



PRESS RELEASE

15 October 2019

Suva, Fiji – This October the Pacific Financial Inclusion Programme (PFIP) and the Munich Climate Insurance Initiative (MCII) will further assess the opportunities for setting up a climate adaptation and risk insurance programme in Papua New Guinea, Samoa, and Solomon Islands. The team met with a wide array of stakeholders, government representatives, meteorological departments, farmer cooperatives, financial services providers, and donors to understand their specific needs and identify opportunities for a comprehensive climate adaptation and disaster risk finance programme for Pacific Island states.

Extreme weather events and natural catastrophes have a great impact on the economies and livelihoods of Pacific Island Countries. With the changing of climate and the ever-growing intensity of natural hazards, having financial mechanisms in place to quickly cope with such events can assist in offsetting loss and damages.

A scoping study was thus conducted in February 2019 by PFIP and MCII to explore the possible implementation of climate risk adaptation and disaster risk financing mechanisms in the Pacific. One potential financial instrument is climate risk insurance, which pays out to beneficiaries quickly after a triggered event.

As a result of this study in Fiji, Vanuatu, and Tonga, the Pacific Insurance and Climate Adaptation Programme (PICAP) was created to respond to the growing needs for disaster risk financing solutions for natural hazards in the region.

The PICAP implementation framework, which covers the need and demand for disaster risk financing, intervention logic, proposed workstreams, potential products to be developed as well as possible partnerships, has been presented at a workshop on 1st October in Suva, Fiji.

PICAP's objective is to help Pacific Island communities and governments better prepare for natural hazards through comprehensive disaster risk finance approaches, including climate risk insurance. PICAP will work across four workstreams: 1) Research and Risk Appraisal, 2) Policy & Regulation, 3) Product Development and 4) Market Development. The unique value proposition of the programme is to provide tailor made disaster risk finance solutions to micro, meso, and macro level beneficiaries. The programme will investigate how digital platforms can be leveraged for immediate and direct transfers to targeted vulnerable beneficiaries.

The scoping and feasibility study across six countries as well as the initial development of the PICAP is supported by the UNDP administered by the Disaster Resilience for Pacific Small Island Developing States (RESPAC) project.



About PFIP

PFIP is a Pacific-wide programme that has helped over two million Pacific islanders gain access to financial services and financial education. It achieves these results by funding innovation with financial services and delivery channels, supports policy and regulatory initiatives, and the empowerment of consumers. It is jointly administered by the UN Capital Development Fund (UNCDF) and the United Nations Development Programme (UNDP) and receives funding from the Australian Government, the European Union and the New Zealand Government. PFIP operates from the UNDP Pacific Office in Suva, Fiji and has projects in Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga and Vanuatu.

About MCII

MCII is hosted at the United Nations University Institute for Environment and Human Security (UNU-EHS) in Bonn (Germany). This initiative is a leading think tank on climate change adaptation and disaster risk financing, specialized in innovative insurance related solutions. MCII is recognized among governments and policy processes like UNFCCC, ISDR's Hyogo Framework, and in humanitarian work on climate risk management. MCII is a node among practitioners and scholars for innovative uses of risk transfer tools to manage climate risks. MCII develops innovations in two ways:

MCII pioneers concepts through its extensive expert network advocating for new ways of applying insurance to complement risk management and adaptation. Secondly, MCII tests risk transfer tools in "lighthouse" projects and provides proof of concept and implementation models for further replication. MCII feeds its results back to governments and decision makers, affecting regulations and enhancing international aspiration and standards. To provide this cutting-edge professional expertise, MCII works closely with private sector insurers and insurance associations, governments and regulators, delegates to UN policy processes, UN agencies and regional bodies, and scholars & practitioners of risk management and adaptation.

About RESPAC

The Regional Disaster Resilience for Pacific Small Island Developing States (RESPAC) project is a UNDP-Russia funded partnership that works with partners, the private sector and governments to strengthen climate early warning systems and climate monitoring capacity, enhance preparedness and planning mechanisms and tools to manage disaster recovery processes, and increase the use of financial instruments to manage and share disaster related risk and fund post disaster recovery efforts.

For more information or media inquiries please contact:

Olivia Vakaosooso

Email: pfip@uncdf.org

Website: <http://www.pfip.org>