreditation**

Requirements for accessing Climate Finance span multiple areas – PFM is but one

Accreditation:



PIC Successes and Challenges

Accreditation Phase

Direct Access

Challenges:

- ✓ Complexity of requirements.
- ✓ Lengthy process; re-accreditation needed every 5 years.
- ✓ Requires significant resources where capacity is already thin.

Successes:

- ✓ Reciprocal recognition allowing for "fast tracking" (although still lengthy process).
- ✓ Readiness funding usefully deployed.
- ✓ Gaps assessment helpful.

Regional Access

Challenges:

- ✓ Demand for support is too high; not all requests can be supported.
- ✓ Can only support small-to-medium size projects.

Successes:

- ✓ Offer crucial support for GCF readiness grants.

International Access

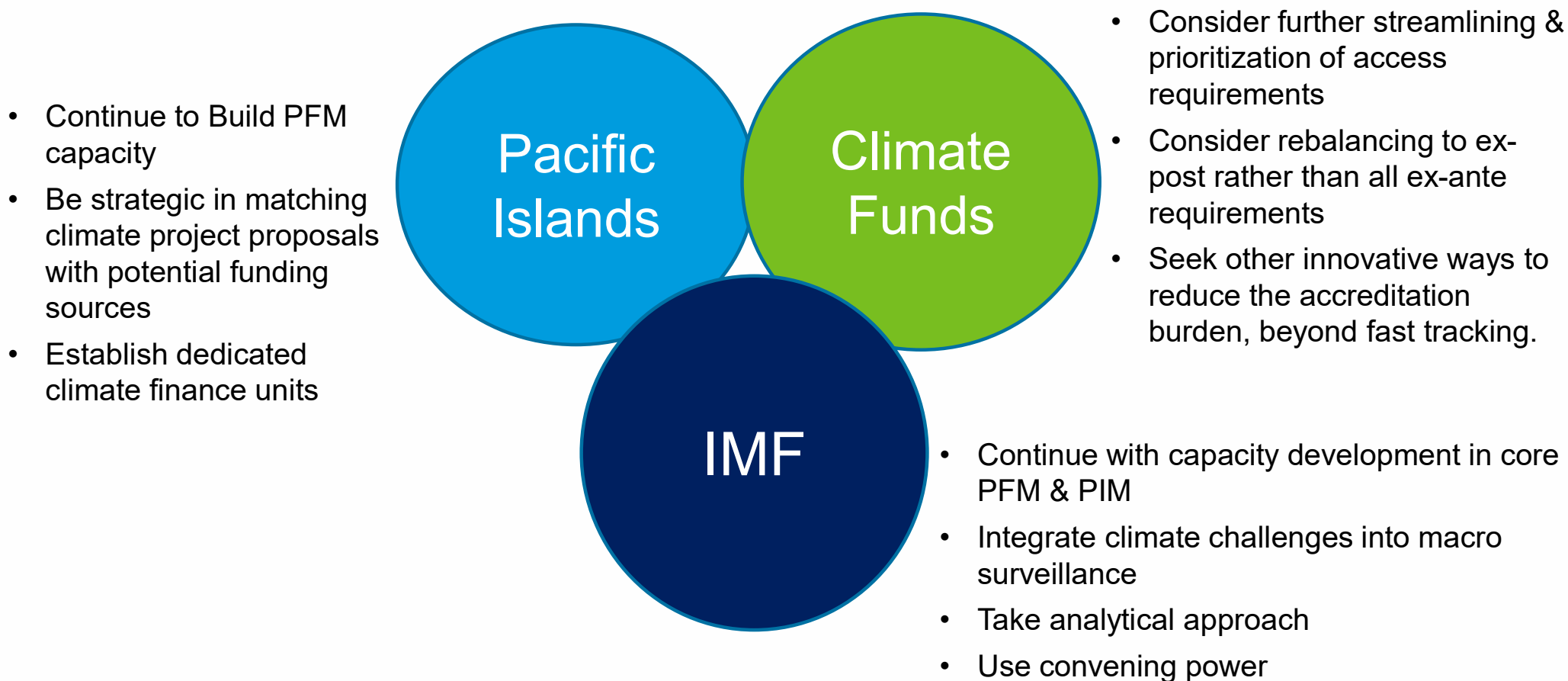
Challenges:

- ✓ Demand for support is too high; not all requests can be supported.
- ✓ Misalignment of priorities can constrain support.

Successes:

- ✓ Large amounts of funding can be available even for low capacity countries.
- ✓ Implementation can begin earlier than with direct access.
- ✓ Re-accreditation done by international entity.

The way forward...



INTERNATIONAL MONETARY FUND

Asia-Pacific and Fiscal Affairs Departments

Unlocking Access to Climate Finance for Pacific Islands Countries

*Prepared by Manal Fouad, Natalija Novta,
Gemma Preston, Todd Schneider, and
Sureni Weerathunga*

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Link to Report:

[Unlocking Access to Climate Finance for Pacific Island Countries \(imf.org\)](https://imf.org)

Thank you!