



Nordic Development Fund

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C143 – ORCA Ocean Resilience and Coastal Adaptation Trust Fund Final Project Proposal

Board of Directors meeting IV/2022
On 8 December 2022 in Helsinki
Agenda no 5.3.

PROJECT INFORMATION SHEET

Project Name	Ocean Resilience and Coastal Adaptation Trust Fund (ORCA TF) ¹
Project Number	C143
Partner/Lead Agency	Asian Development Bank (ADB)
Target countries/ regions	Asia, Pacific
Project description	ORCA TF addresses the financing gap needed to strengthen resilience of coastal communities to climate change and to promote sustainable blue economy in Asia and the Pacific. This will be achieved by: 1) improving knowledge for increased investment in coastal adaptation and sustainable blue economy, 2) catalysing large-scale climate adaptation funding for coastal areas and sustainable blue economy, and 3) building capacity and skills for the implementation and scaling of investments in climate adaptation in coastal areas and the sustainable blue economy.
Project duration	2023-2030
Sector	CRS Code: 410 and 430 (41010, 41030, 41050, 43030)

PROJECT COST AND FINANCING PLAN		
Total Project Cost	EUR 22 million	
NDF commitment	EUR 8.5 million ²	
Financing Plan		
Financiers	Amount	Instrument
NDF	EUR 8.5 million	Grant
United Kingdom (UK)	EUR 3.5 million ³	Grant
Global Environment Facility (GEF)	EUR 10 million ³	Grant

¹ Formerly referred to as Blue Economy & Resilient Coastal Development Investment Facility (BERCIF)

² Exchange rate EUR 1 = USD 1.03 on 14 November 2022

³ This is an estimate in EUR – contribution currency is different.

Total	EUR 22 million	Grant
Mode of Finance	Joint	
Type of Legal Agreement & Contract	ADB Multi-donor Trust Fund agreement	

STRATEGIC ALIGNMENT		
Geographic	X	Least Developed Countries (LDCs)
	X	Lower Middle-Income Countries (LMICs)
		Sub-Saharan Africa
	X	Countries in Fragile Situations
	X	Small Island Developing States (SIDS)
Climate Objectives	Mitigation	Rio Marker: 0 Objective
	Adaptation	Rio Marker: 2 Objective
RMF Outcome Areas	<p>Immediate:</p> <ul style="list-style-type: none"> - Climate- and disaster-resilience and adaptability of cities, human settlements and infrastructure strengthened. - Natural capital and water-energy-food security enhanced. <p>End of project:</p> <ul style="list-style-type: none"> - Improved socio-economic conditions of individuals, especially women and girls, vulnerable to climate change. - Reduced vulnerability of individuals, especially women and girls, to climate-related shocks/hazards. - Individuals, especially women and girls, with decreased vulnerability to resource depletion due to climate change. 	
Sustainable Development Goals	SDGs 14, 1, 2, 5, 12 and 13	
Gender Equality Policy	Yes	

Environmental and Social Policy	NDF Minimum Standards: ADB Safeguard Policy is largely WB ESS equivalent; Project type: Regular; Compliance: Yes ⁴ ; Risk Category: moderate; Conditions: (acceptance of NDF Exclusion List); Compliance Supervision: (tbd)	
NDF Added Value: Strategic Pathways & 3Cs	X	Nordic leadership brings competencies and knowledge and creates synergies in strategic partnerships.
	X	Early-stage interventions concentrate funding to where some of the greatest and more innovative high-impact projects can be found.
	X	Catalytic financing and partnerships increase the funding volumes, scales and impact.
	X	Co-create structures and projects with high potential, while drawing on previous experience from similar projects.
	X	Convene like-minded providers of funding to obtain momentum, economies of scale, and critical financing thresholds.
	X	Complement to enable sufficient scales of investment and to bring projects across critical financing thresholds.

Risk Category	
Risk	Rating
Technical / operational	The risk is rated Low on the part of ADB. Operational risk, when it comes to implementation, is moderate on the part of implementing agencies.
Political & governance	Low
Financial	Low
Environmental & social	Moderate
Integrity Due Diligence	Low
<i>Other</i>	This is a project preparation and implementation facility focusing on a topic where, traditionally, capacity to prioritise, develop and implement projects has been limited. As such, there is a degree of risk associated with the implementing agencies (e.g., government agencies). However, a process is being put in place to ensure commitment and ownership on the part of governments that will benefit from technical assistance financed by ORCA TF.

⁴ Subject to ADB accepting NDF's Exclusion list

Clearance / Quality Assurance		
E&S Safeguards [QAR]	9.11.2022	Juha Seppälä
RMF [QAR]	8.11.2022	Sofia Chaichee
Gender Policy [QAR]	8.11.2022	Juha Seppälä
Financial Administration [QAR]	8.11.2022	Mats Slotte
IDD Check [LAS]	12.09.2022	Isa Kujansuu

Processing Schedule	
Clearance in Principle	11 April 2022
Final Project Proposal for Board Consideration	8 December 2022
Signature and Effective	Q1 2023

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ABBREVIATIONS

ADB	Asian Development Bank
DMC	Developing Member Country
DMF	Design Monitoring Framework
DRM	Disaster Risk Management
E&S	Environmental and social
EGM	Effective Gender Mainstreaming
EUR	Euro
EWS	Early Warning Systems
FPIC	Free, Prior and Informed Consent
GAP	Gender Action Plan
GE	Gender Equity Theme
GEF	Global Environment Facility
IPCC	Intergovernmental Panel on Climate Change
LDC	Least Developed Countries
LMIC	Lower Middle-Income Country
MEL	Monitoring Evaluation and Learning
MIC	Middle Income Country
NDC	Nationally Determined Contributions
NDF	Nordic Development Fund
ORCA TF	Ocean Resilience and Coastal Adaptation Trust Fund
OECD	Organisation for Economic Co-operation and Development
ORRA	Ocean Risk and Resilience Alliance
PARD	Pacific Regional Department (ADB department)
RMF	Results Management Framework
SARD	South Asia Regional Department (ADB department)
SDCC	Sustainable Development Climate and Change Department (ADB department)
SDG	Sustainable Development Goals
SERD	Southeast Asia Regional Department (ADB department)
SIDS	Small Island Developing States
SME	Small and medium-sized enterprises
ToC	Theory of Change
UK	United Kingdom
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
USD	United States dollars
WWF	World Wide Fund for Nature

1. RELEVANCE AND STRATEGIC CONTEXT

1.1 Geographic Focus

The proposed project would target ADB's developing member countries that border an ocean, a sea, or a major river that drains to the ocean. Particular focus will be on Tonga and the Republic of the Marshall Islands in the South Pacific, Cambodia and Viet Nam in Southeast Asia and the Maldives and India in South Asia. These countries represent a combination of SIDS as well as LDCs and LMICs, with varying socio-economic status and significant inequalities. Communities living in coastal areas in these countries are especially vulnerable to climate change and its effects. It is emphasised that the proposed project is open to all of ADB's developing member countries (DMCs) with coastal areas and the aforementioned countries have been shortlisted due to their confirmed commitment to the type of interventions that the proposed project will focus on.

While some countries' Nationally Determined Contributions (NDCs) and/or National Adaptation Plans specifically mention strengthening of resilience of coastal areas, investment flows have been primarily focused on mitigation projects. In addition, technical capacities, both in terms of assessing risks, prioritisation of interventions, developing project proposals and securing funding, as well as implementing projects, often need to be strengthened. The negative impacts of weak resilience of coastal areas, combined with unsustainable blue economy practices are manifold, ranging from potential food insecurity among communities relying on fish-sourced protein in their diet to communities and livelihoods being destroyed due to unsustainable blue economy practices which also endanger biodiversity. In many of these countries, ADB has potential investments related to climate adaptation of coastal areas and blue economy in the pipeline which the proposed project could influence at an early stage and demonstrate its catalytic function to leverage financing.

1.2 Nexus between Climate and Development

Coastal areas are highly vulnerable to climate change and natural hazards thereby impacting the blue economy. This risk is due to an increase in frequency and intensity of tropical cyclones and related storm-surges; sea level rise; increase in frequency, duration, spatial extent, and intensity of marine heatwaves.⁵ A new report from ADB⁶ warns that sea levels in the Asia-Pacific could exceed two metres by 2100 due to the double threat of sinking land mainly due groundwater withdrawal as well as the warming of the oceans as a result of climate change. The report draws on hydrographic records and geological evidence dating back several hundred

⁵ IPCC. 2019. *Special Report on the Ocean and Cryosphere in a Changing Climate*

⁶ ADB. 2022. *Sea-Level Change in the Pacific Islands Region: A Review of Evidence to Inform Asian Development Guidance on Selecting Sea-Level Projections for Climate Risk and Adaptation Assessments*. Manila

years. The sea-level rise in the Asia-Pacific region is expected to worsen climate change impacts and presents a challenge to new and existing critical infrastructure.

More extreme and frequent climate-related hazards result in coastal flooding, erosion, saltwater intrusion, king tides, and loss of land with impacts on ecosystems, livelihoods, settlements, and infrastructure. For example, coastal regions of Viet Nam are already facing saltwater intrusion which is contaminating drinking and irrigation water and amplifying the effects of drought, as witnessed during the 2015–2016 drought.⁷ Further, the most recent Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report on Asia notes that: *Coastal and marine systems in Asia are under increasing stress from both climatic and non-climatic drivers and mean sea level rise will contribute to upward trends in extreme coastal high water levels. Mangroves, salt marshes, and seagrass beds may decline unless they can move inland, while coastal freshwater swamps and marshes will be vulnerable to saltwater intrusion with rising sea levels. Damage to coral reefs will increase during the 21st century because of both warming and ocean acidification.*⁸

Yet, climate adaptation actions continue to receive significantly less investment flow than mitigation investments, with mitigation financing accounting globally for 93% in 2019.⁹ Building resilience of coastal areas and strengthening blue economies are explicit priority actions in the updated NDCs of the ORCA TF priority countries (Annex C).

As such, longer-term and strategic interventions are needed to scale up climate adaptation investments in support of resilient coastal development. Recognising the issues, challenges, needs and opportunities, it is proposed to undertake a targeted initiative by establishing a trust fund focusing exclusively on scaling up climate adaptation to strengthen both coastal resilience and sustainable blue economy. The purpose of the proposed project will be to support selected DMCs of ADB to strengthen upstream planning, development of nature-positive investment projects, which eventually will be financed by ADB and/or others and strengthen capacity for implementation of adaptation measures in the context of coastal resilience and the blue economy. The proposed project will be implemented over a period of seven years (2023–2030).

Investments in climate adaptation are critical for advancing resilient coastal development and maximising the benefits of the blue economy. The World Bank defines blue economy as the sustainable use of ocean resources for economic growth, improved livelihoods and jobs, while preserving the health of marine and coastal ecosystems.¹⁰ Investments in climate-resilience realise triple dividends by avoiding losses, stimulating desirable economic activities and

⁷ World Bank. 2020. *Resilient Shores. Viet Nam's Coastal Development Between Opportunity and Disaster Risk*

⁸ https://report.ipcc.ch/ar6wg2/pdf/IPCC_AR6_WGII_FinalDraft_Chapter10.pdf

⁹ Climate Policy Initiative. 2021. [Global Landscape of Climate Finance 2019](#).

¹⁰ <https://www.worldbank.org/en/news/infographic/2017/06/06/blue-economy>

generating social and environmental co-benefits.¹¹ They benefit the economy by increasing the resilience of the capital stock, keeping public debt dynamics manageable, and maintaining adequate fiscal space to cope with extreme weather events and other disasters.¹² Estimates by the Global Commission on Adaptation show that investing \$1.8 trillion globally from 2020 to 2030 in five climate adaptation areas—early warning systems, resilient infrastructure, dryland agriculture crop production, protecting mangroves, and resilient water resources management—could generate \$7.1 trillion in total new benefits.¹³ Four out of five areas listed above are critical for coastal areas.

For atoll nations, climate change is an immediate threat. While all small island developing states are vulnerable to climate risks, the four atoll nations - Kiribati, Maldives, the Republic of the Marshall Islands, and Tuvalu - are in a class of their own. They are extremely vulnerable to rising sea levels since these island groups are characterised by thin land mass and low average elevations of between two and three meters above sea level only.

The nexus between climate and development in these regions is particularly evident given the fact that weak resilience to climate change of coastal areas is directly linked with the livelihoods of coastal communities, and in some cases, entire countries, which rely primarily on fish-sourced protein. A strengthened resilience to climate change will shield coastal communities from climatic calamities which have the potential of wiping out entire economies. Also, strengthened resilience and reduced risk of adverse effects of climate change consequences reduces the risk of investing in blue economies, thereby creating additional developmental outcomes.

The proposed project demonstrates strong climate relevance with its adaptation objectives, which, according to Rio markers are classified as 2, or as a principal objective of the proposed project. In particular, the proposed project aligns well with the four following areas: 1) development and implementation of adaptation strategies, 2) ecosystem-based adaptation helping communities adapt to climate change, 3) flood protection measures, and 4) support of the development of climate action plans with vulnerability assessments in cities.

The proposed project complements other initiatives which are supported by Nordic countries as well as other donors and implemented and or hosted by ADB. One of the initiatives supported by the Nordic countries focusing on sustainable and integrated development of marine and coastal resources in healthy oceans is the PROBLUE trust fund hosted by the World Bank. Additionally, the proposed project supports ADB's Action Plan for Healthy Oceans and

¹¹ Overseas Development Institute and the World Bank. 2015. *The Triple Dividend of Resilience: Realising development goals through the multiple benefits of disaster risk management*.

¹² Pigato M. Editor. *Fiscal Policies for Development and Climate Action*. International Development in Focus. Washington, DC: World Bank.

¹³ Global Commission on Adaptation. 2019. *Adapt Now: A Global Call for Leadership on Climate Resilience*.

Sustainable Blue Economies, which aims to mobilise USD 5 billion for ocean health protection and its biodiversity conservation as well as marine economy projects. By strengthening resilience of coastal areas, the proposed project will also naturally contribute to the creation of a conducive environment for business expansion in coastal communities, thereby directly supporting the objectives of ADB's Oceans Finance Initiative. In the region, the proposed project will also naturally complement the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) programme focusing on the regional deployment of early warning systems in coastal areas of Asia-Pacific and could draw on lessons from that initiative.

The proposed project is highly aligned with Nordic development and climate policies and objectives, including nature-based solutions, strengthening the resilience of coastal areas and promoting sustainable blue economy (Annex C: Priorities of the Nordic countries).

The proposed project targets directly the achievement of SDG 14, as well as several other SDGs, such as 13, 12, 2, 1 and 5.

1.3 NDF Added Value and Rationale for Involvement

NDF adds significant value in several dimensions. NDF together with ADB has designed the Ocean Resilience and Coastal Adaptation Financing Partnership Facility (ORCA-PF), as well as the ORCA Trust Fund (ORCA TF) in the spirit of the co-creation principle of NDF Strategy 2025. In addition, NDF has proactively contributed to a broad dialogue between potential funders in order to establish a mechanism for pooling and channelling various funders' contributions for a common goal, while at the same time recognising their distinct geographic preferences. This resulted in ORCA TF having two distinct windows: an Asia Window and a Pacific Window.

Furthermore, the proposed project exhibits a strong catalytic potential, further strengthening the project's alignment with NDF's strategic pathways. Firstly, NDF facilitated additional contributions from the United Kingdom and Global Environment Facility (GEF) towards ORCA TF, with additional ongoing dialogues taking place with Iceland, Norway and New Zealand. While the currently confirmed co-financiers have a preference for Small Island Developing States (SIDS) in the Pacific region, NDF's contribution, which has a broader geographic coverage and includes Asia, will play an important role in ensuring a balanced geographic approach of the entire ORCA TF. ORCA TF-financed activities are expected to catalyse at least EUR 200 million, from ADB and others, for downstream investments into strengthening coastal resilience and the sustainable blue economy.

As indicated in Annex C, ORCA TF aligns well with Nordic strategic priorities including coastal resilience and sustainable blue economies. As mentioned, NDF is facilitating an ongoing

dialogue with Nordic partners, including Iceland which has expressed interest in potentially financing technical assistance within the arrangements of ORCA TF.

By strengthening planning processes and supporting project preparation, ORCA TF supports early-stage interventions. Another value-add of NDF has been the co-design work undertaken to develop a solid results management framework and incorporating a results-based management approach, as well as mainstreaming gender.

NDF's strategic priorities are well-reflected in ORCA TF. The geographic focus covers SIDS in Asia-Pacific and a mix of LDCs and LMICs. Climate adaptation is the principal objective by strengthening the resilience of vulnerable coastal communities, protecting and restoring biodiversity as well as promoting nature-based solutions and sustainable blue economies. To conclude, the nature of ORCA TF's activities is well-suited for the application of a grant instrument.

1.4 Lessons Learned

NDF has a long history of support to blue economy initiatives. NDF is anchor donor to the West Africa Coastal Areas Program (WACA), jointly with the World Bank and other partners, which focuses coastal policy development and planning, including hard measures (infrastructure), soft measures (including ecosystems and adaptation with a community approach), capacity-building and regional cooperation, knowledge management and climate services. NDF has supported coastal resilience and the blue economy in Benin, Honduras, Mozambique, Tanzania, Senegal plus a regional study to analyse on-going and future climate change-driven risks to fisheries and associated impacts on coastal communities in Africa. Lessons learned include the need for integrated approaches, technical assistance, tools and capacity-building.

ADB is a long-standing partner to NDF and brings significant added value to the process, not least when it comes to convening its member countries in country consultations that establish interest and commitment to the objectives of ORCA TF among individual member countries. When it comes to the funding arrangement of ORCA TF, a key lesson from the ADB *Project Readiness and Improvement Fund*, is that ADB needs to secure that other donors will join. Throughout the design process, NDF has stressed this need to ADB. When other donors are confirmed, it will ensure that NDF's investment has a catalytic effect not only at the downstream stage, but already at the level of obtaining funding for the operations of ORCA TF itself. Another important lesson from similar projects that was incorporated in the design process was the fact that both NDF and ADB recognised that there may be capacity gaps at the project implementation stage, and as such it was decided to introduce an element to ORCA TF's operations which will focus on facilitating project implementation. The design of ORCA TF has also benefited from interaction with the ongoing NDF-ADB financed project Community

Resilience Partnership Programme (CRPP), including, among others, the promotion of gender-responsive investments.

ADB is currently undergoing a reform process whereby thematic facilities are being established to cluster activities, harness efficiencies, promote learning and achieve economies of scale. Each facility functions as an umbrella arrangement for several trust funds that support the overall objectives. There is currently no dedicated facility in ADB that focuses on oceans and climate nexus. Thus, by creating a dedicated facility, ADB will be able to demonstrate its commitments to climate and ocean agenda, and use it as a vehicle to mobilise and leverage resources for this topic. It will further allow adopting a programmatic approach on this topic and strengthen partnerships and coordination with other agencies working on this topic. ADB will therefore establish ORCA-PF, under which the ORCA TF will be the first trust fund.

2. PROJECT DESCRIPTION

2.1 Project Objectives

The overall objective of ORCA TF is to address the financing gap needed to strengthen resilience of coastal areas to climate change as well as to promote sustainable blue economies in Asia and the Pacific region. Specific objectives are to: 1) improve knowledge for increased investment in climate adaptation in coastal areas and sustainable blue economy, 2) catalyse large-scale climate adaptation funding for coastal areas and sustainable blue economy, and 3) build capacity and skills for the implementation and scaling of investments in climate adaptation in coastal areas and sustainable blue economy. ORCA TF's immediate project outcomes align with two out of three of NDF's immediate outcomes, namely:

- Climate and disaster resilience and adaptability of cities, human settlements, and infrastructure strengthened. Projects supported by ORCA TF will have an immediate and direct positive outcome on coastal communities strengthening their resilience and adaptability to adverse effects of climate change.
- Natural capital and water-energy-food security enhanced. ORCA TF will support projects which strengthen resilience of coastal areas through physical infrastructure and nature-based solutions, thereby restoring and preserving natural capital and, in turn, enhancing food security of coastal communities.

ORCA TF also displays a high degree of alignment with three out of four of NDF's end of project outcome areas, namely:

- Reduced vulnerability to climate-related shocks/hazards. Introduction and or strengthening of nature-based solutions and the physical infrastructure (primary outcome of ORCA TF).

- Decreased vulnerability to resource depletion. Both physical infrastructure as well as nature-based solutions will likely have a positive effect and will protect, strengthen and/or restore important resources for coastal communities in the context of the blue economy such as coral reefs, fisheries or land erosion (secondary outcome of ORCA TF).
- Improved socio-economic conditions. Improvements in physical infrastructure will both offer better protection to the livelihoods in coastal communities such as assets or microbusinesses by reducing risk and vulnerabilities and will encourage investments into expansion of blue economy-linked revenue-generating activities (secondary outcome of ORCA TF).

The intention is that projects that will receive assistance from ORCA TF are either replicable or scalable. Given the potential spectrum of projects that will be eligible for assistance, ranging from those focusing on nature-based solutions to hard infrastructure, the exact extent to which these projects will be replicable or scalable, unavoidably, will vary. By the end of the seven-year period for which NDF's investment is envisaged, however, it should be possible to establish the extent to which projects have been replicated and, in particular, scaled up.

2.2 Theory of Change

Overcoming the barriers that limit the scaling-up of investment in climate change adaptation in coastal areas and sustainable blue economy is considered a critical step towards strengthening climate resilience of people living in Asia and the Pacific region. There are multiple pathways towards bringing about this desired change. The central hypothesis of ORCA TF is that in order to scale up investments in climate adaptation and the blue economy in Asia and the Pacific region, investments need to be made across three different but closely interlinked core activity areas. The Theory of Change (ToC) identifies three separate but interlinked pathways that describe the ToC from investment in each core activity area, which deliver results in the short term (outputs) and medium term (intermediate outcomes) and *combined* long term (outcomes). These pathways represent the building blocks of the proposed project. See Annex A for the full narrative on the ToC.

- **Pathway 1:** improve knowledge for increased investment in climate adaptation in coastal areas and sustainable blue economy
- **Pathway 2:** catalyse large-scale climate adaptation funding for coastal areas and sustainable blue economy
- **Pathway 3:** build capacity and skills for the implementation and scaling of investments in climate adaptation in coastal areas and sustainable blue economy.

2.3 Project Activities

ORCA TF will finance operations across three main components: 1) Strengthening upstream climate adaptation planning for coastal resilience and sustainable blue economy, 2) Identifying and developing transformational climate adaptation and sustainable blue economy investments, and 3) Strengthening capacity for climate adaptation of coastal areas and sustainable blue economy.

Component 1: Strengthening upstream climate adaptation planning for coastal resilience and sustainable blue economy

- a. **Studies and assessments** that generate knowledge and evidence regarding benefits of transformative climate adaptation solutions in coastal areas and blue economy. The studies could cover a range of theme-based requests from countries. Likely themes are a review of current coastal zone management and climate adaptation law, policies and plans, multi-hazard assessment of coastal systems (including ecosystems) with climate change considerations; quantification and accounting of the benefits of ecosystems-based adaptation for coastal resilience; development of adaptive pathways to inform spatial and investment planning; community-based nature-based solutions for adaptation, innovative financing instruments to mobilise private sector resources for adaptation in coastal areas; and assessments to strengthen livelihoods and food security of vulnerable coastal populations, especially women. This activity will also include a review of current coastal management initiatives.
- b. **Policy dialogue and evidence sharing** activities to increase awareness of benefits of climate adaptation in coastal areas and inform broad prioritisation of investment areas. This will include communicating the findings of studies and assessment to influence the uptake of strategic approaches for building coastal resilience and promoting sustainable blue economy, engaging with potential financing partners to mobilise financing for adaptation measures in coastal areas, and sharing experiences with other countries and stakeholders at national and international fora.

Component 2: Identifying and developing transformational climate adaptation investments in coastal areas and sustainable blue economy

- a. **Identification of investment projects** in different sectors that have the opportunity to promote gender-responsive and innovative climate adaptation measures including nature-based solutions and support for a sustainable blue economy.

- b. **Feasibility studies and project preparation** for projects in support of climate adaptation of coastal areas and the sustainable blue economies to be financed by ADB or others. Such projects could be in different sectors and promote a variety of approaches including nature-based solutions, small-scale community infrastructure, women-focused resilient livelihoods, and financial services for building coastal adaptation.
- c. **Implementation of innovative climate adaptation** approaches as part of projects to be financed by ADB or others, including to test new solutions, applying new technology for building coastal resilience, women-focused approaches for implementation of climate adaptation solutions in coastal areas and local private sector-driven solutions.

Component 3: Strengthening capacity for climate adaptation of coastal areas and sustainable blue economy.

- a. **Systems to collect and maintain hazard, exposure and vulnerability data** established or improved to inform the selection and monitoring of climate adaptation measures in coastal areas. Such systems will be built on existing in-country structures and where appropriate promote bottom-up processes of collection and maintenance of data. Vulnerability data will include gender-disaggregated information.
- b. **Design standards for climate adaptation measures in coastal areas**, including standards, codes, regulations and incentives for implementing nature-based solutions.
- c. **Trainings conducted for government stakeholders, private sector and local communities**, including women's groups on identification and implementation of coastal resilience measures.

2.4 Project Beneficiaries and other Stakeholders

The long-term impact of ORCA TF is strengthened resilience of people living in coastal areas to the impacts of climate change and the growth of sustainable blue economies. While the immediate beneficiaries are governments which will benefit from accessing ORCA TF's support, the end, and primary, target group who is anticipated to benefit from the program are individuals in communities that live or work in coastal areas of high climate risk in selected countries in Asia and the Pacific region.

The proposed project will promote inclusiveness by prioritising interventions that focus on marginalised or disadvantaged people, especially the poor populations and women and girls (50% of all beneficiaries). This aspect is in response to the recognition that the poor and vulnerable populations are affected disproportionately by the impacts of climate change,

because they have high climate-sensitivity (due to their activities, incomes and location in high-risk areas), they are often close to climate thresholds already, and they have low adaptive capacity.¹⁴ They typically rely on fewer and more vulnerable assets and basic services, depend on climate-sensitive sectors for livelihoods, have limited access to climate information, have limited technical and financial capacity to implement adaptation measures, and are often left out of formal decision-making processes, which increases their vulnerability to climate impacts. Deeply entrenched social and political inequalities, as well as patriarchal power structures, particularly limit women's leadership and participation in decision-making, and contribute to disproportionate levels of vulnerability and low adaptive capacity compared to men.

ORCA TF has been designed based on detailed consultations with governments, international and national development institutions, and directly responds to the priorities and needs of the countries, as highlighted in their development plans and climate change policies and plans.

Women and indigenous peoples have been identified as critical stakeholders and specific activities will be implemented to ensure their participation in the design and implementation of project level activities. Women have unique knowledge, skills, and perspectives, that can significantly contribute to the identification of appropriate adaptation measures and ensure that they are implemented effectively and efficiently. Traditional knowledge that is rooted in a deep understanding of the land in which they inhabit also make indigenous peoples vital partners in the identification of appropriate adaptation measures and ensuring that they are implemented effectively and efficiently. Social, cultural, legal and institutional barriers also mean that indigenous peoples have a unique vulnerability context which requires adaptation interventions that respond to their specific needs. The program will create dedicated spaces for women and indigenous peoples to participate meaningfully in research studies, consultations and dialogues that will be critical to ensuring that future investments respond to their specific needs and the achievement of the objectives of the proposed project.

Participatory approaches will be a cornerstone of the Monitoring, Evaluation and Learning (MEL) methodology, with procedures for community-based monitoring involving local stakeholders, including civil society organisations, at all stages of the project/program cycle from the beginning. Such approaches build the capacity of local stakeholders and foment ownership of project outputs (thus supporting sustainability) and foster learning and awareness-raising in terms of climate change adaptation. The mid-term review and terminal evaluation will be planned and conducted in ways that enhance the likely utilisation of both the findings and of the process itself to inform decisions and improve performance. Key to promoting the maximum utility of the evaluation outputs, will be the engagement of the primary user groups.

¹⁴ Richard S. J. Tol. 2018. *The Economic Impacts of Climate Change Review of Environmental Economics and Policy*, volume 12, issue 1, Winter 2018, pp. 4–25. DOI: 10.1093/reep/rex027.

The private sector is expected to play a critical role in scaling up investments in climate adaptation and sustainable blue economy. However, current engagement of the private sector remains limited. Thus, ORCA TF will incentivise private sector engagement by providing technical assistance for project preparation for instruments that allow de-risking the costs of nascent and emerging business models and will crowd-in capital for positive ocean and climate outcomes.

2.5 Gender Analysis

ORCA TF will only support technical assistance projects and grant financing of investment projects that are either categorised as Gender Equity Theme (GE) or Effective Gender Mainstreaming (EGM) as per ADB Guidelines for Gender Mainstreaming Categories of ADB Projects.¹⁵

A project is assigned GE if the project outcome directly addresses gender equality and/or women's empowerment by narrowing gender disparities, including under the five pillars of ADB's Strategy 2030 operational priority 2: (i) women's economic empowerment increased, (ii) gender equality in human development enhanced, (iii) gender equality in decision-making and leadership enhanced, (iv) women's time poverty and drudgery reduced, and (v) women's resilience to external shocks strengthened.

A project is assigned EGM if the project outcome does not explicitly address gender equality or women's empowerment, but project outputs contribute to addressing gender equality and/or women's empowerment by narrowing gender disparities, including under five pillars of ADB's Strategy 2030 operational priority 2. GE and EGM categories equate to Organisation for Economic Co-operation and Development (OECD) Gender Marker 1 and 2 respectively, thus meeting NDF's minimum requirements. In line with ADB standard gender policy, this classification explicitly necessitates the development of a Gender Action Plan (GAP) based on a detailed gender analysis, and therefore the necessary budget is allocated accordingly.

2.6 Project Cost and Financing

The table below outlines the budget for ORCA TF which consists of an Asia Window and a Pacific Window. The currently anticipated co-financing of EUR 13.5 million is earmarked for the Pacific Window and consists of confirmed EUR 3.5 million from the UK and anticipated EUR 10 million from GEF. NDF's investment will fund both the Pacific Window and the Asia

¹⁵ ADB. 2021. *Guidelines for Gender Mainstreaming Categories of ADB Projects*. Manila.

Window. In addition, ADB will make an in-kind contribution by allocating staff and facilities to ORCA TF.

Financing Plan		
Components	NDF Financing (EUR) million	Co-financing (EUR) million
Component 1	2	3
Component 2	4	7.5
Component 3	2.5	3
Sub-total	8.5	13.5
Total	22	

- Technical assistance for implementing components 1, 2 and 3. Technical assistance support will be extended to both sovereign and non-sovereign projects.
- Grant financing attached to investment projects for implementing component 2 (piloting new approaches). Grant financing will be applicable for only non-sovereign projects.

ADB is in various stages of discussion with various additional financing partners to mobilise resources for ORCA TF. Some of these discussions are in the advanced stages including with the Government of New Zealand to specifically support the Pacific window of the trust fund. Initial discussions are also underway with the Government of Norway and the Government of Iceland to explore potential partnership.

2.7 Sustainability and Exit Strategy

Expected sustainability and viability of projects will be a key factor when assessing a project's eligibility for support, not least given the fact that one of ORCA TF's main objectives is to catalyse climate finance. NDF's investment will self-liquidate as the financial instrument for this investment is a grant. Given that ORCA TF's financing arrangement will be that of a trust fund, it will be able to remain operational beyond such time that NDF's funds are exhausted, if other financing partners join the initiative. It is also expected that the proposed project's focus on strengthening the enabling environment and institutional capacities will result in long-term and systemic changes enhancing coastal resilience and sustainable blue economy. If successful in catalysing capital for coastal resilience and blue economy investments, NDF may choose at a later point in time to co-create a follow-on investment or initiative.

3. RISKS

3.1 Project Risks and Mitigation Measures

The level of key risks that will affect ORCA TF's performance are rated as low to medium and expected to be mitigated with the ADB's established rules and procedures. Key risks identified

are related to implementation delays due to continuing COVID-19-related challenges, changing government priorities, compliance with ADB's environmental and social risks policies.

- **Projects face implementation delays due to COVID-19-related lockdowns and travel restrictions.** COVID-19 has caused delays in the preparation and implementation of many projects. It has affected schedules for feasibility studies, implementation of detailed designs, and initiating construction. To keep the operations moving, ADB has adjusted its approaches and strategies to respond to the situation such as use of online consultation meetings, and maximising the engagement of available local experts to do sections of feasibility studies that require groundwork.
- **Participating governments' fiscal burden may not allow for external borrowing, and/ or governments may choose to invest in non-resilience projects with external financing.** The program will work closely with the governments to promote country ownership and help them understand and prioritise resilience projects. This can be done through identifying countries that have highest level commitment for climate adaptation in coastal areas and the blue economy. Further policy dialogues will be undertaken to influence for transformational planning and programming and investing in coastal adaptation and sustainable blue economy. Targeted technical assistance will be provided to strengthen the enabling environment, including strengthening institutions and building capacity to access funding, prepare and implement adaptation projects. The potential and opportunities for resilience financing for COVID-19 recovery will also be raised with governments during ADB country programming discussions, as part of project origination and project identification processes.
- **Lack of country ownership at any stage of the implementation process.** The program will work in countries which in their ADB country partnership strategy have identified climate change and/or ocean health as a key priority, thereby indicating interests to receive financial support from ADB or other financiers for investments. Moreover, during annual country programming dialogues, ADB and the participating country will engage in a dialogue on climate change and/or ocean health to re-confirm country ownership.

ADB's expertise builds on over 12 years of climate adaptation programming at scale, including eight years of implementing a systematic climate risk management framework, and over 50 years of development finance operations. ADB will use existing institutional arrangements, thus ensuring success and high standards of project delivery. ADB together with NDF will select countries that have identified climate resilience and/or the blue economy as priorities under their respective ADB Country Partnership Strategy. For these reasons, the risks to individual project implementation and execution are considered low. ADB has existing and highly rigorous protocols and guidance for financial and operational risk and these will be applied in the project. ADB's Safeguards Policy Statement of 2009 which sets out the policy objectives for key safeguards areas (namely environmental safeguards, involuntary resettlement safeguards, and

Indigenous Peoples safeguards), is in place and its effectiveness is continually assessed and enhanced to better manage the environmental and social risks arising from projects and in ensuring their social and environmental sustainability.

3.2 Environment and Social Risks and Mitigation Measures

ORCA TF complies with NDF's Minimum Standards, including environmental and social (E&S) Policy and Guidelines as well as Gender Equality Policy. While the exclusion lists of the two organisations are largely similar, there are a few areas where ADB's Exclusion list doesn't fully overlap with that of NDF, and those areas will be explicitly incorporated in the Implementation Guidelines of the Trust Fund to ensure full alignment. While ADB cannot outright adhere to Free, Prior and Informed Consent (FPIC) – the free and prior informed consent safeguarding the interests of indigenous peoples, which is mandatory for NDF-funded activities, the Implementation Guidelines will specify that only category C projects are eligible for support, unless other measures can be applied to ensure adherence with FPIC. By applying ADB's rigorous standards and policies, complemented by appropriate additions reflected in the Implementation Guidelines to ensure full alignment with NDF's policies, E&S risks will be minimised and well-managed, thereby reducing NDF's reputational risk. Potentially affected persons will also ultimately have access to the ADB's Accountability Mechanism to seek resolution of any complaints. While the risk associated with ADB is deemed to be low, an overall risk level is set at moderate due to potential risks associated with beneficiary governments, as previously explained in this document.

3.3 Integrity Risks and Mitigation Measures

ADB is a multilateral development bank and most aspects related to its legal, governance, financial management as well as standards with regard to combatting corruption, fraud, money laundering, tax evasion, etc., are similar or comparable to those of NDF's. Notably, since 1995 (and as restated in 2011), ADB and NDF have had in place a Memorandum of Understanding for the co-financing of programs and projects and, in addition, the Office of Anticorruption and Integrity of ADB and NDF in September 2014 signed a Memorandum of Understanding to protect the interests of both organisations in the fight against fraud and corruption.

Based on the above and NDF's previous experience from similar ADB-led projects, it is expected that the proposed project will benefit from the application of ADB's existing policies and processes (including governance, procurement, financial management, as well as standards with regard to combatting corruption, fraud, money laundering, tax evasion). The expected level of integrity-related risks is low. These assumptions, however, will be confirmed as part of NDF's review of the legal documentation, as well other materials, such as relevant policies shared with the financiers. Further IDD-related data gathering and screenings will be initiated by NDF after the Board approval and the review shall be completed prior to the financial close, as needed.

4. IMPLEMENTATION

4.1 Project Management and Coordination

ORCA TF will be established as a multi-donor trust fund under ADB's Ocean Resilience and Coastal Adaptation Financing Partnership Facility (ORCA-PF), which will be created during the inception phase. The structuring, including a representation of the flow of funds, is illustrated by a diagram in Annex D. ORCA PF's governance, including ORCA TF's management, as well as any other trust fund that may be established in the future, is outlined below and also illustrated by the *Governance and management* diagram in Annex D.

Secretariat. The ORCA-PF will have a secretariat that will be co-managed by ADB's environment thematic group and climate change and disaster risk management thematic group. The roles and responsibilities will include: (i) supporting the organisation and deliberation of the ORCA-PF Partnership Forum and consultations with financing partners; (ii) preparing the Annual Work Plan and annual report; (iii) supervising day-to-day implementation of the Annual Work Plan; (iv) monitoring, evaluation, and learning; (v) fostering partnerships with relevant institutions and programs at global and regional levels; and (vi) disseminating the ORCA-PF results and achievements. An ADB official will be the ORCA-PF Manager (Facility Manager). The Facility Manager will be supported by a Trust Fund Manager (Fund Manager), to manage day-to-day ORCA TF operations. This position will be funded by ORCA TF. The ORCA-PF Secretariat will rely on existing ADB structures such as legal and administration to carry out the work. The Secretariat will on a needs basis engage consultants funded through the ORCA-TF, who have expertise in monitoring, evaluation, and learning; knowledge management; economics and finance; and others, as relevant.

Partnership Group. The ORCA-PF Partnership Group will be the primary advisory body to ensure the expected outcomes of the ORCA-PF are achieved. It will have a chair and a co-chair. An ADB representative will serve as the Chair. A financing partner member of the ORCA-PF will serve as the Co-chair. The group members will further include (i) ADB—represented by the ORCA-PF Facility Manager; (ii) financing partners—countries and institutions, such as NDF, that provide resources to the ORCA-PF; and (iii) non-financing partners from the Ocean Risk and Resilience Alliance (ORRA) and the World Wide Fund for Nature (WWF) Oceans team¹⁶. The partnership group may be expanded in the future, subject to agreement by the group members. The ORCA-PF Partnership Group will meet twice a year following the establishment of the ORCA-PF at the Partnership Forum to review progress, administrative matters, and the work plan and strategic directions of ORCA-PF.

¹⁶ ADB is a member of ORRA and has a Partnership MoU with WWF

Specific roles and responsibilities of the ORCA-PF Partnership Group will include: (i) selecting the co-chair (on an annual basis); (ii) providing strategic direction to the ORCA-PF; (iii) reviewing the ORCA-PF Annual Work Plan and annual report; (iv) establishing linkages between the ORCA-PF and other global, regional, and/or national ocean health and coastal adaptation programs; (v) providing guidance on the mobilisation of resources for the ORCA-PF; (vi) providing inputs to and attending the annual ORCA-PF Partnership Forum; and (vii) participating in field visits to projects to acquire first-hand experience. Prior to approval of the Annual Work Plan and Budget by ADB, an endorsement by the financing partners of the Partnership Group will be required. The financing partners will also endorse Implementation Guidelines for the ORCA-PF and any trust funds under the facility as needed, and concur with any proposed changes to the guidelines.

Working Group. The ORCA-PF Working Group will be responsible for reviewing project proposals and making recommendations to the ORCA-PF Executive Committee for the allocation of resources. The group will be co-chaired by the Sustainable Development and Climate Change Department (SDCC) and the Pacific Regional Department (PARD). The Working Group is comprised of ADB staff from the Environment Thematic Group (1), Climate Change and Disaster Risk Management Thematic Group (1), PARD (project officer for Blue Pacific Finance Hub) (1), Southeast Asia Regional Department (SERD) (project officer for Blue SEA Finance Hub) (1), South Asia Regional Department (SARD) (1), Gender Thematic Group (1); and the Oceans Working Group (1). The composition of the Working Group can be revised as needed by the Secretariat, and in agreement with financing partners.

Executive Committee. The ORCA-PF Executive Committee will be responsible for approving the allocation of resources for specific projects under different funds of the ORCA-PF, based on priorities identified in the Annual Work Plan endorsed by ORCA-PF financing partners and the eligibility criteria defined in the Implementation Guidelines. It will be chaired by the Director General, Sustainable Development and Climate Change Department of ADB (or equivalent position) and co-chaired by the Director General, Pacific Regional Department. The members will include the Directors General of user departments, i.e., ADB departments applying for resources from the ORCA-PF. The ORCA-PF Executive Committee will be the designated authority for approving the allocation of resources for specific projects and is expected to make approvals at least once a year on a no-objection basis, or more frequently in response to calls for proposals. Following fund allocation approval by the Executive Committee, the proposals will be processed in accordance with all relevant ADB policies and procedures. The Executive Committee may also approve changes to the Implementation Guidelines as amended from time to time after securing a no-objection from financing partners. The administration of the multi-donor trust fund under the ORCA-PF will be governed by the overall Implementation Guidelines for ORCA-PF which are endorsed by the ORCA-PF financing partners and approved by the ORCA-PF Executive Committee on or before the first fund allocation.

4.2 Legal Arrangements and Governance

Once ADB establishes the ORCA-PF and the multi-donor trust fund (ORCA TF), NDF will enter into an agreement with ADB, which will outline its financial support for ORCA TF. This will be done through an Instrument of Contribution whereby NDF will agree to contribute to ORCA TF according to the terms outlined in the ORCA-PF establishment paper.

ORCA TF will be governed under the ORCA-PF governance structure as outlined above. NDF will be part of the ORCA-PF Partnership Group along with other financing partners and will be responsible for endorsing the Implementation Guidelines of the ORCA-PF, the annual work plan, and annual reports. Projects stemming from ORCA TF will be implemented following ADB's policies and procedures.

4.3 Financial Management and Procurement

All technical assistance projects and grant-financed investment projects supported under the program will follow ADB systems for procurement, financial management, disbursement and audit. Implementation of the program and individual projects must conform to all applicable ADB policies including those concerning anticorruption measures, anti-money laundering, counter terrorist financing, safeguards, gender, procurement, consulting services and disbursement.

Financial Management. All projects' financial accounting, disbursement procedures and auditing requirements will be developed during project preparation and will be included in project documents. ADB shall ensure that these are in accordance with ADB's policies, procedures and approach on Financial Management and Analysis of Projects.

Disbursement. For grant-financed investment projects, disbursements will follow ADB's Loan Disbursement Handbook and detailed arrangements agreed upon between the government and ADB.

Audit. 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 Public Communications Policy 2011.

Procurement. All procurement for projects supported under the program will be done in accordance with ADB's Procurement Policy and associated TA staff instructions. In the case of grant financing of investment projects, ADB staff will provide support for procurement processes and offer training, as needed, to the executing agencies in the completion and monitoring of procurement-related documents.

4.4 Monitoring and Evaluation

The monitoring and reporting systems of the proposed project will be designed to align ADB policies and protocols with NDF and other financing partners criteria as much as possible to ensure that they are complementary to existing requirements. The ORCA-PF Secretariat will be responsible for day-to-day monitoring and reporting activities at the fund level. The Secretariat will have a dedicated Monitoring Evaluation and Learning (MEL) expert who will be responsible for the coordination and management of all MEL activities ensuring independent and impartial review of ORCA TF's project level activities. Each ADB project benefiting from ORCA TF will have MEL focal points which will coordinate monitoring and reporting of activities and will report to the Secretariat. The Trust Fund Working Group will periodically review monitoring and reporting outputs and make recommendations to the Secretariat as and when necessary. Full roles and responsibilities of the MEL Expert, including a detailed ToR will be established as part of the initial role out of the proposed project.

On approval of the ORCA-OF by the ADB Board, the Secretariat will develop a detailed MEL Plan which will be based on consultations with financing and implementing partners. The MEL plan and accompanying guidelines will provide specific and practical steps on how to report against key indicators, including methodologies, data sources, etc. This plan will ensure a common approach across all projects and country-level activities supported by the Trust Fund. In addition to ensuring that the MEL systems are based on specific stakeholder needs, a participatory design process will help raise awareness on MEL and promote ownership of the MEL activities, processes and future outcomes.

The ORCA-PF Secretariat will meet twice a year to review the information and learning generated by the monitoring system, and will hold discussions with the Working Group and Steering Committee to identify potential issues and agree on appropriate measures for course correction as required. The MEL framework itself should be adaptive, and periodic updates to all major components of the MEL system can also be expected. This flexibility allows for continual adjustments based on the emerging body of knowledge and experience regarding the monitoring and measuring of resilience and the program's objectives. Monitoring and reporting of the program will combine ADB policies and protocols with those of the financing partners.

Standard ADB monitoring and reporting policies require annual reports to be prepared by the ORCA-PF Secretariat. This will include a financial report and a narrative report (with supporting data as needed) on i) activities conducted during the year, and priorities for the next year. ii) potential issues and solutions, iii) progress against targets and indicators based on the results framework, aligned with the NDF RMF indicator framework. The report also includes information on ESS as well as Gender Mainstreaming. In addition, a light-touch semi-annual

progress report should be prepared for the financing partners meeting to facilitate discussion on progress during the Partnership Group meeting.

Promoting participation and stakeholder engagement is good practice in general for M&E; however, given the relative uniqueness of climate adaptation and resilience work both in terms of time and scale, ensuring context-relevance, cultural sensitivity and the ultimate utility of the M&E outputs, could be considered even more important. The procedures for monitoring will therefore involve communities and local stakeholders, including civil society organisations, at all stages of the project cycle from the beginning. This procedure will not only build the capacity of local actors in monitoring and reporting techniques but also create buy-in to program outputs (thus supporting sustainability) and foster learning and awareness-raising in terms of climate change adaptation. Evaluations will be planned and conducted in ways that enhance the likely utilisation of both the findings and of the process itself to inform decisions and improve performance. Key to promoting the maximum utility of the monitoring and evaluation outputs, will be the engagement of the primary user groups, which include the financing and implementing partners. Stakeholder engagement around the development of the M&E framework is anticipated to provide an effective base for national consultation, dialogue, and action around climate adaptation and resilience beyond M&E purposes. Local communities will also be involved from an early stage at the project level so that they see the value of and use of the M&E activities and outputs.

Mid-term review and terminal evaluation arrangements

As with monitoring and reporting, the mid-term review and terminal evaluation plan will align with financing partners' policies, as applicable, and with ADB policies and protocols to ensure that there is a coordinated and coherent approach to the mid-term review and terminal evaluation, which maximises learning and accountability, and is efficient in its allocation of resources.

Mid-term review: ADB will conduct a mid-term review in 2026 to take stock of results and implementation of the first phase of investments under ORCA TF. ADB together with NDF will agree the design, scope and other relevant elements of the review. This review will be undertaken by an independent entity and coordinated by the ORCA-PF Secretariat, which will assess the performance of ORCA TF against the design and monitoring framework (DMF), including financial/economic performance linked to ORCA TF's efficiency and effectiveness. The mid-term review will determine progress being made toward the achievement of outcomes and outputs and will identify course correction if needed. It will include a range of appropriate quantitative and qualitative research methods such as surveys, and key informant interviews, to assess ORCA TF's progress towards indicators relevant to the result framework. Recommendations of the mid-term review will inform the eventual design of corrective measures to secure maximum results and sustainability during subsequent implementation.

Terminal Evaluation: A Terminal Evaluation (TE) will take place at the end of the implementation period according to ADB and NDF established policies. ADB will agree with NDF the design, scope and other relevant elements of the evaluation. An independent assessment of project performance against standard evaluation criteria (e.g., strategic relevance, effectiveness, efficiency, likelihood of impact and sustainability) will be made based on documentary evidence, stakeholder interviews and, in most cases, field missions. The draft TE report will be sent to project stakeholders during a commenting process managed by the Secretariat. Formal comments on the report will be shared in an open manner. The evaluation reports will be publicly disclosed and will be followed by a recommendation compliance process aligned with ADB's established procedures.

Risk monitoring and reporting

The level of key risks that will affect the program are generally low to medium and expected to be mitigated with the ADB's established rules and procedures. Key risks identified in the DMF are related to implementation delays due to COVID-19, changing government priorities, compliance to ADB procurement rules and policies and environmental and social risks. See Risks section above for further detail.

Stakeholder monitoring

The development of ORCA TF has largely benefited from the consultations undertaken with governments, development partners, and research. As ORCA TF's key objective is to help catalyse investments in climate adaptation in coastal areas, among governments, donors, civil society, and the private sector, engaging with these stakeholders in a systematic and effective way is considered a priority. Thus, every project (TA and grant) accessing support from ORCA TF will undertake stakeholder consultation as per ADB policies.

All projects accessing support from ORCA TF will develop respective Gender Action Plan (GAP). The GAP will serve as a guiding framework for implementing and monitoring gender-responsive measures and will be based on a detailed gender analysis using desk research, gender diagnostics, consultations at the community level, household surveys and national level data. As per ADB policy, the GAP includes activities and targets as well as relevant stakeholders responsible for implementation of different activities and verification sources for tracking implementation. ADB program and project monitoring systems will be followed, in accordance with ADB's policies, procedures, and guidelines related to gender mainstreaming, to track implementation progress of GAP. Numeric targets will be included in the GAP where possible to measure progress and gender equality outcomes. A budget for GAP implementation will be allocated.

The implementation of the proposed activities will generate information that will advance understanding of how countries can respond to the challenge of climate change and promote the blue economy. The proposed project will systematically record and disseminate knowledge, evidence and lessons learned providing information that can be used to improve resilience practice. To ensure that knowledge, evidence and lessons learned have maximum utility and contribute to inward and outward learning on climate resilience programming, a knowledge management strategy will be developed.

4.5 Communication Plan

Communication will be an important element of ORCA TF and a detailed plan will be developed at the inception phase, and will cover areas such as, but not limited to, visibility of the launch of ORCA TF, visibility of NDF, publication of knowledge products and communication around activities and impact.

RECOMMENDATION

The Board approved grant financing of up to EUR 8.5 million to the project C143 - REGIONAL (Asia, Pacific) - Ocean Resilience and Coastal Adaptation Trust Fund (ORCA TF)

Helsinki, 17th November 2022



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ANNEXES

- A. Project Theory of Change**
- B. Project Log-frame**
- C. Priorities of the Nordic countries**
- D. Structure, flow of funds, governance and management**
- E. Implementation plan**

Annex A: Project theory of change

Overcoming the barriers that limit the scaling-up of investment in climate change adaptation in coastal areas is considered a critical step towards strengthening the climate resilience of people living in Asia and the Pacific region. There are multiple pathways towards bringing about this desired change. This document presents a hypothesis of how the Ocean Resilience and Coastal Adaptation Trust Fund (ORCA TF) will bring about change and is accompanied by a diagram that represents the pathways of change.

The central hypothesis is that in order to scale up investments in climate change adaptation in coastal areas in Asia and the Pacific region, investments need to be made across three different but closely interlinked core activity areas. The ToC identifies three separate but interlinked pathways that describe the theory of change from investment in each core activity area, which deliver results in the short term (outputs) and medium term (intermediate outcomes), and *combined* long term (outcomes). These pathways represent the building blocks of ORCA TF;

- **Pathway 1:** improve knowledge for increased investment in climate adaptation in coastal areas and sustainable blue economy
- **Pathway 2:** catalyse large-scale climate adaptation funding for coastal areas and sustainable blue economy
- **Pathway 3:** build capacity and skills for the implementation and scaling of investments in climate adaptation in coastal areas and sustainable blue economy.

A close interaction between the three pathways is a necessary condition for success and is central to the Theory of Change. While each pathway can advance independently, capitalising on opportunities as they arise, it is expected that the pathways will have a catalysing effect on one another over the long term, with short- and medium-term changes in one pathway, feeding into and supporting advances in the other pathways.

The ToC diagram with ORCA TF's core change pathways, and works through the short-term change (outputs), and mid-term change (intermediate outcomes) of each pathway, culminating in the long-term change (outcomes), and eventually impact. The key assumptions underpinning the ToC are summarised at the end of each section.

PATHWAY 1: IMPROVE KNOWLEDGE FOR INCREASED INVESTMENT IN CLIMATE ADAPTATION IN COASTAL AREAS AND SUSTAINABLE BLUE ECONOMY

The objective of Pathway 1 is to overcome current information and knowledge deficits that represent significant barriers to making the case for scaling-up investments in climate adaptation measures in coastal areas. To this end, the program will bring together international research organisations, national academic institutions, civil society organisations (e.g., women's machineries and organisations representing indigenous peoples, grassroots community

development organisations), national and local governments, financial institutions, and ADB, to initiate structured knowledge generation and learning, and provide a strong platform for meaningful and coordinated dialogue. It is expected that by undertaking analytical work and creating knowledge products, and bringing stakeholders together to exchange experiences and ideas, the program will change decision-making of key stakeholders leading to a broad prioritisation of investments in climate adaptation in coastal areas.

Primary stakeholders: National and local level government officials (e.g., ministries of planning and finance; ministries of environment and natural resources; departments of climate change/disaster risk management; ministries of urban planning, ministry of social affairs); The Asian Development Bank, financial institutions; business leaders (large as well as small and medium-size enterprises); academic and research institutions; civil society groups; community leaders; poor and vulnerable women and men living in coastal areas of high climate risk.

Box 1: Why engaging with key stakeholders is critical for fostering transformational change

ORCA TF's theory recognises that transformative change takes place within societal systems where multiple stakeholders that have different values, priorities and capacities interact with each other in complex ways that determine the progress along different pathways towards longer-term outcomes. Engaging with individuals, institutions and organisations, promoting collaboration, and implementing interventions that respond to their varied needs is therefore central to the program's design and is considered critical to bringing about the desired long-term change.

Women have unique knowledge, skills, and perspectives that can significantly contribute to the identification of appropriate adaptation measures and ensure that they are implemented effectively and efficiently. There are increasing examples of grassroots women's organisations closely collaborating with local governments to make use of their knowledge and capacity to assess, prioritise, negotiate, and influence resource allocation for resilience investments targeted at vulnerable communities. Creating spaces for women to participate meaningfully in research studies, consultations and dialogues will thus be critical to ensuring that future investments respond to their specific needs and the achievement of the objectives under this pathway more generally.

Traditional knowledge that is rooted in a deep understanding of the land in which they inhabit also make indigenous peoples vital partners in the identification of appropriate adaptation measures and ensuring that they are implemented effectively and efficiently. Social, cultural, legal and institutional barriers also mean that indigenous peoples have a unique vulnerability context which requires adaptation interventions that respond to their specific needs. Indigenous people will therefore be critical stakeholders participating in the knowledge generation and dissemination under this pathway.

Activities: Under this pathway, ORCA TF will support partners to:

- i. Carry out analytical work (e.g., multi-hazard risk assessments, prefeasibility studies for implementing nature-based solutions for adaptation, etc.) to build knowledge and evidence of the benefits of investing in climate adaptation measures to build coastal resilience;
- ii. Carry out scoping studies of innovative financing instruments to mobilise private sector resources for climate adaptation in coastal areas;
- iii. Organise policy dialogues to communicate the findings of analytical and scoping work, and support interaction between a range of different stakeholders;
- iv. Carry out studies and organise dialogues that have the primary focus on women and girls, indigenous peoples, and other vulnerable groups to ensure meaningful participation and the responsiveness of outputs and outcomes to the specific needs of these groups.
- v. Share experiences with other countries and stakeholders at national and international fora.

Beneficiaries: The direct beneficiaries of the outputs of the activities proposed under this pathway will primarily be decision-makers within governments, and at various levels and in various ministries. Community leaders, business owners and managers, as well as individuals living, with a focus on women, in areas of climate risk will also directly benefit by participating in meaningful dialogues and having their voices heard, as well as gaining a deeper understanding of the climate risks and benefits from adaptation in the areas where they live. Specific activities and outputs designed to focus on women and girls, indigenous peoples and other vulnerable groups will ensure that they benefit directly from this pathway's interventions. Over the longer term, large numbers of people will benefit both directly and indirectly from the investments in climate adaptation in coastal areas that are expected to increase as a result of the advancement along this pathway.

The key assumption underpinning this pathway is that: Filling current information and knowledge gaps around climate adaptation in coastal areas and disseminating findings and sharing experiences through systematic and coordinated policy dialogues and evidence sharing events will support a change in attitudes and ultimately decision-making among key stakeholders towards scaling up investments in adaptation in coastal zones. These areas of progress will ultimately lead to increased commitment and allocation of both domestic and international finance for the implementation of coastal adaptation measures in areas of high climate risk.

Supporting assumptions:

- There is sufficient availability of adequate data and information to draw conclusions with adequate confidence of the benefits of investing in climate change adaptation measures in coastal areas.
- Women, indigenous peoples and other vulnerable groups are able to engage meaningfully in consultations, dialogues and research activities.
- Government members are open to acting on new information and understanding regarding the benefits of increased investment in climate change adaptation in coastal areas.

SHORT TERM CHANGE

In 2-3 years' time, by implementing the activities described above, ORCA TF will deliver/foster/support the following short-term changes (*outputs*):

Individuals in targeted communities, government and the private sector that live in coastal areas of high climate risk have;

- **Increased awareness and understanding of individuals** of climate risks in coastal areas.
- **Increased access to evidence for governments, national authorities, private sector and other stakeholders** of the benefits of investing in transformational climate adaptation measures for coastal resilience.
- **Increased understanding** of governments and national authorities of the types of adaptation strategies or measures that benefit communities, including the poor and vulnerable populations, especially women and girls.

The key assumptions that support ORCA TF's outputs under this pathway are:

- Government, private sector, research institutions and civil society organisations are willing and able to work together.
- Financed activities reach key actors that are in a position to influence policies, budget and programs in support of systemic change.
- Research products and policy dialogues raise awareness and overcome negative perceptions and risk aversion around coastal adaptation actions;
- Government, business and community leaders are open to adapting existing practices and processes for investment based on new knowledge on climate change risk and adaptation solutions.
- Specific related activities are carried out to engage women and girls, indigenous peoples and other vulnerable groups, in consultations and dialogue and these are effective in fostering meaningful participation.

MID-TERM CHANGE

If short-term changes have been achieved, then in 3-5 years' time, we would expect to see: (*intermediate outcomes*):

- **Climate risk informed budgets and programming:** Climate adaptation in coastal areas of high climate risk is prioritised in national and local strategies and investment plans.
- **Partnerships and networks:** National stakeholders (national and local government agencies, civil society organisations, community and business leaders) and regional stakeholders (stakeholder counterparts in different participating countries) collaborate to collectively identify appropriate adaptation solutions in coastal areas of high climate risk.

The key assumptions that support ORCA TF's intermediate outcomes are:

- Increased awareness and understanding of climate risks in coastal areas and the benefits of investing in adaptation will **lead to changes in government, business and community decision-making**. The change in decision-making is evidenced by the prioritisation and budgeting for coastal climate adaptation measures in strategies policies, plans and programs.

PATHWAY 2: CATALYSE LARGE-SCALE CLIMATE ADAPTATION FUNDING FOR COASTAL AREAS AND SUSTAINABLE BLUE ECONOMY

The objective of pathway 2 is to overcome barriers related to limited large-scale investment in building the resilience of coastal communities to climate change by securing ADB and other investment in climate adaptation measures in coastal areas. This will be achieved by providing a platform for coordinating the mobilisation of resources for supporting site-specific studies related to the feasibility of specific adaptation measures - some of which will be innovative and require pilot testing - that otherwise would not be considered as part of large-scale investment projects. Success is defined by the number of investment projects approved by ADB or others that include climate adaptation measures in coastal zones.

Primary stakeholders: National and local level government officials (ministries of planning and finance; ministries of agriculture, forestry and fisheries; ministries of environment and natural resources; departments of climate change/disaster management; ministries of urban planning, ministry of social affairs); ADB; international climate funds and bilateral donors.

Activities: Under this pathway, the program will;

- i. Co-ordinate the identification of suitable pipeline investment projects (ADB or others) across participating countries that reflect the ORCA TF's priorities and objectives.
- ii. Undertake feasibility studies and project development for investment projects to be financed by ADB or others that support transformational and nature-positive climate adaptation.
- iii. Identify and develop investments in transformational and nature-positive climate adaptation that explicitly target women and girls as primary beneficiaries and implementation leaders, responding to their specific needs.
- iv. Optimise resources allocated by creating synergies across existing programs/ projects, enhancing efficiency and improve targeting.
- v. Support the implementation of innovative adaptation measures (pilots) to demonstrate use of new technology and measures that could be scaled up as part of investment projects to be financed by ADB or others.

Beneficiaries: The outputs of the activities proposed under this pathway will directly benefit individuals living in areas where pilot projects are implemented. Women and girls will make up at least 50% of these beneficiaries. Over the longer term, the implementation of the investment projects will directly and indirectly benefit large numbers of people living in coastal areas of high climate risk.

The key assumption underpinning this pathway is that: There is currently limited financial support for undertaking site-specific studies related to the feasibility of various measures for climate adaptation in coastal areas as part of the development of large-scale investment projects funded by ADB or others in ADB's DMCs. By providing the additional financial resources required to test innovative solutions and undertake feasibility studies for adaptation measures and strategies as part of the development of large-scale investment projects to be

financed by ADB or others, more adaptation and resilience measures will be included in such projects.

Supporting assumptions:

- ADB or others are able to collaborate with governments and funding partners and agencies to finance large-scale climate change adaptation projects. (Link to pathway 1)
- There is a consistent pipeline of suitable investment projects to be financed by ADB or others in the seven-year implementation period of the program.

SHORT TERM CHANGES:

In 2-3 years' time, by implementing the activities described above, the program will deliver/foster/support the following short-term changes (*outputs*):

- **Increased number of investment opportunities** for large-scale adaptation projects in coastal areas are identified and secured financing.
- **Increased understanding** of the feasibility of site-specific adaptation measures and strategies in coastal areas in participating DMCs.
- **Increased understanding** of the feasibility of climate change adaptation investments in specific coastal areas in participating DMCs that explicitly strengthen the climate resilience of women, particularly poor women, and/or adaptation investments that are led by women.
- **Strategic alignment between adaptation investment projects** (public and private sector) to be financed by ADB or others in different countries unified by the overarching vision and common objectives of strengthening resilience in coastal areas.

The key assumptions that support the program outputs under this pathway are:

- ADB's DMCs prioritise climate change adaptation in coastal areas in country partnership strategies and country operations business plans. (Link to pathway 1)
- Appropriate investment projects are identified.
- Carrying out feasibility studies and testing innovative solutions for climate adaptation in coastal areas will provide the information required to determine their potential for scaling up as part of large-scale investment projects.

MID-TERM CHANGES

If short-term changes have been achieved, then in 3-5 years' time, we would expect to see (*intermediate outcomes*):

- **A growing portfolio of climate change adaptation projects** across the region (funded by ADB or others) that are closely aligned according to the program's priorities and objectives.
- Large numbers of **vulnerable coastal populations are targeted to receive the benefits** from investments in climate adaptation (funded by ADB or others).
- Large areas of **coastal ecosystems are targeted to benefit** ADB investments in rehabilitation and regeneration for resilience (funded by ADB or others).

The key assumptions that support ORCA TF's intermediate outcomes under Pathway 2 are:

- There is a growing culture of “business unusual” among decision-makers and Governments in participating countries are willing to invest in adaptation solutions in coastal areas. (Link to pathway 1)
- Iterative learning takes place with a growing awareness and evidence-base for the benefits adaptation for coastal resilience (linked to Pathway 1 and 3) that feeds into a self-reinforcing cycle of increased investment over the lifespan of the proposed project.
- The design and monitoring frameworks of the investment projects identify coastal populations as target beneficiaries of the project's outputs.

PATHWAY 3: BUILD CAPACITY AND SKILLS FOR THE IMPLEMENTATION AND SCALING OF INVESTMENTS IN CLIMATE ADAPTATION IN COASTAL AREAS AND SUSTAINABLE BLUE ECONOMY

In order to successfully implement investment projects approved under pathway 2, ORCA TF will support governments and communities to build their capacity and skills to undertake adaptation in coastal areas. **The objective of pathway 3** is therefore to overcome institutional and human capacity gaps that represent significant barriers for countries to implement the most strategic and impactful coastal adaptation measures by improving systems, processes, regulatory frameworks and partnerships, as well as knowledge and skills of individuals. A particular emphasis is placed on building knowledge and skills of individuals living in poverty, especially poor women, and improving their access to information and systems that strengthen their adaptive capacity.

Stakeholders: National and local level government officials (ministries of planning and finance; ministries of agriculture, forestry and fisheries; ministries of environment and natural resources; departments of climate change/disaster management; ministries of urban planning, ministry of social affairs, etc.), ADB, civil society groups, community leaders, poor and vulnerable women and men living in coastal areas of high climate risk.

Activities:

- i. Improvement of systems to collect and maintain hazard, exposure and environmental data and increase access of individuals in civil society, governments and private sector to this data, ensuring that they respond to the specific needs of individual stakeholders (e.g., poor and vulnerable women);
- ii. Improving design standards and codes, including to incorporate standards for nature-based solutions;
- iii. Strengthening regulations and incentives for enforcement of coastal resilience measures;
- iv. Strengthening capacity of local governments and vulnerable communities, especially poor women, in engaging in implementing coastal resilience measures; and
- v. Strengthening partnerships with local, national and regional technical and financial organisations involved in climate adaptation and resilience;

Beneficiaries: The outputs of the activities proposed under this pathway will directly benefit individuals living in coastal areas of high climate risk who receive training and skills development on implementing coastal resilience measures. Women and girls will make up at least 50% of the targeted beneficiaries of capacity-building activities under this pathway. Government officials will also directly benefit from the training as will individuals and organisations that are able to collaborate more efficiently and effectively. Over the mid- to long term, it is expected that large numbers of people living in coastal areas that are vulnerable to the impacts of climate change will indirectly benefit as new/improved regulations start to be enforced and new climate adaptation measures are implemented.

The key assumption underpinning this pathway is that: Climate adaptation measures in coastal areas of high climate risk in ORCA TF's beneficiary countries are not being scaled up due to current limited institutional and human capacity and skills to implement such measures. If there is increased capacity to implement adaptation measures in coastal areas, then we would expect to see a self-reinforcing cycle of more investment over time and more adaptation measures/strategies being implemented.

Supporting assumptions:

- Governments are willing to adopt changes in their regulatory frameworks and design systems and processes.
- Stakeholders are willing to collaborate across sectors and at different levels
- There is a sufficient technical skills base from which new skills can be developed.

SHORT TERM CHANGES

In 2-3 years' time, the program will deliver/foster/support the following short-term changes (outputs):

- Government officials, private enterprises, and poor and vulnerable people (especially women) living in coastal areas of high climate risk have **increased availability and accessibility of information and data** related to climate hazard, exposure and vulnerability.
- **Design standards and codes** for coastal adaptation measures developed.
- **Appropriate policy incentives and regulations** for enforcement of coastal resilience measures identified.
- Government officials and individuals in targeted communities (especially women and girls) have **improved knowledge, attitudes and skills** for implementing climate change adaptation measures.

The key assumptions that support the program outputs under this pathway are:

- Appropriate technologies and methods for collecting information and data related to climate hazard, exposure and vulnerability in coastal areas are available and accessible.
- Appropriate training is delivered, along with the necessary inputs and resources to address local needs and priorities, and participants acquire new knowledge and skills.
- Vulnerable groups such as women and girls, and indigenous people are effectively targeted and are able to access capacity-building initiatives that respond to their specific needs.

- Governments are willing and able to revise existing or introduce new regulations and policy incentive for the implementation of coastal adaptation measures.

MID TERM CHANGES

If the short-term changes have been achieved, then in 3-5 years' time, we would expect to see (intermediate outcomes):

- **Information and data** related to climate hazard, exposure and vulnerability being used to inform decision-making related to implementing climate adaptation measures in coastal areas.
- Improved **policy frameworks and governance structures** related to the implementation of adaptation measures in related sectors.
- **Increased collaboration** between different stakeholders and across different levels to implement adaptation measures.
- **New techniques and skills being applied** by governments and individuals in targeted communities to address climate change related challenges in coastal areas.
- **Private sector investing in** adaptation solutions in coastal areas.

Assumptions:

- A range of different stakeholders are willing to collaborate on the implementation of adaptation measures in coastal areas.
- Capacity-building activities provide government officials, businesses and individuals in targeted communities with the skills required to implement adaptation measures.

Outcome: Investment in climate change adaptation in coastal areas in Asia and the Pacific region is scaled up.

The program's Theory of Change states that in seven years' time, the combination of the outputs, and intermediate outcomes of pathways 1, 2 and 3 will result in the outcome of scaled-up investment in climate change adaptation in coastal areas in Asia and the Pacific region. As such the theory is that:

- if knowledge and attitudes for increased investment in coastal adaptation measures is strengthened; and
- if large-scale adaptation funding for coastal areas is catalysed; and
- if capacity and skills for scaling up investments in climate adaptation in coastal areas is built

then

Investment in climate change adaptation in coastal areas in Asia and the Pacific region is scaled up.

Assumptions:

- Climate risk informed policies, plans and programs direct finance towards adaptation in coastal areas.
- Knowledge, evidence and learning emerging from the implementation process is generated and effectively integrated on an ongoing basis.

Impact: Climate Resilience of People Living in Coastal Areas in Asia and the Pacific region is strengthened.

Scaling up investments in climate change adaptation in coastal areas and sustainable blue economy is considered a key prerequisite for strengthening the resilience of people living in coastal areas in Asia and the Pacific region. The theory of change for the program proposes that if investment in adaptation in coastal areas and sustainable blue economy is scaled up, then this will result in strengthened climate resilience of individuals within the communities targeted by ORCA TF. The ToC recognises that ORCA TF is located within a wider set of international, national and local development actions on ecosystems, environmental issues, climate change, economic growth, livelihoods, poverty reduction, governance and many other issues. It is anticipated that other funds, agencies and research programmes will interact with the program activities and networks.

Key Assumption: The key assumption here is that projects implemented under new investments benefit the people, especially the most vulnerable, living in coastal areas with high climate change risk and have positive impacts on resilience to climate change.

Annex B: Project Logical Framework

Design and Monitoring Framework for ORCA TF				
Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions	NDF RMF Indicator Mapping
Impact Resilience of poor and vulnerable people living in coastal areas in participating DMCs to the impacts of climate change is strengthened	# and % of individuals with reduced vulnerability to climate-related shocks / hazards (disaggregated by sex, age, disability by level/area: country, subnational, national, urban, rural). Baseline: 0 Target: 4.8 million (at least 50% women)	Individuals beneficiaries / Surveys/questionnaires / Impact study report	<u>Assumption:</u> Individuals targeted by the program are willing to adopt and apply new skills, techniques, practices, systems etc. over the medium to long term. <u>Risks:</u> The impact of extreme climate shocks or stresses during program implementation delays adoption of skills, techniques, etc.	Level: Outcome (End of project) Statement: Reduced vulnerability of individuals, especially women and girls to climate-related shocks / hazards. Indicator: % of projects with at least 80% of end beneficiaries with reduced vulnerability to climate-related shocks / hazards.
Outcome Investment in climate change adaptation in coastal areas and sustainable blue economy in Asia and the Pacific region is scaled up.	a. Amount of climate finance is leveraged and allocated for climate adaptation and sustainable blue economy measures in coastal areas in Asia and the Pacific region as a result of ORCA TF. (disaggregated by type of investment: foreign/domestic, instrument: direct/indirect, instrument: grant, loan, equity, etc.). Baseline 0 Target: USD 200m	a. ADB project documents from approved investment projects (e.g., loan agreements) / Annual reports	<u>Assumption:</u> Improved knowledge, awareness, and capacity create a change in government and community practices that lead to increased investment and financing for climate change adaptation.	Level: Outputs (Enabling) Statement: Additional climate finance mobilised Indicator: Change in amount of climate finance mobilised.
	b. # and % of individuals targeted to benefit from investments in climate	b. ADB Design and Monitoring	<u>Assumption:</u> ADB investment projects include adaptation	Level: Immediate outcome

	<p>adaptation in coastal areas and sustainable blue economy through investment projects financed by ADB or others (designed with the support of ORCA TF) (Disaggregated by: sex, age, disability; type of measures; infrastructure, services, physical assets, capacity-building; country/level). Baseline: 0</p> <p>Target: 4.8 million (at least 50% women)</p>	<p>Frameworks from approved investment projects / Annual reports</p>	<p>related outputs that are focused on increasing the use, uptake or application of adaptation strategies and measures that benefit large numbers of people living in coastal areas.</p>	<p>Statement: Climate and disaster resilience and adaptability of cities, human settlements and infrastructure strengthened</p> <p>Indicator: # of people benefiting from established or improved weather and climate services, adaptation, and disaster risk management (DRM) plans and/or early warning systems (EWS)</p>
	<p>c. # and % of people that apply new skills and techniques to address climate change related challenges in coastal areas and sustainable blue economy as a result of ORCA TF's direct support for capacity-building (disaggregated by; sex, age, disability; type of measures; type of person; Government official)</p> <p>Baseline: 0 Target: TBC</p>	<p>c. Surveys and field visits / Annual project reports.</p>	<p><u>Assumption:</u> Capacity-building and skills development programs target the right people and are appropriately designed.</p>	<p>Level: Outcomes (Immediate)</p> <p>Statement: Climate and disaster resilience and adaptability of cities, human settlements and infrastructure strengthened.</p> <p>Indicator: # of people benefiting from established or improved weather and climate services, adaptation, and disaster risk management (DRM) plans and/or early warning systems (EWS).</p>
	<p>d. Area (Ha) covered by new/improved regulations/codes/plans that promote climate resilience in coastal areas and sustainable blue economy (disaggregated by; type of regulation; area/level; national, city, municipality, etc.)</p> <p>Baseline: 0 Target: TBC</p>	<p>d. GIS data/government databases / Annual project reports.</p>		<p>Level: Immediate outcome</p> <p>Statement: Climate and disaster resilience and adaptability of cities, human settlements and infrastructure strengthened</p> <p>Indicator: Size of area brought under climate change adaptation and disaster risk management (DRM) plans</p>

<p>Outputs</p> <p>1. Upstream climate adaptation planning for coastal resilience is strengthened.</p>	<p>1a. # of studies and assessments that generate knowledge and evidence regarding the benefits of transformative climate adaptation solutions in coastal areas and sustainable blue economy. (disaggregated by theme; multi-hazard assessments, women-focused/nature-based solutions, cost-benefit analysis, innovative financing instruments for climate adaptation in coastal areas and sustainable blue economy.)</p> <p>Baseline: 0</p> <p>Target: TBC</p>	<p>1a. Research reports / Annual program report</p>	<p>Assumption: Research and knowledge products address critical gaps in understanding and awareness with regards to inclusive, pro-poor local level adaptation.</p>	<p>Level: Output</p> <p>Statement: Cities and human settlements equipped with solutions for increasing climate and disaster resilience and adaptability</p> <p>Indicator: # of disaster risk management, adaptation strategies, plans and/or weather and climate and/or early warning system/services established or improved</p>
	<p>1b. No. of individuals from key stakeholder groups in ORCA TF's beneficiary countries who attend policy dialogue and evidence-sharing events that have increased awareness on the benefits of climate adaptation in coastal areas and sustainable blue economy (disaggregated by sex, age, disability, type of beneficiary - , level/area -national, sub-national, urban, rural)</p> <p>Baseline: 0</p> <p>Target: TBC</p>	<p>1b. Workshop reports/Participant evaluations; annual progress reports.</p>	<p>Assumption: Policy dialogues and evidence-sharing workshops are effective in building a culture of collaboration and learning between program stakeholders.</p> <p>Risk: People of influence from governments, civil society - organisations and communities do not participate in the policy dialogues and knowledge-sharing events.</p>	<p>Level: Outputs (Enabling)</p> <p>Statement: Increased capacities, improved skills and raised awareness.</p> <p>Indicator: # of individuals with increased capacities, improved skills and/or raised awareness.</p>

<p>2. Transformational adaptation investments are identified and developed.</p>	<p>2a. # of suitable pipeline projects (funded by ADB or others) identified for potential support from the program. (Disaggregated by, country, sector). Baseline: 0 Target: TBC</p>	<p>2a. ADB, or other, investment project concept notes; / annual progress reports.</p>	<p>Assumption: ADB's DMCs prioritise climate change adaptation in coastal areas and sustainable blue economy in country partnership strategies and country operations business plans.</p>	<p>N/A</p>
	<p>2b. # of studies assessing the feasibility of transformative climate adaptation measures and sustainable blue economy in coastal areas of Asia and the Pacific region carried out. (Disaggregated by, country, type of measures; nature-based solutions, small-scale community infrastructure, women-focused, resilient livelihoods, etc). Baseline: 0 Target: TBC</p>	<p>2b. Feasibility reports; / annual progress reports.</p>	<p>Assumption: Appropriate investment projects (funded by ADB or others) are identified and meet the program eligibility criteria for investment.</p>	<p>Level: Output Statement: Cities and human settlements equipped with solutions for increasing climate and disaster resilience and adaptability Indicator: # of disaster risk management, adaptation strategies, plans and/or weather and climate and/or early warning system/services established or improved</p>
	<p>2c. # of pilot projects testing innovative climate adaptation measures and/or sustainable blue economy implemented as a result of ORCA TF (disaggregated by type of new technology / measures used). Baseline: 0 Target: TBC</p>	<p>2c. DMFs of TA projects / project completion reports / annual progress reports.</p>	<p>Assumption: Carrying out feasibility studies and testing innovative solutions for climate adaptation in coastal areas and sustainable blue economy will provide the information required to determine their potential for scaling up as part of large-scale investment projects.</p>	<p>N/A</p>

3. Strengthening capacity for implementing climate adaptation measures in coastal areas and sustainable blue economy	<p>3a. # of systems to collect and maintain hazard, exposure and environmental data are established or improved as a result of the program. Baseline: 0 Target: TBC</p>	<p>3a. Government documents (manuals, guidelines, standard operating procedure documents, etc.) / Annual program report.</p>	<p><u>Assumption:</u> Appropriate technologies and methods for collecting information and data related to climate hazard, exposure and vulnerability in coastal areas are available and accessible.</p>	<p>Level: Outputs</p> <p>Statement: Cities and human settlements equipped with solutions for increasing climate and disaster resilience and adaptability.</p> <p>Indicator: # of disaster risk management, adaptation, strategies, plans and/or weather and climate and/or early warning system services established or improved.</p>
	<p>3b. # of DMCs where proposals for new/improved design standards and codes for infrastructure and nature-based solutions in coastal zones are developed. (disaggregated by country; administrative level municipal, district, national level. Baseline: 0 Target: TBC</p>	<p>3b. Project reports (building codes, etc.) / Annual program report.</p>	<p><u>Assumption:</u> Governments are willing and able to revise existing or introduce new regulations and policy incentives for the implementation of coastal adaptation measures.</p>	<p>Level: Output</p> <p>Statement: Sustainable solutions for natural resources management, conservation and ecosystem-based services established and/or improved</p> <p>Indicator: # of measures on conservation, sustainable use and/or management of natural resources supported to benefit the habitat, biodiversity, and/or ecosystems</p>
	<p>3c. # of individuals that report increased capacities and improved skills to implement climate adaptation measures in coastal areas as a result of ORCA TF (disaggregated by sex, age, disability, type of beneficiary - , level/area -national, sub-national, urban, rural) Baseline: 0 Target: TBC</p>	<p>3c. Workshop reports/Participant evaluations; annual progress reports.</p>	<p><u>Assumption:</u> Appropriate training is delivered, along with the necessary inputs and resources to address local needs and priorities, and participants acquire new knowledge and skills.</p>	<p>Level: Outputs (Enabling)</p> <p>Statement: Increased capacities, improved skills and raised awareness.</p> <p>Indicator: # of individuals with increased capacities, improved skills and/or raised awareness.</p>

Key Activities

1. **Output 1: Upstream climate adaptation planning for coastal resilience and sustainable blue economy.**
 - 1.1. Undertake analytical work to generate knowledge and evidence of the benefits of investing in climate adaptation measures in coastal areas and sustainable blue economy in participating DMCS
 - 1.2. Undertake scoping studies of innovative financing instruments to mobilise private sector resources for climate adaptation in coastal areas and sustainable blue economy
 - 1.3. Convene policy dialogues to communicate the findings of analytical work and raise awareness of strategic (and at times sensitive) climate adaptation approaches (e.g., managed retreat)
 - 1.4. Engage with potential financing partners (national development banks, multi-lateral development banks, climate finance institutions, bilateral donors, the finance and insurance sector, and private sector) to mobilise financing for climate adaptation measures in coastal areas and sustainable blue economy
 - 1.5. Share experiences with other countries and stakeholders at national and international fora
2. **Output 2: Transformational climate adaptation and sustainable blue economy investments are identified and developed.**
 - 2.1. Undertake feasibility studies and project preparation for projects to be financed by ADB or others that support transformational and nature-positive climate adaptation
 - 2.2. Support implementation of innovative adaptation measures (pilots), especially to demonstrate use of new technology and measures
3. **Strengthening capacity for implementing climate adaptation in coastal areas and sustainable blue economy measures.**
 - 3.1. Improve systems to collect and maintain hazard, exposure and environmental data
 - 3.2. Improve design standards and codes, including to incorporate standards for nature-based solutions
 - 3.3. Strengthen regulations and incentives for enforcement of coastal resilience measures
 - 3.4. Strengthen capacity of local governments and vulnerable communities, especially women in engaging in implementing coastal resilience measures and
 - 3.5. Strengthening partnerships with local, national and regional technical and financial organizations involved in climate adaptation/resilience and sustainable blue economy

Inputs:

To be confirmed

Annex C: Updated NDCs of beneficiary countries and priorities of the Nordic countries

NDCs of beneficiary countries

- *Effective management and protection of ecological systems of marine and coastal zones to avoid adverse impacts from various factors, build their resilience and restore its functions for productive and healthy oceans¹⁷ (Cambodia),*
- *Implementing the target program for sustainable forestry development in support of conservation of forest carbon stocks, protecting, restoring and planting mangroves and coastal protection forests¹⁸ (Viet Nam)*
- *Adaptation targets include 30% of land utilized for agro-forestry or forestry by 2025, prevent any permanent loss of land due to rising sea levels on Tonga's four main islands; and maintenance of the existing stocks of fish and other marine species¹⁹ (Tonga)*
- *Marshall Islands pathway to adaptation include four areas related to protection (e.g. coastal protection), elevation (e.g., elevated settlements to deal with sea level rise), consolidation (e.g. consolidating the population onto elevated settlements), and relocation (e.g. migration). ²⁰(Republic of the Marshall Islands)*
- *To better adapt to climate change by enhancing investments in development programmes in sectors vulnerable to climate change, particularly ... coastal regions. (India)²¹*
- *The Maldivian NDC identifies 10 priority areas with potential for adaptation opportunities. They include coastal protection, safeguarding coral reef and its biodiversity, tourism, Fisheries, Early Warning and Systematic Observation and Cross Cutting Issues. (Maldives)²²*

Priorities of the Nordic countries

An Oceans for Development programme was launched in 2019 by the Norwegian Prime Minister to reinforce Norway's development cooperation on ocean management. Norway is a long-standing supporter of ocean-related programs and Ocean for Development is a complement to already existing initiatives and the overarching objective is to promote a strengthened, sustainable and inclusive ocean economy in cooperating countries.²³

- Finland's objectives in development policy priority area on climate change and sustainable use of natural resources.²⁴

¹⁷ https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Cambodia%20First/20201231_NDC_Update_Cambodia.pdf

¹⁸ https://unfccc.int/sites/default/files/NDC/2022-06/Viet%20Nam_NDC_2020_Eng.pdf

¹⁹ <https://policy.asiapacificenergy.org/sites/default/files/Tonga%27s%20Second%20NDC.pdf>

²⁰ <https://unfccc.int/documents/497728>

²¹ <https://unfccc.int/sites/default/files/NDC/2022-08/India%20Updated%20First%20Nationally%20Determined%20Contrib.pdf>

²² <http://www.environment.gov.mv/v2/wp-content/files/publications/20181231-pub-ndc-implementation-plan-final-draft.pdf>

²³ [Oceans for Development \(norad.no\)](https://www.norad.no/en/oceans-for-development)

²⁴ [Climate change and sustainable use of natural resources - Ministry for Foreign Affairs \(um.fi\)](https://um.fi/en/Climate-change-and-sustainable-use-of-natural-resources)

- Reduce the vulnerability of people and communities to extreme weather events and natural disasters and increase their resilience.
- Create equal opportunities for sustainable and climate-friendly food production and access to safe and nutritious food.
- Foster the sustainable management, use and protection of renewable natural resources and ecosystems, such as forests and water systems.
- Denmark will focus its efforts on supporting green transition with adaptation to climate change initiatives receiving at least 60% of Denmark's climate finance aid. Particular attention is accorded to promoting nature-based solutions: *We must promote nature-based solutions, such as restoration of mangrove forests. Mangrove forests bind large volumes of carbon dioxide, provide important habitats for animals, and protect coastal areas from flooding.*²⁵
- Iceland's 2019-2023 Policy for International Development Cooperation identifies, amongst others, the following priority areas:
 - *Speedy recovery, increased resilience, and stronger infrastructure of societies,*
 - *The protection of the earth and sustainable use of natural resources: Increasing the resilience of societies and enhancing economic growth on the basis of equality and sustainable use of natural resources, in addition to taking measures against climate change, and*
 - *The protection and sustainable management of the oceans and waters (pursuant to SDG 14)*²⁶
- Sweden's 2022-2026 Strategy for Asia and the Pacific explicitly singles out coastal and marine environments forests, water and sustainable land use as a priority area for the region. In addition, the strategy puts an emphasis on regional cooperation on the use and management of cross-border natural resources, and a toxin-free circular economy. Priority will be given to support for conservation and enhancement of biodiversity and ecosystems, and sustainable chemical and waste management in line with undertakings linked to relevant conventions.²⁷

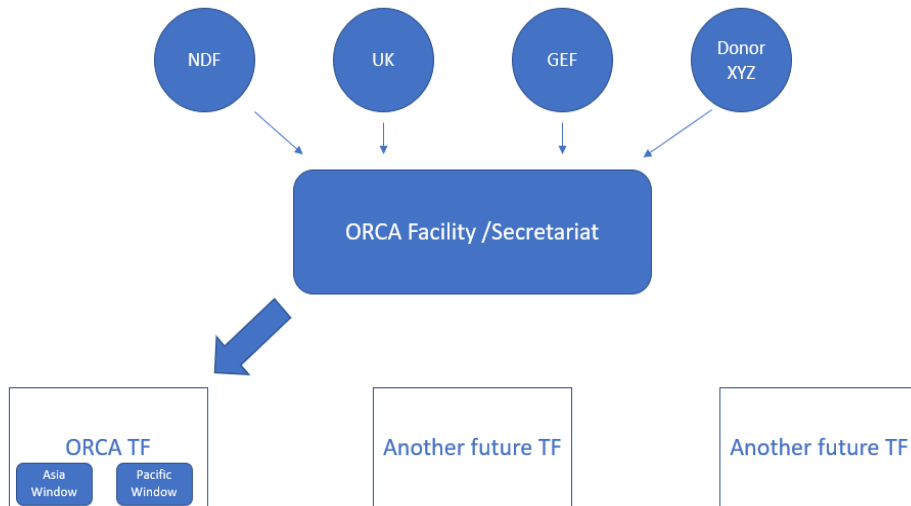
²⁵ [The-Governments-priorities-for-danish-development-cooperation-2022.pdf](#)

²⁶ [Parliamentary Resolution on Iceland's policy for international development cooperation.pdf \(government.is\)](#)

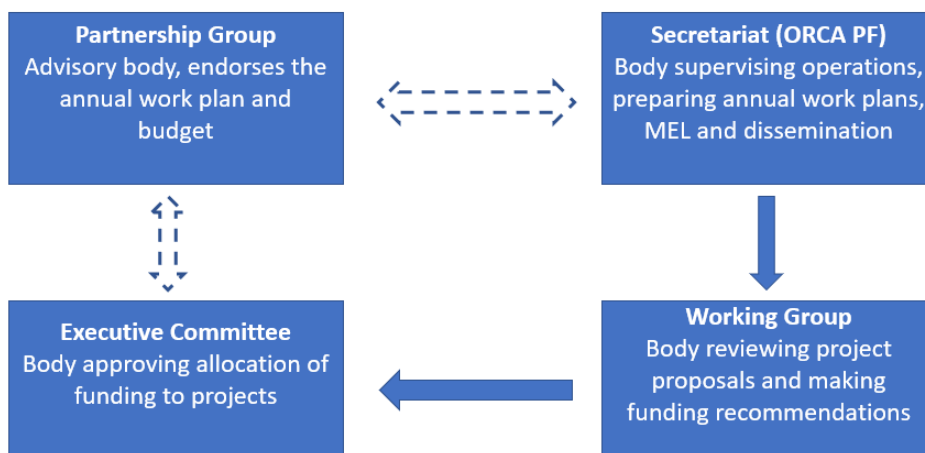
²⁷ [strategy-for-swedens-regional-development-cooperation-with-asia-and-the-pacific-region-in-20222026.pdf \(government.se\)](#)

Annex D: Structure, flow of funds, governance and management

Flow of funds



Governance and management structure



Annex E: Implementation plan: to be agreed.