PACIFIC ISLANDS FORUM

The Pacific Resilience Facility

To build the Blue Pacific's resilience in the face of more frequent and intense disasters and climate change, the Pacific Islands Forum has established a regional financing facility with a goal of US$1.5 billion.

What is the PRF?

1. The PRF will help vulnerable Pacific people exposed to climate change and disaster risks, particularly women and girls, children, the elderly and people with disabilities.
2. It will build the resilience, preparedness and adaptive capacity of poor communities before disasters strike.
3. It will allow the Pacific to invest in small grant based but high-impact projects to make communities disaster-ready
4. It is a Pacific-owned, Pacific-led solution, answering a clear need
5. It is a self-sustaining financial model - it will not result in debt for participating countries
6. It will deliver grants quickly and efficiently, distributing money through national government systems
7. PRF financial management will be based on global best practice, including external audits and independent monitoring
8. It will provide predictable and ongoing support so the Pacific can prepare ourselves for disasters and long-term climate change risks, rather than waiting for the next catastrophe.

The PRF will prepare the Pacific for disasters by financing projects that are:

- crucial for disaster risk reduction
- small-scale, ranging from US$50,000 to US$200,000
- community-level

Why do we need the PRF?

- The PRF is the only resilience building model focussed specifically on the people of the Blue Pacific
- It is tailored to the specific needs of Pacific communities
- It will support affordable and inclusive preparedness for disaster and climate change risks

What are the differences to other funding options such as disaster risk financing mechanisms, the Green Climate Fund, the Adaptation Fund and the Global Environment Facility?

- There is a considerable portion of funding for administration fees in other funding options. The PRF will work through existing government systems to limit administrative overheads.
- Disaster finance is usually made available after disaster has struck; we need the finance beforehand so we can prepare
- Small-scale community projects are the PRF focus. These often fall below the threshold of large multilateral disaster financing
- Applying for funding through existing options is complicated and places a burden on already stretched governments
- The PRF's design makes it less reliant on regular injections of capital, and less susceptible to changes in the global economic environment
- The PRF will distribute money through national government systems, consistent with the Paris Principles of Aid Effectiveness.
- The PRF is Pacific-owned and led, so it will be agile and responsive
- Most disaster risk financing available to Pacific countries tends to focus on post-disaster relief and recovery rather than preparing for disasters.
- The post-disaster finance available to FICs through multilateral development partners and institutions are triggered for access by FICs after disasters
- Key global climate change funds such as the Green Climate Fund, the Adaptation Fund and the Global Environment Facility support resilience building and stronger adaptative ability prior to disaster events, but the application process and the requirements necessary to access assistance are prohibitively cumbersome for many of us in the Pacific. Also, the PRF will be exclusively dedicated to the Pacific.
- Additionally, the scale of funding under these funds is well beyond the absorptive capacity of many small Pacific administrations and communities.

How will the PRF raise money?

The PRF aims to raise US$1.5billion through a global pledging event in 2021. In the lead up to this event, financial support is being sought from countries as well as international financial institutions, the private sector and philanthropic sources.

We call on donors to support this initiative with finance. Support from all development partners to the Pacific region is crucial to capitalise the PRF and accelerate resilient development.

Will the PRF take funding away from existing programmes and country allocations?

An essential part of the fund-raising strategy is to also access financing from non-traditional partners and regional windows of funding. Every effort will be made to tap into new resources.

Can the PRF cater for donors that prefer their contributions to be disbursed in a timely manner?

The PRF is premised on a capitalisation model but is responsive and agile to be able to cater for financing sources that have a certain preferred modality of disbursement that can be run alongside the PRF mechanisms proper.

If contributors (with the concurrence of Members) prefer their funds to be disbursed in a certain timeframe or modality then the PRF can consider that. The specifics for these pre-conditioned contributions will be developed by the PRF management and Board, in consultation with these contributors, and in accordance with the policies and principles set by the Governing Council.

What will the PRF spend money on?

The PRF will award grants for resilience building projects. These will be small-scale, at the community level, such as retro-fitting critical infrastructure:

- community centres and schools to serve as evacuation centres
- small scale sea defences
- small scale coastal protection projects
- transport links and jetties

How will the PRF distribute money?

- The PRF is aiming for US$1.5 billion in the fund
- This money will be invested and the interest will pay for resilience building projects
- Pacific Islands Forum Members will immediately benefit upon capitalisation through an initial allocation across the participating members
- national governments will apply for specific projects and use their national systems to ensure aid effectiveness and full national ownership
- Project grants will range from US$50,000 to US$200,000.
- The remaining funds will be managed by an independently and internationally recruited globally recognised Trust Fund Manager(s).
- The returns will be continuously re-invested in resilience building and disaster risk preparedness. This self-sustaining mechanism will serve to reduce reliance on external support for risk reduction particularly at the community level.
- A key feature of the PRF is that no debt will be created.

More information www.forumsec.org