

Building an Inclusive and Resilient Pacific Through the PACIFIC RESILIENCE FACILITY

The 81st Session of the Economic and Social Commission for Asia and the Pacific (ESCAP)

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ORGANIZER

ESCAP Subregional Office for the Pacific

CO-ORGANIZER(S)

Pacific Islands Forum (PIF), Pacific Catastrophe Risk Insurance Company (PCRIC), ESCAP Macroeconomic Policy and Financing for Development Division (MPFD)

ESCAP Economic and Social Commission for Asia and the Pacific

PACIFIC ISLANDS FORUM

PACIFIC CATASTROPHE RISK INSURANCE COMPANY

81st Commission Session

REGISTRATION

To attend this side event in-person, all registrants must also register on Indico to attend the 81st Session of the Commission by 21 March 2025 using the link: https://indico.un.org/e/CS81

Register here or scan the QR code for this side event.

1.INTRODUCTION

Regional Financing Arrangements (RFAs) are agreements among countries that commit to providing financial assistance to those facing challenges within their respective regions. RFAs provide various advantages, including serving as a regional safeguard within the Global Financial Safety Net, offering crisis insurance, and promoting regional development.[i,ii] However, most of the RFAs that exist focus on economic and financial crises, with limited climate and/or disaster protection.

RFAs could provide various benefits for climte change and disaster resilience, such as enhancing disaster preparedness, facilitating adaptation and resilience development, and fostering regional collaboration and collective accountability in managing climate-related and disaster risks and effects. On disaster preparedness, regional financing facilitates the development and enhancement of early warning systems, enabling prompt alerts and evacuations, thereby preserving lives and mitigating disaster-related damage. Funding also can be allocated to construct or enhance infrastructure including roads, bridges, and buildings, thereby increasing their resilience to extreme weather events and other climate-related risks. RFAs can also enhance the capacity of local governments and communities to effectively respond to disasters by supplying resources for search and rescue, relief operations, and recovery efforts. With respect to facilitating climate adaptation and resilience development, regional financing can facilitate the implementation of adaptation measures, such as the protection of coastal areas from sea-level rise. These mechanisms can further support capacity-building initiatives including the training of local communities in disaster risk reduction and climate adaptation. Regional financing mechanisms also foster regional collaboration by pooling resources and sharing knowledge, along with coordination among various stakeholders, and are essential to ensuring that climate- and disaster-related efforts are aligned, effective, and focused on addressing these transboundary issues.[iii,iv]

[i] European Stability Mechanism. 2025. Overview. Available at : https://www.esm.europa.eu/our-work/regional-financing-arrangements-rfa
[ii] Eurasian Fund for Stabilization and Development. 2025. RFAs publications and research seminars. Available at: https://efsd.org/en/research/seminar/#:~:text=Regional%20financing%20arrangements%20(RFAs)%20are,layer%20of%20defense%20(figure).
[iii] Pacific Islands Forum Secretariat. 2021. An Overview of Climate and Disaster Risk Financing Options for Pacific Island Countries. Available at: https://forumsec.org/sites/default/files/2024-03/An-Overview-of-Climate-and-Disaster-Risk-Fina.pdf
[iv] UNDP. 2022.Climate finance effectiveness in the pacific: Are we on the right track? Available at: https://www.undp.org/sites/g/files/zskgke326/files/migration/pacific/UNDP-Climate-Finance-Effectiveness-in-the-Pacific-Disussion-Paper.pdf

2.BACKGROUND TO THE PACIFIC RESILIENCE FUND (PRF)

Small Island Developing States (SIDS) encounter substantial challenges due to climate change and disaster risks, such as rising sea levels, extreme weather events, and economic losses, which disproportionately impact their vulnerable ecosystems and, resulting in diminished economic growth and adversely affecting the most vulnerable populations. Furthermore, given the infrequency of stable and robust fiscal revenues and domestic savings in SIDS, it is often necessary for governments to reallocate limited public resources away from critical social and economic development initiatives to meet disaster-related demands, thereby hindering the potential for future growth. SIDS find themselves ensnared in a complex web of interrelated and mutually reinforcing challenges that span economic, social, and environmental dimensions. For that reason, enhancing resilience via adaptation, mitigation, and the fortification of institutional capacity is essential for SIDS to confront these challenges.[vvi]Therefore, a regional financial solution presents itself as the most viable alternative to an overwhelming national option, particularly in the case of the Pacific.[vii]

The Pacific Resilience Fund (PRF) serves as a valuable regional financial initiative in this endeavour, designed to assist Pacific communities in their efforts to prepare for and adapt to the challenges posed by climate change and disasters.[viii] The objectives of the PRF encompass fostering community resilience, mitigating loss of life, and lessening the social and economic impacts of disasters. This mechanism is co-designed in accordance with the climate and disaster risk profiles of the members,[ix] ensuring responsiveness to their specific needs to build sustainable inter-generational resilience.

The PRF seeks to assist small-scale community projects that are overlooked by large global climate funds and multilateral organizations, addressing a specific gap in community resilience financing within Pacific Island nations. The PRF consists of two grant pillars:

Pillar 1: Climate and Disaster Resilience

The PRF is capable of financing small, community-oriented resilience initiatives that emphasize climate adaptation, disaster preparedness, disaster response, nature-based solutions, and addressing loss and damage.

Pillar 2: Social and Community Resilience

The PRF seeks to enhance systemic resilience through investments in the resilience components of the Sustainable Development Goals and community resilience projects that do not involve infrastructure.

[v] UNDP. 2024. Small Island Developing States are on the frontlines of climate change – here's why. Available at: https://climatepromise.undp.org/news-and-stories/small-island-developing-states-are-frontlines-climate-change-heres-why#:~:text=How%20is%20climate%20change%20affecting,relative%20to%20their%20population%20size
[vi] World Bank. 2016. Financing Climate and Disaster Resilience for Small Island States. Available at: https://www.gfdrr.org/en/feature-story/financing-climate-and-disaster-resilience-small-island-states#:~:text=In%20addition%20to%20heightened%20climate,economic%2C%20social%2C%20and%20environmental
[vii] PIFS. 2017. Forum Economic Ministers Meeting and Forum Economic Officials Meeting. Developing a Regional Finance Facility for the Pacific. Available at: https://www.pacificclimatechange.net/sites/default/files/documents/Developing_a_Regional_Finance_Facility_for_the_Pacific.pdf
[viii] PIFS. 2024a. Pacific Resilience Facility; Available at: https://forumsec.org/sites/default/files/2024-09/PRF%20FACT%20SHEET_0.pdf
[ix] PIFS. 2024b. Pacific Resilience Facility (PRF). Invitation from the Executive Committee of the Warsaw International Mechanism for Loss and Damage (ExCom 21). Available at: https://unfccc.int/sites/default/files/resource/PRF_ExCom%2021_presentation.pdf

The initial capitalization target for the PRF is set at USD $500 million, to be raised by 2026.

The facility serves as a prime illustration of enhancing the financial safety net, in the form of the protection from Regional Financing Arrangements, in the Pacific, aimed at fostering resilience within communities and mitigating the impacts of future external shocks.

The Pacific Catastrophe Risk Insurance Company (PCRIC) is also another part of the broader Pacific RFAs. PCRIC, similar to the PRF, is a donor funded entity established specifically to provide Pacific Island nations with access to disaster risk insurance and related services. The focus is on enhancing post-disaster outcomes for Pacific Islanders affected by catastrophic natural and climate hazards. PCRIC products mitigate local financial exposure by transferring risk, facilitating a swift response to disasters, and safeguarding budget integrity through externally-sourced funds that support economic, human, and physical recovery and resilience expenditures. Current Member nations are Fiji, Cook Islands, Marshall Islands, Tonga, Samoa and Vanuatu and the four contributing donors (Germany, Japan, UK and USA).[x] Its latest payment was to the government of Vanuatu, following the earthquake impacting Port Vila on December 17th, 2024.

3.OBJECTIVES

During this side event, we will be discussing the following topics: (1) how the PRF will address climate and disaster resilience, including enhancing community resilience; (2) how the PRF will be funded and managed; and (3) how regional financing arrangements may be used as a vehicle to disburse Loss and Damage Funds.

Expected outcomes:
A comprehensive exploration of regional financing, in the Pacific, specifically the PRF, its funding mechanisms and governance, along with its role in supporting and complementing global loss and damage facilities.

4.LANGUAGE

The workshop will be conducted in English.

5.POST-EVENT SURVEY

Participating member State delegates and other participants will be required to complete a post-event survey to evaluate the value of the session. Kindly click here to evaluate the session or scan the QR code.



[x] PCRIC. 2025. Available at: https://pcric.org/who-we-are/

DISCUSSION PANEL

Opening Remarks

Hon. Maciu Katamotu Nalumisa, Minister for Housing and Local Government, Fiji

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Moderator

Hon. Panapasi Nelesone, Deputy Prime Minister and Minister of Finance and Economic Development of Tuvalu

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Panel

- **Hon. Tingika Elikana, Minister for Foreign Affairs & Immigration, Cook Islands**
- **Hon. Rexson Ramofafia, Minister of National Planning and Development Coordination, Solomon Islands**
- **Hon. Elina Akinaga, Secretary, Department of Resource & Development, Federated States of Micronesia**
- **Mr. Esala Nayasi, Deputy Secretary-General of the Pacific Islands Forum**
- **Mr. Henry Cocker, Finance and Planning Manager, Pacific Catastrophe Risk Insurance Company**

Q/A and comments

Closing Remarks

Ms. Andie Fong Toy, Head of ESCAP Subregional Office for the Pacific