



WTW innovative risk finance project to safeguard Melanesian fishing communities against climate threats

May 9, 2022

LONDON, May 09, 2022 (GLOBE NEWSWIRE) -- WTW (Willis Towers Watson, NASDAQ: WTW), a leading global advisory, broking, and solutions company, today announced the launch of a new financial initiative to help vulnerable fishing communities in Fiji and Papua New Guinea (PNG) to be more resilient to the adverse impacts of climate change.

Melanesia is one of the most vulnerable regions to climate change in the world. The coastal populations of Fiji and PNG face a range of sustainable development challenges exacerbated by climate impacts undermining the ecosystem services on which they depend. In turn, coping strategies can lead to a cyclical pattern of overexploitation of marine resources, causing longer-term damage to both the ecosystems and communities that depend on them¹.

There is currently little in the way of climate risk protection available in the region beyond insurance policies covering fixed assets such as property. These only pay out after physical damage, and only after a lengthy loss-adjustment process. Even then, very few households carry such coverage².

The Global Environment Facility (GEF) project *Financial Tools for Small-scale Fishers in Melanesia*³ has been developed by WTW, in collaboration with WWF, to close this gap through the creation of financial 'shock-absorbing' products tailored for fishing communities in Fiji and PNG, with payouts that can be deployed faster at the most critical time, to help them withstand the adverse impacts of climate change and effectively manage natural resources to ensure the resilience of the ecosystems themselves.

Kushaal Raj, Acting Head of the Climate Change and International Cooperation Division, Ministry of Economy, Fiji, said: "Given fisheries is a key area in national development planning and with the magnitude of threat climate change brings to the sector, this project will enhance Fiji's capacity in promoting sustainable fisheries management and provide relief to small scale fishing communities in Fiji to sustain their livelihoods after a climatic event."

This project, funded by the GEF's Special Climate Change Fund, aims to contribute to this challenge in one of the world's most vulnerable regions. It was formally launched with an inception meeting in which stakeholders from Fiji and PNG discussed the activities planned for the first year of the project and provided inputs to ensure its success.

Participants included Sylvester Pokajam, Chairman and President of the PNG Fishing Industry Association (FIA), who said: "We are pleased to cooperate because this project is fully aligned with the five years FIA PNG log-frame of the Responsible Sourcing Policy and it is an honour to cooperate with the PNG small-scale fisheries and coastal communities."

Fiji Development Bank (FDB) CEO Saud Minam also expressed his support for the project: "FDB has been at the forefront of supporting smallholder fisheries entrepreneurs to build back sustainably after natural disasters that are exacerbated by the impact of climate change. FDB is happy to be part of this project and looks forward to its successful outcome."

Rowan Douglas, Head of the Climate and Resilience Hub at WTW, said: "Ocean-related risk means that coastal communities are especially vulnerable to climate change. For communities of low-lying atolls and coastal areas of main islands in the Melanesian region, adaptation to climate change is an essential priority, and we are pleased to be exploring how risk understanding tools and risk transfer products from the insurance sector can enhance the resilience of vulnerable communities."

WWF-Pacific will play a key role in helping WTW build bridges with local government and communities and offer guidance on local financial processes, languages, and culture.

Mark Drew, Director of WWF Pacific, said: "Fiji and PNG are countries that have large populations of small-scale fishers and are at high risk of natural disasters. This project will expand understanding and opportunities for small-scale fisher communities that are isolated from financial products. WWF Pacific is committed to working with our partners and key stakeholders to ensure that through the project we help advance resilience and incentivise sustainable resource management, in turn improving the health of our ecosystems."

¹ The Food and Agriculture Organisation estimate that between 250,000 and 500,000 Papua New Guineans and half of Fiji's rural households rely upon subsistence fishing. Building the resilience of fishing communities, which at present have limited access to financial products to smooth shocks and manage natural resources, is key.

² In Fiji, the penetration rate for non-life insurance is just 1.42 percent. That rate is an even lower 0.59 percent in Papua New Guinea.

³ This is funded through the GEF's Special Climate Change Fund through the Challenge Program for Adaptation Innovation

About the Global Environment Facility

The [Global Environment Facility](#) is the largest multilateral fund focused on enabling developing countries to invest in nature and supports the implementation of international environmental conventions on biodiversity, climate change, chemicals, and desertification. Since 1991, it has provided nearly \$22 billion in grants and blended finance and mobilised an additional \$119 billion in co-financing for more than 5,000 projects and programmes. Through its small grants programme, the GEF has provided support to more than 26,000 civil society and community initiatives in 135 countries.

About the Special Climate Change Fund

The GEF-managed [Special Climate Change Fund](#) has two decades of experience helping vulnerable countries adapt to a changing climate, focusing on bankable, innovative solutions that can be scaled. Since 2001, the SCCF has invested more than \$360 million in adaptation measures that have benefited more than 7 million people and increased private sector engagement in climate resilience products and services. Through the SCCF, donor governments have supported the training of more than 200,000 people, expanded access to climate information services, and provided flexible solutions to enable developing countries including small island states to adapt to a fast-changing climate.

About the World Wildlife Fund (WWF)

WWF is one of the world's leading conservation organizations, working for 60 years in nearly 100 countries to help people and nature thrive. With the support of more than 5 million supporters worldwide, WWF is dedicated to delivering science-based solutions to preserve the diversity and abundance of life on Earth, halt the degradation of the environment, and combat the climate crisis. Visit worldwildlife.org to learn more; follow [@WWFNews](#) on Twitter to keep up with the latest conservation news; and sign up for our newsletter and news alerts [here](#).

About the Climate and Resilience Hub

The Climate and Resilience Hub (CRH) is the focal point for our climate expertise and capabilities, pooling knowledge from across our people, risk and capital businesses and from our collaborations to deliver climate and resilience solutions in response to a range of regulatory, investor, consumer, employee and operating pressures. Under the Climate Quantified™ brand we deliver analytics, advice and transactions to enable corporate, finance and public sector institutions to embrace the climate decade ahead.

About WTW

At WTW (NASDAQ: WTW), we provide data-driven, insight-led solutions in the areas of people, risk and capital. Leveraging the global view and local expertise of our colleagues serving 140 countries and markets, we help organisations sharpen their strategy, enhance organisational resilience, motivate their workforce and maximise performance.

Working shoulder to shoulder with our clients, we uncover opportunities for sustainable success—and provide perspective that moves you.

Learn more at wtwco.com.

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