

**PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

Report No.: PIDA26490

Project Name	Pacific Resilience Program (P155542)
Region	EAST ASIA AND PACIFIC
Country	Pacific Islands
Sector(s)	Flood protection (60%), Public administration- Financial Sector (40%)
Theme(s)	Natural disaster management (60%), Climate change (40%)
Lending Instrument	Investment Project Financing
Project ID	P155542
Borrower(s)	Pacific Islands Forum Secretariat
Implementing Agency	Pacific Islands Forum Secretariat
Environmental Category	B-Partial Assessment
Date PID Prepared/Updated	14-May-2015
Date PID Approved/Disclosed	14-May-2015
Estimated Date of Appraisal Completion	17-Apr-2015
Estimated Date of Board Approval	19-Jun-2015
Appraisal Review Decision (from Decision Note)	Clearance was given to proceed to appraise the PREP.

I. Project Context

Country Context

The Pacific Island Countries (PICs) are among the most physically vulnerable nations in the world. They are highly exposed to adverse effects from climate change and natural hazards (including floods, droughts, tropical cyclones, storm surges, earthquakes, volcanic eruptions, and tsunamis), which can result in disasters that affect their entire economic, human, and physical environment and impact their long-term development agenda. Since 1950, natural disasters have affected approximately 9.2 million¹ people in the Pacific region, causing 9,811 reported deaths. This has cost the PICs around US\$3.2 billion (in nominal terms) in associated damage costs (EM-DAT, 2010).

Sectoral and institutional Context

Disasters, climate variability or extreme weather and projected changes in climate, are increasingly recognized as core development challenges, as they adversely impact social and economic development. Hence, there is widespread acceptance of the need to strengthen disaster early warning and preparedness, and to mainstream disaster risk and climate change into development planning and financing. Accordingly, a draft Strategy for Climate and Disaster Resilient

Development (SRDP) has been prepared through a comprehensive and ongoing engagement process, and involves national and regional stakeholders representing a wide variety of interests across the Pacific Islands region. The PREP will facilitate current Pacific regional efforts which are aimed at ensuring that climate change and disaster risk issues are given prominence in the sustainable development agenda and will directly support the implementation of the SRDP, which in turn, provides a strong framework for the PREP. The PREP will build capacity to strengthen community engagement and adaptive actions, and will build synergies with existing regional initiatives which aim to minimize the impact of climate change and natural hazards in the Pacific region, including: (i) PCRAFI; (ii) the Pacific Disaster Risk Financing and Insurance (Pacific DRFI) scheme; and (iii) the initiatives of the 10th European Development Fund.

The specific activities that will be undertaken to strengthen the resilience of the PREP Phase I countries – Samoa, Tonga, RMI and Vanuatu – will have the added benefit of strengthening the resilience of the wider Pacific Region. The regional approach which is being adopted in the PREP will benefit the participating countries and the region as a whole by providing: (i) economies of scale; (ii) standardized approaches to climate resilience and Disaster Risk Management (DRM) where appropriate, which will result in reduced costs; and (iii) the pooling of financial and human resources to address risks across the region and benefit of regional risk diversification.

The PREP will also build on the Pilot Program for Climate Resilience (PPCR) supported regional activities that are administered by ADB and implemented by SPREP. Furthermore, the integration of the Pacific Regional PPCR Component 2, as reflected in the Strategic Program for Climate Resilience (SPCR) of the Regional Pacific Program into the PREP, will reduce fragmentation, provide support to the countries through a program that includes early warning, preparedness and disaster risk financing in addition to the tools and information for decisions and actions on climate resilient development. In addition, as PREP includes considerable investments and the tools and the information that will be generated through the PPCR support will directly influence these investments.

The Pacific Islands Forum Secretariat (PIFS) is the prime regional political and policy body on economic development in the Pacific and is responsible for the organization of the annual Forum Leaders' Meeting, Forum Economic Ministers' Meeting and related meetings. PIFS is a political grouping of 16 independent and self-governing states with a mission through the Framework for Pacific Regionalism of ensuring the effective implementation of the Leaders' decisions for the benefit of the people of the Pacific. PIFS is chair of the Council of Regional Organizations (CROP) and co-chair of the CROP Executive Sub-Committee on Climate Change and Disaster Resilient Development and plays a key coordination role for the SRDP. PIFS engages in, and monitors, the region's efforts to combat climate change and its impacts and has thus been a strong advocate of the region's needs for increased support from the international community to assist in efforts to overcome the challenges posed by climate change.

II. Proposed Development Objectives

The objective of the Program is to strengthen early warning, resilient investments and financial protection of participating countries.

III. Project Description

Component Name

Component 1: Strengthening Early Warning and Preparedness

Comments (optional)

PIFS will not be implementing Component 1 activities during Phase I of the Program.

Component Name

Component 2: Mainstreaming Risk Reduction and Resilient Investments

Comments (optional)

PIFS will not be implementing Component 2 activities during Phase I of the Program.

Component Name

Component 3: Disaster Risk Financing

Comments (optional)

This component will provide immediate, yet limited post-disaster support to help participating countries and the region as a whole improve their post-disaster financial response capacity. This will be done through the implementation of an integrated disaster risk financing and insurance strategy which builds on a cost-effective combination of national and regional financial instruments to address the financing needs of post-disaster response, following events of low, medium and high severity.

This component will build on the Pacific Catastrophe Risk Insurance pilot, which currently offers technical assistance on public financial management of natural disasters and parametric catastrophe risk insurance solutions in five participating PICs.

Component Name

Component 4: Project and Program Management

Comments (optional)

The objective of this component is to provide efficient and effective implementation support, including staff, operating costs, monitoring and evaluation, and the cost of audits. It will also provide efficient regional coordination of the different country Projects and the implementation of activities that will be executed at the regional level.

IV. Financing (in USD Million)

Total Project Cost:	2.22	Total Bank Financing:	1.32
Financing Gap:	0.00		
For Loans/Credits/Others			Amount
BORROWER/RECIPIENT			0.00
IDA Grant			1.32
Special Climate Change Fund			0.90
Total			2.22

V. Implementation

At the regional level, the PREP will be coordinated by the Pacific Islands Forum Secretariat (PIFS) and implemented by the Secretariat of the Pacific Community (SPC). The proposed general institutional framework for the overall program (Phase I and eventually further Phases, to be re-examined during preparation of Phase II) will comprise a Regional Steering Committee (RSC), a Regional Coordination Unit (RCU) that will be established within PIFS, and a Program Support Unit (PSU) that will be housed within SPC. PIFS and SPC will enter into a Letter of Understanding

in order to define the main indicators that will be relevant to good implementation of the Program, and also to set out the roles and responsibilities of each organization that will be required to ensure proper reporting to the Regional Steering Committee for the PREP.

Regional Steering Committee

The RSC will be responsible for overseeing the overall regional Program and will provide overall oversight and advice, as well as guidance towards achieving Project and Program objectives and better regional integration. It will also allow the “resilience agenda” to be dealt with at the highest level of the decision making process. At a later stage, during the beginning of Phase I implementation, the RSC will be essential to identify the appropriate medium and long term strategy for strengthening resilience in the region. It will also be essential to coordinate issues and activities that are relevant to the program at the regional level. The RSC will then be assisted in its role by the RCU. The composition of the RSC will include representatives from the highest level of decision making, both at the country and regional level. The Chair of each of the National Steering Committees (NSCs) will be members of RSC. The RSC will be a subset of the Pacific Resilient Partnership (PRP). The Council of the Regional Organizations of the Pacific (CROP) heads agreed that the PIFS would host the PRP. This acknowledges the importance of the role of advocacy and coordination in promoting climate and disaster resilient development within the Pacific Region, particularly through the annual Forum Leaders Meeting and the Forum Economic Ministers Meeting. Accordingly, the PREP will directly support the establishment of the PRP.

Regional Coordination Unit

Phase I will establish a RCU within the PIFS. The RCU will ensure strategic alignment between the PREP and the preeminent organization for Pacific leaders and will provide PIFS with ownership of the Program. This will facilitate high level strategic guidance and coordination by PIFS for Program implementation.

The RCU will include a Regional Coordinator (RC) who will be housed at PIFS, and a small unit that will deal with the coordination aspects of climate and disaster resilience initiatives and projects in the Pacific (among which the PREP, the PPCR funded activities and Disaster Risk Financing are included). This RCU will act as the Secretariat to the RSC.

The main roles of the RCU will be to: (i) provide overall coordination at the regional level; (ii) report on the overall Projects and Program implementation status; (iii) monitor the regional and countries' performance indicators; (iv) provide information and communication on Project achievements at the regional level; (v) liaise with the main stakeholders and lenders on relevant issues for the Program; and (vi) act as Permanent Technical Secretariat to the RSC, including preparing and organizing RSC meetings and necessary documentation, preparing and distributing the minutes of the meetings, and following up on agreed actions recommended by the RSC.

The RCU will include under program financing: (i) a Regional Coordinator; (ii) a part time Project accountant; (iii) a DRFI expert; (iv) a Junior Officer; and (v) short term consultants and experts as required. The sub-component will finance operating costs to support the Regional Coordinator activities and partially finance the operation of the RSC, the cost of audits and the cost to prepare and carry out the Midterm Review (MTR). The RCU will also house the PPCR Pacific Regional Coordinator (international position financed and procured by ADB for the two first years, followed by program financing for two additional years) that will liaise with SPREP and SPC and will

support the coordination and reporting for the regional PPCR funded Strategic Program for Climate Resilience (SPCR).

VI. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01		x
Natural Habitats OP/BP 4.04		x
Forests OP/BP 4.36		x
Pest Management OP 4.09		x
Physical Cultural Resources OP/BP 4.11		x
Indigenous Peoples OP/BP 4.10		x
Involuntary Resettlement OP/BP 4.12		x
Safety of Dams OP/BP 4.37		x
Projects on International Waterways OP/BP 7.50		x
Projects in Disputed Areas OP/BP 7.60		x

Comments (optional)

The PIFS component of PREP does not involve any environmental or social interactions. All safeguard issues will be managed by participating countries.

VII. Contact point

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