

From Recommendation to Action: Workshop on Insurable Infrastructure Solutions

2-3 December 2024, Fiji

Statement of Request for Support from the Asian Development Bank

[Country X] was invited by the Asian Development Bank (ADB) to participate in the workshop titled "*From Recommendation to Action: Insurable Infrastructure Solutions*"¹ which took place on 2-3 December 2024 in Nadi, Fiji. The event brought together a wide range of stakeholders, including representatives from the other 13 Pacific Island Countries (PICs), the New Zealand Ministry of Foreign Affairs and Trade, the Australian Department of Foreign Affairs and Trade, the United Nations Office for the Coordination of Humanitarian Affairs, the Global Shield against Climate Risks, the Pacific Regional Infrastructure Facility (PRIF), and the Sustainable Infrastructure Foundation. Also participating were members of the Insurance Development Forum, such as WTW, Zurich Insurance Group and Aon, as well as other local insurance brokers Insurance Holdings Pacific, and local loss adjusters McLarens and the Pacific Catastrophe Risk Insurance Company.

Noting the findings in "*A Guide to Insurable Infrastructure in the Pacific*"² published by ADB in collaboration with the World Bank, which highlights key challenges in accessing insurance for Pacific infrastructure projects in the PRIF pipeline³, including: i) limited local market capacity, ii) lack of international reinsurance appetite for natural catastrophe risks, iii) inadequate risk-resilient design, iv) poor risk management, and v) substandard construction standards. The Guide points to regulatory issues that complicate procurement within required timelines, unrealistic insurance expectations, and a fragmented presentation of risks and related information to the insurance market, which often make insurance costly or unavailable, hindering infrastructure development and excluding local contractors and insurers.

Recognizing the importance of i) early engagement with insurers to proactively identify and mitigate risks, ii) enhance project sustainability through improved risk-sensitive design, iii) enforce construction standards, iv) adhere to project risk management best practices, as well as v) secure funding to cover potential project losses and damages, while also vi) mobilize private sector investors for co-financing.

Affirming the need to support regional collaboration, building on the PICs individual state of development and national initiatives related to the infrastructure and insurance sector, to empower project stakeholders with the requisite tools and knowledge to navigate the insurance landscape effectively and enhance efficiency of delivering and implementing the National Infrastructure Investment Plans (NIIPs).

1. We acknowledge the need to improve and streamline insurance provisions for infrastructure projects in the Pacific, including engaging with the insurance industry to understand their information needs and identify actions to address concerns they help identify related to risk assessment, appropriate design, risk reduction, and risk management throughout the project's lifecycle;
2. We seek support to address the identified concerns in the short term through risk advisory services and operational actions, in line with the recommendations of the Guide to ensure regional consistency. This includes i) standardizing insurance procurement information and documentation, ii) establishing more realistic insurance procurement requirements such as

¹ Presentations and other material available at: [ADB Knowledge Events](#).

² Guide available at: www.adb.org/publications/guide-insurable-infrastructure-pacific.

³ PRIF provides technical assistance on infrastructure development and sustainable infrastructure management to PRIF partners and member countries (visit: www.theprif.org/what-we-do).

appropriate coverage amounts and deductibles, and iii) implementing common risk-sensitive engineering standards;

3. We encourage further assessment of establishing a Pacific resilient infrastructure finance and insurance facility to standardize risk advisory services and de-risking measures throughout the infrastructure project lifecycle, to boost greater investment in infrastructure and help close the financing and protection gaps for resilient infrastructure in the Pacific; and
4. We express our interest in exploring the use of the digital infrastructure project preparation and data management platform, SOURCE⁴, and its Risk Management and Insurance Module by means of testing a pilot infrastructure project, which aims to support sustainable infrastructure development and enable consistent, effective risk management, insurance design, and procurement.

Considering the above, we request ADB and donors to further support *[Country X]* and other interested PICs by providing funding to implement these initiatives.

Authorized Signature

[Country X]

[Name]

[Title]

⁴ The SOURCE platform, led and funded by multilateral development banks, is an initiative designed to support sustainable infrastructure development by providing tools and resources for project preparation, financing, risk management, and a newly developed insurance module (visit: www.adb.org/publications/source-multilateral-platform-sustainable-infrastructure).