

Summary of Prioritization Workshop in Fiji

Project title:	TA 6742-REG Output 4: Risk financing solutions and transfer mechanisms to promote climate resilience for ecosystems
Client:	Asian Development Bank
Author:	Lorena Ramirez, Project Coordinator; Megan Turner, Project Executive
Checked by:	Louise Heaps, Project Director; Francis Areki, In-country Coordinator; James Spurgeon, Ecosystems Valuation Specialist; Chery Gray, Global Lead Sustainability & Market Development, Swiss Re
Date:	09 April 2024

Project overview

This multi-stakeholder ADB project, funded by Asia-Pacific Climate Finance Fund (AClIFF) and the Global Environment Facility (GEF), aims to identify, recommend and demonstrate the applicability of sustainable financing and risk management models and approaches for coral reef ecosystems in targeted, high-opportunity sites in four countries, namely Fiji, Indonesia, the Philippines and Solomon Islands, towards increasing the climate resilience of coastal businesses, communities and their livelihoods.

Workshop purpose

The purpose of this workshop is to understand the priorities from the Government stakeholders on strengthening reef resilience and sustainable management of coral reef ecosystems; outline the intended approach for assessing risk transfer / reef insurance opportunities within key sites in Fiji, and obtain their feedback on the two High Opportunity sites in Fiji that are proposed to be taken forward into full assessment.

Agenda

Timing	Item
08:30	Registration
09:00	Remarks from the Ministry of Environment and Climate Change with regards to coral reef and resilience in Fiji and the project expectations. Senimili Nakora Baleicakau, Acting Director, Ministry of Environment and Climate Change
09:10	Overview of the ADB's coastal risk and resilience priorities and project context and purpose. Arun Abraham, ADB/GEF Senior Environment Specialist (Consultant) Climate Change Resilience and Environment Cluster
09:20	Overview of project objectives, expected outcomes and timelines. Louise Heaps, Project Director and Lorena Ramirez, Project Coordinator, Landell Mills.
09:30	Climate Risk Assessment, Cherie Gray and Piyush Sharma, Swiss Re Prioritization assessment approach and results. James Spurgeon, Ecosystem Valuation Specialist, Sustain Value
10:00	Moderated discussion. Francis Areki, In-country coordinator in Fiji, WWF Pacific
10:45	Closing remarks. Arun Abraham, ADB/GEF Environment Specialist Climate Change Resilience Environment Cluster
10:55	Next Steps and Close. Louise Heaps, Project Director, WWF Pacific
11:00	Morning Tea

Attendance

The meeting was attended by 21 participants in Suva and by 14 participants virtually (Appendix 1). Attendees comprised representatives from ADB, the consulting team from Landell Mills consortium, and from the following stakeholders:

- Ministry of Environment and Climate Change
- Ministry of Finance, Strategic Planning, National Development and Statistics
- Ministry of Tourism and Civil Aviation
- Ministry of Forestry and Fisheries
- Ministry of Lands and Mineral Resources
- Wildlife Conservation Society
- Conservation International
- Nature Fiji
- Pacific Private Sector Development Initiative

Presentations

All materials including presentations and recording, will be uploaded to the ADB Knowledge Event Repository in the link below:

<https://events.development.asia/learning-events/risk-transfer-mechanisms-partnerships-coral-reef-finance-and-insurance-asia-and>

Feedback provided

The questions raised and feedback provided during the workshop is summarized below.

- 1) Susana Tuisese, Conservation International: Explain what details relating to biodiversity and coastal habitat health are considered in the ranking framework.

James Spurgeon: (i) flooding criteria, based on the information provided by Swiss Re - sites were scored according to 3 main flooding contributors: storm surge, pluvial and fluvial. The risk level was determined based on an aggregation of all 3 factors, (ii) Biodiversity value – information on fish, coral reef, etc. was provided by local and national consultants and scored out of 5. For the status of coral reefs, the data was taken from the [Allen Coral Atlas](#); an open access database.

Piyush Sharma: The data/assessment model is a standardized Swiss Re model. The challenge is that Swiss Re's model does not feature coral reefs, therefore there was a need to cross reference their model with other maps of the area which feature coral reefs.

Francis Areki: most information was provided/derived from research, datasets and reports undertaken by the Fiji Locally Managed Marine Area network (FLMMA) and the Ministry of Fisheries. Francis and Marita assessed data going back as far as possible.

- 2) Marita Manley: Important to maintain the 'bigger picture' perspective in order to remember the purpose/aim of project, i.e. consideration needs to be given to both biodiversity values in certain areas and who will be the insurance policy holders/how effective the product would be in each area. For example, more biodiversity rich areas do not necessarily contribute economically to tourism. It would also be important to identify those areas where this

insurance product would not be effective or valuable to the community or economy. It is important to decide on the criteria that need to be in place to ensure that an insurance product would work for the specific site. It is important to maintain the context that this is one small mechanism in a much wider framework of financing coral reef resilience.

- 3) Susana Tuisese, Conservation International (follow up question): Are biodiversity elements included as part of the scheme? Most of sites are near developed tourism areas, but also communities. How are the communities factored into the narrative, knowing that the communities may not be able to afford the insurance product?

Cherie Gray: the greater purpose is around risk financing. Insurance is one component of what should be a comprehensive risk management programme. Focus should be on financing and the mechanisms to incentivize positive action, encourage conservation and risk management activities, and how insurance can support this. The insurance product only becomes activated after a catastrophic environmental event. The communities therefore need to build resilience in advance of catastrophic events.

The insurance is also a commercial product, so there needs to be clear criteria and a policy holder in place. The insurance needs to be priced appropriately and based on a quantified level of risk. The insurance essentially provides funds to support restoration & recovery of the reefs, therefore the relevant skills and community infrastructure also needs to be in place. The product is most effective where there is an aggregated policy holder meaning that the insurance can improve the lives of many.

James Spurgeon: To simplify, if looking to protect biodiversity, communities and fisheries, an option would be to look for a local/reg/national government or NGO to pay the premium. In more developed/built up areas, it is hoped that commercial developers will contribute to the premium payment.

- 4) Senivasa Waqiramasi, Ministry of Environment: Provide examples of other countries and cases where this type of insurance has worked, good practices, lessons learned, and what are the implication and commitment level financially that would be required? It is noted that it would require various partners at different levels (government and otherwise) to invest to cover some of the insurance. Also how did the team arrive at the current scores/ranking? Was time a factor that was considered in the ranking, in terms of vulnerability of coral reefs?

James Spurgeon: Time was not specifically included as there were more tangible factors to consider. The weighting process was a team approach, with local specialists and Swiss Re contributing to the final ranking decision. For each criterion, more in depth detail on the scoring can be read in the information package.

- 5) Sanjana Lal, Conservator of Forests, Ministry of Forestry: how do you determine the premium to be paid – is it based on the area of the reef? And how do you calculate the price of the premium? And if there is a case of loss or damage, who pays for the assessment of the reef to determine whether a payout can be made?

Cherie Gray: We are proposing a parametric insurance product. There is no standardized way of assessing, but we are hoping to develop this insight. The payout is calculated based on what would be needed (the response) after an event. There is no need to wait for or conduct an assessment with parametric insurance, as the payout is based on a pre-agreed risk and valuation information.

Role of government – there may already be information the government holds and can contribute. Consideration as to how a broader conservation programme would be funded to build resilience in advance of an event is needed.

Regarding where this has worked, the payout was activated in Mexico after hurricane Delta. Other areas, such as Hawaii, are also now using this product. In Mexico, the payout was US\$800,000 and teams were able to immediately to start coral restoration, knowing that repayment for the work would be available imminently.

- 6) Margaret Tabunakawai, WWF Fiji: There is a similar assessment process, which is a new concept for GEF, being implemented by GEF (along with partners) in Fiji and PNG. There have been a lot of discussion over the last 2 years on what could work – the two triggers identified are marine heatwave and tropical cyclone. Their strategy has worked for communities that have set up cooperatives to make the payments.

Francis Areki: we are still in the early stages of understanding how this type of product can work for a country like Fiji, so there is no set definition of how this product should look. This discussion is part of devising the solution and approach.

- 7) Marita Manley: Would be useful to receive any written review of the lessons learned from other similar parametric insurance products around the world that have worked. Need to note that the Pacific is a complex region to fund and receives high levels of aid. Therefore, need to consider how this programme would fit in.

Louise Heaps: the knowledge management group that are supporting the project can contribute here, they will be presenting 4 products. Blue Pangolin are producing a concept for a video with the intention of making the information accessible to the relevant stakeholders.

- 8) Tekata Toaisi, Acting Director for Fisheries: noted that a high value is given to fisheries and a low value given to diving. Asked how the diving score was determined.

James Spurgeon: based on 2 sets of info 1) diving website: [DiveSite](#); 2) national consultants provided their knowledge. The scores for both points were then averaged.

- 9) Apisai Vulawalu, Permanent Secretary, Ministry of Lands: Noting the importance of the project – need a clear guideline on how to protect and access the project areas, important to visit the selected areas often to monitor activity. They can assist in issuing a 'marine protected lease' and provision of data to inform the criteria.

- 10) Makereta Tuima–Senior M&E Analyst - Ministry of Finance: What are the financial implications of the product on the governments? The government would need to know what investments are needed.

- 11) Sereseini Vakawaletabua, Safeguards Officer, ADB-SPSO Recommendation: engagement/investments with key resources owners (e.g. fishing sites), to ensure a safeguards system for the environment and communities.

- 12) Senivasa Waqairamasi: what is the work that would be done in the sites, or is it just restoration?

Louise Heaps: as mentioned by Cherie, the intended insurance product should go hand in hand with actions to restore, protect and maintain the integrity of the coral reef. There is no intention to damage or change the reef in any way.

Selina Ward: once sites are selected, intend to visit to run surveys to assess the conditions of the corals and the vulnerabilities surrounding them (physical/environmental). The report will consider the integrity of the coral reefs at the sites and the potential benefits of the insurance product.

13) Jacinta Lal – Director, Ministry of Tourism: Assuming that sites are based on high tourism areas, and the economic values of the two main sectors (fisheries & tourism)?

Cherie Gray: there are other considerations regarding tourism areas – for example, a levy/tax could be applied to tourists to fund the insurance product.

Priority sites: Initial confirmation of both Suva and Denarau, but any further considerations/comments/feedback can be sent over to the team in the coming week.

Additional comments:

- Denarau – there are insurance activities in this area but not to the same extent as Suva.
- Jacinta Lal – Director, Ministry of Tourism: Agrees with consensus to include Suva as a site. For Denarau, it's also important to consider the outer islands in that bay area.

Meeting recording:

https://lmltd-my.sharepoint.com/:v/g/personal/megant_landell-mills_com/Ef3pahCZAS5Oh5iOyp38qycBTik0ARiySCISGM3fhqXQfw?referrer=Teams.TEAMS-ELECTRON&referrerScenario=MeetingChicletGetLink.view.view

Next steps

This note and link to the [event site in ADB Knowledge Event Repository](#)¹ (where all meeting materials will be uploaded) will be shared with all the meeting attendees.

¹ <https://events.development.asia/learning-events/risk-transfer-mechanisms-partnerships-coral-reef-finance-and-insurance-asia-and>

Appendix 1: Attendance report

	Name	Title	Organisation	Attendance
1	Sereseini Vakawaletabua,	Safeguards Officer,	Asian Development Bank-SPSO	Suva
2	Margaret Vakalalabure	CRRI Fiji Project Manager	WWF Fiji	Suva
3	Una Malani	Great Sea Reef Manager	WWF Fiji	Suva
4	Kiji Vukikomoala	Legal and Governance Specialist	FELA	Suva
5	Leba Gaunavinaka	In-country technical specialist	UNOSAT/CCD-MECC	Suva
6	Makereta Tuima	Senior M&E Analyst	Ministry of Finance:	Suva
7	Ratava Ducivaki	Policy and Planning Analyst	Ministry of Finance:	Suva
8	Matt Capper	Tourism Analyst	PSDI	Suva
9	Marita Manley	Ecosystem Valuation Consultant	Talanoa Consulting	Suva
10	Janice Taga	Coral Reef Ecologist	WCS	Suva
11	James Sloan	Regulatory Analyst	Siwatibau and Sloan Lawyers	Suva
12	Paul Van Nimwegen	Director	WCS	Suva
13	Senimili Nakora-Baleicakau	DOE Acting Director	Ministry of Environment	Suva
14	Senivasa Waqairamasi	Senior Principal Officer	Min of Environment and Climate Change	Suva
15	Sanjana Lal	Conservation Director - Forest	Min of Forestry	Suva
16	Tekata Toaisi	Acting Director for Fisheries	Min of Fisheries	Suva
17	Susana Tuisese,	Director - Regional	Conservation International	Suva
18	Mere Lakeba	Country Director-Fiji	Conservation International	Suva
19	Apisai Vulawalu	Assistant Director Lands	Min of Lands	Suva
20	Francis Areki	In-country coordinator	WWF	Suva
21	Ravai Vafoou	Knowledge Management and Capacity Building specialist	WWF	Suva
22	Jacinta Lal	Director for Tourism	Ministry of Tourism	Online
23	Hilly Ann Quiaoit	ADB-GEF Marine Conservation Specialist (Coral Reef Ecosystems) (Consultant)	Asian Development Bank	Online
24	Thomas Kessler	Principal Finance Specialist (Disaster Insurance)	Sector Group Finance, Asian Development Bank	Online
25	Arunkumar Abraham	ADB/GEF Senior Environment Specialist (Consultant)	Climate Change, Resilience and Environment Cluster	Online

			(CCRE), Asian Development Bank	
26	Cherie Gray	Swiss Re Project Coordinator	Swiss Re	Online
27	Piyush Sharma	Climate Risk Modeler	Swiss Re	Online
28	Nadja Riedwyl	Disaster Risk Finance Specialist	Swiss Re	Online
29	Selina Ward	Senior Coral Reef Ecologist	University of Queensland	Online
30	Peter Mumby	Senior Coral Reef Ecologist	University of Queensland	Online
31	James Spurgeon	Ecosystem Valuation Specialist	Sustain Value	Online
32	Louise Heaps	Project Director (Global Lead, Sustainable Blue Economy)	Landell Mills (WWF)	Online
33	Lorena Ramirez	Project Coordinator	Landell Mills	Online
34	Megan Turner	Project Executive	Landell Mills	Online
35	Ajesh Dutt	IT Support	WWF Fiji	Online