



FOR IMMEDIATE RELEASE

## **Special Meeting Held to Discuss Way Forward in Wake of Tongan Volcanic Eruption and Tsunami**

**Cook Islands, 18 February 2022:** As Chairman of the Council of Members of the Cook Islands based Pacific Catastrophic Risk Insurance Foundation (PCRIF), Mr. Shiri Gounder (Permanent Secretary, Fiji Ministry of Economy) recently convened an extraordinary online meeting of the Council to facilitate essential discussions on the way forward following the recent tragic volcanic eruption and tsunami in Tonga.

Aside from representatives of Council of Member nations, the presence of donors and other key stakeholders from around the globe in the meeting reflected the significance of the renewed emphasis on Disaster Risk Financing appropriate to the specific needs of the Pacific Islands region.

In his opening remarks, Mr. Gounder said that with the recent tragic events in Tonga still casting a shadow across the region, the special meeting was a timely reminder of the significant human and financial costs to which countries of the region are exposed to each year. *“We applaud the due diligence applied by Tonga in this regard, and encourage all governments across the region to set in place appropriate risk management strategies and avail themselves of the services and options available from Disaster Risk Finance (DRF) organisations such as PCRIF’s related captive insurance company, the Pacific Catastrophic Risk Insurance Company (PCRIC),”* he explained.

PCRIC is a specialist disaster risk finance solutions provider owned by Pacific Island nations and supported by generous donor nations including Japan, Germany, United Kingdom and United States of America, together with the World Bank. PCRIC offers governments a range of parametric insurance options together with technical advice and support with capacity building.

The meeting dedicated considerable time to the lessons learned from experience with the event in Tonga. In response, representatives of many Member nations expressed a strong desire to receive greater levels of technical support and capacity building. They stressed that this would enhance understanding of the extent and impact of risk, and better inform critical decisions that must be made by government and administrators regarding DRF planning, management and the scale of insurance coverage to be considered.

PCRIC CEO, Mr. Aholotu Palu reiterated the company’s commitment to working diligently to address this need, and drew attention to the recently signed MOU with the Pacific Islands Forum Secretariat (PIFS), Centre for Disaster Protection (CDC) and Insuresilience Global



Partnership (IGP) as an example of the steps already being taken to establish a framework of collaboration in matters of common interest, including DRF capacity building.

Also covered at the meeting was the desire of island nations of the Pacific to be supported in the adoption of Disaster Risk Financing instruments via some form of premium financing. Such assistance would help mitigate the significant budgetary impact astute DRF planning imposed on already struggling economies, especially in light of the protracted consequences of the COVID-19 pandemic. To that end it was noted that Germany had recently committed a generous €10m to, in part, assist Member nations in this regard.

A further highlight of the meeting was news from the PCRIC CEO that with the company now restructured into a segregated portfolio entity, a review of products and consideration of other possible financing instruments such as a contingent savings fund was underway. *“We are bringing on additional resources to help us better serve the nations of the Pacific and look forward to the continued support of our donors to help us become the organisation the Pacific Island nations need us to be,”* Mr. Palu shared.

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