



Ministry of Finance, Strategic
Planning, National Development
and Statistics

Regional Climate and Disaster Risk Finance Workshop

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Novotel, Nadi



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Background

- Fiji like any Pacific country is prone to tropical cyclones, floods and other climate related disasters which causes extensive damages to our infrastructure, affects livelihoods, and imposes huge financial burden on Government almost every year.
- Located in the Tropical Cyclone (TC) belt and experiences on average one TC per year, causing significant financial and economic costs.
- Population slightly over 900,000.
- Consist of two main islands – Vitilevu and Vanualevu.
- Majority of our populations live in coastal areas and like other Pacific Island nations are facing the wrath of climate change.



National Disaster Risk Reduction

- Fiji's vulnerability to natural disasters and climate change.
- Disaster Risk Reduction (DRR) strategies is crucial to enhance resiliency and mitigate effects of climate change.
- Endorsement of National Disaster Risk Reduction Policy in August 2019.
- Policy aligned with Target E of the Sendai Framework.
- Commitment to UN SDGs, BOE Declaration Action Plan, 2050 Strategy for the Blue Pacific Continent and Framework for Resilient Development in the Pacific (FRDP).



A tropical beach scene with palm trees and a stone wall. The image shows a sandy beach in the foreground, a stone wall in the middle ground, and a dense line of palm trees in the background under a clear blue sky. The right side of the image is overlaid with a blue geometric pattern.

Our difficulties?

- **High cost of disaster response and rehabilitation:** *Need to ensuring adequate financial resources for DRR*
- **Lack of capacity and capability:** *need to strengthen the capacity of officials at the sub-national and local level*
- **Low level of early warning systems:** *need to boost broadband connectivity and fight false information when it comes to disasters*
- **International cooperation is crucial:** *DRR requires a large amount of funding*
- **Available facilities are too lengthy in process:** *Green Climate Fund (GCF) is available for climate change adaptation, but it is not easily accessible*

Fiji's Plan Against Climate Risks?

Goal: Building resilience through risk informed socioeconomic development



Strengthen the integration of climate and disaster risk in development planning and coordination

- Review existing policies, plans and processes governing the development work on climate change and disaster risk reduction.
- Joint action plan for DRR and climate change



Enhance investment for climate and disaster resilience building efforts

- Develop a Disaster Risk Financing Policy as a blueprint for disaster risk financing priorities and mechanisms.
- Strengthen financial preparedness for natural disasters



Strengthen multi-hazard early warning systems

- Consider the vulnerability and exposure of communities and critical infrastructure.
- Develop and implement evacuation plans and drills in collaboration with local communities

Fiji's Plan Against Climate Risks?



Establish resilient multipurpose evacuation centres

- Construct or retrofit buildings to meet high structural standards, making them resistant to the specific hazards faced by the region.
- Coordinate evacuation centre plans with communities.



Mainstreaming disaster risk reduction planning and implementation at the local level

- Develop disaster risk reduction plans for the four divisions.
- Review and incorporate disaster risk reduction strategies into sectoral plans



Strengthen disaster risk informed decision making

- Leverage cutting edge technology including GIS remote sensing and data visualisation tools to enhance the systems capabilities.
- Develop a disaster risk information system.

Financing Instruments

01. Pacific Catastrophe Risk Insurance Company (PCRIC)'s Parametric Insurance

02. Catastrophe Drawdown Option (CAT-DDO) with World Bank Group

03. Government Annual Budget Allocations

04. Issuance of Thematic Bonds in the Domestic Market

05. Standby-Loan for Disaster Recovery and Rehabilitation Facility

06. Pacific Insurance and Climate Adaptation Programme

Parametric Insurance - PCRIC

- Government had signed up for three insurance covers with PCRIC in 2023-2024 & 2024-2025 fiscal year - 'Cat-in-a-Circle' and 'Excess Rainfall'.
- Under the Cat-in-a-Circle product (tropical cyclone policy), Government is eligible to receive a payout for cyclones Category 3 and above affecting the coverage area in Fiji.

Catastrophe Drawdown Option

- Fiji Government currently maintains a Catastrophe Deferred Drawdown Option (CAT-DDO) facility from the International Development Association (IDA).
- This facility may provide immediate financing of up to US\$40 million in the aftermath of natural disasters declared by Cabinet.

Government Budget Allocations

- Ongoing Contingency Funds for Disaster Risk of \$1 million.
- Disaster Relief and Rehabilitation Fund (\$1 million).
- Disaster Risk Reduction Support (\$200,000).

Issuance of Thematic Bonds in Domestic Market

- Government had issued two thematic bonds – Green bonds and Blue bonds – to finance pre-identified projects relating to Climate Change and Natural Disasters.
- Government in November 2023 issued Blue Bond of FJ\$20 million, this was made possible with the assistance of UNDP with other donor partners.

Standby-Loan for Disaster Recovery and Rehabilitation Facility

- Fiji accessed JPY5 billion in 2020 under this facility, available for a period of 3 years.
- Trigger for drawdown is ‘Declaration of State of Natural Disaster by Cabinet’.
- In September 2024, Fiji government signed the Exchange of Notes with the Japanese government for a second stand-by disaster loan financing of around FJD\$72.0 million, which will assist in any future needs for disaster recovery and rehabilitation.

Pacific Insurance and Climate Adaptation Programme

- PICAP is a joint UNCDF, UNDP and UNU programme and the objective is to improve the financial preparedness and resilience of Pacific Households, communities, small business against impacts of climate change and natural hazards.

National Disaster Risk Financing Strategy

- NDRF Policy is in progress with the assistance of World Bank.
- NDRF Strategy targeted to be approved by Cabinet in FY2025-2026.
- Collaborating with National Disaster Management Office and Ministry of Environment and Climate Change

Current Financing Instruments:

- **Natural Disaster Rehabilitation Fund**
- **Contingency Fund for Disaster Risk**
- **Budget Funding to Ministry**
- **Parametric Insurance**
- **International Cooperation and Concessional Financing**

Proposed Financing Instruments:

- **Investment in disaster risk reduction and preparedness.**
- **Adequate disaster risk management policies**
- **A risk layered approach**



Policies and Laws for Fiji



Natural Disaster Management Act 1998 (Act)

- Endorsed by Government on 15 June 1998 as the guiding legislation to direct Government agencies and other stakeholders in their functions and duties in relation to natural disaster management and related matters.
- The Act established the current disaster management structure, including the formation of the National Disaster Management Council and its 3 subcommittees, namely the Preparedness, Mitigation and Emergency subcommittees.

National Disaster Risk Reduction Policy 2018–2030

- Enacted in 2018.
- Aligned to the Natural Disaster Management Act 1998.
- Implemented by the National Disaster Management Office (NDMO).
- Key objectives is to enable Fiji to deliver on its priorities on preventing new disaster risk and reducing existing disaster risk in line with relevant frameworks.

National Climate Change Policy 2018–2030

- Objective of reducing climate-change related impacts on human wellbeing and national sovereignty through robust regional and international policy, part of its strategies is to have access to climate and disaster risk finance for adaptation, losses and damages.
- Also, to increase the use and availability of domestic derived climate finance, the policy provides a strategy for innovative risk financing instruments such as index-based crop insurance and parametric housing insurance.

Challenges



Legal and Institutional Framework

Targeted beneficiaries



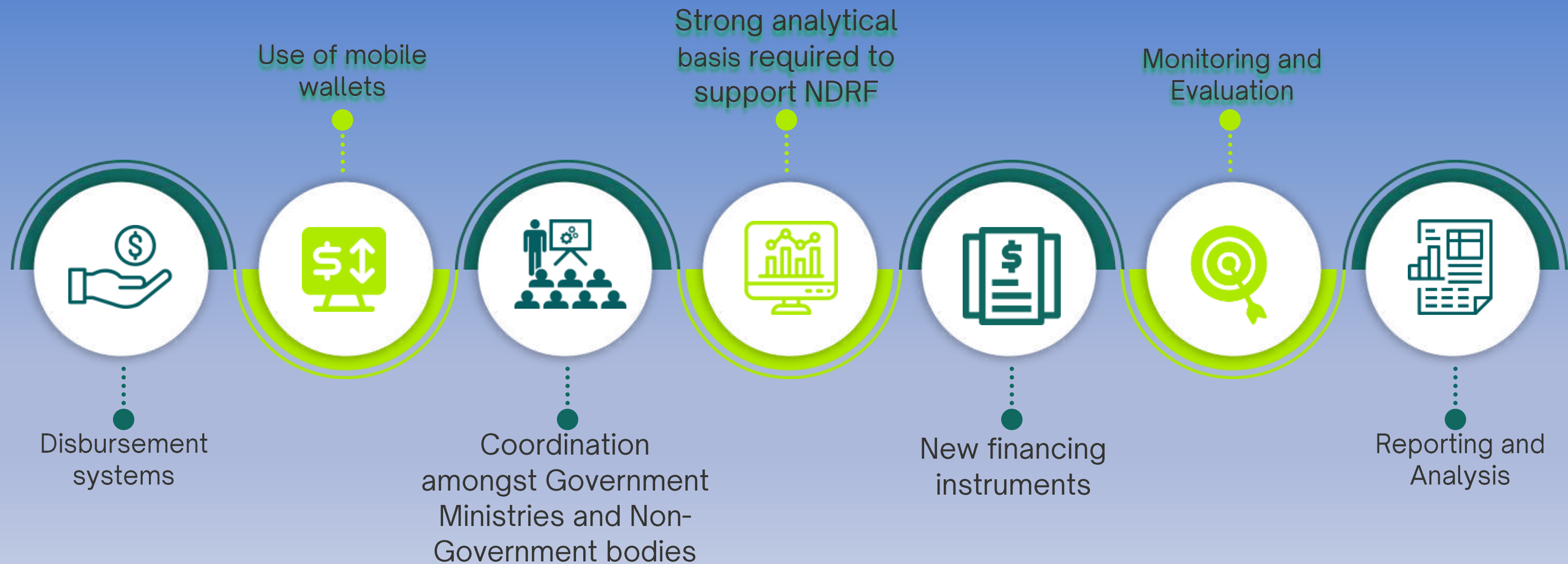
Measurement of losses

Elements of Risks



Monitoring and Evaluation

Lessons learnt



Our expectations from the Workshop



**Technical Assistance
and Capacity**



**Access to Climate and
Disaster Risk Financing**



More Collaboration

Thank You!

