



PACIFIC ISLANDS FORUM SECRETARIAT

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FORUM ECONOMIC MINISTERS MEETING

22 - 23 July 2025

Suva, Fiji

AGENDA ITEM.8: INVESTMENT FORUM (ACCESS TO CLIMATE FINANCE)

Purpose and Recommendation

Purpose

This paper provides an update on the implementation of the Climate Finance Access and Mobilisation Strategy (CFAMS), particularly regarding the convening of an Investment Forum.

Summary

Working in close consultation with Members and partners, the Forum Secretariat seeks to mobilise new and diverse sources of climate finance, particularly from non-traditional donors and the private sector, to advance regional climate action priorities.

In this context, the Investment Forum, scheduled for the first quarter of 2026, will serve as a strategic platform to connect investment-ready project proposals with potential investors, with the objective of securing financial commitments. The projects will be drawn from priority sectors already identified through complementary regional initiatives such as the Regional Programmatic Approach to Climate Action (RPACA), and the Unlocking Blue Pacific Prosperity (UBPP) initiative.

The CFAMS is aligned to the 2050 Strategy for the Blue Pacific Continent (2050 Strategy) and the Pacific Roadmap for Economic Development (PRED), and seeks to support sustainable, inclusive, and resilient development in the Pacific.

A. Problem/Opportunity Identification

1. Forum Island Countries (FICs) have long faced systemic challenges in accessing adequate and predictable climate finance. Today's climate reality is marked by rising global temperatures, intensifying impacts, escalating adaptation costs, and tightening fiscal

constraints. As such, the urgency to address these challenges both at the national and regional level, is more critical than ever.

2. With the endorsement of the CFAMS at the Special Forum Economic Ministers Meeting (FEMM) in March this year, the focus has now shifted to its implementation. Given Ministers' concerns regarding the shortfalls in meeting regional climate finance needs, there is a growing imperative to diversify funding sources by actively engaging non-traditional partners, private capital markets, Multilateral Development Banks (MDBs), and innovative financing vehicles.

3. To catalyse new and diversified sources of climate finance for the region, it is essential that regionally significant climate initiatives are transformed into fully developed, investment-ready proposals, that reflect clearly articulated priorities. In this regard, the success of the proposed Investment Forum will depend heavily on the quality and readiness of these proposals. This will require substantial preparatory work to ensure alignment with investment criteria, financing modalities, and implementation frameworks—underpinned by robust technical analysis.

4. To support this effort, the Secretariat, will work closely with regional agencies and development partners to coordinate a Preparatory and Prioritisation Workshop. This will serve as a critical precursor to the Investment Forum and will enable the consolidation of regional priorities into coherent, fundable proposals that respond to national needs and investor expectations.

5. The Workshop will build on and consolidate existing efforts, including the RPACA and the UBPP initiative. It will ensure alignment with both national and regional priorities, while also leveraging the growing momentum around the Pacific Resilience Facility (PRF). The objective is to bring coherence and coordination across these initiatives, and to streamline efforts under the CFAMS as the unifying regional strategic framework rather than duplicating processes or pursuing fragmented pathways.

B. Background

6. FICs have consistently raised concerns over the limited and inefficient flow of climate finance to the region. Despite the presence of multiple financing channels, including bilateral donors, multilateral climate funds, and development banks, the climate finance landscape remains fragmented, ad-hoc, and poorly coordinated. This lack of cohesion often results in missed opportunities to scale investments and align funding with regional priorities. Several studies¹ have highlighted this challenge starkly noting that the Pacific received only 2% of the US\$20 billion that was disbursed during the Green Climate Fund's (GCF) initial mobilisation and first replenishment cycles, despite an estimated annual regional need of US\$1 billion.

7. This underscores the urgency of adopting a more coordinated, and strategic approach to accessing and managing climate finance—particularly in the context of emerging climate finance flows and the New Collective Quantified Goal on Climate finance outcomes from COP29. In the longer term, building the enabling environment through strengthened macroeconomic management, governance frameworks, public investment systems, and fiscal

¹ GCF regional allocation reports and PIFS own assessment of climate finance access for the Pacific carried out in 2019.

risk management, will be critical. These foundational reforms are essential not only for effective implementation but also for improving future access.

8. In 2022, the FEMM tasked the Secretariat to work with regional agencies and development partners to enhance Members' access to climate finance by developing a regional strategic approach to address the access issues referenced above. In 2023, the FEMM extended the timeline for the development of a regional climate finance strategy, to ensure alignment with evolving global climate finance developments, and the integration of scientific and technical insights. This process culminated in the development of a Technical Climate Finance Needs Assessment Report which then informed the development of CFAMS, which was subsequently endorsed at the Special FEMM earlier this year.

9. The CFAMS was developed alongside the Pacific Roadmap for Economic Development (PRED), so it aligns with the PRED's Regional Priority Action 2.2 – *Improving access to Finance including Climate Finance*. Moreover, CFAMS also addresses system outcome 1.4 under the 2050 Strategy thematic area of Climate Change and Disaster, *Improved access of Pacific governments to available climate and disaster finance, in line with their needs, supported by strengthened absorptive and institutional capacity*.

10. In recognition of other parallel initiatives such as the RPACA and UBPP, among others, CFAMS seeks to ensure that climate finance strengthens sustainable, resilient, and inclusive, development in the Pacific region by providing the strategic framework as a point of convergence and alignment.

11. Consultations have been held with several Members States and the UNFCCC over the past 12 months to reconfirm and coordinate support for the CFAMS, and the proposed Investment Forum. These efforts also seek to augment national and regional efforts that are already underway to strengthen the Pacific's positioning regarding the mobilisation of additional climate finance resources, using innovative sustainable financing opportunities.

C. Required preparatory work leading into the Investment Forum

12. In preparation for the Investment Forum, regional priorities and pipelines need to be consolidated through a Preparatory and Prioritisation Workshop. This is a critical technical process that will ensure that projects have regional credibility, political endorsement, and have been scrutinised, to meet funders' investment criteria.

13. The Workshop is an important step leading up to the Investment Forum and will focus on achieving the following key objectives:

- i. Update Member States' Climate Action Priorities
Ensure that national and regional climate priorities are current, coherent, and aligned, with the latest policy developments and funding opportunities.
- ii. Identify and Address Financing Barriers
Diagnose the key challenges faced by Member States in mobilising resources through traditional climate finance mechanisms, and explore practical solutions and alternative pathways, to be discussed at the Investment Forum.
- iii. Confirm Sectoral and Thematic Priorities

Reach consensus on a set of high-impact, regionally relevant thematic areas and project components, that will be prioritised for development into full, investment-ready proposals, to be showcased at the Forum.

iv. Agree on the structure and planning process of the Investment Forum

Advance discussions on the overall format, structure, and stakeholder participation. This includes defining clear objectives, expected outcomes, and guiding principles, to inform the planning, coordination, and effective execution of the event.

D. Resource Requirement

14. In anticipation of future policy implications of this work, a partial budget allocation from the Secretariat's primary budget has been proposed, with the balance to be funded by the OPEC Fund for International Development.

15. The Preparatory and Prioritisation Workshop will also be an opportunity to identify other potential funding and resources to support the Investment Forum.

E. Next Steps

16. A Draft Concept Note for the Investment Forum is attached at **Annex 1**. This will be further considered at the Preparatory and Prioritisation Workshop.

*Pacific Islands Forum Secretariat
Suva, Fiji
18 July 2025*



Concept Note

Climate Finance Investment Forum

1. Objective

To convene a high-level, multi-stakeholder Pacific Climate Investment Forum that brings together climate finance partners, donors, private sector and investors to consider and commit funding support for a portfolio of regionally prioritised, project-ready climate adaptation initiatives that address the urgent needs and priorities of Pacific Island countries.

2. Strategic Rationale

Despite the proliferation of climate finance mechanisms, Pacific Small Island Developing States (PSIDS) continue to face systemic challenges in accessing meaningful, predictable, and fit-for-purpose climate finance—particularly for adaptation and resilience development. The fragmented and ad-hoc nature of existing funding efforts often leads to inefficiencies, duplicated processes, and limited impact.

A recent analysis revealed that the Pacific secured less than 2% of the US\$20 billion disbursed during the Green Climate Fund's (GCF) initial resource mobilisation and first replenishment cycles—far short of the region's estimated annual climate finance needs of US\$1 billion. The current approach is not working. A more coordinated and regionally driven strategy is urgently needed.

The Pacific Climate Finance Investment Forum, as the flagship implementation platform of the Climate Finance Access and Mobilisation Strategy (CFAMS), seeks to change this paradigm by:

- Aggregating regional project pipelines into coherent investment packages.
- Aligning these pipelines with diverse investor criteria and implementation modalities.
- Building lasting partnerships across the climate finance ecosystem—from multilateral funds to philanthropic capital and private investors.

3. Structure and Process

Stage 1: Regional Validation and Prioritisation Workshop (Oct–Nov 2025)

A 3-day preparatory workshop will be convened to:

- **Update** Member States' national climate action priorities and ensure alignment with CFAMS, the 2050 Strategy for the Blue Pacific Continent, and other regional frameworks such as the PRED and the PRF.
- **Identify** challenges in accessing finance through traditional mechanisms and explore how the Investment Forum can be used to address these barriers.
- **Confirm** regional thematic priorities and project concepts for full proposal development.

- **Coordinate** regional efforts by building on existing initiatives, such as RPACA, UBPP, and the Pacific Resilience Facility (PRF), to avoid fragmentation and ensure synergy.
- **Establish** a Steering Committee to guide the Investment Forum design, coordination, and delivery.

Stage 2: Proposal Development Phase (Nov 2025–April 2026)

Following the workshop:

- Technical Consultants and teams will develop and refine selected project concepts.
- Pre-feasibility and financing assessments will be conducted.
- Project documents will be packaged to meet the standards of target investors.

Stage 3: Pacific Climate Investment Forum (Apr–May 2026)

A 3-4 day high-level event that will:

- **Showcase** a portfolio of investment-ready climate adaptation proposals.
- **Facilitate** direct engagement between project proponents and investors through match-making sessions.
- **Host** thematic roundtables on innovative financing tools (e.g. blended finance, risk-sharing instruments).
- **Launch** a pledging platform or investment roundtable for commitment announcements.
- **Promote** regionally owned mechanisms like the PRF as vehicles for pooled investments and long-term resilience finance.
- **Support** institutional dialogue on improving access, reporting, and fiduciary capacity.

4. Expected Outcomes

- A portfolio of regional and national climate adaptation projects with secured or prospective funding.
- Stronger engagement with philanthropic actors, non-traditional partners, and the private sector.
- Improved coordination and coherence in regional climate finance mobilisation under CFAMS.
- Elevated visibility of Pacific-led solutions and leadership in the global climate finance space.

5. Budget and Resource Requirements

To ensure the successful planning and delivery of both the validation workshop and the Investment Forum, the following resource needs are identified:

- Coordination support (technical staff, travel, logistics)
- Consultancy services (proposal development, investment packaging)
- Event facilitation (venue, interpretation, media)
- Communications and outreach (briefs, visibility materials)

6. Proposed Timeline

Activity	Timing
Validation & Prioritisation Workshop	October–November 2025
Proposal Development Period	November 2025 – April 2026
Investment Forum	April–May 2026

7. Next Steps

1. Secure endorsement and funding for preparatory activities.
2. Mobilise technical and logistical support through PIFS and partners.
3. Engage Member States to identify priority project concepts.
4. Initiate targeted outreach to donors, investors, and financial institutions.
5. Launch a communications strategy to promote participation and outcomes.