

## Insurance Payout Acquittal Report to PCRIC CEO

### 1. Background Information

Country	Kingdom of Tonga
Institution	The Ministry of finance and National Planning
PCRAFI Reference Number	
Report Author	'Ana Fakaola Lemani
Report Author's Title	Deputy CEO – Financial Framework Division
Type of disaster	Tropical Cyclone
Event Date	12 February 2018
Insurance Payout Date	21 February 2018
Report Date <i>(Within six months after insurance payout)</i>	15 October 2018
Amount of Insurance Payout	US\$3,528,744
Amount Used to Date	US\$2,972,038
Remaining Balance to Date	US\$ 556,706

### 2. Event Description

*Tropical Cyclone (TC) Gita a Category 4 Cyclone passed over the Tongatapu and 'Eua island groups on Monday Feb 12, 2018. Upon landfall, TC Gita had not reached the expected intensity, however it is still the strongest tropical cyclone to impact Tongatapu and 'Eua since TC Isaac in March 1982, with average wind speeds of 130 km/h, and gusts of up to 195 km/h. An accompanying storm surge reached 1m above normal high tide levels, and 200 mm of rainfall fell over a 24-hour period, resulting in localized flooding.*

### 3. Impacts of the Event

*The storm impacted approximately 80,000 people, which is around 75 percent of Tonga's population. It brought down power lines, damaged and destroyed schools which resulted in closures, destroyed crops and fruit trees, and damaged public buildings including the domestic airport, parliament building and Tonga meteorological services. Houses were also significantly impacted by TC Gita, with over 6,900 households damaged. There were no fatalities, injuries were minimal and a total of 108 evacuation centers shelters were initially established to cater for over 4,500 evacuees of which 1,225 affected families were in Tongatapu, and 264 affected families in 'Eua.*

*The total economic value of the effects caused by Tropical Cyclone Gita was estimated to be approximately TOP\$300 million (US\$134 million). This is equivalent to 30 percent of the gross domestic product (GDP) in Tonga<sup>1</sup>, giving an indication of the scale of impact as per the Post Disaster Needs Assessment (PDNA) carried out after the cyclone for the development of the Disaster Recovery Framework. Of these effects, TOP\$185.34 million (US\$83 million) is attributable to damage and TOP\$115.50 (US\$52 million) is attributable to losses.*

*Total recovery and reconstruction cost are estimated at TOP\$318.36 million (US\$142 million). Of this amount TOP\$67.11 million (US\$30 million) is required for immediate recovery (to 30 June 2018),*

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<sup>1</sup> For the projected GDP of 2018 – which is TOP 1,000 million

TOP\$88.4 million (US\$40 million) is required for short-term recovery (FY 18/19) and TOP 162.85 million (US\$73 million) is required for medium-term recovery (FY19/20-FY20/21).

#### 4. Insurance Payout

Tonga was able to receive a payout of USD3.5m (TOP7.6m) on the 21st February 2018, within 9 days after the product was activated on 13 February 2018. The payout was received into our USD No.1 Account ie. National Emergency Fund Account at the National Reserve Bank of Tonga.

#### Activities and expenditures

Tonga's insurance payout was utilized for activities which were determined via submissions from Tonga's cluster systems covering:

1. Food Security & Livelihood (agriculture and fisheries),
2. Shelter (housing and government properties),
3. Education,
4. Essential Services (power, water and waste),
5. WASH (water, sanitation and health),
6. Safety & Social protection,
7. Telecommunications,
8. Early Recovery and Logistics
9. Economic & Social Recovery

These cluster response plans were submitted to the NEMO office and Ministry of Finance which assisted with the development of the first Response Financing Plan. Distribution of TC Gita funds were according to the Response Financing Plan which was approved by the National Emergency Management Committee (NEMC) and subsequently approved by Cabinet. All payments are centralized and were being paid out of Treasury.

The Insurance Payout for Tonga was largely used for payment of relief cash grants to the affected households in both Tongatapu and 'Eua. In fact, 76% of the insurance payout was utilized for the Shelter cluster activity alone, 3% was utilized for Food Security and Livelihood cluster with 4% spent in the Fisheries subsector, and minimal spending on other clusters such as Education and WASH.

#### **Shelter Cluster**

According to a survey done by Tonga Statistics Department, total households of 6,996 were affected during the cyclone with 6,423 households in Tongatapu and 573 households in 'Eua. These households were further categorized into 3 levels of damages as per Shelter clusters definition ie. completely destroyed, major damages and minor damages. Those with completely destroyed houses were to receive a relief cash grant of \$3,000, major damages a relief cash grant of \$1,500 and those with minimal damages, a relief cash grant of \$500. To date there's an estimate 5,779 households who have received their relief cash grants and the rest are still undergoing the verification process before they can benefit from this relief distribution.

### **Food Security and Livelihood**

*This cluster had put in their activities to address immediate food security needs by restoring crops and livestock production through land clearance, distribution of agro-inputs (seeds, seedlings, suckers, cuttings and fertilizers) and provision of feeds and fodder. Support was also needed with respect to land preparation, clearing existing drainage systems and rehabilitating critical transport and infrastructure, such as pasture fencing and livestock. Therefore, to date, 3% of the payout was utilized for ploughing by acres by village. Community engagement through the local government system was identified as the best way to distribute ploughing hours to villages. Livestock such as chicks and ducklings were distributed in addition to seeds, seedlings etc. Some villages only required fuels for their ploughing so that was also catered for from the payout.*

*Fisheries subsector as part of the Food Security and Livelihood cluster also identified activities in their response plan where there were immediate needs regarding the distribution of fishing equipment kits to both licensed and non-licensed fishery enterprises. Resources were also required to repair boats and engines, and to replace missing equipment, including boats and funding for repair of fishing infrastructure. Therefore 16 grants were signed with various beneficiaries identified by the Ministry of Fisheries in close consultation with the Fisheries Council. To date, 3% of the payout was utilized for the fisheries subsector activities.*

**Table 1: Summary of Activities**

Activities	Targeted Beneficiaries	Cost (US\$)
Relief Cash Transfer	Affected households (6996)	3,301,401
Land clearance, agro-inputs, livestock distributions	Village communities	1,488,318
Maintenance of fishing boats	Fishermen (16)	233,645
Providing transport for kids to transfer them to schools which are still operational	Affected school kids (21,500)	500,000
Water treatment and sanitation for communities and schools	Community and schools	700,934
<b>Total</b>		<b>6,224,298</b>

**Table 2: Summary of Expenditures from PCRAFI insurance payout**

Expenditure items	Expenditure (US\$)
Shelter Relief Cash Grants	2,682,402
Food Security & Livelihood (ploughing, seeds, fuel, chicks)	117,334
Fisheries Grants (maintenance of boats)	150,780

Education Cluster (fuel, bus hirage)	4,523
WASH Cluster	16,998
<b>Total</b>	<b>2,972,037</b>

