



AGENDA

PACIFIC REGIONAL DIALOGUE ON FINANCIAL MANAGEMENT OF CLIMATE RISKS

26-28 June 2017

Apia, Samoa

Background:

The Pacific region is highly vulnerable to natural disasters, particularly tropical cyclones, floods, tsunamis and earthquakes. A changing climate is likely to increase vulnerability to the impacts of natural disasters. To mitigate and manage this increasing risk, there is growing interest in developing disaster and climate change risk financing tools within the Pacific region. This was expressed and demonstrated in the discussions at the Forum Economic Ministers Meeting and through the establishment of the Pacific Catastrophic Risk Insurance Facility. **These efforts to date have focused more on Disaster Risk financing with marginal consideration of future impacts of by climate change.**

The government of Tuvalu recently presented an initiative on the need for a dedicated climate change insurance facility in the Pacific to the Pacific Island Countries delegations to COP 22 who have supported the idea. The government of Tuvalu in collaboration with UNDP, SPREP and Australian Aid want to convene a regional dialogue on financial management of climate change risks, including discussing the need for a Pacific climate change insurance facility.

Objectives:

The purpose of this dialogue is to discuss the need for additional financial management of climate change induced risks in the Pacific island countries; to increase understanding of the options, gaps and challenges in managing and mitigating risks; to explore the potential for a Pacific Island Climate Change Insurance Facility that is dedicated to addressing climate change impacts, taking into account lessons learned from existing insurance arrangements; and to explore funding options for developing such a Facility.

The workshop will provide the PICs with more details on relevant experiences of climate risk financing such as the Caribbean Risk Insurance Facility, the African Risk Capacity and the Pacific Catastrophe Risk Assessment and Insurance Facility and enable a better understanding of how they function and how they can be incorporated or developed further to assist the proposed Facility. In addition to these regional facilities, we will share experiences of other financial products that can be relevant in the Pacific.

This dialogue will also explore the investment potential and usage of the insurance sector in the Pacific and the opportunities to strengthen the sector to help produce sustainable development outcomes.

This will include discussions on the opportunities for the sector to support resilience building measures in the region. It will also discuss the gaps and challenges that insurance providers face in the Pacific and ways to overcome these.

Day 1

08h30- 09h00 **Arrival and Registration**

09h00-10h00 **Opening Session– Outlining the Challenges**

- Fakavae Taomia, Acting Secretary to Government, Tuvalu
- Lizbeth Cullity, UN Resident Coordinator & UNDP Resident Representative
- Kosi Latu, Director General, SPREP

Outline of the agenda and objectives of dialogue

10h-10h30 **Coffee break**

10h30-12h00 **Session 1: Financing climate change risks.**

- The Economics of climate change adaptation **David Bresch, ETH Zurich – via Video skype**
- Financing for Development agenda in Asia-Pacific **Iosefa Maiava, UN ESCAP**
- Increasing financial certainty in the face of climate and disaster risks, **Scott Hook/Raymond Prasad, Pacific Islands Forum Secretariat**

Discussion on major priorities for climate change related financial needs in the Pacific

12h00-13h30 **LUNCH**

13h30- 15h00 **Session 2: Financing climate risks and insurance**

Presentations highlighting innovative financial products and insurance products to address climate risks

- Options for financial risk management and experiences in Asia Pacific Region **Arup Chatterjee, Asian Development Bank**
- Role of insurance and reinsurance in climate risk financing **David Simmons, Willis Towers Watson**
- Innovative insurance solutions for climate risks – **Vicki Mullen, Swiss Re**

Discussions: new ideas on the horizon, needs, opportunities and challenges for financial tools and risk transfer mechanisms in the Pacific.

15h00- 15h30 **Coffee break**

15h30- 17h00
financing tools

Session 3: Case studies and examples of climate and disaster risk

Presentations highlighting the aims, experiences, performance and lessons learned from:

- Caribbean Catastrophe Risk Insurance Facility – **Isaac Anthony, CCRIF**
- African Risk Capacity – **David Simmons, Willis Towers Watson**
- Pacific Catastrophe Risk Assessment and Financing Initiative – **Lavea Tupa'imatuna Iulai Lavea – Chief Executive Officer, Ministry of Finance, Samoa**
- Disaster contingent financing and policy-based lending, the experience of Cook Islands - **Melinda Pierre, Ministry of Finance, Cook Islands**

Discussion: Lessons learned, advantages and limitations of regional experiences and their applicability in the Pacific

Day 2

9h00-10h30

Session 4: The Pacific Dimension: The Role of the Insurance Sector in supporting Resilience

- An overview of the insurance sector in the Pacific and recent initiatives – **Michael Carr, Pacific Financial Inclusion Programme**
- Insurance models and solutions for *dealing with natural catastrophe risks* **Stephen Grange, Capital Insurance Group – Pacific Region**
- The international reinsurance market view of the Pacific. **Gabriel Manoughian, inuRE REinsurance Training & Solutions**

Discussion: Current scope of the insurance sector, challenges in supplying climate change insurance products, concepts, and how to boost usage and reach of insurance.

10h30-11h 00

Coffee break

11h00-12h30

Session 5- Defining the Pacific's needs

- **Presentation by Tuvalu – Needs for a regional insurance facility for climate change**

Structured discussion with the Pacific countries to assess their needs and readiness for financial management of climate risks building on input from previous sessions.

Desired outcome: identification of the most suitable options and tools for climate risk financing and risk transfer in the Pacific – and identification of next steps to advance them.

12h30-14h00

LUNCH

14h00- 16h30 GROUP DISCUSSIONS

Group 1- Options for a Pacific Climate Change Insurance Facility

Discussion: review the need for, and the options available for a Facility. Assess the appetite and capacities to design, fund and manage a Facility. Agree on the actions required to improve matters and the actors tasked to progress these.

Group 2- Strengthening the insurance sector and extending product ranges in the Pacific

Discussion: review the opportunities, and the current limitations of insurance providers in the Pacific and discuss options, tools and policies to improve insurance capacities and reach. Agree on the actions required to improve matters and the actors tasked to progress these.

Group 3 – Follow up on other options identified in Session 5 (if needed)

Day 3

09h00-10h30: Group discussions -Continued

Continuation of the group discussions of day 2 as needed.

10h30-11h00 Coffee break

11h00-13h00 Plenary report and discussion

Summary reports form group discussions and discussion in plenary to identify and agree on key recommendations and next steps.

13h00 -13h30 Closing

13h30-15h00 Lunch