



PACIFIC ISLANDS FORUM SECRETARIAT

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FORUM ECONOMIC OFFICIALS MEETING

6 - 7 July 2021

FORUM ECONOMIC MINISTERS MEETING

13 - 14 July 2021

Virtual

AGENDA ITEM 7: PACIFIC RESILIENCE FACILITY

Purpose

This paper:

- i. provides an update to Forum Economic Ministers and Officials on the progress of the Pacific Resilience Facility (PRF) since the last FEMM; and
- ii. seeks Ministerial guidance and support to mobilise development partners and donors' support for the PRF, leading up to a Global Pledging Event to capitalise the PRF.

Summary

- i. Despite the adverse impacts of the COVID-19 pandemic, work on PRF has progressed well.
- ii. The PRF Prospectus and Transitional Arrangements were endorsed by the 2020 FEMM as well as the Forum Officials Committee (FOC).
- iii. The PRF Prospectus outlines the key information on the PRF, including its Purpose, Objectives, Niche, Governance and Financial arrangements, and appropriate reporting and accountability mechanisms.
- iv. The PRF Transitional Arrangements set out the operational and functional arrangements for the PRF during its transitional period, when the PRF is initially housed at the Forum Secretariat, as directed by Economic Ministers and Forum Leaders in 2019.

A. Problem/Opportunity Identification

The PRF provides predictable, sustainable, accessible and accountable funding for disaster preparedness and climate risk resilience-building within vulnerable communities. It fills a significant financing gap in the regional financing landscape in the Pacific by providing small-scale grants upfront for community resilience building before disasters hit communities.

B. Background and Progress of PRF since 2020 FEMM

2. The PRF is Pacific-designed, led and owned. Work on the PRF has been led by a Technical Working Group (TWG) established by the 2018 FEMM, which is composed of senior Economic officials

of several Forum countries.

3. Economic Ministers and Officials will recall that the PRF is based on the principles of: regional ownership; affordable and contextualised financing; additionality and complementarity; and investment in preparedness. The PRF also reflects Forum Island Countries (FICs) national development priorities to better absorb economic, social and environmental shocks and stresses through risk-informed considerations in all resilient development initiatives. The key role of the PRF will be to finance risk resilience costs of FICs in communities through the:

- (a) Retro-fitting of existing critical community infrastructure (such as health centres/nursing stations, schools and jetties); and/or,
- (b) New investments in infrastructure, such as buildings and jetties/ports (where there is a financing gap to cover the costs of resilience for affected communities).

4. Economic Ministers and officials will also recall that the PRF was endorsed by the Forum Economic Ministers and Forum Leaders in 2019. A prospectus was developed for the PRF, which was endorsed by Economic Ministers in 2020. The prospectus was officially launched in May 2021, together with a PRF Logo – a copy of the prospectus together with the logo is included as **Attachment 1**. The prospectus is the document that promotes the fundamental features of the PRF and is being used to engage with development partners to solicit their support and pledges towards the PRF.

5. Despite setbacks imposed by the COVID-19 pandemic, work has progressed well including the launch of the prospectus and logo. Further, in partnership with Tuvalu’s Permanent Representative to the UN, the Forum Secretariat has engaged with over 20 development partners and foundations to seek their support for the PRF.

C. Global Pledging Event to Capitalise the PRF

6. Taking into account the ongoing impact of the pandemic on the global economy as well as the economies of Pacific countries, work is underway to convene a Global Pledging Event in the fourth quarter of 2021. In consultation with the Office of the UN Secretary General, and our partners and relevant diplomatic missions in New York in particular, a suitable date will be identified and announced for the Global Pledging Event to capitalise the PRF. The Forum Secretariat in consultation with the PRF TWG will make preparations for the pledging event, and inform Forum Members accordingly for support.

D. Next Steps

7. Many of the activities planned for 2020 and 2021 were disrupted by the impacts of COVID-19, particularly the convening of the Global Pledging Event. The following table proposes key activities which the PRF project would undertake leading up to the proposed Global Pledging Event and beyond. The activities are contingent on the ongoing impact of the COVID-19 pandemic and its adverse impacts on economies of key countries around the world.

8. In addition, and importantly, the successful implementation of the proposed activities of the PRF and indeed the overall success of the PRF will also depend on sustained engagement and political support of Forum Member States, including Forum Economic Ministers and Leaders.

Proposed Date	Proposed Activity	Comment
July-October 2021	<p>Ongoing engagement with key stakeholders, development partners, and Forum Members to mobilise support leading up to the proposed Global Pledging event.</p> <p>Convene Global Pledging Event</p> <p>Establish PRF Transitional Arrangements</p>	<p>Desk work and virtual meetings and consultations and engagements, as required.</p> <p>Contingent upon COVID-19's impact on the global economy.</p>
November-December 2021	<p>Post-global pledging event activities, including actualisation of pledges.</p> <p>Commence recruitment and establishment of PRF Board, and CEO of PRF.</p>	<p>On the assumption that the pledging event is held in Q4 of 2021.</p>
Quarter 1 & 2, 2022	<p>Formalise Transitional Arrangements of PRF to be housed at PIFS</p> <p>Recruit PRF staff, PRF Board of Trustees, fund managers, etc.</p> <p>Work on establishing PRF as a separate entity from PIFS</p> <p>Continue work on actualisation of pledges made at the Global Pledging Event. This will require set-up of the appropriate contract/legal documents for fund disbursement by donors.</p> <p>First Meeting of PRF Council of Members</p>	<p>On the assumption that pledging event is held in Q4 of 2021.</p>
Quarter 3 & 4, 2022	<p>Work on establishing PRF as a separate entity from PIFS</p> <p>Recruit PRF staff, PRF Board of Trustees, fund managers, etc, as required.</p>	<p>Board of Trustees to have two quarterly meetings on establishing relevant operational/corporate structures of the PRF, as appropriate.</p>

Proposed Date	Proposed Activity	Comment
2023	Work on establishing the PRF as a separate entity from PIFS continues. Second Meeting of Council of Members	
Quarter 1, 2024	PRF established as separate entity Third Meeting of Council of Members	This includes transitioning of PRF location at PIFS headquarters to the domicile country.

Pacific Islands Forum Secretariat
15 June 2021