



JOURNEY TO RESILIENCE: DEVELOPING THE SOLOMON ISLANDS NATIONAL DISASTER RISK FINANCING STRATEGY (2024 – 2027)

Insights from the Solomon Islands Experience, July 2024



Participants at the 2nd National Planning Workshop for the Solomon Islands Disaster Risk Financing Strategy held in Honiara from 13-14 February 2024. (Photo by Viema Bower, UNCDF-PICAP)

INTRODUCTION

This brochure captures key lessons from the process of formulating the Solomon Islands National Disaster Risk Financing Strategy (Strategy). Its objective is to raise awareness and provide encouragement to all Pacific Island countries about the need to strengthen financial protection against disasters as part of a comprehensive resilience building and sustainable development effort.

This Strategy, a key focus of the Solomon Islands Government (SIG), particularly the Ministry of Finance and Treasury (MoFT), aims to address the country's disaster risk financing needs.



"I reiterate importance of **exploring different financing mechanisms** to support and reinforce Government's efforts in **strengthening financial protection** against disaster and to effectively reach out and address needs on the ground. The financial resilience we need to address disasters is **reflected in some of our legislation** and the Government wants to do everything we can to reinforce what is already there in legislation, and to make changes and **strengthen** them, and as well related policies where this is needed. We need a Strategy that is fit for the Solomon Islands **context**."

MCKINNIE DENTANA
PERMANENT SECRETARY TO THE MINISTRY OF
FINANCE AND TREASURY
SOLOMON ISLANDS GOVERNMENT

The Solomon Islands National Disaster Risk Financing Strategy will:

1. **provide guidance on the range of financial instruments and products needed to address the range and scale of disasters** that the Solomon Islands experiences.
2. Identify the institutional and human capacity strengthening requirements to enhance financial protection.



THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP



PACIFIC ISLANDS FORUM



Pacific Community
Communauté
du Pacifique



PRP
PACIFIC
RESILIENCE
PARTNERSHIP



UN
CDF
Unlocking Potential of Pacific
Finances for Resilience



PACIFIC
CATASTROPHE
RISK INSURANCE
COMPANY



SOLOMON ISLANDS NATIONAL DISASTER RISK FINANCING STRATEGY PLANNING PROCESS

The development of the Strategy followed 7-step process as laid out below.



Figure 1: 7-Step DRF Strategy Planning Process

The timeframe for developing the national DRF Strategy differs from one country context to another and depends upon several factors including the availability of relevant stakeholders; availability of resources; time taken to gather relevant data and information; consistency of leadership and commitment to the process by all parties.

Highlights from each workshop:



SOLOMON ISLANDS NATIONAL DRFS PLANNING WORKSHOP 1

The first planning workshop held in October 2023 was an in-depth analysis and discussion; resulting in greater clarity around the scope and intent of the Strategy, its specifics and proposed implementation arrangements.

Participants were introduced to and discussed a draft of the DRF Diagnostic Study for the Solomon Islands out of which the objectives and strategic priorities of the Strategy evolved.



“The success of the Strategy will be demonstrated by where the Funds end up. DRF is a new area and needs to be socialised widely in a language that’s easy to understand taking into consideration marginalised groups and literacy levels. The sustainability of the MoFT Climate Finance Resilience Unit is vital to ensure this work continues.”

CHRIS WAGATORA
Chief Climate Finance Officer
Climate Finance Resilience Unit - Ministry of Finance and Treasury

Findings from a World Bank DRF Diagnostic Study for the Solomon Islands prepared by the World Bank in collaboration with MoFT, National Disaster Management Office and other agencies provided a better understanding of Solomon Islands’ disaster risk exposure and a foothold to establish strategic priorities for the National DRF strategy. The DRF Diagnostic Study was informed by risk modelling and financial data collected from various Ministries.

An Emergency PFM Assessment was undertaken by the Asian Development Bank (ADB) to evaluate how effectively the PFM system achieves strategic allocation of resources and efficient service delivery following a disaster event. Through this assessment, several priorities and related actions for the Strategy were identified.

"The process for developing the SI DRF Strategy has revealed the need to strengthen the planning and budgeting process through better coordination between central ministries (MoFT, MNPDC) and implementing ministries (MECDM - NDMO) so that a reasonable level of resources/financing can be allocated to support disaster related programs.

There are existing processes and mechanisms that can be used as an entry point. For e.g. whether appropriations can be made through government revenue for DRF or whether we use contingent allocations?"



SOLOMON ISLANDS NATIONAL DRF STRATEGY PLANNING WORKSHOP 2

A 2nd planning workshop was held in February 2024 to validate various strategic objectives and priorities for the Strategy. Participants also identified key Values consistent with the overarching Vision, Mission, and Objectives of the National Development Plan 2016 – 2035, as well as the Principles of the National Disaster Management Plan 2018.

Initial financial products for the Strategy were identified, including those resulting from bilateral initiatives engaged by the MoFT. Participants also recognized challenges in the Public Finance Management system, recommending strengthening for efficient DRF implementation, along with improved coordination between the NDMO and MoFT.



SOLOMON ISLANDS NATIONAL DRF STEERING GROUP ORIENTATION WORKSHOP

The Steering Group was established by the MoFT in early March 2024 and members were provided orientation on their responsibilities in a 3rd workshop on 12 March 2024. The Steering Group members acknowledged the remaining steps in the Strategy development process and their commitments to supporting and guiding the drafting process.

The Steering Group had extensive discussions on the draft Strategic Priorities and Values, originating from the second Strategy workshop in February 2024. An updated version of these priorities and values was shared



Peer exchange and learning

Tony Kaltong of Ministry of Finance and Economic Management, Vanuatu participated in the Solomon Islands DRF Strategy development process as part of a peer exchange and learning opportunity supported by Pacific Catastrophe Risk Insurance Company (PCRIC). His participation in the process was vital to help Vanuatu with the formulation of its National DRF Policy.



"This peer exchange and learning opportunity has enlightened me on the practical side of developing a national DRF strategy and instilled a confidence to lead a similar process for Vanuatu to formulate its own DRF Policy. I have a better understanding of DRF to be able make recommendations suited to our local context "



“Government Departments outside of NDMO need to understand the DRM arrangements better in order to identify their entry point. The Steering Group can help to ensure there is good representation in the sector committees. It’s important to identify DRF instruments and products suitable to Solomon Islands context and that would reach the last mile. The CFRU would benefit from capacity building and strengthening in order to take this work forward.”

KAYLENE FANEGA
Principal Climate Risk Finance Officer
Climate Finance Resilience Unit - Ministry of Finance and Treasury



“In order to work, the Strategy needs to have a broader approach and include and partner with CSOs and the Private Sector from the beginning. The implementation needs to be set out clearly and logically so partners can see how they fit in the plan. There needs to be better communication with the SIG - particularly NDMO and MoFT on data needs. Trust and relationship with the private sector needs to be strengthened. Systemic change can only happen with a change in mindset.”

FLORENCE RHIBBIE AUMA
Executive Officer
Solomon Islands Chamber of Commerce and Industry

LESSONS LEARNED

- Building awareness on DRF throughout the process is important to cement learning and raise visibility on the strategy development process. Understanding DRF is important as participants represent different organisations and have varying understanding of DRF. Better understanding helps them see where they fit into the DRM/DRF process.
- Establishing the Steering Group early in the process with the right technical representatives will ensure that members know the importance of their involvement in driving the development and implementation of the Strategy.
- The consistent engagement with the Steering Group is important to keep the momentum going not just at the Strategy development stage but will also be vital in the implementation of the Strategy.
- The Inclusive process - involving the collaboration of government agencies, private sector, financial sector, development partners, donors and civil society organisations ensured that wider perspectives were captured in the Strategy.
- Developing the Strategy in phases (5 engagements over 8 months) helped to build understanding and sensitised participants on DRF concepts.
- Coordination, commitment and communication between key ministries that are involved throughout the process should be strengthened and maintained.
- There are many regional products (such as the Pacific Resilience Standards) which have not been socialised at the national level. These products need to be contextualised at the national level to encourage usage.
- Building the MEL Framework into the Strategy upfront helped the Steering Group members better understand their involvement in driving the Strategy implementation, seeing how progress will be measured and decision making become more informed
- Technical Advisers who are supporting the Strategy development need to be engaged in country to better understand their distinct nuances and issues.
- Regional partners should stay engaged over an extended period to see through the successful implementation of the Strategy.

KEY CONTACTS

Chris Wagatora
Chief Climate Finance Officer
Climate Finance Resilience Unit
Ministry of Finance and Treasury
CWagatora@mof.gov.sb

Jonathan Tafiariki
Director - NDMO
Ministry of Environment, Climate Change, Disaster Management and Meteorology
JTafiariki@ndmo.gov.sb



“For countries intending to develop their National DRF Strategy, the first step would be to carry out awareness (national and provincial level) on DRF and understand where it sits on the Development Continuum. Understanding disaster impact through a fiscal risk assessment helps in budget planning. Awareness material needs to be reviewed and produced in a format and language that can be understood. Learning the types, eligibility and usefulness of DRF instruments and products would be useful for core groups at NDMO and MoFT.”

JONATHAN TAFIARIKI
Director
National Disaster Management Office -
Ministry of Environment, Climate Change, Disaster Management and Meteorology