

VERSION 1

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ANNEX 18

**Appraisal, Due Diligence
and Evaluation reports of
proposals based on
upscaling and replicating**

**DIRECT FINANCING FOR COMMUNITIES
AND BUSINESSES TO RESPOND TO
CLIMATE CHANGE IN THE COOK
ISLANDS**

Table of Contents

1	EXECUTIVE SUMMARY	2
2	SETTING THE CONTEXT FOR ENHANCING DIRECT ACCESS	2
2.1	GCF APPROVED PROJECTS AND PROGRAMMES	2
2.2	RELEVANT BASELINE PROJECTS	8
3	BASELINE PROJECTS THAT PROVIDE DIRECT FINANCING TO BENEFICIARIES:.....	18
3.1	WATER TANK SUBSIDY	20
3.2	BTIB BUSINESS SUPPORT LOAN PROGRAMME	21
3.3	PEARL ECONOMIC RESILIENT FUND	21
3.4	SOCIAL IMPACT FUND.....	22
4	SPECIFIC ELEMENTS REPLICATED OR SCALED IN THE EDA PROPOSAL.....	22
4.1	KEY INSTITUTIONAL AND OPERATIONAL ELEMENTS SCALED THROUGH THE EDA	23
4.2	LEGAL STRUCTURES AND ARRANGEMENTS BETWEEN MFEM, CCCI, BCI, AND PROJECT BENEFICIARIES.....	23
4.3	SCALING AND STRENGTHENING THE BULK PROCUREMENT MODEL.....	24
4.4	LEVERAGING SYSTEMS, PARTNERSHIPS, AND LESSONS LEARNED	25
5	COOK ISLANDS GOVERNMENT FUNDING INITIATIVES LINKED TO EDA.....	26
6	CONCLUSION	26

Tables

Table 1: GCF approved projects and programmes in the Cook Islands.....	3
Table 2: Relevant Baseline Projects and Programmes	9
Table 3: Baseline projects that provide direct financing to beneficiaries	18
Table 5: Summary of key eligibility criteria used by existing funds in the Cook Islands	20

1 Executive Summary

This Annex provides a detailed evaluation, appraisal, and due diligence assessment of baseline projects and complementary initiatives implemented in the Cook Islands. It demonstrates how these projects create an enabling environment and have informed the design of the Enhanced Direct Access (EDA) proposal.

2 Setting the context for enhancing direct access

The Cook Islands journey with the GCF stands as a testament to the country's commitment, innovation and resilience in addressing climate change. As the first small island developing state and Pacific Island country to access the GCF readiness programme, just a year after the funds establishment, the Cook Islands set an early benchmark for what small island ambition can look like. Since then the country has progressed from its inaugural readiness proposal to securing nine approved readiness and preparatory support programmes, successfully building institutional capacity and human resources in both the public and private sectors. Central to this progress has been the Accreditation of the Ministry of finance and Economic Management Baseline projects as a national Direct Access Entity, driven by a dedicated team of pioneering local women leaders and climate finance practitioners. Today, with two full projects advancing for GCF Board approval and another local accreditation underway, the Cook Islands continues to expand its climate finance ecosystem. This remarkable journey has not only strengthened governance systems and technical capacity but has also nurtured a generation of national climate leaders whose expertise and perseverance now underpin the country's vision to deepen country ownership through Enhancing Direct Access (EDA).

This solid foundation of readiness, capacity building, and proven accreditation has positioned the Cook Islands to take the next step by adopting the Enhancing Direct Access (EDA) modality. By building on lessons learned from its readiness investments and the pioneering leadership that drove them, the country can now devolve decision-making and resources closer to communities and local institutions. EDA aligns perfectly with the Cook Islands' vision of empowering national stakeholders, strengthening local ownership, and ensuring that climate finance reaches those most affected by climate impacts. The experience gained through managing readiness funds, developing project pipelines, and navigating the complexities of GCF processes means the Cook Islands now has the systems, human resources, and networks needed to deliver EDA effectively. In doing so, the country is not only scaling what has worked but also setting a powerful example for other small islands and vulnerable states seeking to localise climate action and accelerate resilience at the community level

There are a number of ongoing and recently completed climate-relevant projects in the Cook Islands, as outlined below.

2.1 GCF approved projects and programmes

The information below captures how the Cook Islands' GCF-funded projects and readiness programmes have established the specific context and enabling environment necessary to advance Enhancing Direct

Access. Each approved project and programme has strengthened national systems, built institutional capacity, and informed the practical design of this EDA Facility. Together, they demonstrate clear alignment with the GCF's Policy on Complementarity and Coherence by ensuring that new investments build on existing initiatives, address remaining gaps, and deliver added value without duplication. This foundation paves the way for a well-coordinated EDA approach that deepens country ownership and ensures climate finance reaches communities effectively and efficiently.

Table 1: GCF approved projects and programmes in the Cook Islands

GCF Approved Projects and Programmes	Funding amount (USD)	Approval year and Status	complementarity and coherence
Readiness and Preparatory Support Programmes			
NDA Strengthening support for Cook Islands through MFEM (Readiness 1)	\$150,000	2016, Completed	Readiness 1 provided foundational support for NDA strengthening, national coordination, and early institutional capacity building. This established clearer governance roles and national coordination structures, directly advancing the GCF pillars of Country Ownership and Access and Alignment , laying the groundwork for future direct access activities like the EDA FP
Entity Support for Cook Islands through PwC (Readiness 2)	\$35,519	2017, Completed	Readiness 2 delivered a targeted gap assessment for the Bank of the Cook Islands' accreditation pathway. By clarifying BCI's readiness needs and enhancing local institutional capacity, it directly advanced Access and Alignment and strengthened Country Ownership , paving the way for national direct access and complementing the EDA FPs vision to channel finance through robust domestic institutions.
NDA Strengthening, Country Programming & Entity Support for	\$685,900	2017, Completed	Readiness 3 further reinforced NDA functions and national

Cook Islands through MFEM (Readiness 3)			coordination, supported MFEM's accreditation, and developed core policies and procedures. These enhancements advanced national direct access capability and clearer institutional mandates, directly contributing to Country Ownership and Access and Alignment , with lessons and systems now embedded within the EDA FP design to deliver streamlined direct finance.
Strengthening the Implementation of the Cook Islands Country Programme (Readiness 4)	\$999,996	2019, near completion	Readiness 4 operationalised the Country Programme through extensive stakeholder and private sector engagement, concept development, and awareness raising of GCF systems. It also formalised the Climate Change Technical Working Group as a national multi-partner platform, connecting MFEM, CCCI, BCI and the Chamber of Commerce, and strengthened mutual support between MFEM and BCI on accreditation. These cross-sectoral linkages underpin the EDA FP's collaborative delivery and reflect the GCF pillars of Country Ownership, Access and Alignment, and Innovation and Learning .
Green, Resilient Recovery Rapid Readiness Support in the Cook Islands (GRR) (Readiness 5)	\$299,135	2021, under implementation	Readiness 5 advanced the integration of climate actions into national strategies and policies, ensuring coherence with the Cook Islands Country Programme. This embedded climate resilience priorities into national development frameworks, directly

			reinforcing Country Ownership and Access and Alignment , and providing strong policy alignment for the EDA's interventions.
Increasing the Resilience of the Cook Islands through Enhancing a National Adaptation Programme (ENAP) (Readiness 6)	\$2,999,830	2021, under implementation	Readiness 6 bolstered national coordination, policy alignment and capacity building, with a strong emphasis on collecting and analysing risk data, vulnerability maps, and traditional knowledge. This robust evidence base enriches national climate planning and directly complements Section 3's baseline projects, underpinning the EDA with comprehensive, community-level data, aligned with Country Ownership, Access and Alignment , and Innovation and Learning
Scaling up green finance practices: A blueprint to break-through into a climate resilient Cook Islands as a catalyst to mobilize private sector investment (Readiness 7)	\$417,232	2021, Close out phase	Readiness 7 focused on advancing systems digitisation, institutional capacity, policy frameworks, and stakeholder engagement, specifically strengthening BCI's pathway to mobilise private sector investment. This directly aligns with Country Ownership, Access and Alignment , and Innovation and Learning , supporting the EDA by ensuring the financial sector is ready to channel climate finance efficiently and transparently.
Readiness Support for the Implementation of the IRMF for The Ministry of Finance and Economic Management (Readiness 8)	\$199,983	2022, Under implementation	Readiness 8 targeted the enhancement of national monitoring and evaluation systems, providing training to executing entities on robust results monitoring aligned to the IRMF. This strengthens the country's

			capacity for results-based management and accountability, ensuring the EDA FP will be delivered with sound M&E processes, supporting Country Ownership, Access and Alignment , and promoting a culture of continuous Learning and Improvement .
Facilitating the Cook Islands Ability to Strengthen Long-term Low-emission and Climate-resilient Development (Readiness 9)	\$2,977,736	2023, Under implementation	Readiness 9 builds on all prior readiness projects, further strengthening MFEM's AE capacity through enhanced climate finance tracking, oversight, and the expansion of the Internal Audit Unit to cover both financial and non-financial aspects. This reinforces governance, internal controls, and risk management, aligning directly with the pillars of Country Ownership, Access and Alignment , and Innovation and Learning , all foundational for delivering the EDA sustainably and accountably.
Project Preparation Funds			
Building Resilient and Healthy Cook Islands Communities (PPF039)	\$568,733	2021, Completed	PPF039 supported the design of SAP034 through intensive capacity and capability building for project development. This practical learning strengthened local design, management, and oversight skills, which directly benefit the EDA FP's design and implementation. This aligns with Country Ownership, Access and Alignment , and Innovation and Learning .

Direct Financing for Communities and Businesses to Respond to Climate Change in the Cook Islands (PPF082)	\$299,998	2024, Under Implementation	PPF082 directly supports this EDA Funding Proposal by providing technical, operational and institutional strengthening to ensure the Facility is fit-for-purpose and firmly aligned with national priorities. This phase ensures systems, oversight, and delivery models build on lessons learned from previous readiness and funded activities, enhancing Country Ownership , broadening Access and Alignment , and delivering innovative direct financing to communities and businesses.
Funded Activities			
Pacific Islands Renewable Energy Investment Program (FP036)	\$12.0m (Cook Islands allocation)	2016, Under Implementation	FP036 marked MFEM's first GCF project as an Executing Entity under ADB, providing hands-on experience in financial management, project reporting, and oversight. This experience strengthened MFEM's fiduciary systems, risk management, and project delivery skills, all directly applied in the EDA's operational design and governance, contributing to Country Ownership, Access and Alignment , and Innovation and Learning .
Enhancing Climate Information and Knowledge Services for resilience in 5 island countries of the Pacific Ocean (FP147)	\$7.7m (Cook Islands allocation)	2020, Under Implementation	FP147 was MFEM's second GCF project as an EE, with MFEM playing a stronger role in Funding Proposal design and implementation oversight. The project improved national weather data collection and early warning systems, with strengthened working ties among national

			implementing partners, providing valuable baseline information for this EDA FP. The project's complementarity to readiness work demonstrates a clear transition from planning to delivery, aligning with Country Ownership, Access and Alignment , and Innovation and Learning .
Akamatutu'anga To Tatou Ora'anga Meitaki (ATOM): Building a healthy and resilient Cook Islands Community – one block at a time (SAP034)	\$ 12,512,509.00	2024, Under Implementation	SAP034 is MFEM's first GCF project as an Accredited Entity, building on all prior readiness and funded activities to strengthen systems, establish robust monitoring and evaluation frameworks, and deepen national partnerships. The project's strengthened national databases and M&E systems directly benefit the EDA by ensuring quality data, improved tracking, and institutional learning that supports multiple agencies, delivering on the pillars of Country Ownership, Access and Alignment , and Innovation and Learning .

2.2 Relevant Baseline projects

Several baseline projects have been instrumental in creating the enabling environment that supports the successful implementation and monitoring of this Funding Proposal. These earlier initiatives strengthened national and local systems, built technical and institutional capacity, and provided valuable risk and vulnerability data that has directly informed the design of this FP. By improving the availability of up-to-date information, testing practical resilience measures, and embedding monitoring systems within national frameworks, these projects laid the groundwork for effective delivery and robust monitoring and evaluation. The table below summarises how each relevant baseline project contributes to this foundation and complements the objectives of the FP.

Table 2: Relevant Baseline Projects and Programmes

Initiative	Approval year and Status	Status, results, limitations	Complementarities with this proposal
Global Climate Change Alliance Plus Scaling Up Pacific Adaptation (GCCA+ SUPA) USP Component ¹	2019-2023, Completed	The project is implemented by the University of the South Pacific (USP). The project's emphasis is on capacity building for local area stakeholders, especially subnational governments and communities based on a needs analysis. These will be delivered through formal training courses leading to certification for participants on successfully passing. Accredited training in resilience will be delivered in the Cook Islands informed by the local context to support sustainable development planning for USP's established Locally Managed Climate Change Adaptation Network and its national and sub-national stakeholders. The USP-EU GCCA project is a four-year project allocating 8 million Euros to meet the challenges of climate change in the 15 Pacific ACP	Community adaptation training programs and sharing of expertise on CC impacts, are replicated in the project proposal but focusing on trades. Lessons learnt from the programme have also been integrated into the design of Activity 1.2.1 of the FP
Akamatutu'anga kia Tukatau te Ora'anga ite Pa Enea" Pa Enea Action for Resilient Livelihoods (PEARL)² 2018	2018 - 2022	The objective of the programme is to build and implement an integrated approach to further increase the adaptive capacity of remote island communities and ecosystems to disaster risk and climate change impacts. The sub-objectives for the programme are: Strengthening national and local capacity for monitoring and decision making to	Adaptation systems implemented and understanding CC risks Disaster Risk and water management strengthened The data collection and management information is stored in the government GEO

¹ <https://www.usp.ac.fj/pace-sd/wp-content/uploads/sites/80/2022/06/AR-GCCA-SUPA-2021.pdf>

² <https://www.adaptation-fund.org/project/akamatutuanga-kia-tukatau-te-oraanga-ite-pa-enea-pa-enea-action-resilient-livelihoods-pearl-2/>

Initiative	Approval year and Status	Status, results, limitations	Complementarities with this proposal
		respond and to reduce risks associated with climate change; Establishing climate resilient water management instruments using integrated and community-based approach; Raising awareness and establish a knowledge exchange platform to increase adaptive capacity to revitalise agriculture production systems. Three Components: Component 1: Strengthening disaster risk governance to manage disaster risk and enhancing disaster preparedness for effective response to “Build Back Better” in recovery, rehabilitation and reconstruction; Component 2: Integrated Water Security Management Planning and Implementation; Component 3: Revitalised agricultural production systems strengthening island food sources and livelihoods in the Pa Enea.	Portal and has now been overlayed with LIDAR and other GCF data to inform better monitoring of the FP Activities. This has been integrated into FP including the Monitoring and Evaluation Plan Lessons learnt from Small grants for adaptation projects have been integrated into the design of the FP, this includes the replication of island focal points and awareness raising of the grants programme. Other lessons learnt from the pearl project relating to the call for proposals has been incorporated into the design of the FP and specially ensure that the call for proposals aligns to the MFEM Grants Awards System, Policies and procedures.

Initiative	Approval year and Status	Status, results, limitations	Complementarities with this proposal
		 Photo of community hydroponics.	
Akamatutu'anga a I te iti Tangata no te tuatau manakokore ia e te tauī'anga reva Strengthening the Resilience of our Islands and our Communities to Climate Change (SRIC – CC)³ 2015	2012 - 2018	The aim of the SRIC programme was to strengthen the ability of all Cook Island communities, and the public service, to make informed decisions and manage anticipated climate change driven pressures (including extreme events) in a proactive, integrated and strategic manner. It contributed to all outcomes listed within the 2 objectives of the Adaptation Fund Strategic Results Framework (AFB/EFC.2/3 from 31 August 2010), and corresponds particularly to the following higher order fund-level outputs: <i>Output 1.1.</i> Risk and vulnerability assessments conducted and updated at national level;	Adaptation systems implemented and understanding CC risks Disaster Risk and water management strengthened with complement this FP. The data collection and management information is stored in the government GEO Portal and has now been overlayed with LIDAR and other GCF data to inform better monitoring of the FP Activities

³ <https://www.adaptation-fund.org/project/strengthening-the-resilience-of-our-islands-and-our-communities-to-climate-change/>

Initiative	Approval year and Status	Status, results, limitations	Complementarities with this proposal
		<i>Output 1.2</i> Targeted population groups covered by adequate risk reduction systems; <i>Output 1.3</i> Targeted population groups participating in adaptation and risk reduction awareness activities; and <i>Output 2.2</i> Vulnerable physical, natural and social assets strengthened in response to climate change impacts, including variability. <i>Output 2.4.</i> Targeted individual and community livelihood strategies strengthened in relation to climate change impacts, including variability. The SRICC CC programme has partnered with EMCI in carrying out the mandate of the Disaster Risk Management National Action Plan, in the development of the Disaster Management Plans for each Island in the Pa Enea. SRIC has implemented water security projects in the Pa Enea (except Mauke, Nassau and Penrhyn) including water tank upgrades, household water tanks, purification/filter, and roof repairs. The programme focussed on knowledge management. The programme had a 3-pronged approach, ultimately focusing on the implementation of on-the ground adaptation and disaster risk reduction measures at the community level in the Pa Enea. This was integrated with sustainable island capacity building and wider development processes, and supported through enhanced national	

Initiative	Approval year and Status	Status, results, limitations	Complementarities with this proposal
		policy, institutional and knowledge management capacities. This project was completed in 2017.	
Building Safety and Resilience in the Pacific (BSRP) EDF 10 Intra-ACP-EU ⁴ 2013	2013 -2018	The BSRP project is dedicated to help build resilience to disaster and climate change for communities, governments and countries across the Pacific region through practical ways to prepare, respond and recover from disaster. It is a €19.36 million project supported by the European Union and implemented by the Pacific Community (SPC). For Cook Islands, BSRP completed a number of risk reduction projects and will fund DRM Training programme for women, people with disabilities for each island, enhancing capabilities of Geo Portal, strengthening building code for disaster risks, establish or strengthen the Emergency Operating Centre in each Puna and develop/conduct early warning public awareness programmes for the general public, school children and vulnerable groups	The project's efforts and technical expertise will add significant value to this FP. As the FP is delivered, it will generate new, accurate, and updated data on buildings, structural upgrades, and code compliance, which will be systematically captured and integrated into the national GEO Portal. This continuous flow of up-to-date information will enable the Emergency Operations Centre to access real-time data on all buildings, enhancing their capacity for effective disaster risk planning and management. By linking physical upgrades with improved information systems, the FP will create a robust feedback loop that keeps critical building data current,

⁴ https://capacity4dev.europa.eu/groups/drr-acp/info/acp-eu-building-safety-and-resilience-pacific_en

Initiative	Approval year and Status	Status, results, limitations	Complementarities with this proposal
			directly supporting more resilient and informed emergency preparedness across the Cook Islands.
Northern Islands Water Project (Phase 2) - GIZ⁵	2014 - 2017	The outcomes from this project include community rainwater harvesting structures/infrastructure at targeted locations are repaired and a model of integrated water management established for the northern islands which applies a forward looking whole of community approach to improve the resilience of the communities on Nassau, Palmerston and Penrhyn to natural disasters (including drought). This involved: Increase rainwater harvesting (repair of community buildings) and rainwater storage capacity (repair of community water tanks) Raise community awareness in water safety/management and drought response Establish a water usage monitoring system that can be managed by and incorporated into the local government work plan	This project complements the FP by providing foundation for integrated water management in the northern islands. The data generated through this project is held by the Infrastructure Cook Islands which oversees water monitoring nationwide. This information provided a valuable baseline for the design of this FP, which will build on and expand these results. As the FP is implemented, new data will be collected and integrated, ensuring ICI has up-to-date information to support informed decision-making and ongoing water resource management for the country.

Initiative	Approval year and Status	Status, results, limitations	Complementarities with this proposal
Pacific Adaptation to Climate Change (PACC)⁶ – Funded by Aus. Aid, GEF, CIGov	2008 - 2019	Mangaia harbour climate proofing project.	functioning harbours provide safe and reliable transfer of project materials from ships to ports, supporting the timely delivery of the sub projects
Strengthening Disaster Management and Mitigation: Component Two- Preventative Infrastructure Master Plan (2007)⁷ funded by ADB -	2007 - 2008	Review, prioritisation and design of existing and future infrastructure projects on Rarotonga and the Outer Islands with a view to economic growth and 'climate-proofing'. Included a review of the Building Code, and the development of a Climate Risk Profile for the Cook Islands. Developed 111 project briefs, of which 44 were prioritised for the first 5 years. Projects at risk from climate change were identified and adaptation measures identified as well as a process for additional climate change studies to test feasibility.	The This work directly complements the Funding Proposal (FP) by providing a strong strategic and technical foundation for its design and interventions. The review of the Building Code and the development of a Climate Risk Profile for the Cook Islands have been especially critical, as the FP builds on these outputs to implement practical disaster risk reduction measures at the household and building level
Cyclone Pat: Recovery and Reconstruction Project	2010 - 2011	NZ\$5.5m, CI Govt NZ\$4m Cyclone Pat assistance to residents impacted by cyclone- rebuilding of homes and water tanks	The Cyclone Pat Recovery and Reconstruction Project directly complements the FP, providing

⁶ <https://www.thegef.org/projects-operations/projects/3101>

⁷ <https://www.adb.org/sites/default/files/project-documents/39118-coo-tcr.pdf>

Initiative	Approval year and Status	Status, results, limitations	Complementarities with this proposal
⁸ (Aitutaki) NZ AID			valuable lessons that have been incorporated into its design and implementation approach. By applying lessons learned from Cyclone Pat recovery efforts, the FP addresses past challenges and strengthens the resilience and readiness of community infrastructure for future emergencies.
Australian Department of Climate Change and Energy Efficiency (DCCEE), Pacific Adaptation Strategy Assistance Program (PASAP) -		Piloting the Integration of Community Vulnerability Mapping and Adaptation Planning into the Development of a National DRM and Climate Change Policy, 2011-2012, Community-based vulnerability risk mapping, adaptive capacity assessment, and adaptation planning in Rarotonga and 8 of the 12 inhabited <i>Pa Enua</i> in order to develop a site, island and community-specific baseline on vulnerability, risks and adaptive capacity.	provided baseline risk and capacity data for Rarotonga and eight <i>Pa Enua</i> , which has since been scaled and strengthened through the SRICC and PEARL projects — all of which complement this FP and have helped create an enabling environment for its implementation. The risk mapping data is stored in the national GEO Portal and combined with LiDAR data from a GCF Readiness project, which

Initiative	Approval year and Status	Status, results, limitations	Complementarities with this proposal
			together informed the maps in Annex 16. This same integrated data system will continue to support the FP during implementation and monitoring, ensuring updated, site-specific information guides risk reduction measures at community and household level.
Managing Climate Change Risk in Cook Islands' Vulnerable Communities (ADB-SGA-WWF) 2010,		ADB Small Grants WWF - A pilot in three communities (Arutanga-Ureia in Aitutaki, Matavera and Rua'au districts in Rarotonga), carrying out participatory climate risk assessments using GIS, to develop methods and tools (V&A)	The data from this pilot is now stored in the GEO Portal and has been further enhanced by additional V&A assessments conducted under a separate GCF Readiness project. Together, these combined datasets provided up-to-date, community-specific information that directly informed the design of this FP and will continue to guide decision-making during its implementation and monitoring.

3 Baseline projects that provide direct financing to beneficiaries:

Among the baseline projects reviewed, several have provided direct financing to beneficiaries, enabling communities and households to implement climate resilience measures firsthand. These initiatives have demonstrated effective models for channeling funds directly to those most affected, promoting local ownership and timely action. The experiences and lessons learned from these projects have informed the financial mechanisms designed in this Funding Proposal, ensuring that direct financing remains a key component to empower beneficiaries and enhance the overall impact of resilience interventions.

Table 3: Baseline projects that provide direct financing to beneficiaries

Direct Financing to Beneficiaries	Funding amount (USD)	Approval year and Status
GEF Small Grants Programme (GEF SGP) small projects to communities, civil society and social/environmental businesses in the Cook Islands for several decades.	\$\$\$\$	2012 -ongoing
SRIC-CC awarded 50 small grants with outputs in agriculture, marine, tourism, water and coastal protection. ⁹ The SRIC-CC project installed 45,000 litre cement water tanks on Pukapuka (6 tanks), Rakahanga (5 tanks), Manihiki (2 tanks) and Tongareva (8 tanks). ¹⁰	\$3,215,000	2014-2018
Building on SRIC-CC, the Cook Islands secured a direct access project titled <i>Pa Enuu Action for Resilient Livelihoods (PEARL)</i> from the Adaptation Fund with on-granting mechanisms in water and agriculture, with MFEM as the National Implementing Entity (NIE). Capitalizing Water Security Fund by the Adaptation Fund with ongoing mechanisms for water and agriculture – MFEM National Implementing Entity (NIE)	US\$3million US\$365,000	2018 - 2022
FAO grant funding maximum grant of NZD\$10,000 per farmer for agriculture development through the Cook Islands Chamber of Commerce – Capitalising the Economic Resilience Fund (ERF)	US\$190,000	2016-2018
Promoting Energy Efficiency in the Pacific (PEEP) programme administered by the Asian Development Bank - MFEM administered two subsidies: 1) an Energy	\$1,423,983.88	2015 -2018

⁹ Rijal, A. Ph.D. SRIC-CC Project Terminal Evaluation Report: June 25, 2018.

¹⁰ Cook Islands Third National Communication, 2019, p. 58

Direct Financing to Beneficiaries	Funding amount (USD)	Approval year and Status
Efficient Fridge Freezer replacement programme and 2) an Air conditioner replacement program. ¹¹		
<i>Renewable energy.</i> A Solar Farm financing scheme was managed by the Bank of the Cook Islands (BCI) – establishing solar farm initiative as the grid capacity was insufficient – currently being reignited for further private sector interest	NZ\$887,000	2014 -2016
<i>Water storage.</i> The Government of the Cook Islands, with funding from ADB in 2013, launched a 3-year Water Tank Subsidy of NZD1,500 for a 6,000-litre water tank, prioritised for private occupied dwellings without an existing water tank. The new water tank owner's contribution was set at a minimum NZD500 direct payment to the nominated accredited supplier for standard water tank installation costs. ¹² This is was for Rarotonga only.	NZ\$3,000,000	2013 - 2017
<i>Wastewater.</i> A project called WATSAN subsidized sanitation systems in the Muri village area, and systems costed between NZD10,000 – NZD15,000. Each household was required to pay a fixed amount of NZD1,000, irrespective of the cost of the system (a co-finance rate of between 10 – 15% from the beneficiary). pilot project in the Muri-Avana area of Rarotonga, to upgrade all domestic sanitation systems to comply with existing requirements under the Public Health Act and Regulations.	NZ\$4.7million from New Zealand and Australia NZ\$585,000 from CI Government	2011 -2014

Each project was carefully appraised against key criteria including grant award processes, decision-making structures, Pa Enua sub-project implementation, application procedures, and partnership arrangements. The appraisal also identified the best practices and most successful elements from these projects, which have been incorporated into the FP's design. The table below summarizes the most common eligibility criteria used in the baseline projects, with further eligibility criteria details provided below.

¹¹ MFEM, Promoting Energy Efficiency in the Pacific (PEEP2). <https://tinyurl.com/ydcbqpxp>

¹² MFEM, Rarotonga Water Tank Subsidy. <http://www.mfem.gov.ck/development?id=299>

Table 4: Summary of key eligibility criteria used by existing funds in the Cook Islands

	Water tanks	Hardship Fund	BTIB	PEARL	SIF
Must be resident of Cook Islands	Yes	Yes (at least 6 months)	Yes	Yes	Yes
Must own the property	Yes	No	No	No	No
Income thresholds for applicants	No	NZD9,000 or below per adult	No	No	No
Maximum award	Up to NZD1,500	Up to NZD1,000	Between NZD2,000 – 10,000	Up to NZD10,000	Between NZD50,000 – 150,000
Co-financing or interest rates	25% cash co-financing	None	3% per yr interest on loan	100% matching funds	None
Overheads/ administration	Not available	Not available	3% (interest earnings)	Not available	11.4%

3.1 Water tank subsidy¹³

The Government of Cook Islands in partnership with Asian Development Bank launched a 3-year water tank subsidy. The water tank subsidy provided NZD1,500 for a 6,000-litre water tank. The new tank owner was required to pay NZD500 to the supplier of standard water tank installation costs.

Eligibility criteria for the water tank subsidy was as follows:

- “Hardship” eligibility criteria were estimated by dividing average income of able working adults by the number of dependents¹⁴
- Occupied dwelling without an existing water tank
- Domestic Dwelling/NGO HQ/Community Hall were all eligible, as long as ownership was defined
- The individual must be living within one of the priority zones, determined prior to announcement
- CIIC government employees must show they don’t have a water tank

Determination for water tank allocation was made using a hardship application form.

¹³ MFEM, Rarotonga Water Tank Subsidy. <http://www.mfem.gov.ck/development?id=299>

¹⁴ A formula was devised to capture those considered living in hardship. The formula looked at average income for “Able working adults” in a household, divided by

number of “dependents” – children, elderly or disabled. Households considered living in hardship offered applicants an extra \$500; as such, the formula was designed for fairness and favoured households with a higher ratio of dependents to “able adults”.

3.1.1 Emergency Hardship Fund¹⁵

The Fund was set up to provide a quick award of up to NZD1,000 to alleviate financial hardship and stress related to COVID-19 impacts. Eligibility requirements for the hardship fund:

- No income or annual household income of NZD9,000 or below per adult household member, and NZD4,500 or below for each child¹⁶
- Must be aged 16 years or older (excluding students) and resident of the Cook Islands for the past 6 months
- Does not qualify for any other Cook Islands or foreign benefits, subsidies or grants (exception made for applicants with dependent children receiving the child benefit)

3.2 BTIB Business Support Loan Programme

The Business Trade Investment Board (BTIB) loan support programme supports small and medium businesses to access financing for business expansion. Eligibility criteria include:

- Must be an indigenous Cook islander as defined under the Cook Islands Constitution
- For business purposes only (purchase of airline tickets and vehicles not permitted)
- Applicants must agree that the use of the loans must be for the purpose stated in the application
- BTIB reserves the right to decline any application if information provided is not factual.
- BTIB may approve any amount it considers appropriate
- BTIB owns the asset until it is fully paid; BTIB reserves the right to reposes the asset to resell if the client falls into arrears.
- Any conflicts of interest between the board members and applicants must be declared.

The application required the following:

- Business plan
- Business Bank statement for the last 3 months
- Payslips for the last 4 weeks
- Cashflow forecast
- Profit and loss statement
- Invoices / quotes
- Guarantor letter
- 2x forms of ID for applicant and guarantor

3.3 PEARL Economic Resilient Fund

This fund supports start-ups with a maximum of NZD10,000 per applicant for the agricultural sector, using the following eligibility criteria:

¹⁵ MFEM, COVID-19 Economic Response Plan. [http://www.mfem.gov.ck/images/ COVID19_ERP/Emergency_Hardship_Fund - ERP Phase II.pdf](http://www.mfem.gov.ck/images/COVID19_ERP/Emergency_Hardship_Fund_-_ERP_Phase_II.pdf)

¹⁶ For example, an applicant with a family of 4 (two adults and two children) would have an income of NZD 27,000 or below to be eligible

- Maximum of one proposal per applicant
- Projects related to agriculture production systems and value chain from production – processing and marketing
- Project is located in the Pa Enua
- Project proponents include private sector (farmers, business) with existing agriculture based business or new ventures.

3.4 Social Impact Fund

The Fund is administered by the Ministry of Internal Affairs and designed to contribute to the achievement of national sustainable development goals by awarding grants between NZD50,000 – 150,000. Applicants must meet the following eligibility criteria:

- Be registered as a Civil Society Organisation (CSO), an Incorporated Society or Trust with the Ministry of Justice
- Have local bank account in the name of registered CSO with two signatories
- Demonstrate a proven track record in delivering services aligned with the priority areas
- Have sound operating policies and procedures in place that may include a volunteer policy, Fundraising policy and /or a strategic plan
- Maintain high standards of governance, conduct, and meet reporting and accountability obligations
- Obtain Island Government endorsement and ensure alignment with the Island Development Plan, if operating in the Pa Enua
- Liaise with the Revenue Management Division, of the Ministry of Finance and Economic Management (MFEM) regarding tax obligations for employees/staff such as Pay as You Earn (PAYE) Tax, including Valued Added Tax (VAT) reimbursement and exemptions as a registered CSO
- Liaise with the Cook Islands National Superannuation Fund (CINSF) Office regarding superannuation obligations for employees

Please see annex 21 for the EDA Facility eligibility Criteria

4 Specific Elements Replicated or Scaled in the EDA Proposal

The EDA Proposal has been designed to replicate and scale the most successful interventions from the baseline projects while also carefully integrating lessons learned from challenges and gaps identified during their respective implementation. This includes practical measures such as the installation of water tanks (complete with spouting and other rainwater catchment accessories), septic tank upgrades, roof replacements, and roof tie-downs, all of which have proven effective in previous projects.

Beyond physical interventions, the EDA also adopts and improves core elements such as;

4.1 Key Institutional and Operational Elements Scaled through the EDA

1. Streamlined Application Processes:

A simplified and efficient application system reduces barriers for beneficiaries, ensuring timely access to funds and resources. Previous projects revealed that overly complex or lengthy application procedures discouraged participation, especially among vulnerable communities. By scaling and refining these processes, the EDA will increase accessibility and inclusivity, facilitating smoother project uptake and delivery.

2. Clear Decision-Making Structures:

Establishing transparent and well-defined governance and decision-making bodies has been vital for the success and accountability of earlier projects. These structures clarify roles and responsibilities, reduce bottlenecks, and enhance trust among stakeholders. Replicating this clarity in the EDA ensures responsive, accountable management and strengthens stakeholder confidence, which is essential for sustained community engagement and effective fund allocation.

3. Effective Upskilling and Training Programmes:

Capacity building through targeted training has empowered local implementing agencies, community leaders, and beneficiaries to manage, maintain, and scale interventions independently. Prior experience showed that without adequate training, projects risked poor implementation and limited sustainability. By scaling these training programmes, the EDA enhances technical skills, promotes local ownership, and builds resilience within institutions and communities to sustain climate adaptation efforts beyond project timelines.

4. Targeted Awareness Campaigns:

Raising awareness around climate risks, project opportunities, and available support has proven instrumental in ensuring community participation and behavioural change. Campaigns tailored to local contexts have improved understanding and motivated proactive engagement. Replicating and expanding these awareness initiatives in the EDA will continue to foster an informed and engaged stakeholder base, which is crucial for the long-term success and scaling of climate resilience measures.

By deliberately replicating and scaling these core systemic elements, the EDA not only leverages proven successes but also addresses challenges identified in previous projects. This approach enhances efficiency, inclusivity, and sustainability—ensuring that the project not only delivers immediate interventions but also strengthens the underlying systems and capacities required for enduring climate resilience at the community and national levels.

4.2 Legal Structures and Arrangements Between MFEM, CCCI, BCI, and Project Beneficiaries

A robust and clear legal framework is fundamental to ensuring transparency, accountability, and smooth project implementation. The EDA Proposal builds upon proven legal structures and contractual arrangements established in previous projects between MFEM (Ministry of Finance and

Economic Management), CCCI (Climate Change Cook Islands), BCI (Bank of the Cook Islands), and project individual project beneficiaries.

1. Formal Agreements with Project Beneficiaries:

Previous projects established clear contractual frameworks that outline the roles, responsibilities, and obligations of beneficiaries, ensuring mutual understanding and compliance with project requirements. These agreements cover key aspects such as grant usage, reporting, maintenance obligations, and compliance with technical standards. Replicating these arrangements in the EDA proposal ensures beneficiaries are legally accountable, which helps safeguard project resources and enhances the effectiveness and sustainability of interventions.

2. Partnership Agreements Between MFEM and CCCI:

MFEM's partnership with CCCI has been critical in leveraging and facilitating project outreach, awareness campaigns, and beneficiary coordination. The legal arrangements (subsidiary agreements) will clearly define collaboration mechanisms, roles in project delivery, financial oversight, and dispute resolution. Scaling these legal partnerships in the EDA ensures effective coordination, risk management, and adherence to national policies while strengthening institutional linkages for climate finance delivery.

3. Financial and Operational Agreements Between MFEM and BCI:

The Bank of the Cook Islands serves as a direct access financial intermediary, managing the flow of funds to beneficiaries with fiduciary rigor. Legal agreements between MFEM and BCI specify responsibilities related to grant disbursement, financial reporting, compliance with donor and national regulations, and audit requirements. Replicating and enhancing these arrangements ensures transparent and accountable financial management in the EDA Facility, minimizing risks of mismanagement and building trust among all stakeholders.

By replicating and scaling these legal frameworks, the EDA Proposal strengthens the governance foundation critical for project success. These arrangements not only protect public and donor resources but also provide clarity that empowers beneficiaries, fosters collaboration between key institutions, and ensures compliance with GCF policies and national legislation, ultimately supporting sustainable and effective climate resilience outcomes.

4.3 Scaling and Strengthening the Bulk Procurement Model

Building on the practical experiences from baseline projects, the EDA Proposal scales and strengthens the bulk procurement model, which has been a critical factor in ensuring efficient resource management. Key elements include:

1. Expanded Procurement Scope:

Where the water tank subsidy and WATSAN project focused mainly on bulk purchasing of essential materials such as water tanks, septic tanks and related accessories, the EDA Proposal extends this approach to include the bulk procurement of construction services. This expansion addresses lessons learned about delays and cost variability in service delivery, particularly in remote Pa Enea communities. The Accredited Entity along with key relevant agencies will undertake the bulk procurement for all subproject goods and materials as well as the development of a register of tradespeople.

2. **Cost Efficiency and Quality Control:**

Centralized bulk procurement enhances purchasing power, reducing unit costs and ensuring consistent quality standards across subprojects. This addresses challenges observed in earlier initiatives where decentralized purchasing led to variable costs and quality inconsistencies. All subproject goods and materials will align and meet the standards of the Cook Islands Building Code. Quality control will be provided from the agencies mandated to implement the building code and regulations.

3. **Timely Delivery and Logistics Management:**

By consolidating procurement processes, the EDA facilitates smoother logistics coordination, reducing delays in material and service delivery. This is especially vital in remote island settings, where transport and supply chains are complex and vulnerable to disruption.

4. **Socio-Economic Benefits:**

Bulk procurement fosters stronger partnerships with local suppliers and contractors, stimulating local economies and creating employment opportunities. These benefits align with broader development goals and contribute to community resilience.

By replicating and enhancing this procurement approach, the EDA Proposal strengthens subproject implementation efficiency, reduces administrative burdens on executing agencies, and supports sustainable, high-impact climate resilience outcomes.

4.4 Leveraging Systems, Partnerships, and Lessons Learned

Importantly, this EDA complements previous projects rather than duplicating them, building on the systems, partnerships, and community trust that they established. By strengthening these foundations and embedding improved processes, the EDA Facility supports long-term sustainability and enhances national capacity to deliver direct climate finance where it is needed most.

1. **Strengthening Established Systems:**

The EDA further enhances data collection, management, and reporting systems developed in earlier projects. This continuous improvement ensures that climate finance delivery is informed by accurate, timely, and comprehensive information, enabling adaptive and evidence-based decision-making.

2. **Deepening Partnerships and Community Trust:**

By leveraging existing networks between government agencies, local organizations, and communities, the EDA fosters greater stakeholder ownership and collaboration. These relationships are essential for effective project implementation and for ensuring interventions meet local needs.

3. **Embedding Improved Processes for Sustainability:**

The EDA institutionalizes best practices and lessons learned, embedding refined operational procedures, accountability mechanisms, and capacity-building measures. This foundation supports long-term sustainability and resilience of climate finance delivery mechanisms.

4. **Enhancing National Capacity:**

Through strengthening governance, coordination, and technical capabilities, the EDA increases the Cook Islands' ability to channel direct climate finance efficiently and equitably to vulnerable communities, maximizing impact where it is needed most.

By reinforcing these foundations and building on proven successes, the EDA Facility ensures sustainable, scalable, and impactful climate action aligned with national priorities.

5 Cook Islands Government Funding Initiatives Linked to EDA

Initiatives	Description
National Infrastructure Projects	• Cyclone Shelters: \$8,799,698 • Rarotonga Safety Shelter Programme: \$250,000 • National Emergency Operations Centre: \$1,900,000 • Operations and Maintenance: \$4,000,000 • Shipping services: \$14,500,000
Local Grants & Subsidies	• Social Impact Fund: \$1,000,000 per year • Social Assistance Fund : \$250,000 per year • BTIB revolving Fund / Business Support Scheme: \$110,000 per year • Shipping Subsidy: \$500,000 annually
Private sector incentives	• Smart Economy Grants : \$2,000,000 • Smart Agri-tech Grants : \$1,000,000 • Business Continuity Credit Facility: 7,020,000
Partnerships	• Punanga Turuturu Itivaine GRM \$350,000 • Internal Affairs outreach programmes for most vulnerable
Adaptation Fund Complementarity and Coherence	• PEARL Water Security Fund - \$400,000 • PEARL Agricultural Resilience Fund - \$250,000 • EDA / LLA Concept Note: \$5,000,000

6 Conclusion

This EDA proposal for the Cook Islands is firmly grounded in the principles and requirements outlined in the Green Climate Fund's (GCF) policy framework on complementarity and coherence, as well as the GCF's broader strategic objectives. Through a review of past and ongoing baseline projects, readiness activities, project preparation funds, and funded programs, this EDA Facility has been designed to build upon proven successes while integrating lessons learned to address challenges and gaps effectively.

In alignment with the GCF's call for proposals for EDA projects, this proposal emphasizes country ownership, institutional strengthening, and direct access financing mechanisms that empower

national and subnational actors. The EDA Proposal enhances coherence by ensuring its interventions align seamlessly with the Cook Islands' Nationally Determined Contributions (NDCs), the national climate change policy, and the Country Programme. The project's design demonstrates strong complementarities with previous GCF readiness and funded activities, effectively leveraging existing systems, data, and stakeholder partnerships to maximize impact and avoid duplication.

Central to this proposal is the strengthening of national capacities for climate finance management and direct implementation, including enhanced data collection, monitoring, and evaluation systems that build on those piloted in prior projects. These improved systems promote transparency, accountability, and adaptive learning, fulfilling the GCF policy pillars of innovation and learning, access and alignment, and country ownership.

Furthermore, the proposal recognizes the importance of coherent institutional frameworks, incorporating refined legal and financial arrangements between key national institutions MFEM, BCI, CCCI and project beneficiaries, thereby reinforcing governance and fiduciary safeguards. By scaling up core elements such as streamlined application processes, clear decision-making structures, bulk procurement mechanisms, and robust stakeholder engagement, the EDA Facility ensures efficient, inclusive, and sustainable delivery of climate finance at the community level, particularly in vulnerable outer islands (Pa Enua).

This integrated approach embodies the GCF's vision of empowering direct access entities to deliver climate finance where it is most urgently needed while strengthening national systems to manage risk, measure results, and foster long-term resilience. The proposal's commitment to complementarity avoids fragmentation, strengthens synergies across sectors and programmes, and supports the Cook Islands' broader development goals, reflecting a mature, strategic, and scalable model of climate finance delivery.

In summary, this EDA Proposal not only responds comprehensively to the GCF's requirements for Enhanced Direct Access proposals but also exemplifies best practices in policy coherence, stakeholder collaboration, capacity development, and sustainable implementation. It positions the Cook Islands to continue advancing its climate resilience agenda with greater autonomy, effectiveness, and inclusivity, fully aligned with GCF policies, procedures, and the principles of complementarity and coherence.