

PRESS RELEASE

India-based Risk Management Company to Provide Technical Support on key UNCDF Disaster Risk Financing and Insurance Project

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Even as the global COVID-19 pandemic raged on in 2020, the South Pacific Island of Fiji faced a ‘double whammy’- an economic crisis triggered by the global pandemic and the impact of successive tropical cyclones.

Still under COVID restrictions, the country was hit by Tropical Cyclone Harold in April, then TC Yasa in December, with both classified Category 5.

Fiji, like the other Pacific Small Island developing states, is highly vulnerable to natural disasters like cyclones and currently there are no insurance solutions to provide post-disaster relief to low-income households and communities.

The Government has limited options to cope, besides repurposing national budgets, - moving funds from development to disaster relief- external and internal borrowing or seeking donor assistance.

Led by the Fiji Ministry of Economy’s Climate Change and International Cooperation Division, the United Nations Capital Development Fund (UNCDF) is implementing the “Developing Climate Disaster Risk Financing Framework and Parametric insurance” project.

The project received financial support of US\$850,000 from the India-UN Development Partnership Fund, administered by the United Nations Office for South-South Cooperation.

The overall program objective is to ***“Improve the financial preparedness of Fiji against climate change and natural hazards, leveraging India’s experience in FinTech/InsurTech and fostering greater South-South Cooperation,”***

This will be achieved through a combination of stakeholder engagement, co-creation of solutions, awareness and capacity building, innovative financing options and digital linkages – with a robust interface to the 2030 Sustainable Development Goals.

[Weather Risk Management Services Pvt. Ltd. \(WRMS\)](#), will be providing the technical support to develop the weather index parametric modelling and the development of appropriate and affordable climate risk insurance products targeting the agriculture, fisheries, tourism and retail sectors.

The firm will also work closely with the project team to develop the capacity of local insurance service providers in Fiji.

WRMS is a leading India-based climate and agriculture risk management company specializing in developing climate, disaster and agriculture risk transfer solutions, including weather index based parametric insurance.

The project team has identified pilot locations and beneficiary groups and has been conducting ideation workshops to create awareness on climate disaster risk financing and insurance in preparation for the roll-out of the products from Q3 of 2021.

Several project activities are already underway, key aggregation and distribution partners like cooperatives and associations identified, FinTech and InsurTech service providers selected and foundational work including demand side research and supply side feasibility completed.

The project, a first in the Pacific, aims to unlock the potential of the private sector to meaningfully contribute to addressing a persistent development challenge and vulnerability in the region.

Disaster risk financing and insurance solutions will be used to establish proof of concept and then scaled and replicated in other countries through knowledge and experience sharing.

The project integrates a strong South-South cooperation element by way of bringing lessons from the Indian experience in weather index insurance and technology-

backed solutions to inform development in the Pacific.

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