



## Concept Paper

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Project Number: 50028-001  
July 2017

# Proposed Policy-Based Loans, Grants, and Technical Assistance Grant Pacific Disaster Resilience Program

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Asian Development Bank

## ABBREVIATIONS

ADB	– Asian Development Bank
DMC	– developing member country
DRM	– disaster risk management
FRDP	– Framework for Resilient Development in the Pacific
GDP	– gross domestic product
PCRAFI	– Pacific Catastrophe Risk Assessment and Financing Initiative
TA	– technical assistance

## NOTE

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

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## PROGRAM AT A GLANCE

<b>1. Basic Data</b>		<b>Project Number: 50028-001</b>	
<b>Project Name</b>	Pacific Disaster Resilience Program (formerly Pacific Regional Disaster Risk Financing Facility)	<b>Department /Division</b>	PARD/PAUS
<b>Country Borrower</b>	REG, SAM, SOL, TON, TUV, VAN Regional, SAM, SOL, TON, TUV, VAN	<b>Executing Agency</b>	Ministry of Finance, Ministry of Finance & Economic Management, Ministry of Finance and Economic Development, Ministry of Finance and National Planning, Ministry of Finance and Treasury
<b>2. Sector</b>	<b>Subsector(s)</b>	<b>ADB Financing (\$ million)</b>	
✓ <b>Public sector management</b>	Public expenditure and fiscal management		27.00
		<b>Total</b>	<b>27.00</b>
<b>3. Strategic Agenda</b>	<b>Subcomponents</b>	<b>Climate Change Information</b>	
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Adaptation (\$ million)	3.00
Environmentally sustainable growth (ESG)	Disaster risk management	Climate Change impact on the Project	Low
Regional integration (RCI)	Global and regional transboundary environmental concerns Pillar 4: Other regional public goods		
<b>4. Drivers of Change</b>	<b>Components</b>	<b>Gender Equity and Mainstreaming</b>	
Governance and capacity development (GCD)	Client relations, network, and partnership development to partnership driver of change Institutional development Institutional systems and political economy Organizational development Public financial governance	Effective gender mainstreaming (EGM)	✓
Knowledge solutions (KNS)	Knowledge sharing activities Pilot-testing innovation and learning		
<b>5. Poverty and SDG Targeting</b>		<b>Location Impact</b>	
Geographic Targeting	No	Regional	High
Household Targeting	No		
SDG Targeting	Yes		
SDG Goals	SDG9, SDG11, SDG13		
<b>6. Risk Categorization:</b>	Complex		
<b>7. Safeguard Categorization</b>	<b>Environment: C Involuntary Resettlement: C Indigenous Peoples: C</b>		
<b>8. Financing</b>			
<b>Modality and Sources</b>		<b>Amount (\$ million)</b>	
<b>ADB</b>		<b>27.00</b>	
Sovereign Stand-Alone Policy-Based Lending (Concessional Loan): Ordinary capital resources		12.00	
Sovereign Stand-Alone Policy-Based Lending (Grant): Asian Development Fund		15.00	
<b>Cofinancing</b>		<b>0.00</b>	
None		0.00	
<b>Counterpart</b>		<b>0.00</b>	
None		0.00	
<b>Total</b>		<b>27.00</b>	
Note: An attached technical assistance will be financed on a grant basis by the Technical Assistance Special Fund () in the amount of \$2,000,000.			

## I. THE PROGRAM

### A. Rationale

1. The proposed program will improve resilience (including financial preparedness) of the Pacific region to disasters triggered by natural hazards. The program will comprise the Pacific Disaster Contingent Savings Facility, to 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. Attached technical assistance (TA) will support facility management and disaster risk management (DRM) activities in participating DMCs.<sup>1</sup>

2. Pacific DMCs are highly exposed to natural hazards, and the region experiences a disproportionately high share of global disaster impacts relative to its economic and demographic size. Disaster risk is growing because of climate change, poor development planning, unplanned urbanization, and ecosystem decline. Pacific DMCs face additional challenges because of their remote location and geographical makeup, resulting in high costs of responding to disasters. Disasters can erode many years of economic development gains by damaging critical infrastructure, disrupting social services, and diverting resources from development spending toward disaster response and reconstruction efforts. Disasters in the Pacific from 1980 to 2014 reduced average trend growth in gross domestic product (GDP) from 3.3% to 2.6%.<sup>2</sup> Considering only the expected participating countries, in 2015 Tropical Cyclone Pam caused damage and loss equivalent to 64% of Vanuatu's GDP, and in 2012 Tropical Cyclone Evan caused damage and loss equivalent to 29% of Samoa's GDP.<sup>3</sup>

3. Most Pacific DMCs have limited resources to invest in disaster risk reduction, as well as limited capacity and insufficient access to financing to facilitate timely recovery and reconstruction in the aftermath of a disaster. Such delays exacerbate the indirect economic and social costs of disasters, increasing their ultimate impact, and compromising long-term fiscal balance. The most cost-effective way of financing disaster response is through a range of tools in a common framework to address different levels of risk. Contingent financing is particularly cost-effective in addressing risks pertaining to events that would exhaust dedicated national reserves but are too frequent to be cost-effectively covered under insurance.<sup>4</sup> Governments typically have contingency reserves and budgets to cover up to 3-year return period events, while for example the Pacific Catastrophe Risk Insurance Pilot under the Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI) offers 10-, 15-, or 20-year return period attachments per peril. This leaves a financing gap for low-to-medium layer risks.

4. The program will support policy reforms in DRM, which will ensure broader resilience of institutions and communities in the participating countries. When the policy conditions are met, loan and grant funds will be disbursed to countries, with an equivalent amount to be deposited by the countries into the facility for withdrawal only in the event of a disaster. During its effectivity, the program will support and monitor progress toward achieving the governments' DRM goals. Attached TA will support long-term DRM actions included in a post-program monitoring framework. The potential participating countries—Samoa, Solomon Islands, Tonga,

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<sup>1</sup> The program is included in ADB. 2016. *Regional Operations Business Plan: Pacific, 2017–2019*. Manila.

<sup>2</sup> E. Cabezon et al. 2015. *Enhancing Macroeconomic Resilience to Natural Disasters and Climate Change in the Small States of the Pacific*. *International Monetary Fund Working Paper Series*. WP/15/125. Washington, DC.

<sup>3</sup> Government of Vanuatu. 2015. *Post-Disaster Needs Assessment, Tropical Cyclone Pam*. Port Vila; and Government of Samoa. 2012. *Post-Disaster Needs Assessment, Tropical Cyclone Evan*. Apia.

<sup>4</sup> In the Pacific, the only contingent loan facility is: ADB. 2016. *Cook Islands: Disaster Resilience Program*. Manila.

Tuvalu, and Vanuatu—are those eligible for concessional assistance where the identified disaster risk is highest.<sup>5</sup> The countries face similar DRM challenges and will greatly benefit from a regional approach under which good practices are shared and administrative costs spread.

5. The program will strengthen financial preparedness against disaster events by providing a predictable source of post-disaster financing, resulting in a faster early recovery and reducing the economic and social impacts of disaster events. Pooling funds under a regional facility will allow holding a proportion of the Facility resources in illiquid assets, generating higher returns.<sup>6</sup> The facility will complement existing disaster risk financing instruments available to Pacific DMCs, including national disaster trust funds, parametric disaster insurance, and traditional indemnity insurance. It is aligned with the Sendai Framework for Disaster Risk Reduction 2015–2030<sup>7</sup> and the Framework for Resilient Development in the Pacific (FRDP).<sup>8</sup>

## B. Impacts, Outcome, and Outputs

6. The program will be aligned with the following impact: resilience to climate change and disasters, as well as disaster preparedness, response, and recovery strengthened.<sup>9</sup> The program will have the following outcome: disaster risk management strengthened in participating countries.

7. **Output 1: Pacific Disaster Contingent Savings Facility established.** The facility will provide participating DMCs with quick-releasing finance to support early recovery and reconstruction activities from disaster events caused by natural hazards. Each country will transfer an equivalent amount of the loan and grant funds to the facility, where funds are safeguarded and earn interest, until a country draws upon them after a disaster event.

8. **Output 2: Enabling framework for disaster risk management strengthened.** The policy actions (included in country-specific matrices) and the TA activities will develop more effective DRM systems and encompass actions to (i) strengthen policy, governance, and institutional arrangements for DRM, such as regulatory frameworks, strategies and plans, and assessment methodologies; (ii) improve DRM investment planning processes and tools; and (iii) expand disaster risk financing.

## C. Program Costs and Financing

9. The proposed program consists of the facility (\$27 million), supported by attached TA. The indicative financing comprises resources from the concessional resources regional pool, as well as countries' concessional lending allocations (Table 1). As the proposed loan and grant funds are for contingent financing through a facility to support additional public spending associated with short-term post-disaster financing needs, the loan amount is not directly

<sup>5</sup> United Nations University. 2017. *The World Risk Report 2016*. Berlin. The index places Vanuatu in first position out of 171 countries covered, Tonga second, and Solomon Islands sixth. While Samoa and Tuvalu are not covered in the report, their close geographic location and similar development status is indicative of high risk.

<sup>6</sup> The share of funds likely to be called upon in the event of a disaster would decline with the addition of each successive country as the disasters are unlikely to be multi-country.

<sup>7</sup> UNISDR. 2015. *The Sendai Framework for Disaster Risk Reduction, 2015–2030*. Geneva.

<sup>8</sup> Pacific Community. 2016. *Framework for Resilient Development in the Pacific, 2017–2030*. Suva.

<sup>9</sup> Goals 1 (Strengthened Integrated Adaptation and Risk Reduction to Enhance Resilience to Climate Change and Disasters) and 3 (Strengthened Disaster Preparedness, Response and Recovery) of the FRDP. Under Goal 1: "Priority actions by Regional Organisations and Other Development Partners" include: i) Establish a regional facility to assist governments in disaster and climate change risk financing, including insurance..."

correlated to the cost of policy reforms (as is the case with typical policy-based financing). The financing per country ranges from 0.5%–8.0% of annual GDP, which is less than the cost of a typical medium-risk disaster event in these countries.

**Table 1: Tentative Financing Plan**

Source	Amount (\$ million)					Total	Share of Total (%)
	Samoa	Solomon Islands	Tonga	Tuvalu	Vanuatu		
Asian Development Bank							
Concessional resources							
regional pool (loan)	2.0	2.0	2.0	0.0	2.0	8.0	29.0
regional pool (grant)	2.0	2.0	2.0	2.0	2.0	10.0	37.0
COL (loan)	1.0	1.0	1.0	0.0	1.0	4.0	15.0
ADF (grant)	1.0	1.0	1.0	1.0	1.0	5.0	19.0
Cofinancing	TBD	TBD	TBD	TBD	TBD	TBD	0.0
Government	TBD	TBD	TBD	TBD	TBD	TBD	0.0
<b>Total</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>3.0</b>	<b>6.0</b>	<b>27.0</b>	<b>100.0</b>

ADB = Asian Development Bank, ADF = Asian Development Fund, COL = concessional OCR lending, TBD = to be determined.

Source: Asian Development Bank.

## D. Indicative Implementation Arrangements

10. Executing agencies will be Ministry of Finance equivalents in each country and implementing agencies will include ministries and offices responsible for finance, planning, infrastructure, and disaster response. The program implementation period will be from 1 January to 31 December 2017. Each participating DMC will have country-specific policy actions and separate loan and/or grant agreements. An agreed post-program monitoring framework will be implemented with the support of DRM steering committees.<sup>10</sup>

11. Detailed governance and operating arrangements of the facility will be developed during processing. To ensure joint ownership and reduced transaction costs, facility management and administration will be on a regional basis, possibly through the PCRAFI Facility.<sup>11</sup> Facility funds will be made available on a “soft trigger” (such as a declaration of disaster).<sup>12</sup> Other donors may also contribute to the facility, and Pacific DMC governments may make voluntary contributions to safeguard more funds for disaster response. Additional countries may be included in the facility. The facility will not pay out amounts greater than the individual country contributions into the fund with interest, and the countries’ share of any additional donor contributions.

## II. TECHNICAL ASSISTANCE

12. Attached TA will (i) support the management and maintenance of the facility, and (ii) provide advice and support on priority DRM activities, expanding engagement in the three areas of the program (para. 8) in participating countries and at the regional level. This may include advisory and capacity building support to DRM planning and governance, mainstreaming of DRM into sector policies, supporting post-disaster public financial management, disaster risk financing strategies, as well as disaster preparedness measures

<sup>10</sup> National DRM steering committees and existing DRM entities will oversee program and TA implementation.

<sup>11</sup> An independent legal entity domiciled in the Cook Islands. World Bank. 2016. *PCRAFI Program: Phase II*. Washington, DC. The capacity of the PCRAFI Facility to manage and administer funds will be confirmed.

<sup>12</sup> Participating countries are required to have clear legislation in place regarding the conditions that must be satisfied to declare a state of disaster. The current legislation in participating countries will be assessed.

(such as precontracting of disaster response services and addressing public training needs). The TA is estimated to cost \$2.0 million, which will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-6). The implementation arrangements for the TA will be confirmed during the preparatory phase.

### III. DUE DILIGENCE REQUIRED

13. The policy conditions and technical support will be identified based on a DRM gap analysis in each country. Due diligence will include sector assessments, public financial management and macroeconomic assessments, and summary poverty reduction and social strategies.<sup>13</sup> The program is proposed as *category C* for the environment, involuntary resettlement, and indigenous people. A matrix of potential safeguard impacts and appropriate mitigation measures will be prepared. The program is proposed as *effective gender mainstreaming* with specific gender targets to be included in the policy matrix. No physical or economic displacement is anticipated; this will be further confirmed following identification of country-specific policy actions during fact-finding missions.

### IV. PROCESSING PLAN

#### A. Risk Categorization

14. The program is categorized *complex*. As this is the first time policy-based loans will be used to provide deferred access to finance through a regional facility, more rigorous review is requested. Risks to program implementation are related to possible external shocks on the economies, as well as capacity constraints of the government agencies. These risks will be managed partially through TA support for the capacity building of government counterparts.

#### B. Resource Requirements

15. Due diligence will be supported by TA.<sup>14</sup> About 7 person-months of ADB climate change specialist, principal disaster risk management specialist, young professional, and national staff inputs are required to complete program processing.

#### C. Processing Schedule

**Table 2: Proposed Processing Schedule**

Milestones	Expected Completion Date
Fact-finding missions	June–July 2017
Management review meeting	August 2017
Loan negotiations	September 2017
Board consideration	November 2017

Source: ADB.

### V. KEY ISSUES

16. During preparatory work, government commitment and cofinancing opportunities will be confirmed. Identifying a well-governed, sustainable facility administrative arrangement is critical.

<sup>13</sup> Due diligence will benefit from support from other ADB departments such as the Office of the General Counsel, Strategy and Policy Department, and Sustainable Development and Climate Change Department.

<sup>14</sup> Consultant support will be provided through ADB. 2015. *Technical Assistance for Strengthening Climate and Disaster Resilience of Investments in the Pacific*. Manila.



## DESIGN AND MONITORING FRAMEWORK

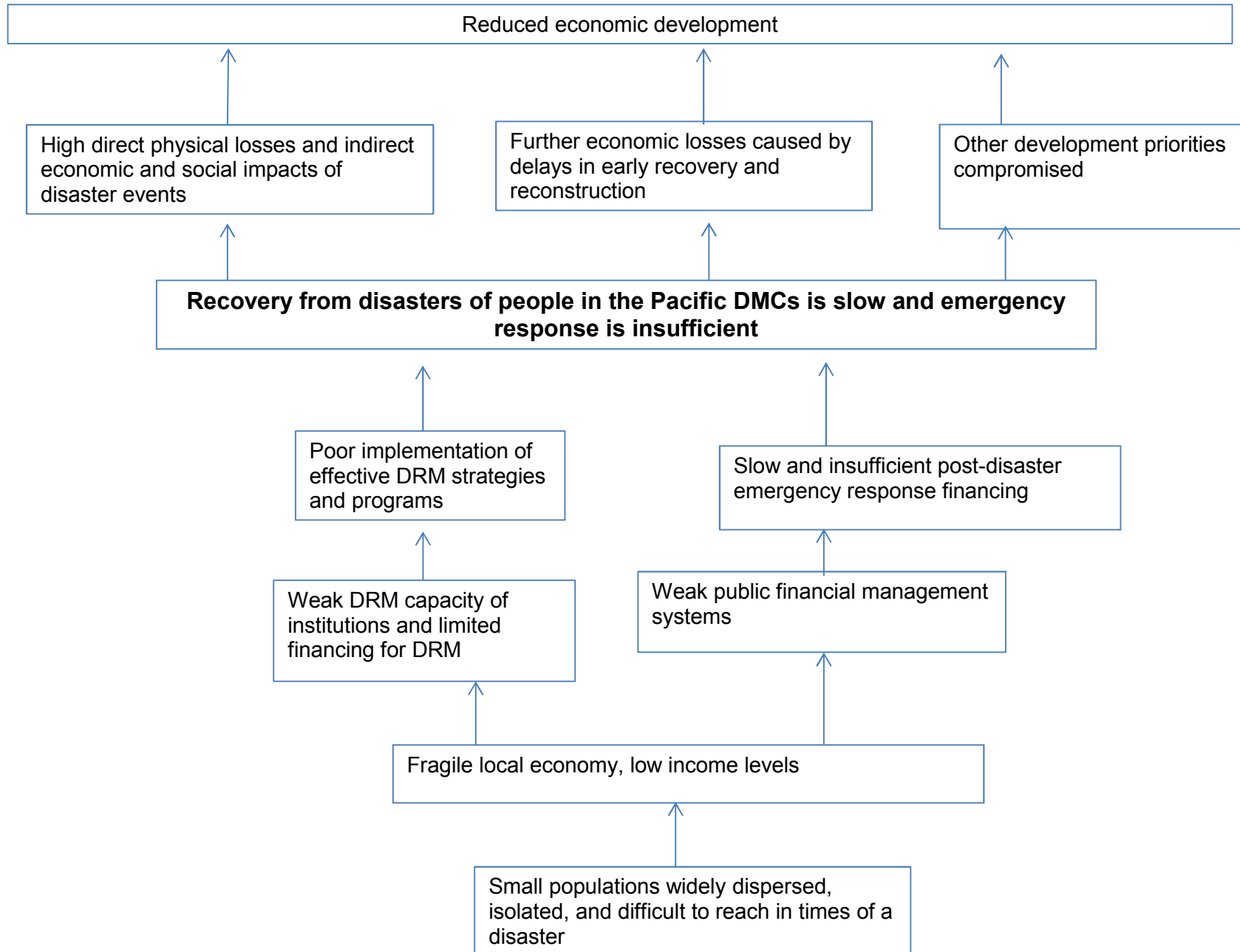
<b>Impact the Program is Aligned with</b>			
Resilience to climate change and disasters, as well as disaster preparedness, response, and recovery strengthened (Goals 1 and 3, Framework for Resilient Development in the Pacific) <sup>a</sup>			
<b>Results Chain</b>	<b>Performance Indicators with Targets and Baselines</b>	<b>Data Sources and Reporting</b>	<b>Risks</b>
<b>Outcome</b>  Disaster risk management strengthened in participating DMCs	<b>By 2022:</b>  Pre-disaster contingent savings increased to at least 0.5% of gross domestic product  (2016 baseline: to be confirmed)	PDNA reports	External shocks (disasters, economic downturn) damage the economy.
<b>Outputs</b>  1. Pacific Disaster Contingent Savings Facility established  2. Enabling framework for DRM strengthened	<b>By 2018:</b>  1a. A disaster contingent savings facility valued at \$27 million established  (2016 baseline: not applicable)  <b>By 2018:</b>  2a. At least one policy reform in DRM in each participating country, with gender elements integrated in key reform areas in at least three of the supported countries  (2016 baseline: not applicable)  <b>By 2018:</b>  2b. DRM considerations incorporated into at least one national and local planning system in each participating country, with gender consideration in at least three of the supported countries  (2016 baseline: not applicable)  <b>By 2022 (under TA):</b>  2c. At least four planning tools or knowledge products on incorporating	1a. Ministries of finance; PCRAFI Facility reports or other reports as relevant; project progress reports  2a. Legislative and regulatory frameworks; project progress reports.    2b. National development plans; DRM action plan; PDNA reports; project progress reports    2c. Knowledge products on DRM; project	Reduced political commitment to DRM in participating DMCs  Macroeconomic instability reduces budget to implement the reforms.  Staff constraints or shifting priorities delay strategic planning and/or implementation of DRM actions.

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
	DRM into policies and plans generated and disseminated with sex-disaggregated data (2016 baseline: not applicable) <b>By 2022 (under TA):</b> 2d. At least 20 staff members from government agencies in the participating countries reporting improved knowledge in key areas of DRM accountabilities, including post-disaster public financial management, disaster risk financing strategies, as well as disaster preparedness measures (2016 baseline: not applicable)	progress reports  2d. Project progress reports	
<b>Key Activities with Milestones</b> Not applicable.			
<b>Inputs</b> ADB: \$12 million (loan), \$15 million (grant) Technical Assistance Special Fund: \$2 million (TASF-6) Government: to be confirmed.			
<b>Assumptions for Partner Financing</b> Not Applicable			

ADB = Asian Development Bank, DMC = developing member country, DRM = disaster risk management, PCRAFI = Pacific Catastrophe Risk Assessment and Financing Initiative, PDNA = post-disaster needs assessment, TA = technical assistance.

<sup>a</sup> Pacific Community. 2016. *Framework for Resilient Development in the Pacific, 2017–2030*. Suva. Source: Asian Development Bank.

**PROBLEM TREE**



## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Regional	Project Title:	Pacific Disaster Resilience Program
Lending/Financing Modality:	Policy-Based	Department/Division:	PARD/PAUS

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

#### A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

The Pacific Disaster Resilience Program supports the core objectives of the Framework for Resilient Development in the Pacific (FRDP) 2017–2030,<sup>a</sup> which (i) recognizes that climate change and disaster risks increase the vulnerability of Pacific Island people, undermining the sustainable development of the Pacific region, and (ii) provides high-level strategic guidance to different stakeholder groups on how to enhance resilience to climate change and disasters, in ways that contribute to sustainable development. The program supports goal 1 (strengthened integrated adaptation and risk reduction to enhance resilience to climate change and disasters) and goal 3 (strengthened disaster preparedness, response, and recovery). The program is also consistent with the objectives of the Asian Development Bank (ADB) Pacific Approach, 2016–2020,<sup>b</sup> which serves as the operational framework of ADB for the Pacific region and the overall country partnership strategy for the 11 smaller Pacific island countries, including Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. The Pacific Approach emphasizes the importance of expanding ADB work in climate change and disaster risk management (DRM) to mobilize more financing for the Pacific region and to introduce innovative solutions to strengthen disaster preparedness, address vulnerability, and build resilience.

#### B. Poverty Targeting

General Intervention  Individual or Household (TI-H)  Geographic (TI-G)  Non-Income MDGs (TI-M1, M2, etc.)

The program will support the Pacific DMCs' efforts to manage and reduce disaster risk through a variety of DRM measures. Rapid access to resources provided through the Pacific Disaster Contingent Savings Facility in the event of a disaster will enable the governments to mitigate the potential negative socioeconomic impacts of physical damage by rapidly channeling resources to affected households and areas of greatest geographical and sector need.

#### C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. Many Pacific countries exhibit some of the highest human development indicators relative to their per capita incomes globally. In the region, extreme poverty is rare, and average life expectancies and literacy levels are relatively high.<sup>b</sup> However, hardship is widespread across the region, especially for disadvantaged groups and populations in rural areas, fast-growing urban settlements, and outer islands. Income inequalities persist, and high levels of urbanization and migration as well as increasing monetization of economies are placing significant pressure on traditional social structures.<sup>c</sup> Despite the middle-income status of most Pacific DMCs, per capita income is on average significantly lower than that of other small states, and is below the average for middle-income countries. Their smallness, remoteness, geographic dispersion, being among the world's highest exposures to climate change and natural disasters, and narrow economic base magnifies the effects of economic shocks. Gross domestic product growth has been low and extremely volatile, with countries highly exposed to economic and climatic shocks.
2. Impact channels and expected systemic changes. The program is expected to contribute to improved resilience of vulnerable households by enabling continued access to disaster-proofed public infrastructure; providing resources for immediate needs of affected communities in the aftermath of disasters; and continuing to implement the governments' DRM programs including at the community level. Implementation of the program is expected to strengthen social protection systems, ensuring communities and vulnerable households are able to reach safety in the event of a disaster, have access to sufficient relief supplies to meet their immediate needs, and receive support to rebuild their lives.
3. Focus of (and resources allocated in) the PPTA or due diligence. During program design, the participating countries' progress in implementing their government's DRM plans and continued effectiveness of the government's macroeconomic strategies will be assessed.
4. Specific analysis for policy-based lending. The specific policy-based support and activities in each country will be confirmed following DRM gap analysis during fact-finding missions. Indicative focus will be on strengthening governance, legislative and regulatory framework, and investment planning and processes, including institutional capacity building and monitoring and evaluation system related to country DRM. The particular needs of the poor and vulnerable as the most affected groups during disasters will be taken into account in the policy-related interventions and activities.

## II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program? Women, particularly in rural areas, are increasingly experiencing poverty and its effects. Women also experience disparate impacts in situations of disaster and emergency, and face different challenges in responding to disasters and coping with the impacts of climate change. The program recognizes the critical role of integrating gender considerations and advocates equitable participation of men and women in planning and implementing resilience-building activities. The disaster management laws in Pacific countries are mostly lacking recognition of gender-differential impacts of disaster risks and call for women's participation in planning and implementing DRM activities. Solomon Islands and Vanuatu, however, mainstreamed gender relatively well in disaster risk reduction and climate change, although none of them are comprehensive enough to cover early warning or the gender implications of loss and damage, which are critical to address. UN Women Pacific report assessed that gender and disaster management in the Pacific does not include a rights-based approach but is mostly limited to needs-based approach, which tends toward blanket representations of women and girls as vulnerable victims rather than equal rights holders who are being denied proper and equal access to positions of power and authority. The program presents an opportunity to better understand the gender dimensions of DRM in the Pacific DMCs through the conduct of analytical work supported through technical assistance.

2. Does the proposed project or program have the potential to make a contribution to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making?

Yes  No

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

Yes  No

4. Indicate the intended gender mainstreaming category:

GEN (gender equity)  EGM (effective gender mainstreaming)

SGE (some gender elements)  NGE (no gender elements)

## III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project.

National and subnational governments and administrations, the private sector, civil society organizations, communities, and regional organizations and development partners all have unique and key roles to play in addressing the challenges of climate change and disasters. Given the broad-based nature of the program in supporting DRM programs in the participating countries, all these different groups have a stake in the program.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the project design require participation of the poor and excluded?

The program will seek to ensure all stakeholders, are included in discussions and plans relating to DRM. Through consultations with nongovernment organizations, potentially excluded and vulnerable groups will be identified to enable their effective participation in DRM plans and activities.

3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?

Information generation and sharing (M)  Consultation (M)  Collaboration (L)  Partnership

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed?  Yes  No

## IV. SOCIAL SAFEGUARDS

**A. Involuntary Resettlement Category**  A  B  C  FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement?  Yes  No

2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?

Resettlement plan  Resettlement framework  Social impact matrix

Environmental and social management system arrangement  None

<p><b>B. Indigenous Peoples Category</b> <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?  <input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social Impact matrix  <input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None</p>
<p align="center"><b>V. OTHER SOCIAL ISSUES AND RISKS</b></p> <p>1. What other social issues and risks should be considered in the project design?  <input type="checkbox"/> Creating decent jobs and employment <input type="checkbox"/> Adhering to core labor standards <input type="checkbox"/> Labor retrenchment  <input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <input type="checkbox"/> Increase in human trafficking <input type="checkbox"/> Affordability  <input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability  <input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others, please specify _____</p> <p>2. How are these additional social issues and risks going to be addressed in the project design? Not applicable.</p>
<p align="center"><b>VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT</b></p> <p>1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (v) other social risks. Are the relevant specialists identified?  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analysis, and participation plan during the PPTA or due diligence?</p> <p>ADB staff based in Pacific Subregional Office and the Pacific Liaison and Coordination Office, together with ADB development coordination officers with considerable experience working in the participating countries, will provide necessary information on poverty, gender, and participation as needed.</p>

<sup>a</sup> Pacific Community. 2016. *Framework for Resilient Development in the Pacific, 2017–2030*. Suva.

<sup>b</sup> ADB. 2016. *ADB's Pacific Approach, 2016–2030*. Manila.

<sup>c</sup> Pacific Islands Forum Secretariat. 2015. *Pacific Regional MDGs Tracking Report 2015*. Suva.