

Financial tools for small scale fishers in Melanesia Stakeholder Engagement Plan

1. Introduction

Climate threats to coastal communities in the small island nations of Fiji and Papua New Guinea have increased and intensified in the past half a century, with major climate shock events including floods, coastal erosion, tropical cyclones, earthquakes, coral reef bleaching, ocean acidification and sea-level rise.¹ Climate-related natural catastrophe risk (such as from cyclones and extreme rainfall events), is only expected to intensify with global warming, whilst marine heatwaves (causing coral bleaching) and ocean acidification constitute an erosion of the ecosystem services on which coastal fishers rely.

The WWF GEF Project *Financial tools for small scale fishers in Melanesia* aims to mitigate the impacts that climate induced disasters have on communities in Melanesia, specifically in coastal communities in Northern Viti Levu, Northern Vanua Levu and Madang (PNG). The project is led by Willis Towers Watson (WTW), with WWF Pacific as a key partner. The objective of the project is to improve resilience to the adverse impacts of climate change, including major shock events, in vulnerable coastal small-scale communities in Fiji and PNG. This will be accomplished through three components within the project. The first component will work to create an enabling environment for financial products to improve resilience for coastal communities in Fiji and PNG. Component one will include a desktop risk assessment, community surveys, workshops, and trainings and tools to increase risk awareness and financial literacy in the communities. In Component 2, Willis Towers Watson will engage with local insurance markets and provide a financial product and program designs to provide community-level *ex ante* risk financing. An insurance premium financing strategy will be developed and pursued to formalize and strengthen risk sharing arrangements at the local, national, and international levels. Key potential sources of premium support for vulnerable communities—including those who may provide it as an incentive to undertake ecosystem management practices and other climate adaptation measures will be engaged. Component 3 includes plans for effective project communications, knowledge management and monitoring for the project, and adaptive management.

The Stakeholder Engagement Plan (SEP) is key to ensuring the success and sustainability of this project. The SEP builds on stakeholder consultations undertaken during the project design stage to identify key project stakeholders, their ongoing involvement in the project, and the roles and responsibilities for overseeing execution of this Plan.

2. Regulations and Requirements for Stakeholder Engagement

The PMU is responsible for ensuring compliance with the GEF and WWF standards on Stakeholder Engagement, specifically the WWF [Standard on Stakeholder Engagement](#) and the associated [Procedures for Implementation of the Standard on Stakeholder Engagement](#). The WWF Standard on Stakeholder Engagement requires the Executing Agency, WTW, to engage all stakeholders— including project affected groups, women and men in local communities, and local CBOs and CSOs —throughout the life of the project; communicate significant changes to project stakeholders, and consult on potential risks and impacts; establish a grievance redress mechanism, and register and respond to grievances throughout project execution.

¹ (Beyer et al 2018, Hoegh-Guldberg et al 2018)

WWF-US, as the GEF Project Implementing Agency, is responsible for oversight. WTW, as the lead Executing Agency, is responsible for executing the Stakeholder Engagement Plan and overall compliance with the WWF Standard on Stakeholder Engagement.

As a recipient of finances from WWF-Australia, WWF offices in PNG and Fiji need to abide by specific WWF-AU [safeguards policies](#).

The project should follow WWF and government restrictions to prevent the spread of the COVID-19 virus. During field visits and in-country travel, all attempts to practice social distancing will be made, as well as the use of personal protective equipment.

3. Project Stakeholders

WWF defines stakeholders as “persons or groups who are directly or indirectly affected by a project, as well as those who may have an interest in a project and/or the ability to influence its outcomes, either positively or negatively.”

Project stakeholders include the following:

1. Local Communities

Local communities comprise the main beneficiaries of the project. The project will work with men and women, as well as local community groups, in target coastal communities whose livelihoods are threatened by climate-related natural disasters. In Fiji, target communities include communities in the Tavua District and Qoliqoli Cokovata (Districts of Macuata, Dreketi, Sasa and Mali). In PNG, the project will work with communities in the Madang Province. These communities will be engaged in the design of financial products, trained in financial literacy, and will directly benefit from co-developed financial products.

2. Private Sector Stakeholders

Private Sector Stakeholders include the Pacific Catastrophe Risk Insurance Company (PCRIC)--a public-private partnership--as well as potential donors, local insurance companies and international risk markets, and other financial sector actors. Local insurance companies and local banks will play a pivotal role in the design of financial products and actual roll-out and payment distribution. International market actors will be consulted on financial product and program design and retrocession options.

3. Government of Fiji

Ministries and Divisions within the government of Fiji that will be affected by, or involved in this project include the Ministry of Environment, Ministry of Fisheries, National Disaster Management Office, Ministry of Economy (Fiji Climate Change Division), Ministry of iTaukei Affairs (Indigenous Peoples), iTaukei Affairs Board, and the various Provincial offices.

4. Government of Papua New Guinea

Authorities and Departments within the Government of Papua New Guinea that are recognized as project stakeholders include; Conservation and Environment Protection Authority, National Fisheries Authority, PNG Forestry Authority, Provincial Governments (Madang province), Department of Finance, Local Level Governments and the Ward Planning Administration.

5. Non-Governmental Organizations

The non-governmental organizations that have been identified as stakeholders in this project include the Wildlife Conservation Society, World Vision, The Nature Conservancy, Fiji Environmental Law Association (FELA), Conservation International, Fiji Locally Managed Marine Areas and Women in Fisheries Fiji, the Pacific Financial Inclusion Programme (PFIP), and Munich Climate Insurance Initiative (MCII). NGOs are contributing to the project baseline, including environmental management, and will be engaged to explore either potential opportunities related to providing insurance as a reward for sustainable practices/ environmental stewardship, or involvement in ecosystem-management payout schemes.

6. Multilaterals and GEF Agencies

Asian Development Bank (ADB), International Finance Corporation (IFC), International Union for Conservation of Nature (IUCN), United Nations Development Programme (UNDP), World Bank, and the Food and Agriculture Organization are implementing complementary initiatives and activities.

4. Summary of Previous Stakeholder Engagement

The project development team consulted a number of stakeholders throughout the project development process, including: target communities in Fiji and PNG, government ministries, private sector, and NGO's/CSO's. Full Consultation Reports are available, and summarized below:

➤ Fiji

Community representatives of **Tavua District** convened on the 12th October, 2020 to introduce the GEF project, undertake a baseline assessment process, and understand key needs for the Melanesian Fishers Project. A total of 46 (21 men and 25 women) community representatives participated. Community members highlighted the importance of marine resources as a source of income and food. Other sources of income include sugarcane harvesting, gold mining, and government jobs. Men and women engage in the fishing industry, with women often more engaged. The community has experienced climate-related natural disasters, including cyclones and flooding, as well other risks such as overfishing, mangrove harvesting, and logging (causing sedimentation). This has negatively impacted coral and mangrove ecosystems, as well as fishing gear (boats, nets). The community agreed that the initiative would be helpful, and requested a quick turnaround of insurance support for the community to continue fishing in the wake of climate-related disasters.

WWF Pacific also met with community representatives in the 4 districts of **Qoliqoli Cokovata** at the end of February 2021, and Nadogo district in March 2021. 17 representatives from all four districts attended the consultations in February and 21 participants attended the consultation in March, including community leaders, a District Womens Representative and members of the Community Fishing Ground Committee. Community members recognize the value of insurance (made especially relevant for communities recently impacted by Tropical Cyclone Yasa and Tropical Cyclone Ana), however they clearly indicated that they would need guidance with the process and with the concept of climate insurance. Feedback indicates that a majority of households dependent on fishing do not maintain any form of insurance and despite records of savings do not effectively save – indicating a strong need for financial literacy and planning.

A **Validation Workshop** was held on March 11th, 2021 by WWF Pacific, in partnership with Willis Towers Watson, in Suva. About 20 participants representing government departments, private sector, CSOs and IGOs were present at the national validation workshop. Overall, participants recommended the project

work closely with local insurance providers, provide clear information to communities on the insurance benefits, risks and costs and to ensure more remote indigenous communities are involved as well.

➤ PNG

Initial consultations were undertaken in **Madang** during PIF development. Consultations with the Ward Development Plan Coordinator, Community Facilitators, PNG World Vision’s National Manager, and Outspan (Rainforest Alliance exporter of Cacao) PNG 2IC were undertaken to gauge interest in the project. The partners that were consulted agreed that this project could prove to be a “useful asset” for Fiji and PNG. The Conservation Environment Protection Authority (CEPA) was also engaged, and provided a letter of support in November 2019. A critical finding during these initial consultations was the idea that the insurance should be targeted at the community level or higher. The consensus from these partners was that deeper community consultations would need to transpire to develop successful financial products that beneficiaries could understand.

In October and December of 2020 during project development, community consultations were conducted in Madang with the objective of understanding current community needs, impacts from climate change and interest in and understanding of, the project. Community members were interested in the project as a mechanism to help secure their livelihoods and protect food sources, and noted that they needed a better understanding of how the insurance products could work. Anthropogenic threats such as mangrove harvesting, destructive fishing practices and gravel extraction as well as climate threats such as volcanic eruptions, el nino events, and heavy sedimentation were determined to be disrupting ecosystem services and livelihoods in the communities. These threats were linked to the destruction of coral reefs, habitat and species loss, closure of fishing grounds, destruction of mangrove habitat and destruction of fishing gear. Climate threats were determined to be disruptive to ecosystem services and livelihoods.

From March 9th- 12th 2021, WWF-Pacific staff engaged with local community members, and conducted in-depth consultations with three individuals that were focused on gender and projects being implemented by WWF-Pacific. The overall results from the data collected during these consultations indicate that WWF projects have significant positive impact on the communities and women in the project sites.

➤ Other Stakeholder Consultations

In March 2021, WTW engaged ADB representatives and consultants to coordinate with a complementary ADB project currently under development to design and implement coral reef insurance in Fiji. The benefits of collaboration were agreed—including related to coordinated public sector engagement and communications.

5. Stakeholder Engagement Plan

The purpose of the Stakeholder Engagement Plan is to ensure appropriate and consistent involvement of an inclusive range of diverse stakeholders, including women and men in target communities, in every stage of the project implementation, supporting effective communication and working relationships. The Project Management Unit (PMU) will ensure that the views and inputs of stakeholders are taken into consideration throughout project implementation.

Stakeholder Type	Name	Frequency of Engagement/ Project Years	Engagement During Project Implementation
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Private Sector:	Pacific Catastrophe Risk Insurance Company (PCRIC)	Y1, Y2, Y3	Local insurance providers and international partners will be engaged early in project development to support the design of financial products, roll-out options and to determine the market's competitive pricing. Ultimately, it is envisioned that insurers will agree on, distribute and then administer policies related to these financial products.
	Local insurance providers		
	International market actors		
	Potential Donors	Y1, Y2, Y3	The project will hold structured interviews with potential donors to discuss their willingness to cover short-term insurance premiums, as well as inform a plan for long-term premium financing. A workshop will be held with potential donors and government to explore blended finance arrangements and premium aggregation going forward.
Fiji Communities including indigenous peoples	Tavua District, Qoliqoli Cokovata	Y1,Y2,Y3	Local communities in Fiji and Papua New Guinea are the key beneficiaries of the project. Local communities will be invited to participate in surveys and consultations to identify climate hazards and discuss solutions. Second, they will be invited to workshops and trainings that promote financial literacy, provide awareness around risk financing options, and assess demand for these products within the communities. Community input on financial product and distribution options are vital for the success of the project. During the third year of the project, surveys will assess the community's willingness to pay for premiums and options for long-term financing. The project will employ a gender-sensitive approach for all community consultations
Papua New Guinea Communities including indigenous peoples	Madang Province	Y1,Y2,Y3	
Papua New Guinea Government	Conservation and Environment Protection Authority	Y1,Y2,Y3	The Government of Fiji and Papua New Guinea will be heavily involved in the design of the financial products and roll-out plans. The project will conduct interviews with members of the government to discuss risk financing options, as well as discuss different mechanisms to aggregate premiums and distribute the product.
	National Fisheries Authority		
	PNG Forestry Authority		
	Provincial Governments (Madang province)		
	Department of Finance		
	Local Level Governments		
	Ward Planning Administration		
Fiji Government	Ministry of Environment and Waterways		
	Ministry of Fisheries		

	National Disaster Management Office		In addition, provincial level government will be included and informed of community level consultations.
	Ministry of Economy		
	Fiji Climate Change Division		
	Ministry of iTaukei Affairs (Indigenous Peoples)		
	various Provincial Governments		
NGOs	Wildlife Conservation Society	Y1,Y2,Y3	NGOs and multilateral organizations will be interviewed and consulted on the possibility of incorporating environmental management into the application of the insurance pay-outs. The organizations will be solicited for feedback and advice on methods of adherence and monitoring to ensure improved environmental management practices are being followed and bolstered by insurance pay-outs.
	World Vision		
	The Nature Conservancy		
	Fiji Environmental Law Association (FELA),		
	Conservation International		
	Fiji Locally Managed Marine Areas		
	Women in Fisheries Fiji		
GEF Multilaterals:	ADB		This project will collaborate with the local ADB consultant working to develop reef insurance in Fiji, exploring the critical integration of community-level financial resilience and ecosystem resilience and communicating the complementarities in a coordinated approach to engagement with the Government of Fiji.
	World Bank		
	UNDP		
	Food and Agriculture Organization		
	IUCN		
	IFC		

*In addition to the above, all stakeholders will receive regular project updates via newsletters and other communication products supported by the project.

6. Resources and Responsibilities

A Project Manager will be recruited to the Project Management Unit, hosted by WTW. He/she will oversee implementation of the Stakeholder Engagement Plan at an overall project level. WTW is responsible for engaging insurance carriers, reinsurers, and global market actors.

In Fiji and Papua New Guinea, WWF Pacific will be responsible for overseeing stakeholder engagement with communities and local partners. Community facilitators already identified by local communities and working with local government and WWF will be trained on project topics (e.g. financial literacy, financial products). With the support of WWF and WTW they will conduct training and ensure proper stakeholder consultation with target communities. Budget has been provided for staff time, travel, and workshops to support this engagement.

The Project Steering Committee will hold responsibility for implementation of the project’s Stakeholder Engagement Plan in compliance with WWF’s Standard on Stakeholder Engagement and.

7. Grievances Mechanism

A Project Steering Committee (PSC) will establish a process at the project inception workshop for resolving any and all grievances related to the project. The project grievance regress mechanism will be aligned with WWF Pacific grievance mechanisms as relevant. Instructions are provided on the WWF website (as below) with contact details and procedures. All grievances will be reviewed and responded to in writing within 10 working days of receipt. Both complaints and responses will be recorded into the project

monitoring. If the claimant is not satisfied with the response, the grievance may be submitted directly to the WWF US GEF project agency.

A grievance can be filed with the Project Complaints Officer (PCO), a WWF staff member fully independent from the Project Team, who is responsible for the WWF Accountability and Grievance Mechanism and who can be reached at: Email: SafeguardsComplaint@wwfus.org.

Mailing address:

Project Complaints Officer Safeguards Complaints,
World Wildlife Fund
1250 24th Street NW
Washington, DC 20037

The PCO will respond within 10 business days of receipt, and claims will be filed and included in project monitoring.

8. Monitoring and Reporting

Progress against the Stakeholder Engagement Plan will be monitored and reported on throughout implementation. The following comprises the monitoring and reporting activities to be undertaken with respect to stakeholder engagement:

- The SEP will be periodically reviewed and updated as necessary at an annual Reflection Workshop. The review will ensure that the list of project stakeholders and methods of engagement remain appropriate.
- Activities related to stakeholder engagement will be documented and reported by the PMU on a half-yearly basis (as part of regular reporting). The project Results Framework and Annual Work Plan and Budget will track beneficiaries of the project and activities related to the Stakeholder Engagement Plan.
- Progress against Stakeholder Engagement will be evaluated in the project's terminal evaluation, as well as WWF GEF Agency annual supervision mission reports.
- The PSC will take part in monitoring the project's compliance to the Stakeholder Engagement Plan at least once a year.

Project progress and reports will be shared based on a Communication Plan.