

The logo of the Asian Development Bank (ADB), consisting of the letters 'ADB' in a white serif font inside a black square.

Technical Assistance Report

Project Number: 50028-001
Transaction Technical Assistance (TRTA)
November 2017

Pacific Disaster Resilience Program

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Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
DMC	–	developing member country
DRM	–	disaster risk management
PCRAFI	–	Pacific Catastrophe Risk Assessment and Financing Initiative
TA	–	technical assistance

NOTE

In this report, “\$” refers to United States dollars.

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I. THE PROPOSED PROGRAM

1. The proposed program will improve the resilience (including financial preparedness) of the Pacific region to disasters triggered by natural hazards. The program will be financed through policy-based operations, which will provide selected Asian Development Bank (ADB) Pacific developing member countries (DMCs) with a source of contingent financing for disaster response, early recovery, and reconstruction activities.¹ The attached technical assistance (TA) will support the further strengthening of effective disaster risk management (DRM) in the participating DMCs, and the assessment of options for, and potential costs of and benefits from, a collaborative multi-country mechanism to provide contingent financing in the event of disasters triggered by natural hazards.

II. THE TECHNICAL ASSISTANCE

A. Justification

2. The transaction TA will support (i) regional collaboration on disaster risk financing, and (ii) priority long-term DRM activities in participating countries and at a regional level, to strengthen the resilience of institutions and communities. This will include advisory and capacity development support for DRM planning and governance, the mainstreaming of DRM into sector policies, the enhancement of post-disaster public financial management, and disaster preparedness measures. These activities will be prepared and implemented with gender considerations to ensure that the needs of both men and women are met.

3. This support cannot be provided through the program itself because the loan and grant amounts are intended for contingent financing associated with short-term, post-disaster, and early recovery financing needs. The loans and grants will be disbursed to the participating countries in the event of a disaster.

4. The program, including the attached TA, is included in the Pacific Regional Operation Business Plan 2017–2019, and is aligned with the Sendai Framework for Disaster Risk Reduction 2015–2030² and the regional Framework for Resilient Development in the Pacific.³

B. Outputs and Activities

5. **Output 1: Regional collaboration on disaster risk financing strengthened.** The TA will (i) support government efforts to improve the range of disaster risk financing instruments as appropriate to the disaster risks faced; and (ii) explore options for regional collaboration around contingent financing, to provide options for a sustainable regional mechanism for channeling disaster contingent financing, allowing funds to be replenished, additional countries to join, and other donors to contribute to the contingent funds. The mechanism would need to provide fast and efficient payments to DMCs after an eligible disaster, and follow best practices of good governance and financial management.

6. **Output 2: Disaster risk management in the participating countries strengthened.** The TA activities will build upon the policy actions achieved by the participating countries to access the policy-based financing, and will support the implementation of a program monitoring

¹ The program is included in ADB. 2017. *Regional Operations Business Plan: Pacific, 2018-2020*. Manila.

² United Nations Office for Disaster Risk Reduction. 2015. *The Sendai Framework for Disaster Risk Reduction, 2015–2030*. Geneva.

³ Pacific Community. 2016. *Framework for Resilient Development in the Pacific, 2017–2030*. Suva.

framework to strengthen effective DRM systems further and enhance the countries' disaster resilience. Output 2 activities will also be closely coordinated with existing initiatives in the region to avoid duplications and increase efficiency, and may include the following actions:

- (i) Strengthen policy, governance, and institutional arrangements for DRM through support for the development or updating of national and local emergency management plans, the development of integrated policies and plans on climate change and DRM, and the incorporation of climate change and DRM considerations into national and subnational development and sector policies and plans with gender considerations; implement related capacity development for both men and women, including the conducting of national and local disaster drills; and improve national and regional coordination relating to disaster resilience and response.
- (ii) Improve gender-sensitive disaster- and climate-resilient investment planning processes and tools through support for the development and implementation of risk-sensitive land use plans; incorporate climate change and DRM considerations into building codes, including provisions for disability access and gender considerations; develop and implement climate change- and disaster-resilience screening tools for new investments based on gender-differentiated demands and needs; implement related capacity development; and share lessons.
- (iii) Expand disaster risk financing and the post-disaster budget execution capacity of national and subnational governments, including for the design of national disaster risk financing strategies, disaster contingency planning, post-disaster needs assessments, post-disaster budget allocation, execution and procurement, and expenditure tracking and reporting, through capacity development and the development of supporting documents and procedures (e.g., standard operating procedures, streamlined procurement practices, improved methodologies for gender-inclusive post-disaster need assessments, and pre-contracting arrangements for disaster response).

C. Cost and Financing

7. The TA is estimated to cost \$2.0 million, of which \$1.5 million will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF 6), and \$0.5 million by TASF-other sources. The key expenditure items are listed in Appendix 1.

8. Participating governments will provide counterpart support in the form of counterpart staff, office accommodation, office supplies, secretarial assistance, and other in-kind contributions. The governments have been informed that approval of the TA does not commit ADB to finance any ensuing project.

D. Implementation Arrangements

9. ADB will be the executing agency and will exercise overall responsibility for coordinating, supervising, and implementing all TA activities in close consultation with participating governments and their implementing agencies, which will include Ministries of Finance, Ministries of Planning, and National Disaster Management Offices, among others. Close coordination will be maintained with ADB resident missions, other development partners, and relevant regional organizations and bodies during TA implementation. The TA will be implemented over a period of 60 months. The activities are expected to commence in January 2018 and to be completed by December 2022.

Table 1: Implementation Arrangements

Aspects	Arrangements		
Indicative implementation period	January 2018–December 2022		
Executing agency	ADB		
Implementing agencies	Ministry of Finance equivalents, Ministry of Planning equivalents, National Disaster Management Offices, and others to be identified in each participating country		
Consultants	To be selected and engaged by ADB.		
	ICS	100 person-months	\$1.4 million
Disbursement	The TA resources will be disbursed following ADB's <i>Technical Assistance Disbursement Handbook</i> (2010, as amended from time to time).		

ADB = Asian Development Bank, ICS = Individual Consultant Selection, TA = technical assistance.
Source: ADB.

Consulting services. The TA will finance international and national consulting services including an international DRM specialist and team leader (15 person-months, intermittent), a disaster risk financing and/or public financial management specialist (10 person-months), and a national project coordinator (40 person-months) recruited following individual consultant selection; and various international public financial management, disaster risk financing, DRM, climate change, gender, and relevant sector specialists to support DRM activities in participating countries (15 person-months), as well as financial management, administration, accounting, and legal experts to support the assessment of potential options for a regional contingent financing mechanism (20 person-months), using individual consultant selection to respond flexibly to program implementation and DMC needs.

10. Full terms of reference will be developed during program implementation based on the countries' needs. The outline terms of reference for consultants are in Appendix 3. ADB will engage the consultants in accordance with ADB's Procurement Policy (2017, as amended from time to time) and the associated Project Administration Instructions and TA Staff Instructions.⁴ In line with Midterm Review of Strategy 2020 Action Plan (actions 2.9.2 and 2.10.2), consultants will be engaged based on output-based contracts.⁵ Disbursements will be made in accordance with the ADB Technical Assistance Disbursement Handbook (2010, as amended from time to time).

⁴ Terms of Reference for Consultants (accessible from the list of linked documents in Appendix 2).

⁵ ADB. 2014. *Midterm Review of Strategy 2020, Action Plan*. Manila.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Amount
A. Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	1,200.0
ii. National consultants	200.0
b. Out-of-pocket expenditures	
i. International and local travel	200.0
2. Training, seminars, and conferences	200.0
3. Contingencies	200.0
Total	2,000.0

Note: The technical assistance (TA) is estimated to cost \$2.0 million, of which contributions from the Asian Development Bank are presented in the table above. The participating governments will provide counterpart support in the form of counterpart staff, office space, office supplies, secretarial assistance, and other in-kind contributions. The value of government contribution is estimated to account for 10% of the total TA cost.

^a Financed by the Asian Development Bank's Technical Assistance Special Fund (\$1.5 million from TASF 6 and \$0.5 million from TASF-other sources).

Source: Asian Development Bank estimates.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/LinkedDocs/?id=50028-001-TARreport>

1. Terms of Reference for Consultants
2. Approved Program Concept Paper