PACIFIC
RESILIENCE
FACILITY

Pacific Resilience Facility (PRF), ..*what is it?...*

A regional financing facility with a target capital base of US$1.5 billion, established by the Pacific Islands Forum to build community preparedness and resilience against the impacts of climate change and the frequent and intense disasters that hit the region every year.

Progress to date …. *it has been a long and challenging journey…..*

2017 FEMM
- Development of Contextualised financial products for the region

2017 Forum Leaders Meeting
- Endorsement of the FRDP

2017

2018

2018 FEMM & Forum Leaders Meeting
- Extensive country consultations were carried out
- FEMM and Leaders considered & endorsed the PRF

2019 FEMM
- Considered the proposal and requested further work

2019

JUNE 19

PRF-TWG Finalised the Revised Proposal on PRF
- Incorporated comments from 2019 FEMM
- Refined the niche, purpose & objectives of PRF
- Revised the governance structure & financial products

2019 Forum Leaders Meeting & Special FEMM
- Establishment of PRF Endorsed by FEMM & Forum Leaders

spFEMM & FLM

2020 FEMM
PRF Prospectus and Transitional Arrangements endorsed by FEMM.

2020

2021

PRF Prospectus and Logo launched
By Forum Chair – PM of Tuvalu

Context

Gap

- Existing disaster risk financing options are only triggered after a catastrophic event
- Disaster risk preparedness finance for community-level projects to build sustainable and long-term resilience
- Provides finance to small-scale/low quantum disaster risk preparedness projects that are not widely supported and financed

Two compelling design issues:

- **Climate Emergency:** Climate change is the greatest threat to the region and there is need to address the extreme vulnerability of communities
- **Debt Sustainability:** A desire not to further contribute to the debt distress of FICs

PRF Niche

PRF Niche

1. Unique, sensible, prudent and forward-looking policy option to invest upfront in low-quantum community-level projects;
2. High-impact on the resilience of communities' overtime

Purpose

To provide predictable, sustainable, accessible and accountable funding for disaster preparedness and climate risk resilience-building within vulnerable communities.

Objective

To ensure all our communities are safe and to minimise the loss of lives, and the economic and social impacts from catastrophic events.

PRF could support:

Multi-purpose community halls.

Inter-island sea-lane navigation aids.

EARLY WARNING SYSTEM

Increasing the coverage of Multi-hazard Early Warning Systems.

Building/risk proofing community-based water & energy

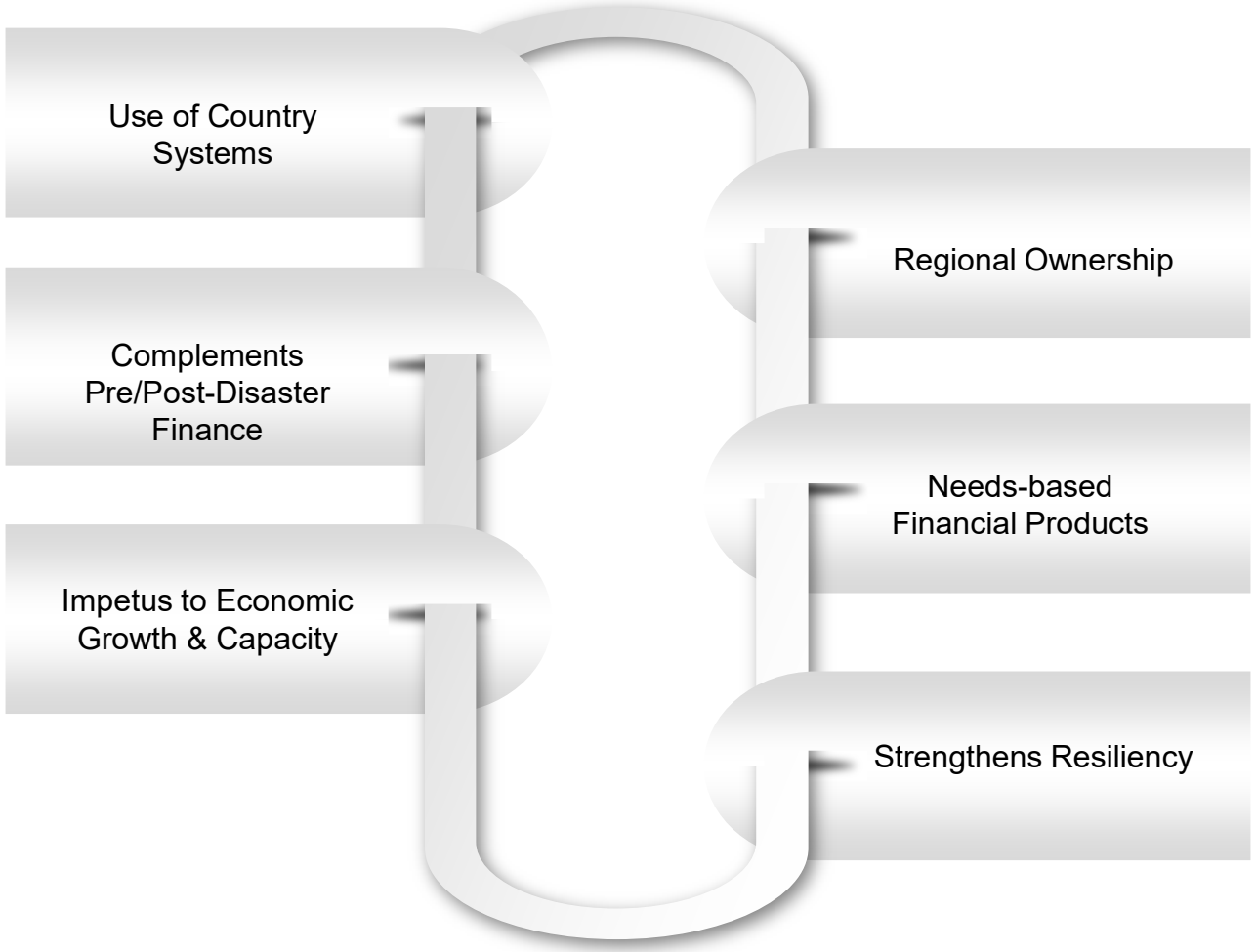
Jetties.

Increasing ICT coverage and retro-fitting of ICT infrastructure.

Enhancing natural/ecosystem resilience.

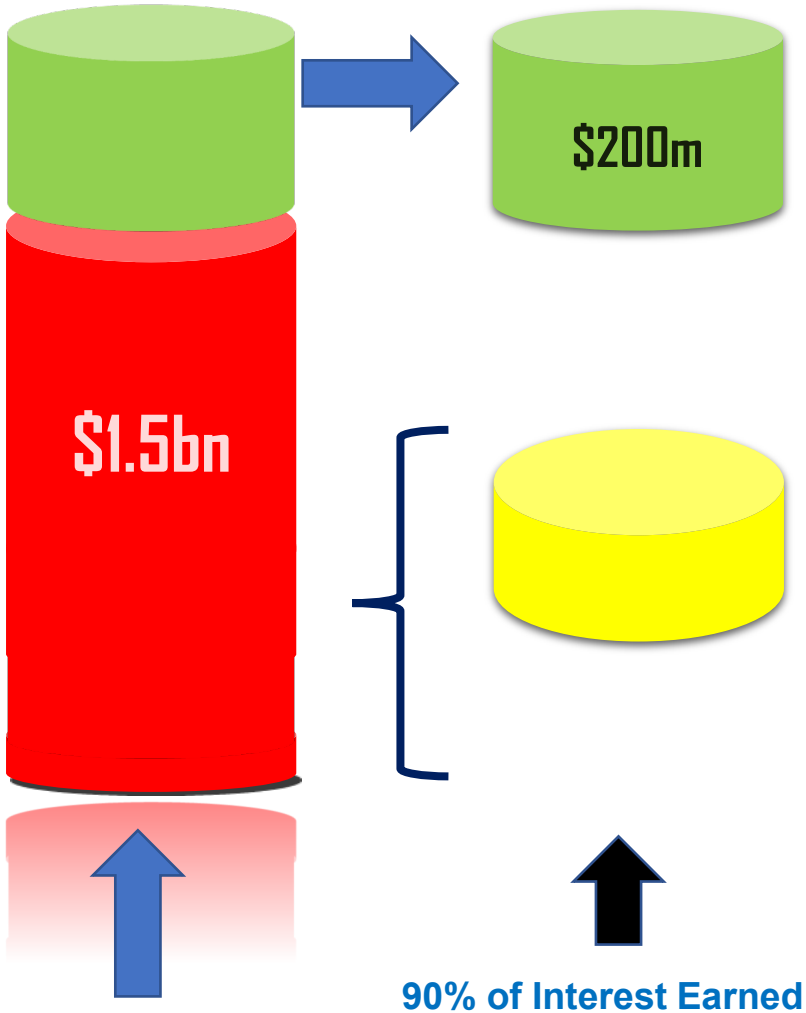
Community disaster emergency and logistics centres.

PRF Dividends



Financial Arrangements

Magnitude of Disbursements (US$m):



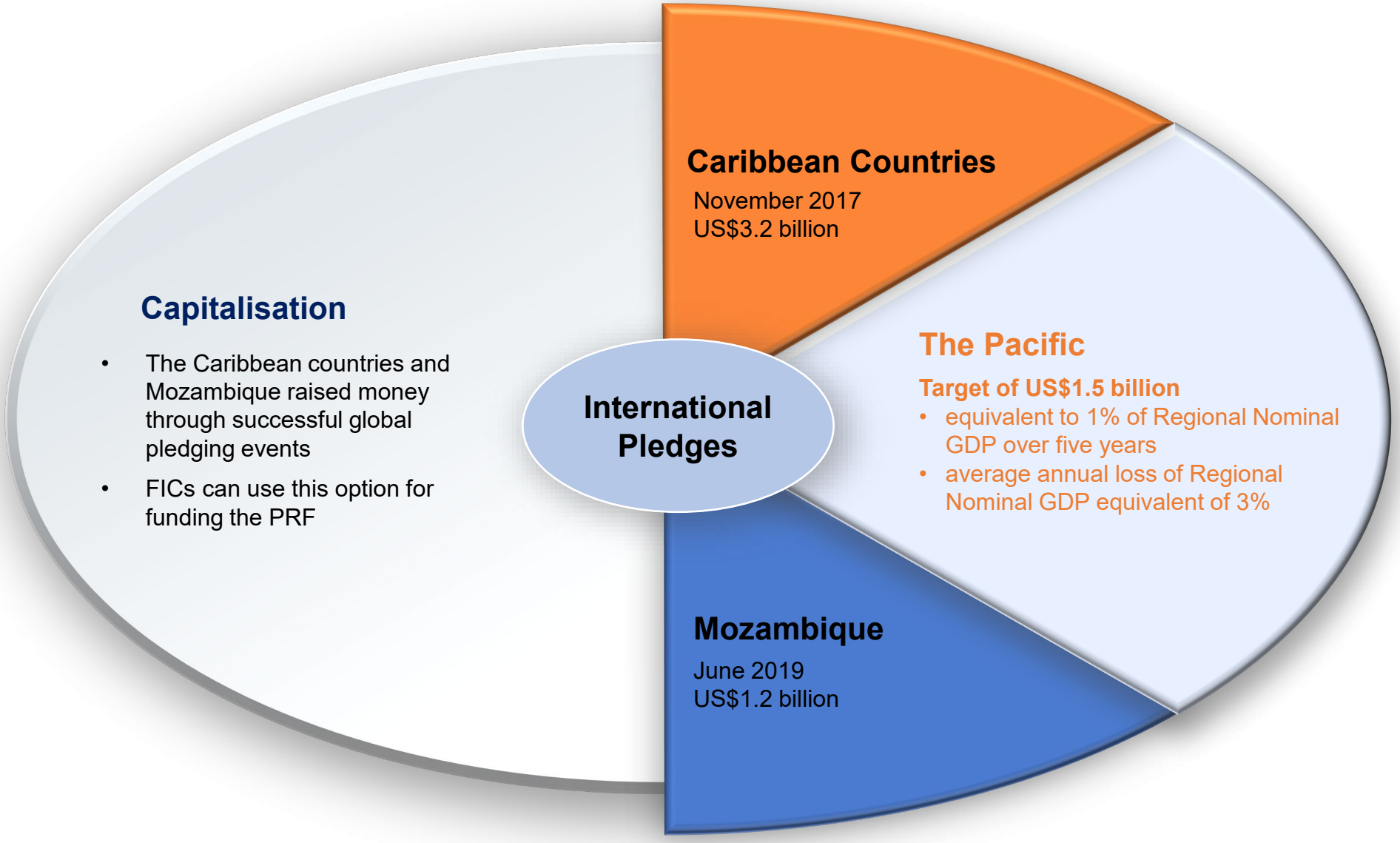
Allocation (US$m):

- Of the US$1.5bn – a US$200m one-off initial allocation to Govt. to kick-start community disaster preparedness projects
- Equal Allocation for all FICs from 90% of the **interest earned (Allocation Policy is tentative)**
- From 4th year:
  - net income allocated as grants for community projects;
- includes technical assistance (≤10% of the allocated grant)

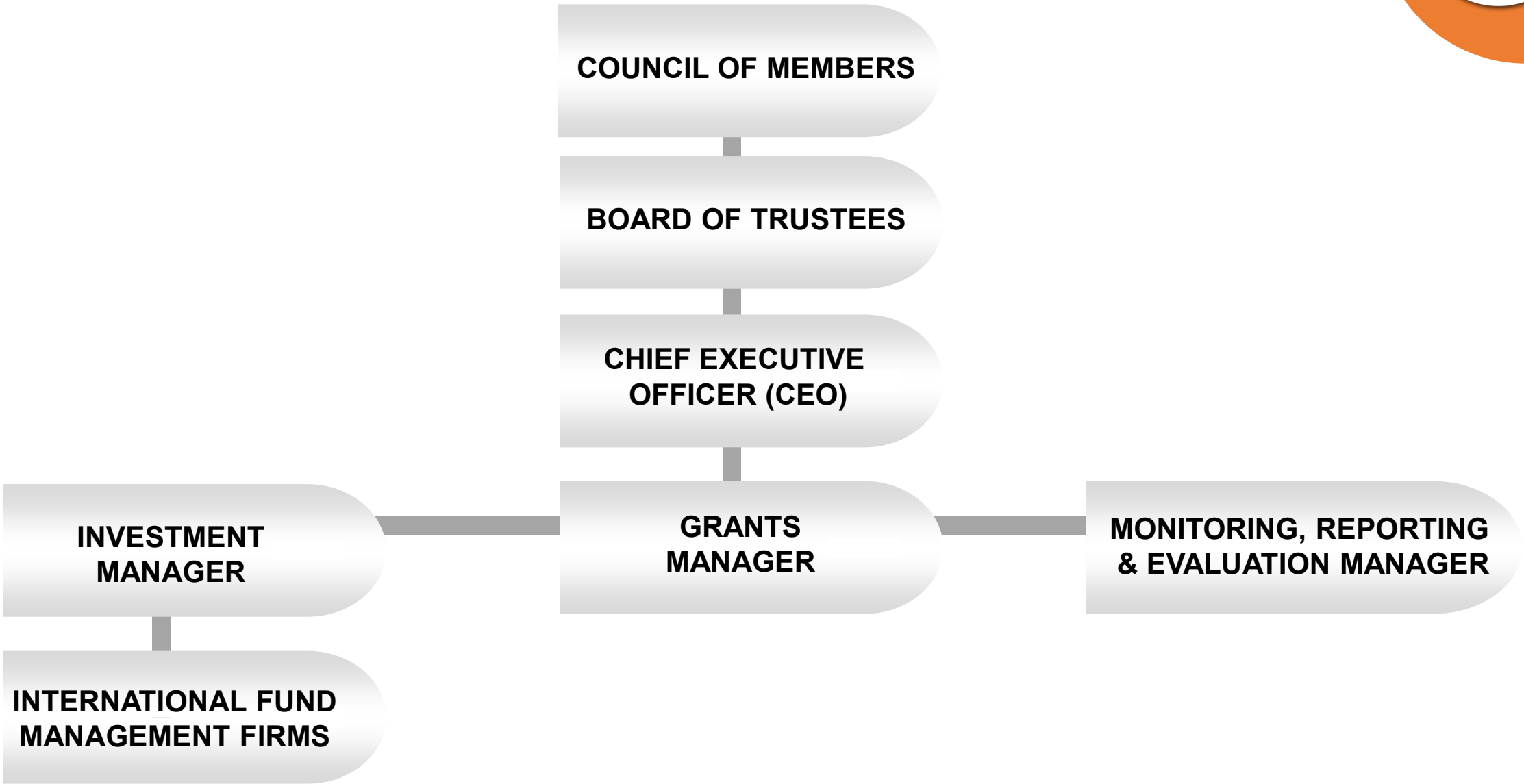
Contribution Policy (US$m):

US$20m or 10% of the US$200m (one-off) allocation will be held back by the PRF as FICs' contribution to PRF

Capitalisation



Governance


COUNCIL OF MEMBERS
BOARD OF TRUSTEES
CHIEF EXECUTIVE OFFICER (CEO)
INVESTMENT MANAGER
GRANTS MANAGER
MONITORING, REPORTING & EVALUATION MANAGER
INTERNATIONAL FUND MANAGEMENT FIRMS

Pre-Global Pledging Event Activities

- Initially planned for October 2021, now deferred to later in 2022
- Awareness/outreach with PIF Members continues
- Appointed Rt Hon Helen Clark as Special Envoy for the PRF
- Continue to solicit support and commitment from development partners ahead of the pledging event

Thank you

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www.forumsec.org/prf