

## CONCEPT IDEA NOTE FOR CLIMATE RELATED ACTIVITIES THAT MAY BE FUNDABLE BY THE GREEN CLIMATE FUND AND OTHER FINANCIAL SOURCES

This Concept Idea Note is based upon the GCF Concept Note. It is designed to prepare any Concepts or Project Ideas with GCF financing in mind, however, can also be applicable to other financial institutions. Once the Concept Idea Note is completed please send to the CCCI office (as the GCF National Focal Point), where an assessment will be undertaken as to whether the Concept could be eligible for funding under the GCF or other financial source, or both. CCCI will then communicate the result of the assessment back to the proponent, and outline what will next happen to the Concept Idea Note, such as require more information to make a clearer assessment, the submitted Concept is GCF eligible for funding and the next steps, or a determination that outlines the Concept is not eligible for GCF funding but may get funding from another source.

**Title of Concept OR Project Idea: Northern Group community, environmental and economic resilience project**

**Date of Submission: 24 OCTOBER 2018**

**Submitted by and Contact: Stephen Lyon**

<p><b>Indicate the areas for the Concept, which is based upon the CKI Country Program thematic areas</b></p>	<p><u>Mitigation</u>: Reduced emissions from:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Energy access and power generation</li> <li><input checked="" type="checkbox"/> Low emission transport</li> <li><input type="checkbox"/> Buildings, cities and industries and appliances</li> <li><input type="checkbox"/> Forestry and land use</li> </ul> <p><u>Adaptation</u>: Increased resilience of:</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Most vulnerable people and communities</li> <li><input type="checkbox"/> Health and well-being, and food and water security</li> <li><input checked="" type="checkbox"/> Infrastructure and built environment</li> <li><input checked="" type="checkbox"/> Ecosystem and ecosystem services</li> </ul>
<p><b>Indicative total project cost</b></p>	<p>Amount: NZD 6,500,000.00</p>

**Project/Programme rationale, objectives and approach of programme/project (max 100 words)**

**Rationale**

The Northern Cook Islands are both our most remote and most vulnerable communities, particularly with regards to climate change. These low laying atolls are the first to feel the direct impacts of climate change through documented instances of salt water incursion of crops, drought and cyclone related impacts.

They are also our most fragile population in terms of sustainability. Few of these communities are economically independent, and in the long term this will impact on their viability. Any community that relies on the state for its survival will struggle in the long term. Therefore these communities require economic empowerment to improve their long term outlook and reverse the trend of net outwards migration.

**Objectives**

1. Create environmental resilience by providing for an improved environment for the dual purposes of aquaculture development for economic resilience and environmental resilience, supporting healthy ecosystems.
2. Build economic resilience by providing mechanisms for economic development and empowerment, focusing on micro and small (individual and family) business development and assistance.

**Approach**

1. Conduct a lagoon clean up operation for Manihiki, Rakahunga and Penhryn in order to improve environmental resilience.
2. Develop coral gardens focused on climate resilient super corals identified in each environment.
3. Establish a small live-aboard operation to service the Northern Cook Islands and create a regular tourism product for this region to leverage and grow from.
4. Provide business development tools including grants, concessional loans, technical advice and mentoring to build economic resilience of the community through micro and small enterprises.

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**Context and baseline (max. 2 pages)**

*Describe the climate vulnerabilities and impacts, GHG emissions profile, and mitigation and adaptation needs that the prospective intervention is envisaged to address.*

*Please indicate how the project fits in with the country's national priorities and its full ownership of the concept. Is the project/programme directly contributing to the country's INDC/NDC or national climate strategies or other plans such as NAMAs, NAPs or equivalent? If so, please describe which priorities identified in these documents the proposed project is aiming to address and/or improve.*

*Describe the main root causes and barriers (social, gender, fiscal, regulatory, technological, financial, ecological, institutional, etc.) that need to be addressed.*

*Where relevant, and particularly for private sector project/programme, please describe the key characteristics and dynamics of the sector or market in which the project/programme will operate.*

### **Priority linkages**

This project aligns to the Cook Islands Country Programme for Climate Change in the following areas;

#### **Programmatic Area 6: Climate Proofing Infrastructure**

*Provide climate friendly shipping vessel to service the pa enua, including an inter-island vessel between Manihiki and Rakahunga, and Pukapuka and Nassau*

#### **Programmatic Area 8: Agriculture and Ecosystem Based Adaptation**

*Strengthen sustainable agriculture including: improving water supply and irrigation; increasing planting of climate resilient crops; scaling up of climate resilient and organic farming practices; improving conservation, processing and marketing of farm productions; organising producer groups and facilitating partnerships; creating and enhancing income generating activities for farmers*

*Implement alternative agriculture technologies including greenhouses, hydroponics, etc.*

#### **Programmatic Area 10: Building Resilient Livelihoods of People and Communities**

*Establish funding mechanism/s to support mitigation and adaptation actions for communities, private sector and households*

This project aligns to the Cook Islands National Sustainable Development Plan's following goals and indicators.

Goal 1. Improve welfare, reduce inequity and economic hardship

Goal 2. Expand economic opportunities, improve economic resilience and productive employment to ensure decent work for all

Goal 9. Accelerate gender equality, empower all women and girls, and advance the rights of youth, elderly and disabled.

Goal 11. Promote sustainable land use, management of terrestrial ecosystems and protect biodiversity.

Goal 12. Sustainable management of oceans, lagoons and marine resources.

Goal 15. Ensure a sustainable population engaged in development of Cook Islanders for Cook Islanders;

### **Overview and Context**

This project aims to provide economic resilience for our northern communities through key economic development initiatives. Because the society and economy of these islands is so intrinsically related to their marine environments, this project also serves as an environmental resilience project, as the two are interrelated.

The Manihiki lagoon was identified as requiring a clean up in order to bring back ecological balance and provide space for the growth of new aquaculture ventures. This was only partially completed due to funding constraints. The same is required in the Rakahunga and Penrhyn lagoons and this project proposes to conduct these works in order to improve both the environmental resilience of these ecosystems, and the economic opportunities they present.

Concurrent to this we are able to also develop a coral farming project to grow climate resilient super corals for each environment, establishing a population that can be used to re-seed the reef should warming waters cause widespread degradation.

Tourism is the mainstay of the Cook Islands economy, and while the northern islands have the natural assets for tourism to succeed, it is hampered by distance and cost of travel between the islands, as well as accommodation shortages and additional activities and attractions. To develop tourism as a backbone for economic development and resilience this project proposes to establish a micro cruise enterprise servicing these islands. Guests would be able to visit, in relative comfort, a series of northern islands while just requiring a single return airfare from the north.

These visitors will provide the catalyst for micro economic opportunities to develop on each island, along with the increase in awareness of these islands as destinations.

A secondary benefit will be the provision of a safe and regular inter island passenger service between the Northern islands, and a service suitable for Government charters at a fraction of the price of airfares.

In order to compliment this, and to build other economic opportunities, this project will establish a business development programme including grants, concessional loans, mentoring and technical advice in order to give opportunities for these communities to develop economic resilience and independence from government funding. These will focus on women, youth, aquaculture, local fisheries, handicrafts and produce to support tourism development. It can use the established processes of the Chamber of Commerce business mentoring scheme.

### **Development and Delivery Concept**

This project will take place over 3 years, with continuity expected through self-funding and the creation of a revolving fund for concessional (development) loans.

The clean up activity will take 2 years to complete.

The micro cruise infrastructure will take 6 months to enable and will build over the following 2 years and will become a self sustaining commercial entity following that.

The business development elements will have a set lifespan of 3 years with the exception of the concessional loans, which will establish a revolving fund to reinvest back into the communities.

The economic development this project proposes to create will become self-sustaining as an overall function, although it is likely that not all businesses developed will thrive. It is natural that some businesses fail and this is to be expected, however the acceleration of the economic growth from this project will mean some businesses will succeed and become established entities.

Timeframe: 3 years

Cost: 6.5,000,000.00

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### **Engagement among the NDA, AE, and/or other relevant stakeholders in the country (max ½ page)**

*Please describe how engagement among the NDA, AE and/or other relevant stakeholders in the country has taken place and what further engagement will be undertaken as the concept is developed into a funding proposal.*

Initial discussions have been held with the NDA. Once this project passes initial muster then a much more thorough community consultation should take place to ensure community buy-in and to gain insight into the exact opportunities each community would like assistance in developing.

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**Sustainability and replicability of the project (exit strategy) (max. 1 page)**

*Please explain how the project/programme sustainability will be ensured in the long run and how this will be monitored, after the project/programme is implemented with support from the GCF and other sources.*

*For non-grant instruments, explain how the capital invested will be repaid and over what duration of time.*

This project has various sub components that each have differing longevity and sustainability issues.

The clean up of the lagoons is a set time one of piece of work that will not require ongoing action.

The coral gardens will be maintained by local teams trained and developed over the course of the project.

The micro cruise infrastructure will become a commercial venture and be self funding at the end of the project life.

The business development work will on part have a limited lifecycle, with regards to the grants and initial development assistance, but the concessional loans if approved, can establish a revolving fund to service the communities economic development needs indefinitely.

Monitoring can be achieved through whatever oversight mechanism the GCF and NDA wish to designate for the project beyond the formal project lifetime.

**Assessed By and Date:**

**Recommendation:**