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Council of Members Meeting Fully Behind PCRIC

Rarotonga, Cook Islands, 19 October 2022: The ultimate governance body for the Pacific Islands region's only provider of sovereign disaster risk insurance held their highly anticipated bi-annual meeting recently on the side-lines of the World Bank and IMF Annual Meetings in Washington DC.

The Council of Members (CoM) meeting pulled together representatives of Pacific Island nations and donor countries and provided a rare opportunity for parties to jointly discuss, consider and come to agreement on the strategic direction proposed for the Pacific Catastrophe Risk Insurance Company (PCRIC). This year the meeting was especially important to the future of PCRIC since earlier receiving advice that the World Bank's Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI), which directly supported the establishment and operation of PCRIC, would cease with effect the end of 2022.

CoM Chairman, Mr. Garth Henderson (Financial Secretary, Ministry of Finance, Cook Islands) was unequivocal in his opening remarks regarding the ongoing need throughout the Pacific region for targeted, relevant disaster risk financing support as provided by PCRIC. He emphasised that even though PCRIC's engagement with the market had been curtailed by advent of the COVID pandemic in recent years, support for PCRIC and encouragement to develop a wider array of products which countries could consider had never been more evident.

He went on to say that, *"A key reason for this is that PCRIC is indeed local. The Pacific Islands region is one where relationships are critical to making things happen. In this regard, PCRIC is uniquely positioned to capitalise on the depth of relationships now well developed with decision makers and Disaster Risk Finance stakeholders throughout the region."* He continued saying, *"Led by the CEO, Mr. Aholotu Palu, the PCRIC team has really elevated the visibility of the company and its products over the past 1-2 years. With new products soon to come on stream we see a bright future for this critically important regional entity."*

A key area for discussion during the meeting was the matter of the release of the €10M in funds provided by Germany's Federal Ministry of Economic Cooperation and Development (BMZ) in December 2021. Provided specifically for technical assistance and policy premium subsidisation for Pacific Island countries, there is a pressing need for member countries to access this support given the dramatic impact COVID and closed borders had on national budgets across the region. The CoM urged the World Bank to submit a full proposal for how the funds can be released in light of the closure of the PCRAFI project, for the consideration of all the donor countries at the forthcoming Multi-Donor Trust Fund Steering Committee meeting in November 2022.

Questioned afterwards on the matter Mr. Palu noted that, *"the swift release of these funds is critical for our member countries to be financially protected against the key natural hazard risks they face, and we are open to working with the World Bank and the CoM to ensure these funds are made available to countries as quickly as possible."*



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