

## FP036 Pacific Islands Renewable Energy Investment Program (ADB), Cook Islands

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*CSO comments on the project given as intervention during the 15<sup>th</sup> GCF Board Meeting, December 2016*

- We welcome this project and support its approval among many other reasons because of the high degree of country ownership it demonstrates as it builds on discussions in the region, including the GCF regional workshop.
- Following up on yesterday unanswered question, we are seeking clarification whether in the current proposal the letter of no-objection from the Cook Islands was provided.
- It is important that the Cook Island approach is not simply replicated in other countries for phase 2, Planning processes that will go forward in the respective countries must presents many opportunities for defining projects that are appropriate for the country context, respond to the needs of local groups and are developed with strong input from civil society – effectiveness of the implementation will depend on how well this will be managed.
- As mentioned yesterday, we are concerned that current proposal shows project financing to include loans to Tonga and PNG, both of which have high levels of GDP to debt. This is not a useful precedent for GCF funding to SIDS LDCs. To be transformative in nature, Pacific SIDS have been consistent in stating that LDC and SIDS climate finance must be 100% in form of grants and not loans, so as not to increase already chronic debt burden.
- With regards to overall project focus, a reform of electricity tariffs would form part of the project. Such reform must be done in a way to guarantee that the new electricity tariff structure would include some affordable options so as not to exacerbate energy poverty. Objectives such as “full cost recovery” and “tariffs at a level that allows utilities to generate sufficient revenues” as explicitly mentioned objectives in the section on tariff reform cannot come at the expense of affordability for the poorest households.
- The gender analysis for this project needs to be significantly reworked to include gender contextual analysis for all countries in the proposal, reflecting country diversity. In particular, the impact of high energy costs on poorer households and disproportionate effects on women and children should be much more strongly highlighted. The gender action plan should cover all countries and ensure training and technical support to ensure both Pacific women and men have opportunities to participate in the project design, implementation and monitoring.