

### Context

Fiji, classified as upper middle income, is one of the largest and most developed of the Pacific Island Countries (PIC)<sup>1</sup>. It is an archipelago of 332 islands, 106 of which are inhabited<sup>2</sup> with a majority of the approx. 865,000 people residing on the two largest islands of Viti Levu and Vanua Levu. The country is located on the tropical cyclone belt and experiences an average of one cyclone per year. The climate of the Asia-Pacific islands is generally tropical and annually uniform although is strongly sensitive to the El Nino Southern Oscillation (ENSO) and the Pacific Decadal Oscillation (PDO) (UNEP *et al.* 2000). This influences the frequency of extreme weather events and has an impact on the skill (accuracy over time) of forecasts and potential lead times for early warning systems (Bailey, 2016). It is predicted that climate change will usher in changes in the 'regional climate system', especially the ENSO. El Nino is believed to be the warm side of the oscillation, which could result in harsh droughts.<sup>3</sup> Fiji's exposure to natural hazards could be amplified by climate change. The country experiences, on average, one cyclone per year and is exposed to other natural hazards, including floods, droughts, landslides, tsunamis, earthquakes, and volcanoes (ADB, 2019). It is estimated that disasters propel an average of three percent of the population into poverty each year (IFRC, 2019).

The most severe meteorological drought for Fiji started during the neutral ENSO phase and later continued when 2015–2016 El Niño started. This drought ended at the same time Tropical Cyclone (TC) Winston landed in Fiji, thereby making recovery from drought conditions very difficult. The impacts of dryness and longer-lasting droughts on food insecurity due to crop failure are felt particularly strongly in the isolated islands that are dependent on local food production. On February 20th 2016, TC Winston (Category 5) was the most intense on record in the country and caused widespread devastation, reportedly impacting 60 percent of the population. It is estimated that the costs amounted to US\$0.9 billion, approximately 20 percent of GDP (Mansur *et al.*, 2017). On the same day, a state of natural disaster was declared followed

<sup>&</sup>lt;sup>1</sup> Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, Fiji, French Polynesia, Kiribati, the Marshall Islands, Nauru, New Caledonia, New Zealand, Palau, Solomon Islands, Tonga, Tuvalu, Vanuatu, and Wallis and Futuna

<sup>&</sup>lt;sup>2</sup> Comprising 1,171 villages

<sup>&</sup>lt;sup>3</sup> https://www.e-ir.info/pdf/81898

by a state of emergency. In April 2020 TC Harold (Category 4) caused destructive flooding on Viti Levu and significant damage to Kadavu island, Vatulele and Southern Lau islands (IFRC, 2021). Later in December 2020 TC Yasa (Category 5) made landfall on Vanua. Shortly after in January 2021, TC Ana (Category 2) impacted Northern Fiji and compounded humanitarian needs resulting from the first cyclone. According to the Government, Cyclone Yasa caused an estimated loss of almost US\$250 million to infrastructure, livelihoods and agriculture. The total damage for the agriculture sector, which accounts for 15 percent of GDP<sup>4</sup> was assessed to be more than US\$72.5 million (RNZ, 2021)<sup>5</sup>.

In addition, the country faces major environmental challenges, including deforestation<sup>6</sup>, unsustainable fishing practices. Rising sea levels has led to the erosion of Fiji's coastal areas, and the intrusion of saltwater has destroyed farmland and forced residents to move to safer ground.

Administratively, the country is divided into Northern, Eastern, Central and Western divisions which are governed by a commissioner for the coordination of government activities. These divisions consist of 14 provinces, headed by Provincial Officers (Roko Tui) at the local government levels, which are operating under the direction of the Ministry of Local Government, Housing and Environment<sup>7</sup>.

# **Legislation and Policies**

## Regional

The adopted policy frameworks by PICs of relevance to both the DRR-CCA and anticipatory action (AA) agendas is the 'Framework of Resilient Development in the Pacific (FRDP) 2017-30 which is aligned with the Paris and Sendai agendas. This represents a step forward in the 'development of a common and integrated approach to climate-related risks and the strengthening of regional resilience' (IFRC, 2020: p.25). The main aim of the FRDP is to build resilience to climate change and disasters in the Pacific Islands region, placing sustainable development at the heart. The drafting process of the FRDP was highly consultative and inclusive from national and communities to regional and international levels (IFRC, 2020). The national implementation of these policies are dependent on the institutional capacities within the ministries of a country.

The **Pacific Resilience Partnership (PRP)**<sup>8</sup> supports and facilitates the effective implementation of the FRDP. There are various working groups under the PRP and one of relevance to AA is the *Working Group on Climate and Disaster Risk Financing* that meets every two months<sup>9</sup>. It was recently endorsed as an official information management mechanism for the economic ministries of the region (KII).

The IFRC posits that there is policy relevance to AA/FbF in the **Asia-Pacific Regional Road Map for implementing the 2030 Agenda for Sustainable Development**, which promotes regional cooperation and highlights the thematic issues of disaster risk reduction (DRR), resilience and climate change (ESCAP, 2017)<sup>10</sup>. FbF can contribute to the Road Map's implementation strategy in two ways - firstly through the

https://www.rnz.co.nz/international/pacific-news/436485/cyclone-yasa-damage-to-fiji-worth-nearly-us250m. Accessed 15 August 2021

<sup>&</sup>lt;sup>4</sup> Ibid

<sup>&</sup>lt;sup>5</sup> Cyclone Yasa damage to Fiji worth nearly US\$250m 16 February 2021 https://www.rnz.co.nz/international/pacific-news/436485/cyclone-yasa-damage-

<sup>&</sup>lt;sup>6</sup> https://www.worldbank.org/en/news/press-release/2021/01/28/world-bank-and-fiji-sign-agreement-to-reduce-forest-emissions-and-boost-climate-resilience

<sup>&</sup>lt;sup>7</sup> The governance responsibilities of the i-Taukei or indigenous Fijian villages are linked to the Ministry of i-Taukei Affairs at the national level. Issues related to community management are firstly discussed by the village councils, followed by district councils before reaching the provincial councils and Roko Tui's

<sup>&</sup>lt;sup>8</sup> http://www.resilientpacific.org/pacific-resilience-partnership/

<sup>&</sup>lt;sup>9</sup> Members include ADB, World Bank, PCRIC, NZMFAT, AusAid, SPC, National Finance Ministries

<sup>10</sup> https://www.unescap.org/sites/default/files/publications/SDGs-Regional-Roadmap.pdf

'access to data' component by highlighting the need for enhanced regional collaboration and actively promoting the need for free and neutral data, for flood forecasting and beneficiary selection and secondly through the 'Finance' aspect, where FbF promotes both predictable long-term financing and an efficient use of donor funds ahead of a natural disaster (IFRC, n.d). <sup>11</sup>

The coordinating efforts of the PICs, with different risk profiles, has increased over the years in order to amplify their voice politically and diplomatically. Fiji is a member of the Alliance of Small Island States (AOSIS)<sup>12</sup>, the Vulnerable 20 Group (V20)<sup>13</sup>, and Small Island Development States (SIDS)<sup>14</sup>. The SAMOA pathway<sup>15</sup>, the outcome document for the SIDS Conference in 2014, addresses sustainable development and CCA and DDR. Regional organisations, bodies and fora have attempted to align countries from a policy perspective. This includes the Pacific Islands Forum Secretariat (PIF) which attempts to achieve deeper regionalism within the Pacific; The Pacific Community (SPC) the region's main scientific and technical organisation with key experience in hazard and risk information and assessments; Secretariat of the Pacific Regional Environment Programme (SPREP) mandated with protecting and managing the environment and natural resources of the Pacific and the Pacific Islands Development Program (PIDP). Within the SPREP there is an El Nino/La Nina working group which meets once a month to present updates across the PICS and share meteorological data, after a declaration happens. There has been preliminary discussion around anticipatory action (AA) and there is potential to discuss this further (UNDRR KII).

#### **National**

The entry point for AA is the Natural Disaster Management Act 1998 (NDMA)<sup>16</sup>. However, in 2018, in order to ensure that the lessons learnt from TC Winston were incorporated in legislation<sup>17</sup>, the government undertook a renewal of its legal frameworks related to climate risks - namely a review of the NDMA and the National Disaster Management Plan (NDMP) 1995 (The Commonwealth *et al.*,2018)<sup>18</sup>. Although this started initially through the adoption of policy tools it is now a legislative process to ensure that the country's frameworks respond to present and future needs. One of the main features of the (Draft) Disaster Risk Management Bill (2020) is 'the introduction of a focus on the role of climate change in relation to disaster risk management and the allocation of respective responsibilities at the national, divisional and provincial levels' (IFRC, 2020: p.44)<sup>19</sup>. The normative structure of the bill is mainly focused on risk management activities including a strong preparedness component. Both the draft bill and plan are still under review at the time of writing having undergone an extensive consultation process.

<sup>11</sup> https://www.preventionweb.net/files/62642\_casestudy5bangladeshfbffinal.pdf

<sup>12</sup> https://www.aosis.org/about/member-states/

<sup>13</sup> https://www.v-20.org/about-2

<sup>14 52</sup> countries whose unique and particular vulnerabilities were highlighted in the outcome document "The Future We Want" adopted at Rio+20 in 2012. This includes their exposure to global challenges and external economic shocks including impacts from climate change and potentially more and frequent intense natural disasters. https://www.un.org/ohrlls/content/list-sids
15 A/CONF.223/3

<sup>&</sup>lt;sup>16</sup> The Act set forth the roles and responsibilities of the Natural Disaster Management Council (NDMC) and the National Disaster Management Office (NDMO). It also provides the legislative basis for the Fiji National Disaster Management Plan (1995)

<sup>&</sup>lt;sup>17</sup> These include • coordination of humanitarian assistance; • national information management and communication in times of disaster; • funding and financial monitoring of relief assistance; and • national and local capacity across the whole DRM spectrum (IFRC, 2018)

<sup>&</sup>lt;sup>18</sup> The review is being financially supported by the Pacific Community (SPC) through the European Union (EU) funded Building Safety and Resilience in the Pacific (BSRP). This is being led by the Ministry of Infrastructure, Transport, Disaster Management and Meteorological Services, in partnership with the IFRC and the Building Safety and Resilience in the Pacific (BSRP) Project.

<sup>&</sup>lt;sup>19</sup> These will have to implement policies and coordinate activities and training in their respective jurisdictions, including those related to DRR and resilient development

The new climate change legislative act - the **Climate Change Bill (2020)** - has been under discussion since late 2019. The main aim of the new act is to legislate the country's domestic response to climate threat in line with its commitments towards the implementation of the Paris Agreement (IFRC, 2020).

The bill regulated the establishment of the National Climate Change Coordination Committee (NCCC) and an update of its mandate. At the time of writing in August, it had been tabled in Parliament (KII).

From a potential funding perspective for AA, two dedicated funds have been mandated - the **National Disaster Relief and Rehabilitation Fund (NDRFF)/ Prime Minister's Fund<sup>20</sup>** which is used to finance post recovery resilience and an ongoing **Contingency Fund for Disaster Risk**. In the 2021-2022 budget, US\$800,000 was appropriated to the NDRFF and US\$1 million to the Contingency Fund (Govt of Fiji, 2021). However, according to the IMF in any given year, there is a 57 percent chance that Fiji will experience government emergency losses that exceed the contingency provision (IMF, 2019).

The NDMA establishes the National Disaster Management Council (NDMC)21 which has overall responsibility for DRM policy and operations and the National Disaster Management Office (NDMO)<sup>22</sup> is responsible for the coordination of the response to disasters. Given the isolation of the islands, media (national radio stations and television broadcasters) is used as an early warning system. The NCCP contains indications for structural reforms which include, inter alia, the re-establishment of the National Climate Change Coordination Committee (NCCCC) and the update of its mandate, including a "clear guidance for interactions with the National Disaster Management Committee on issues that cross-cut the adaptation and disaster risk reduction objectives to improve the ability to coordinate resources and improve the accuracy of risk reduction reporting and planning" (IFRC, 2020); and the creation of a Cabinet Committee on Climate and Disaster Risk (CCCDR) to provide high level oversight of climate and disaster risks. The government has strategically placed the Climate Change and International Cooperation Division (CCICD) within the Ministry of Economy to better climate sensitise national development and planning. A new Project Development Unit (PDU) is in the process of being established23 that will focus on the development of bankable projects that mainstream climate change action. There has been a call for greater inter-governmental coherence since climate change and DRM are under different ministries. The Ministry of Rural and Maritime Development and Natural Disaster Management is responsible for the country's coordination of responses to disasters and operates under the jurisdiction of the 1998 Act, and the Ministry of Foreign Affairs is responsible for climate change. In general, the effective implementation of disaster and climate risk policies and projects have been hampered by both the lack of adequate capacities and limited budget allocations (UNDRR, 2019).

#### **Policies**

CCA-DRR is systematically integrated in most relevant policies. The 5 Year and 20 Year National Development Plan (NDP): Transforming Fiji (2017)<sup>24</sup> is aligned with global commitments including the 2030 Agenda and the Paris Agreement. The main purpose of the new draft NDMP is to 'ensure a systematic and comprehensive approach to DRR, in light of the sustainable development tenets and according to the more general reform process ongoing in the country' (IFRC, 2020: p.41) In December 2019, the National Disaster

<sup>&</sup>lt;sup>20</sup> Established in 2004

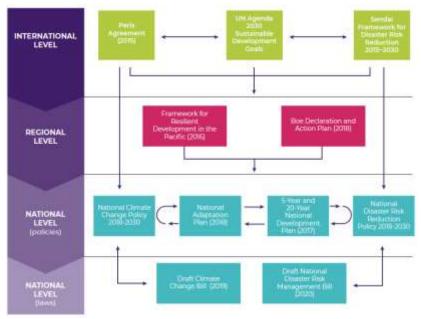
<sup>&</sup>lt;sup>21</sup> This comprises the Minister of Development and National Disaster Management as Chair, the Secretaries of each Ministry, Directors of other key agencies plus the Director of the Fiji Red Cross Society and the Fiji Council of Social Services representing civil society. The NDC operates through three committees; a Preparedness Committee responsible for community awareness activities; a Mitigation and Prevention Committee, which initiates and coordinates the implementation of disaster mitigation activities, and the Emergency Committee which has control during emergency operations. The NDMA also confers powers on Cabinet to make a declaration of natural disaster upon the advice of the NDC (IFRC 2020).

<sup>&</sup>lt;sup>22</sup> http://www.ndmo.gov.fj/index.php/about-us

<sup>&</sup>lt;sup>23</sup> Supported by UNDP's Gov4Res Project

<sup>&</sup>lt;sup>24</sup> Drafted by the Ministry of Economy (MoE)

Risk Reduction Policy was launched, making Fiji the first country in the South Pacific to institutionalise the goals of the Sendai Framework (Govt of Fiji, 2021). The **Disaster Risk Reduction Policy 2018-2020 (NDRRP)**<sup>25</sup> recognises DRR as a cross cutting issue which requires a multi-sectoral approach including integration with CCA. In 2007, the National Climate Change Policy Framework was adopted which resulted in Fiji's first National Climate Change Policy (2012). In 2019 the **National Climate Change Policy (NCCP)** (2018-2030) was adopted by the MoE. A noteworthy feature is a 'woven approach' to resilient development i.e. an interconnected and systematic way to both strengthening and transformation across different sectors, including CCA and DRR (IFRC, 2020: p.40). The policy also acknowledges the need to include slow-onset risk reduction considerations in early warning systems. The National Adaptation Plan (NAP) process was launched in 2018 by the Ministry of Economy's Fijian Climate Change and International Cooperation Division under the mandate of the NCCP (2018). The NAP process uses existing international policies, frameworks and plans. It recognises that "integrating disaster risk reduction with climate change adaptation supports the NAP process to be consistent with calls for their integration under the UNFCCC, SDGs and the Sendai Framework for Disaster Risk Reduction' (NAP, 2018).



Source: IFRC 2020

## **Disaster Risk Financing**

#### Regional level

At the regional level there are various ex-ante financing initiatives, these include:

The Pacific Resilience Facility (PRF)<sup>26</sup> - The PIF has established a regional financing facility with a goal of US\$1.5 billion to build resilience in the Pacific in the face of more frequent and severe disasters and ongoing climate change threats. It is unclear whether AA activities could be financed.

<sup>&</sup>lt;sup>25</sup> Drafted under the supervision of the Ministry of Disaster Management and Meteorological Service

<sup>26</sup> https://www.forumsec.org/prf/

Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI)<sup>27</sup>- Fiji is one of the 15 countries engaged in the PCRAFI<sup>28</sup>, an initiative established in 2007 as a joint initiative of the SPC,World Bank and ADB. This initiative aims to provide the PICs with disaster risk modelling and assessment tools and assist PICs on integrated financial solutions to reduce their financial vulnerability to natural hazards and climate change. PCRAFI modelling predicts severe losses for Fiji due to tropical cyclones, earthquakes, and tsunamis. It concluded that in the next 50 years, Fiji has a 50 percent chance of experiencing losses exceeding F\$1.5 billion (approx. US\$750 million), and a 10 percent chance of experiencing losses exceeding F\$3 billion (approx. US\$ 1.5 billion). PRAFI also led to the establishment of a regional catastrophe insurance platform (see below) (PCRAFI, 2018).

Pacific Catastrophe Risk Insurance Company (PCRIC) - Established in 2016, this is a region wide effort to address climate and disaster risks across the 14 PICs, owned by the PCRAFI foundation, both established by legal statute in the Cook Islands. Sovereign parametric insurance policies are offered for both tropical cyclone and earthquake/tsunami events based on a pre-selected trigger by the policyholder, or government, and designed to provide rapid response emergency funds in case of a triggered event<sup>29</sup>. Policies are designed to pay-out within 10 days of a triggered event to provide immediate access to liquidity for disaster response. As a risk-pooling mechanism, PCRIC offers cost savings to participating countries, estimated at 50 percent less in premiums than if they had purchased insurance individually<sup>30</sup>.

Fiji became a member of the PCRIC Foundation in 2020 and makes an annual payment to have a 'seat at the table' (KII). Although at present Fiji doesn't subscribe to any of the insurance products, it could in the future if PCRIC were to offer a wider range of products, beyond wind speed, that were more suited to Fiji (KII).

The Pacific Insurance and Climate Adaptation Programme<sup>31</sup> (PICAP) - Through this initiative the Pacific region's first parametric micro-insurance product was launched. The announcement of the launch of the product in Fiji, named ClimateCare, was made in August 2021. For F\$2 (US\$1) a week, low-income and vulnerable Fijians will be able to access up to F\$1,000 (US\$500) after a flood or cyclone (PINA, 2021)<sup>32</sup>. In 2021 UNCDF, WFP and the Ministry of Women, Children and Poverty Alleviation will adapt and pilot the parametric insurance product for social welfare recipients in high-risk locations. However, although these products have many advantages over indemnity-based insurance and will provide significantly more timely post-disaster cash relief and potential for financial resilience, there is not the ability at present to support anticipatory actions. Following these pilots and lessons, further research is needed into how to support anticipatory action.

#### **National level**

<sup>27</sup> http://pcrafi.spc.int/

<sup>&</sup>lt;sup>28</sup> Catastrophe risk insurance for PICS began as a pilot through PCRAI, which laid the foundations for a regional catastrophe risk pool to offer government's affordable parametric insurance. Initial capital funds were provided by the PCRAFI Program Multi-Donor Trust Fund (MDTF) with contributions from Germany, Japan, the United States and the United Kingdom as part of InsuResilience – the G7 initiative on climate risk insurance. As of 2020 donors have provided US\$24 million.

<sup>&</sup>lt;sup>29</sup> In 2015 Solomon Islands withdrew after experiencing two disasters that were not eligible for a pay-out. An earthquake in 2013 was not large enough to trigger a payment, neither did the plan cover floods from heavy rains in 2014, as the rainfall was unrelated to a cyclone. https://floodlist.com/australia/rising-disaster-risk-but-little-insurance-interest-in-pacific-islands

<sup>30</sup> https://www.gfdrr.org/sites/default/files/publication/PCRAFI-final\_0.pdf

<sup>&</sup>lt;sup>31</sup> This is jointly implemented by the UNCDF, UNDP, United Nations University, Institute for Environment and Humans Security (UNU - EHS) through the Munich Climate Insurance Initiative (MCII). It covers Fiji, Vanuatu, Samoa, the Solomon Islands, and Tonga.

<sup>32</sup> https://pina.com.fi/2021/08/26/affordable-insurance-for-climate-vulnerability-fiji-economy-minister/. Accessed August 27, 2021

Budget reallocation is often used by governments that lack a DRF strategy and who fund most of their response ex-post. For example, after TC Winston in 2016, the government financed relief and recovery activities through the social protection system by reallocating significant budgeted resources from lower-priority expenditures (IMF, 2019; ADB, 2019). In addition, Fiji received US\$35 million from humanitarian aid, of which US\$21.5 was from the UN Flash Appeal (Mansur *et al*, 2019). In 2012, the government reallocated F\$7 million (US\$3.7 million) from the national budget in 2012, equivalent to approximately 0.3 percent of the total budget to finance the initial response to TC Evan (Government of Fiji, 2013). Fiji's fiscal year is the same as the calendar year, and given that TC Evan happened in December, a further F\$17 million (US\$9.1 million) was reallocated from the 2013 budget to finance housing rehabilitation, equivalent to 0.7 percent of total expenditures (PRCAFI, 2015).

Fiji, like the other PSIDs, is seeking to broaden and strengthen its disaster risk financing strategies as a key response to addressing the ongoing climate emergency. Innovating financing mechanisms have been explored such as the Green Bond, and a new type of sustainability bond which finances projects related to ocean conservation, the Blue Bond<sup>33</sup>. The Blue Bond will be marketed heavily at COP26 and will be issued by the second quarter of 2022, with the help of the UK government<sup>34</sup>. Other domestically derived revenue includes the Fiji Environment and Climate Adaptation Levy (ECAL)<sup>35</sup>.

Contingency funds are also available. The government signed a Stand-by Emergency Credit for Urgent Recovery with the Government of Japan for up to US\$50 million and in March 2021, a US\$145 million Catastrophe Deferred Drawdown Option (CAT-DDO)<sup>36</sup> was approved by the World Bank to support Fiji's ongoing efforts to recover both from the impacts of COVID-19 and multiple tropical cyclones (World Bank, 2021a).<sup>37</sup> The government is currently conducting a number of studies to inform the development of a national climate and disaster risk financing strategy. The formal development of the strategy is expected to begin early next year (KII).

## **Social Protection**

Fiji is considered to have a relatively more advanced social protection system than the other PICS. Since 2012 the government has allocated more than US\$14 million annually from the national budget to the four main protection programs<sup>38</sup>, led by the Department of Social Welfare under the Ministry of Women, Children and Poverty Alleviation (MWCPA) (Mansur *et al.*, 2017).

Social assistance programs have been used for past and current shock responses. In 2016, following TC Winston, Fiji became the first PIC to piggyback post-disaster assistance off its existing social safety net programs (targeting the poor and the vulnerable) through vertical expansion. Households covered under the programs were given a top-up payment equivalent to three times the amount of their regular benefits (Mansur *et al*, 2018). This translated into an injection of approximately US\$160 million into the economy and existing social assistance schemes were used to efficiently disburse cash to vulnerable groups. The cash top-up payments were made to all existing beneficiaries, regardless of whether they resided in affected areas. This was driven by several factors including the urgency of the situation. For e.g. under the Poverty

<sup>&</sup>lt;sup>33</sup>https://www.fijivillage.com/news/Fiji-working-with-the-UK-in-getting-out-some-new-blue-bonds---AG-r84f5x/

<sup>34</sup> https://www.unescap.org/sites/default/d8files/event-

documents/2.2\_Sustainability%20linked%20bonds\_Fiji%27s%20case\_Vineil%20Narayan\_0.pdf

https://revitalization.org/article/fiji-on-leading-edge-of-resilience-financing-with-their-environment-climate-adaptation-levy/

<sup>&</sup>lt;sup>36</sup> The Cat DDO has a "soft" trigger, as opposed to "parametric." Funds become available for disbursement after the declaration of a state of emergency due to a natural disaster.

<sup>&</sup>lt;sup>37</sup> https://www.worldbank.org/en/news/press-release/2021/03/26/-world-bank-boosts-support-for-fiji-s-sustainable-recovery

<sup>&</sup>lt;sup>38</sup> The core programs are the Poverty Benefit Scheme (PBS), Care and Protection Scheme (CPS), and the Social Pension Scheme (SPS), inbuilt with a Food Voucher Program (FVP) and the Free Bus Fare Program (FBFP).

Benefit Scheme (PBS)<sup>39</sup>, 22,802 households were paid a lump sum of US\$300 (Masur *et al*, 2017). The transfer was enabled by Fiji's existing advanced electronic banking system that was in place for regular social assistance payments. WFP used the shock responsiveness capacity of the existing Fiji social safety nets (targeting and assistance delivery mechanisms) to reach over 72,000 people of those worst affected by the cyclone (WFP, 2017). In 2020, response to TC Harold CERF funding was mobilised to stabilize the food security situation of those affected and government systems were used again for top ups. As part of this, WFP provided cash assistance to 10,882 households providing a one-time 100 Fijian dollars (US\$ 49), unconditional cash top-up through the Government's safety net programmes(CERF, 2020; WFP 2019)<sup>40</sup>.

The humanitarian response to TC Winston was quick and led effectively by the government because it leveraged and built upon existing national systems in place. After the experience with TC many suggestions were made including the development of a formal Social Protection Policy Framework with an embedded disaster responsive component and the consolidation and centralisation of the PBS database<sup>41</sup> so that both the poor and 'near-poor'<sup>42</sup> households can be targeted in times of disaster. Following TC Winston social assistance was not provided to the near poor households since the PBS database did not include the electronic records of these households and there was no mechanism to expand support to non-beneficiaries.

Work on implementing the lessons learnt is ongoing. In 2018, the Pacific Regional Cash Working Group (PRCWG)<sup>43</sup> investigated the feasibility and appropriateness of Cash and Voucher Assistance (CVA) in rural Fiji and concluded that despite the issues that the country faces in terms of geographical dispersion and accessibility issues, CVA is feasible across the areas that were studied and the preconditions for the use of cash existed (such as community acceptance, presence of markets, functional and reliable payment systems) (WFP 2019; AusAid *et al*, 2018). WFP is the Secretariat of the Fiji Cash Working Group (FCWG) that is chaired by the Permanent Secretary from the MWCPA. The World Bank is working with the government to improve the social registry to enable horizontal expansion and WFP will be undertaking a scoping exercise to analyse, among other things, how to make the existing system more shock-responsive (WFP KIIs; World Bank, 2021b).

# **AA Initiatives at country level**

**FAO** engagement on AA in Fiji started in 2017 after a scoping mission. An early warning system for drought has been developed within the Fiji Meteorological Department<sup>44</sup>. It focuses on sugarcane farmers in the north of Fiji and was developed in consultation with the farmers and communities. Although the plan has been developed, FAO is still trying to figure out how to institutionalise it since in Fiji organisations need to work with the government and stand-alone projects aren't allowed (FAO KII). Since there have not been any El Niño events, the pilot has not been evoked. FAO is looking at a feasibility study in the Pacific, which could include Fiji, to accelerate the AA agenda in the region.

Various initiatives are currently underway which would contribute to AA. These include:

<sup>&</sup>lt;sup>39</sup> This was rolled out in 2013 and targets the poorest 10 percent of households instead of the previous 3 per cent. The PBS provides F\$ 35 per person to up to four household members, plus a food voucher of F\$ 50. The program currently benefits 23,035 families and has an annual budget of F\$ 22 million (US\$10.2 million)

<sup>40</sup> https://cerf.un.org/what-we-do/allocation/2020/summary/20-RR-FJI-42874/20-RR-WFP-032

<sup>&</sup>lt;sup>41</sup> PBS is targeted to poor families based on proxy means testing (PMT) and covers approx. 26,000 households (World Bank, 2021b).

<sup>&</sup>lt;sup>42</sup> Those households whose welfare score is low, but still above the program's threshold

<sup>&</sup>lt;sup>43</sup> Members include Oxfam, Save the Children, WFP, Acaps and AusAid

<sup>44</sup> https://www.met.gov.fj/

Climate Risk Early Warning System (CREWS) Pacific SIDS 2.0<sup>45</sup> - This four-year initiative seeks to strengthen existing early warning systems by improving the early warning capabilities of national and regional hydro-meteorological centres (WMO, 2021)<sup>46</sup>. The Fiji Meteorological Service/Regional Specialized Meteorological Centre completed its long-term strategic plan. These plans assist meteorological services to articulate objectives, identify specific strategies and outputs, and develop an action plan to deliver services over the next five to ten years. They also enable the allocation of resources from the national budget and demonstrate the value of the investment (WMO, 2020).

**UNDRR** will be providing tailored technical assistance to align Fiji to the four pillars of the Global Risk Assessment Framework (GRAF)<sup>47</sup>. The goal of GRAF is to '*improve the understanding and management of current and future risks at all spatial and temporal scales*' (GAR,2019:p.67). The work aims to support: the monitoring and evaluation of Fiji's National Disaster Risk Reduction Policy 2018-30; the ongoing legislative review of the Fiji Disaster Management Act; progress against the targets of the Sendai Framework via the online Sendai Monitor and the FRDP.

**Pacific Resilience Nexus**<sup>48</sup> - under the aegis of the SPC will attempt to consolidate, streamline disaster loss data and bring it together into one hub. This will be supported by GRAF (UNDRR KII).

In addition to this, there are potential AA links to the follow up program to Respac<sup>49</sup> led by UNDP. This program could potentially look at how to enhance risk information and make it user friendly for impact-based forecasting (UNDRR KII).

# **Analysis**

AA is a nascent concept in the region and the conversation has mainly been in the context of drought/dry spells (KIIs). Although interviewees mentioned that there is interest from different institutions (such as the Ministry of Economy in Fiji) it is generally unclear what AA in the Pacific would look like. For example, drought as a natural hazard would be of more interest in atoll countries such as the Marshall Islands that have been previously devastated by drought. In addition to this AA relies on a robust scientific foundation and risk analysis to build evidence. However, in the region there are issues around data deficits, a lack of uniformity and data sharing which makes it difficult to develop the necessary baselines. Sufficient forecasting skills and accurate predictions are also limitations to AA in the region. Additional issues raised by interviewees included the confusion around terminology and an ambiguity around the term 'anticipatory'. The use of varying terms such as AA, FbF and Early Warning Early Action can confuse people as they can interpret the three terms as different things (FAO KII). There is a lot happening that could fall under AA but the language around what constitutes AA is hard to decipher. An initiative could be considered 'anticipatory' but in effect they are ex-ante in design with ex-post delivery. A foresight-based approach to managing risk could also be considered anticipatory. Whereas the more specific term FbF on the other hand does make it clearer.

Although there are few examples of implementation in the region, there appears to be an appetite in the principles and the components of AA such as risk finance. Interviewees mentioned that there appears to

<sup>&</sup>lt;sup>45</sup> The project contributes to the Sendai, the SDGs, WMO's Long-Term Goals and Strategic Objectives, the Kainaki II Declaration, as well as the priorities of the Pacific Islands Meteorology Strategy (PIMS) 2017-2026.

<sup>46</sup> https://www.preventionweb.net/news/view/79021

<sup>&</sup>lt;sup>47</sup> Global Risk Assessment Framework https://www.preventionweb.net/disaster-risk/graf

<sup>&</sup>lt;sup>48</sup> https://www.spc.int/sites/default/files/tenderfiles/2020-01/REOI%2020-009.pdf

<sup>&</sup>lt;sup>49</sup> https://www.pacific.undp.org/content/pacific/en/home/projects/respac-project.html

be more momentum on AA now given initiatives such as REAP, the InsuResilience Partnership that could help raise the profile of AA in the region and push forward the agenda. Over the next five years, the Regional Technical Working (RTWG) Group on Anticipatory Action Working Group will implement its regional interagency roadmap to effectively and efficiently scale up anticipatory action in Asia-Pacific (WFP KII).

The impact of COVID in the Pacific which has caused economic shocks had led to increased interest by donors in the AA agenda. Within the TWG on Climate and Disaster Risks, there has been a previous, unsuccessful effort to finance a regional scoping study to develop case studies in the region, building on previous work done by the IFRC. The TWG is a good space to advocate and endorse the concept of AA specific to the region's needs. There could be a possibility to engage/collaborate with the UN agencies who are looking at developing scoping studies in the near future. A forthcoming report by ODI, financed by ADB, investigates the potential for AA in the region.

Within Fiji, the Drua Incubator within the Ministry of Economy looks at improving Fiji's access to disaster risk finance. A big challenge is how to make the products available sustainable, given the budget constraints of the government. There is interest in developing the concept of AA/FbF further which is considered to have a lot of value in certain circumstances. Currently it is viewed as a humanitarian initiative within the mandate of humanitarian agencies. It is unclear what AA would look like on the ground and where it could sit within the government and where ownership should lie. Forecasting is not considered strong enough at present and there is general hesitancy from the government to release funds for an event that doesn't transpire. Therefore, the general tendency has been to look at resilience through for example improved infrastructure. For example, after TC Winston the government introduced stringent building codes to build back safer (RNZ, 2016)<sup>50</sup>. Interviewees mentioned that, in Fiji, AA needs to be part of climate smart resilience and situated within longer term DRR plans. In addition to this, more advocacy needs to be done to increase awareness about what it entails, both with the government and other organisations (FAO, WFP KIIs). A comprehensive scoping study would therefore be the first step to assess the feasibility and consider what early actions would look like.

#### REFERENCES

Asian Development Bank (2019) <u>The enabling environment for disaster risk financing in Fiji - Country diagnostics assessment</u>

Australian Aid, acaps, OXFAM, Save the Children, WFP (2018) Introductory Research on the Feasibility of Cash and Voucher Assistance in Rural Fiji

Commonwealth, IFRC, Pacific Islands Forum Secretariat (2018) Legislating for Climate Smart Disaster Risk Management in the Pacific (Workshop Report)

CREWS (2020) Annual Report - Progress on Early Warning in a Pandemic

Government of Fiji (2021) Budget Estimates 2021-2022

International Federation of Red Cross and Red Crescent Societies (IFRC) (2021) Final Report Fiji: Tropical Cyclone Harold

<sup>&</sup>lt;sup>50</sup> https://www.rnz.co.nz/international/pacific-news/301069/post-cyclone-rebuild-package,-reforms,-announced-in-fiji Accessed 29 August 2021

International Federation of Red Cross and Red Crescent Societies (IFRC) (2020) Law and policies that protect the most vulnerable against climate-related disaster risks

International Federation of Red Cross and Red Crescent Societies (IFRC) (2019) Risk Governance for Resilient Development in the Pacific

International Federation of Red Cross and Red Crescent Societies (IFRC) (2016) World Disaster Report 2016 Resilience: Saving Lives, Changing Minds

International Monetary Fund (2020) Republic of Fiji - Staff Report for the 2019 Article IV consultation

International Monetary Fund (2019) Working Paper - Fiscal Buffers for Natural Disasters in Pacific Island Countries

Mansur, A., Doyle, J., & Ivaschenko, O. (2018). Cash transfers for disaster response: Lessons from Tropical Cyclone Winston. Development Policy Centre Discussion Paper No. 67.

Mansur, A., Doyle, J., Ivaschenko, O. (2017) Social Protection and Humanitarian Assistance Nexus for Disaster Response: Lessons Learnt from Fiji's Tropical Cyclone Winston. World Bank. Washington DC.

PCRAFI (2018) Phase II Furthering Disaster Risk Finance in the Pacific

PCRAFI (2015) Advancing Disaster Risk Financing and Insurance in the Pacific SPC, GFDRR, World Bank Group

PCRAFI (2015) Fiji Country Note

The Republic of Fiji (2018) National Disaster Risk Reduction Policy 2018-2030

World Bank (2021a) Program document for a proposed development policy loan

World Bank (2021b) Project appraisal document - Fiji Social Protection Covid-19 response and system development project

World Food Programme (2019) Pacific IslandsAnnual Country Report 2020Country Strategic Plan2019 - 2022

World Food Programme (2017) <u>Tropical Cyclone Winston Fiji Government and World Food Programme</u>
<u>Joint Emergency Response — Lessons Learned Workshop Report, April 2017</u>