

ANALYSIS OF THE AGREEMENT TO ESTABLISH THE PACIFIC RESILIENCE FACILITY (PRF)

1. Summary of the Treaty

- 1.1. The Agreement to Establish the Pacific Resilience Facility (Treaty) creates a new Pacific-owned and Pacific-led international organisation designed to provide dedicated, simplified, and context-specific financing for climate adaptation, disaster preparedness, rapid disaster response, and community resilience projects across the Pacific region.
- 1.2. The Treaty draws on the 2050 Strategy for the Blue Pacific Continent and the 2023 Leaders' Declaration on the Establishment of the Pacific Resilience Facility, and places strong emphasis on regional solidarity, affordable financing, complementarity with existing climate funds, and administrative efficiency.

2. Key elements of the PRF

- 2.1. The PRF is established as an international organisation with full legal personality and capacity (Article 1). The PRF headquarters will be located in Nuku'alofa, Tonga (Article 1)
- 2.2. The PRF aims to support Pacific Island countries in building systemic resilience and strengthening their financial capacity to respond to climate impacts by providing grants for climate adaptation, disaster-preparedness, nature-based solutions, loss and damage initiatives, and community resilience (including SDG-related projects) (Article 3).
- 2.3. The PRF will also facilitate partnerships with donors and global financing entities, build capacity in national planning and budgeting through strengthening public financial management systems, and serve as a platform to attract and manage climate- and resilience-related investments (Article 3).
- 2.4. The PRF will have two governing bodies. Firstly, the PRF Council will be the supreme decision-making body comprising finance ministers or their representatives (Article 7). Secondly, the PRF Board will be responsible for management, operations, and administration of the PRF (Article 8).
- 2.5. A unique feature of the PRF is that decisions are to be made by consensus "in the Pacific way," with voting procedures available if consensus fails (Article 8).
- 2.6. In terms of membership (Article 5):
 - (a) PRF will be open for membership to Forum Member Countries through ratification, acceptance, or approval, or later by accession (the depository of the instrument will be the Pacific Islands Forum Secretary-General).
 - (b) Associate Members of the Pacific Islands Forum may join with limited rights, subject to Council approval.
 - (c) PRF Members have no liability for the acts or omissions of the PRF.

- 2.7. The PRF will be funded through voluntary contributions, investment income, and other approved sources. The PRF will make investments and provide finance in accordance with the Treaty, the Rules and Procedures and Regulations and any related policies. Finance provided by the PRF must align with the PRF's purposes and be transparently reported on. The Council may decide that a PRF Member makes a financial contribution to the PRF in order to be eligible to apply for and or receive finance, but this requirement does not extend to a requirement to become or remain a member (Article 11).
- 2.8. The PRF avoid political interference and maintains international standards of governance, transparency, and accountability (Articles 11 and 12).
- 2.9. The PRF, its assets, officers, and employees are to enjoy privileges and immunities necessary for the performance of functions. PRF Members are required to implement these through domestic law (Article 13).
- 2.10. Any disputes between PRF Members are referred to the Council (Article 24).
- 2.11. Amendments to the Agreement require the unanimous approval of the parties (Article 20), and members may withdraw by written notification to the Council (Article 22).

3. Requirements for Implementation

- 3.1. If Fiji chooses to sign and ratify the Treaty, several legal, administrative, and policy steps will be required:
- 3.2. Ratification of the Treaty will be subject to Parliamentary approval under section 51 of the 2013 Constitution. Fiji will need to follow its domestic treaty-ratification processes, including Cabinet endorsement and parliamentary procedures under Standing Order 130.
- 3.3. Upon ratification, Fiji will be required to:
 - (a) Recognise the PRF's international legal personality and full legal capacity, such as by enabling the PRF to operate as a legal entity within Fiji, and enabling it to enter into contracts, hold property, and participate in legal proceedings.
 - (b) Grant privileges and immunities to the PRF branch in its territory to enable it to carry out its functions. The enabling legislation is the Diplomatic Privileges and Immunities Act 1971, which will allow for the recognition of the PRF as an international organisation and grants staff, employees, and their assets exemptions from tax, immunity from legal action, and inviolability of premises and records, similar to those granted to other international organisations.
 - (c) Use PRF funds strictly in accordance with the PRF's Rules of Procedure and Regulations and any related policies, including transparent reporting on the use of PRF funds and maintaining systems aligned with international accountability standards.
 - (d) Ensure participation in PRF governance by designating a representative, such as the Minister for Finance, to sit on the Council. Fiji may also nominate candidates for positions on the Board where appropriate.

- (e) Align with national systems that require implementation by the Ministry of Finance (PFM systems, budget integration), the Climate Change Department, NDMO and disaster-response agencies, community development bodies, as well as the private sector and NGOs, for project eligibility and access.
- (f) Regarding financial contributions, while the PRF does not mandate compulsory contributions from members, the Council may decide that contributions are necessary for eligibility to receive funding. Fiji must be prepared for this possibility.

4. Impact of the Treaty on Fiji

- 4.1. The PRF is designed to bridge a longstanding gap in Pacific countries' access to climate finance.
- 4.2. For Fiji, this would lead to faster access to grants for climate adaptation and disaster preparedness. It may also lead to rapid-response funding after cyclones, floods, or other disasters, and greater community-level financing with simplified procedures tailored to Pacific contexts.
- 4.3. It may also lead to enhanced national resilience and local community support. Projects supported by the PRF align with Fiji's resilience priorities, including strengthening infrastructure, nature-based solutions, community resilience activities, climate-proofing of essential services, and loss and damage response, all of which support Fiji's development priorities and the implementation of the National Adaptation Plan.
- 4.4. The PRF explicitly supports capacity-building in planning, budgeting, and resilient development, thereby strengthening Fiji's public financial management systems. Fiji is poised to benefit from improved technical expertise, enhanced project design and implementation, aligned public financial management with global standards, and greater incorporation of resilience into national budgets.
- 4.5. Fiji's participation will also reinforce its regional leadership in climate action and internationally. It will strengthen Fiji's voice in regional governance on climate and disaster resilience, align with Fiji's foreign policy priorities under the Blue Pacific narrative, and demonstrate solidarity with Pacific neighbours, especially as the PRF is a Pacific-owned and Pacific-led initiative.
- 4.6. Participation in the PRF does not expose Fiji to any liability for PRF obligations, as membership explicitly excludes any financial or legal liability for the PRF's acts, omissions, or debts. This safeguards Fiji's fiscal position while allowing participation.
- 4.7. Implementation of immunities and exemptions for the PRF may entail minor administrative implications, such as tax exemptions for PRF operations and activities in Fiji, and coordination among Government agencies involved in the PRF. However, these impacts are typical for host and member states of international organisations.
- 4.8. Overall, the Treaty supports Fiji's long-term strategy for climate and economic resilience. Benefits clearly outweigh implementation costs, and the Pacific-centric design of the PRF ensures alignment with Fiji's national and regional priorities.

5. Conclusion

- 5.1. The Treaty establishes a robust, regionally owned mechanism to address the escalating impacts of climate change and disasters.
- 5.2. For Fiji, joining the PRF offers significant financial, strategic, and resilience-building advantages. While domestic implementation may require policy decisions and ongoing administrative coordination, the Treaty aligns with Fiji's climate leadership, national development agenda, and regional and international commitments.