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Report No: PAD2930

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED ADDITIONAL GRANT

IN THE AMOUNT OF SDR 1.8 MILLION  
(US\$2.5 MILLION EQUIVALENT)

AND RESTRUCTURING

TO THE INDEPENDENT STATE OF SAMOA

FOR THE

SAMOA - PACIFIC RESILIENCE PROJECT  
UNDER THE PACIFIC RESILIENCE PROGRAM

September 6, 2018

Social, Urban, Rural And Resilience Global Practice  
East Asia And Pacific Region

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## CURRENCY EQUIVALENTS

(Exchange Rate Effective Jul 31, 2018)

US\$1.40487 = SDR

## FISCAL YEAR

July 1 – June 30

Regional Vice President: Victoria Kwakwa

Country Director: Michel Kerf

Senior Global Practice Director: Ede Jorge Ijjasz-Vasquez

Practice Manager: Abhas Kumar Jha

Task Team Leader(s): Habiba Gitay, Keiko Saito

## ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
AF	Additional Financing
APM	Accredited Practice Manager (Procurement)
Cat-DDO	Catastrophe Deferred Drawdown Option
CERC	Contingency Emergency Response Component
CIM	Community Integrated Management (Plan)
CPO	Chief Procurement Officer
CPS	Country Partnership Strategy
CRSC	Climate Resilience Steering Committee
DA	Designated Account
DRM	Disaster Risk Management
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
FM	Financial Management
FRDP	Framework for Resilience Development in the Pacific
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
IDA	International Development Association
IFR	Interim un-audited Financial Report
IP	Implementation Progress
IPF	Investment Project Financing
ISR	Implementation Status & Results Report
M&E	Monitoring and Evaluation
MOF	Ministry of Finance
MS	Moderately Satisfactory
MU	Moderately Unsatisfactory
NEOC	National Emergency Operations Centre
OP	Operational Policy
OPCSVP	Operations Policy & Country Services Vice President
PCRAFI	Pacific Catastrophe Risk Assessment and Financing Initiative
PCRIC	Pacific Catastrophe Risk Insurance Company
PDO	Project Development Objective
PICs	Pacific Island Countries
PIFS	Pacific Islands Forum Secretariat
PIU	Project Implementation Unit
POM	Project Operations Manual
PPSD	Project Procurement Strategy for Development
PREP	Pacific Resilience Program
PRP	Pacific Resilience Partnership
PSU	Program Support Unit (established within SPC)
RAC	Regional Advisory Committee

RPF	Regional Partnership Framework
RVP	Regional Vice President
SIC	System Integrator Consultant
SPC	Secretariat of the Pacific Community
STEP	Systematic Tracking of Exchanges in Procurement
TC	Tropical Cyclone
TTL	Task Team Leader

**BASIC INFORMATION – PARENT (PACIFIC RESILIENCE PROJECT UNDER PACIFIC RESILIENCE PROGRAM - P154839)**

Country	Product Line	Team Leader(s)		
Samoa	IBRD/IDA	Habiba Gitay		
Project ID	Financing Instrument	Resp CC	Req CC	Practice Area (Lead)
P154839	Investment Project Financing	GSU08 (9349)	EACNF (6680)	Social, Urban, Rural and Resilience Global Practice

Implementing Agency: Ministry of Natural Resources and Environment, Ministry of Finance

Is this a regionally tagged project?	
No	

Bank/IFC Collaboration	
No	

Approval Date	Closing Date	Original Environmental Assessment Category	Current EA Category
19-Jun-2015	30-Nov-2020	Partial Assessment (B)	Partial Assessment (B)

**Financing & Implementation Modalities**

<input type="checkbox"/> Multiphase Programmatic Approach [MPA]	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input checked="" type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Disbursement-Linked Indicators (DLIs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a Non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	

**Development Objective(s)**

To strengthen early warning, resilient investments and financial protection of Samoa.

**Ratings (from Parent ISR)**

	Implementation					Latest ISR
	01-Dec-2016	29-Jun-2017	15-Nov-2017	21-May-2018	16-Jul-2018	23-Aug-2018
Progress towards achievement of PDO	S	S	S	MS	MS	MS
Overall Implementation Progress (IP)	MS	MS	MS	MU	MS	MS
Overall Safeguards Rating	S	S	S	S	S	S
Overall Risk	S	S	S	S	S	S

**BASIC INFORMATION – ADDITIONAL FINANCING (SAMOA - PACIFIC RESILIENCE PROJECT UNDER PACIFIC RESILIENCE PROGRAM ADDITIONAL FINANCE - P167152)**

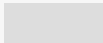
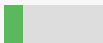
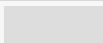
Project ID P167152	Project Name SAMOA - PACIFIC RESILIENCE PROJECT UNDER PACIFIC RESILIENCE PROGRAM ADDITIONAL FINANCE	Additional Financing Type Restructuring, Scale Up	Urgent Need or Capacity Constraints No
Financing instrument Investment Project Financing	Product line IBRD/IDA	Approval Date 27-Sep-2018	
Projected Date of Full	Bank/IFC Collaboration		

Disbursement			
31-Oct-2023	No		
Is this a regionally tagged project?			
No			

**Financing & Implementation Modalities**

<input checked="" type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Disbursement-Linked Indicators (DLIs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a Non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	
<input type="checkbox"/> Contingent Emergency Response Component (CERC)	

**Disbursement Summary (from Parent ISR)**

Source of Funds	Net Commitments	Total Disbursed	Remaining Balance	Disbursed	
IBRD					%
IDA	13.79	2.72	11.36		19 %
Grants					%

**PROJECT FINANCING DATA – ADDITIONAL FINANCING (SAMOA - PACIFIC RESILIENCE PROJECT UNDER PACIFIC RESILIENCE PROGRAM ADDITIONAL FINANCE - P167152)**

**FINANCING DATA (US\$, Millions)**

**SUMMARY (Total Financing)**

	Current Financing	Proposed Additional Financing	Total Proposed Financing
--	-------------------	-------------------------------	--------------------------

<b>Total Project Cost</b>	13.94	2.90	16.84
<b>Total Financing</b>	13.94	2.90	16.84
<b>of which IBRD/IDA</b>	13.79	2.50	16.29
<b>Financing Gap</b>	0.00	0.00	0.00

**DETAILS - Additional Financing**

**World Bank Group Financing**

International Development Association (IDA)	2.50
IDA Grant	2.50

**Non-World Bank Group Financing**

Counterpart Funding	0.40
Borrower	0.40

**IDA Resources (in US\$, Millions)**

	Credit Amount	Grant Amount	Total Amount
National PBA	0.00	0.83	0.83
Regional	0.00	1.67	1.67
<b>Total</b>	<b>0.00</b>	<b>2.50</b>	<b>2.50</b>

**COMPLIANCE**

**Policy**

Does the project depart from the CPF in content or in other significant respects?

Yes  No

Does the project require any other Policy waiver(s)?

Yes  No



## INSTITUTIONAL DATA

### Practice Area (Lead)

Social, Urban, Rural and Resilience Global Practice

### Contributing Practice Areas

Climate Change

Environment & Natural Resources

### Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

### Gender Tag

Does the project plan to undertake any of the following?

a. Analysis to identify Project-relevant gaps between males and females, especially in light of country gaps identified through SCD and CPF

No

b. Specific action(s) to address the gender gaps identified in (a) and/or to improve women or men's empowerment

No

c. Include Indicators in results framework to monitor outcomes from actions identified in (b)

No

## PROJECT TEAM

### Bank Staff

Name	Role	Specialization	Unit
Habiba Gitay	Team Leader (ADM Responsible)		GSU08
Keiko Saito	Team Leader		GSU08
Eric Leonard Blackburn	Procurement Specialist (ADM Responsible)		GGOPG
David Bruce Whitehead	Financial Management Specialist		GGOEP

Antonia Wong	Team Member		EACNF
Carmenchu D. Austriaco	Team Member		WFACS
Cindy Patricia Quijada Robles	Team Member		GFDRR
Duangrat Laohapakakul	Counsel		LEGES
Evaron Doris Masih	Team Member		GGOEP
Joyce Miriam Denise Witana	Team Member		GGOPG
Joyce Onguglo	Social Safeguards Specialist		GSU02
Loren Jayne Atkins	Team Member	Legal	LEGES
Michael Bonte-Grapentin	Team Member		GSU08
Nathalie Suzanna Noella Staelens	Safeguards Advisor		GEN2A
Nathan Hale	Team Member		EACNF
Ross James Butler	Social Safeguards Specialist		GSU02
Samantha Jane Cook	Team Member		GFCCR
Simone Lillian Esler	Team Member		GSU08
Svend Jensby	Social Safeguards Specialist		OPSES
Wolfhart Pohl	Environmental Safeguards Specialist		GEN2A
<b>Extended Team</b>			
<b>Name</b>	<b>Title</b>	<b>Organization</b>	<b>Location</b>



SAMOA

SAMOA - PACIFIC RESILIENCE PROJECT UNDER PACIFIC RESILIENCE PROGRAM ADDITIONAL FINANCE  
ADDITIONAL FINANCE AND RESTRUCTURING

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## I. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

### Background

1. This Project Paper seeks the approval of the Executive Directors to provide an additional IDA grant (IDA Grant Number D380-WS) in the amount of SDR 1.8 million (equivalent to US\$2.5 million<sup>1</sup>) to the Pacific Resilience Project in Samoa (PREP-Samoa Project, P154839) under the Pacific Resilience Program (PREP). The proposed Additional Financing (AF) will finance a share of the premia for continued catastrophe risk insurance against risks from climate-related events such as cyclones as well as earthquakes or tsunami for an additional five years. The proposed closing date for the AF is October 31, 2023.

2. A Level II restructuring is also proposed to: (i) extend the Closing Date of the original IDA grant (IDA Grant Number D077-WS) from November 30, 2020 to November 30, 2022 to allow the Government to complete the activities that have been delayed over the past two years; (ii) revise the implementation responsibility of the implementing agencies under some of the project Components and revise the institutional arrangements at national and regional level under the project; (iii) include an additional procurement method (under framework arrangements) to align with the Government of Samoa's revised Treasury Instructions (Section 6, Procurement and Contracting June 2016) which will facilitate procurement after a natural disaster; and (iv) revise the results framework for the project.

3. **Country Context.** Samoa is a lower middle-income country with a 2017 GDP of US\$845 million, and a per capita GDP of US\$34,027. The population of the country is 189,000, with about 75 percent living on the island of Upolu, where the capital city of Apia is located and the remaining 25 percent live on the larger island of Savai'i. Samoa has historically been regarded as one of the best performing economies in the Pacific. However, as a very small and remote country with a narrowly-based economy and vulnerability to external shocks, it has a high degree of volatility in economic performance.

4. Samoa is highly exposed to negative effects from climate change and natural hazards including floods, droughts, tropical cyclones, storm surges, earthquakes and tsunami. In 2009, it was hit by a devastating tsunami, causing damage valued at 20 percent of the GDP; in December 2012 it was hit by a category 3 Tropical Cyclone (TC) Evan which reached windspeeds of 185 km/h, causing extensive damage and losses. Over the past eight years, the Government has undertaken a series of measures to improve its management of climate and disaster risks, including through PREP and support from other development partners, that have helped to strengthen its multi-hazard early warning systems, address climate and disaster related risks to coastal areas and flood plains, and has revised its national building code to reduce the damage and destruction from increased wind speeds. Through PREP, over the past three years, it has also secured catastrophe risk insurance to provide liquidity after a tropical cyclone, earthquake or tsunami.

5. **Summary Information of the Parent Project.** The PREP ("Parent Program"), which was approved by the Board on June 19, 2015, comprises a phased series of projects. The overarching objective of the PREP is to strengthen early warning and support resilient investments and financial protection. The Independent State of Samoa (Samoa) is participating in Phase 1 of the PREP. The PREP-Samoa Project ("the Project" or "parent project") became effective on September 17, 2015 and has a closing date of November 30, 2020. The Project encompasses all three aspects of the PREP objective, through the following components: 1. Strengthening Early Warning and Preparedness; 2. Risk Reduction and Resilient Investments; 3. Disaster Risk Financing. Component 3 includes the establishment of mechanisms to access

<sup>1</sup> Comprising US\$0.83 million of National IDA and US\$1.67million in regional IDA.



finance in the immediate aftermath of a major natural disaster event through the Contingency Emergency Response Component (CERC) and by providing insurance premium financing.

6. Under Sub-component 3.1.2 (Premium Financing), the World Bank originally played an intermediary role between the PREP participating countries and reinsurers, for insuring disaster risk financing. For this purpose, IDA was authorized to pay the related premia, on behalf of the Recipient, under a Risk Transfer Agreement signed between the Government of Samoa and IDA.

7. **Previous Project Restructuring.** The PREP-Samoa Project was restructured in October 2017, allowing the Recipient to enter into an Insurance Contract with an Eligible Insurer, replacing the role played by IDA. This restructuring was approved for all PREP 1 participating countries (Samoa, Tonga, the Republic of the Marshall Islands and Vanuatu). In late 2017, the Government, through its Ministry of Finance, entered into an Insurance Contract with the Pacific Catastrophe Risk Insurance Company (PCRIC) for catastrophe (disaster) risk insurance coverage for 2017-2018. The Government also became wholly responsible for the fiduciary aspects of the funds under Sub-component 3.1.2. A direct payment request made by the Government allowed payments to be made directly to the PCRIC from the Financing Account.

8. **Project Performance.** The project had consistently received a *Satisfactory* Project Development Objective (PDO) rating and a *Moderately Satisfactory (MS)* Implementation Progress (IP) rating for more than twelve months prior to May 2018. However, in May 2018, the IP rating was downgraded to *Moderately Unsatisfactory (MU)* and the PDO rating to *Moderately Satisfactory*. The downgrading was due to a deterioration in project management which resulted in implementation delays under Component 1, primarily relating to procurement for the National Emergency Operations Centre (NEOC) building works and contracting of a Systems Integrator Consultant (SIC) for work related to early warning systems. The delays were exacerbated by the Government staff having to respond to the damage from TC Gita that hit Samoa on February 10, 2018. In June 2018, actions to expedite activities on the critical path were agreed with the Government including urgent recruitment of a project manager to oversee activities under Component 1 (see action plan below). Following a technical and financial management mission in July 2018, which noted good progress on critical actions, an Implementation Status & Results Report (ISR) was completed on July 14, 2018 where the IP rating was upgraded to *MS*. Given that the IP rating was not consistently rated as *MS* or above over the past 12 months, an exception to proceed with the AF was sought and endorsed, with concurrence from Operations Policy and Country Services Vice Presidency (OPCSVP).

9. Good progress has been made towards strengthening early warning and preparedness (under Component 1), and financial protection (Component 3). Under component 1, an effective hydro-meteorological telemetric monitoring system is in place and the SIC firm has commenced assessment of the existing early warning systems. However, delays in large value procurement items under component 1, as described above, have resulted in low disbursements. Progress in strengthening resilient investments under component 2 has been slow, mainly due to delays in hiring consultants to analyze and determine gaps for investment (such as schools retrofitting). Under component 3, a disaster risk insurance arrangement, a Contingency Emergency Response Operations manual, and a stockpile register are in place. Additionally, a Disaster Risk Financing Insurance Advisor has been hired, who is working with the Government on a risk financing strategy for Samoa. Under component 4 (Project and Program Management), inputs from the Ministry of Natural Resources and Environment (MNRE) have been inadequate to cope with the workload and monitoring and updating of work programs. To address this issue, the Government agreed to hire a consultant for project management support. Project beneficiaries, mainly relating to hydro-meteorological information integrated into early warning systems, stand at 82,000 with female beneficiaries close to 40,000 (exceeding the end targets of 75,000 and 30,000 respectively).



10. Financial Management (FM) performance has been rated either *MS* or *Satisfactory (S)* for the life of the project. Following an FM review completed on July 10, 2018 the current FM performance has been rated as *MS*. While the Designated Accounts are active and all required audited financial statements up to June 2017 have been submitted and accepted, their submission has in some instances been late. The June 2018 Interim un-audited Financial Report (IFR) was due no later than August 15, 2018 and as such is now overdue. Issues of timely reporting are acknowledged by the Government and efforts are underway to improve this. Based on previous experience, improvements are expected to be realized and there are no major outstanding FM issues. There are no overdue audit reports.

11. Procurement performance has recently been upgraded to *MS*, primarily due to progress on the two large value contracts - the NEOC building works (estimated contract of US\$3.1million, approximately 22 percent of the total project budget) and hiring of the SIC firm (contract value of US\$1.4 million). The SIC firm contract was signed on May 31, 2018 and consultants have already been in country in June and July. The recent hiring of a manager to oversee activities under Component 1 is also contributing to improved procurement progress. The Government has made good progress on the action plan to expedite procurement for the NEOC works that was advertised on July 30, 2018. Other actions focus on achieving the agreed milestones during the procurement process for NEOC as detailed in the action plan below (Table 1). In addition, the Government and the team have had additional support from an engineer to ensure that the scope of the work is clear and is aligned with the allocated budget.

**TABLE 1: ACTION PLAN FOR CRITICAL ACTIVITIES, MAY 2018**

<i>Critical Issue</i>	<i>Action</i>	<i>Responsibility</i>	<i>Status</i>
1. Budget not aligned with current requirements, and slowed-down implementation	- Annual workplans for all components - Procurement plan & Contract tracking - Budget	MNRE	Completed
2. Inadequate management of the major procurement leading to delays	Hire dedicated Project Manager for Component 1	CEO, MNRE	Contract signed July 2, 2018
3. Delay in hiring SIC	Complete negotiations & sign contract	CEO, MNRE	Contract signed May 31, 2018
4. Delay in contracting NEOC building Works	i. Re-invite bids (with the support of a Bank engineer)  ii. Pre-bid meeting with potential bidders iii. Nominate and brief Evaluation Committee (EC) members  iv. Submit Bid Evaluation Report to Bank  v. Thereafter, approval Legal, Tenders Board and Office of the Attorney General	MNRE supported by MOF	Bids re-invited July 30, 2018  Completed on Aug 15, 2018  Delayed - Expected Sept 30, 2018
5. Delay in Retrofitting of Schools	i. Hire Consultant for Structural Assessment, Design & Supervision	MNRE/PIU	August 20, bid evaluation completed (in progress)



12. **Legal Covenants.** The Recipient is in compliance with all legal covenants. The covenant relating to PREP support services provided by the Pacific Islands Forum Secretariat (PIFS) and the Pacific Community (SPC) is to be revised and is discussed below.

13. **Institutional Arrangements at the Regional Level.** A Regional Advisory Committee (RAC) (originally called the Regional Steering Committee), within PIFS, currently supports the PREP 1 countries. The RAC is responsible for overseeing the overall regional program, providing guidance towards achieving the program objectives and promoting regional integration. Additionally, under a legal covenant, regional specialist support is provided by a Program Support Unit (PSU) within SPC, under a Service Agreement between the Government and SPC.

### Rationale for Additional Financing

14. The AF will finance a share of the premia for continued catastrophe risk insurance for an additional five years. The proposed closing date of the AF is October 31, 2023. This will ensure disaster risk insurance coverage up to October 31, 2023 with the fifth-year premium being paid by November 1, 2022, and will allow sufficient time for monitoring and reporting on the related indicators over the fifth year.

15. Under Sub-component 3.1.2 (Premiums Financing) of the parent project, IDA financing of SDR1.09 million (US\$1.5 million equivalent) was allocated for the annual premia cost for three years (until October 2018), with co-financing from the Government's national budget, to secure disaster risk insurance coverage. It was anticipated that such insurance premia beyond 2018 would be fully financed by the Government.

16. On April 16, 2018, the Government requested additional financing specifically to continue the payment of premia for disaster risk insurance coverage for an additional five years. A similar request has been made by two other PREP 1 participating countries as well. For this purpose, the Government has requested US\$0.83 million of its national IDA allocation, with the understanding that this would leverage US\$1.67 million from the regional IDA. The Government would continue with its share of premia financing from the national budget, totaling US\$0.4 million for the additional five years, starting with US\$60,000 in 2018 and increasing by US\$10,000 each year, reaching US\$100,000 in 2022 (which will provide insurance cover until October 2023). The Government's share of the premia financing will be made available by not later than September 30 in each year. The Government's request stems from its concern to avoid the strain on its own budget, while sustaining disaster risk coverage to cope with an increasing frequency of natural disasters affecting the country. The potential for Samoa's economy to be impacted by cyclones, tsunamis, floods and earthquakes is high (Pacific Risk Assessment and Financing Initiative-PCRAFI 2017), and the impact on the economy can be substantial. The rationale for including insurance is the payout benefits that provide liquidity after a disaster. There have been no payouts to Samoa from PCRAFI to date as either the damage estimates were too low (TC Gita February 2018, struck Samoa as a category 1 storm), or the major events occurred before PCRAFI was set up (TC Evan December 2012, estimated damage and losses (Cost): US\$203.9 million, 28 percent of 2011 GDP; earthquake and tsunami, September 2009, Cost: US\$137 million, 20 percent of 2008 GDP). The Government sees insurance as a part of their disaster risk financing strategy. Its commitment to meet part of the premium costs, albeit over a longer period than originally anticipated, demonstrates ownership, sustainability and efficacy of disaster risk insurance.

17. **Rationale for Restructuring.** Restructuring of the parent project is also proposed and includes: (i) an extension of the parent project closing date to November 30, 2022 to allow the Government to complete the civil works related activities that have been delayed by about two years; (ii) revise the implementation responsibility of the implementing agencies under some of the Components and revise the institutional arrangements at national and regional level given the change to the closing date and the proposed AF; (iii) the inclusion of Framework Agreements (as a particular type





of contractual arrangement) to align with the revised Government Treasury Instructions to expedite procurement after a natural disaster; and (iv) changes in the Results Framework.

18. **Consistency with the Regional Partnership Framework (RPF).** The project scale-up is consistent with the World Bank Group's Pacific Islands Regional Partnership Framework (RPF) (FY17-FY21) covering nine Pacific Island Countries (PICs): Republic of Kiribati, Republic of the Marshall Islands (RMI), Federated States of Micronesia (FSM), Republic of Nauru, Republic of Palau, Independent State of Samoa, Kingdom of Tonga, Tuvalu, and Republic of Vanuatu (Report #120479). The PICs are increasingly affected by climate-related events, as evidenced by multiple cyclones affecting them over 2017-2018, and an increasing risk from seasonal droughts. Thus, the scale up is in line with *Focus Area 3 of the RPF: Protecting incomes and livelihoods*, through its contribution to the achievement of *Objective 3.1: Strengthened resilience to natural disasters and climate change*.

19. **Contribution to Poverty Reduction.** The PICs are some of the most disaster (climate and geohazard)-affected countries in the world. While disasters impact whole societies, the poor and vulnerable (including women, children and the elderly) are hit the hardest when they strike, inducing and exacerbating poverty. The scale-up will help strengthen the financial capacity of the Government to respond and rebuild in a timely manner following climate-related and other natural disasters, thus allowing such communities to recommence their livelihood activities sooner and recover faster.

## II. DESCRIPTION OF ADDITIONAL FINANCING AND RESTRUCTURING

### Description of Additional Financing

20. **Financing Amounts.** Under Sub-component 3.1.2 (Premium Financing), the proposed AF of SDR 1.8 million (US\$2.5 million equivalent) will finance part of the catastrophe risk insurance annual premium for a further five years and will ensure that Samoa continues to have access to disaster risk insurance. The continuation of catastrophe risk insurance for a further five years supports the achievement of the third part of the Project's PDO: strengthening financial protection in case of natural disasters.

21. The proposed AF will be in the form of a grant and will consist of national IDA of US\$0.83 million and regional IDA of US\$1.67 million. There will also be a contribution of US\$0.4 million over the five years from Samoa's national budget (confirmed by the Government on April 12, 2018), to cover its contributions for the premia.

22. **Insurance Contracts.** As was the case for the 2017 – 2018 coverage, the disaster risk insurance contracts will be procured by the Government from an eligible insurer. At this stage PCRIC is the only agency in the region providing parametric-type insurance coverage for disaster risk financing. Therefore, MOF will contract PCRIC, based on annual premium. The premia are due by November 1 each year with the Government required to select the coverage by September 30 each year. The contract will be funded by US\$0.50 million from IDA grant for each year and the Government counterpart funding starting with US\$60,000 in 2018-19 and increasing by US\$10,000 each year over the extended five years (see Table 2). In the event that other eligible and competitive disaster risk insurers become available in the region before the closing date of the AF, the Government may follow a competitive procurement process to contract an insurer (non-consulting services).

23. **Project Component of the AF.** The AF will cover only one Sub-component of the parent project namely, Sub-component 3.1.2, Premium Financing.

24. **Retroactive Financing.** To ensure that the Government is able to get insurance coverage for the cyclone season that typically starts in November 2018, the premium has to be paid by November 1, 2018. As the proposed AF may not





be effective by then, inclusion of retroactive financing is proposed. Such retroactive financing is for an amount not to exceed SDR 0.36 million (equivalent to US\$ 0.5 million - 20 percent of the total AF amount) to be available from September 1, 2018.

25. **Institutional Arrangements at Regional and National Level.** The RAC will be maintained until November 30, 2020 and, by not later than January 31, 2020, all relevant parties will agree on a successor committee to undertake the roles and responsibilities of the RAC from November 30, 2020 until the end of the Project implementation period. Additional specialist support is provided by a Program Support Unit (PSU) within SPC (financed through a separate project under PREP or PREP-SPC, P147839) under terms outlined in a service agreement between the Government and SPC. SPC (through its PSU) will not be providing support to activities financed under the AF as there is limited involvement from them for Component 3. The Government’s Climate Resilience Steering Committee (CRSC - equivalent to the National Steering Committee for the parent project) will continue as the main platform for key decision making and has representation from at least ten ministries including MOF, Ministry of Education, MNRE, Ministry of Works, Transport and Infrastructure, and is chaired by the Chief Executive Officer of MOF. Day to day implementation of Component 3.1.2 will continue to be carried out by MOF.

26. **Procurement Plan.** Assuming that the procurement will be done for the whole of the five years, the following has been included in the revised procurement plan dated August 27, 2018:

Activity Description	Category	Prior/Post Review	Selection Method	Market Approach	Cost estimate US\$
Parametric-type disaster risk insurance	Non Consulting Services	Prior Review	Direct Selection	Direct	US\$2,500,000

27. **Disbursement Arrangements for the AF.** In line with the parent project, the premia will continue to be paid under the direct payment method.

**TABLE 2: EXPECTED DISBURSEMENTS FOR AF (US\$ million)**

Month/Year	IDA share	GoS share	Total
November 1, 2018	0.5	0.06	0.56
November 1, 2019	0.5	0.07	0.57
November 1, 2020	0.5	0.08	0.58
November 1, 2021	0.5	0.09	0.59
November 1, 2022	0.5	0.10	0.60
<i>TOTAL</i>	<i>2.5</i>	<i>0.40</i>	<i>2.90</i>

28. **Results Framework of the AF.** The part of the Results Framework of the parent project that is relevant to the AF relates to Sub-component 3.1.2. There are no changes proposed to the end targets, with the results to be achieved by the proposed closing date of October 31, 2023. A mid-term review of the project will be carried out by not later than December 15, 2018, or such other date as the Bank may agree in writing.

29. **Climate co-benefits.** Climate adaptation and mitigation co-benefits for this project will be calculated using the joint-MDB Climate Finance Tracking Methodology<sup>2</sup> following Board approval of the AF. As the IDA grant is being used to

<sup>2</sup> 2015 Joint Report on Multilateral Development Bank’s Climate Finance, August 2016



pay for insurance premiums to provide insurance for increased cyclones – the major hazard - as well as the less likely earthquakes or tsunamis.

### Description of Proposed Changes under Restructuring

30. In response to a request received from the Government dated April 3, 2018 and a supplemental request dated August 20, 2018, a project restructuring is proposed.

31. **Proposed Extension of Parent Project Closing Date.** A closing date of November 30, 2022 is proposed for the parent project. The extension will enable the Government to complete the major civil works, including the civil works for the NEOC building and resilience investments for retrofitting or rebuilding of a small number of schools. Implementation of most investment activities directly impacting the intended beneficiaries will be completed as originally planned. The extension will result in a parent project life of seven years in total.

**Proposed changes to the Institutional Arrangements** include the following:

32. **At the regional level**, the RAC will be maintained until November 30, 2020 to provide an oversight of the PREP and, by not later than January 31, 2020, all relevant parties (Samoa, Tonga, RMI, SPC, PIFS) will agree on a successor committee to undertake the roles and responsibilities of the RAC from November 30, 2020 until the end of the Project implementation period. Under the implementation of the Framework for Resilience Development in the Pacific (FRDP), a Pacific Resilience Partnership (PRP) has been established and it has a task force with representatives of PICs. The successor to the RAC may be a subset of the PRP. The proposed timeline will give the countries and PIFS the opportunity to discuss this during the RAC meeting in October 2018 and avoid setting up an entirely new committee. Such an arrangement will also allow a better coordination with the activities under the FRDP which is the agreed Framework by the Pacific Leaders for Climate and Disaster Resilient Development.

33. The PSU through SPC will be maintained until November 30, 2020, and the Government will amend its existing Service Agreement with SPC by December 31, 2018 to reflect such time bound limited support and the specific activities to be supported by SPC under the project. In the event SPC's support is to be continued beyond November 30, 2020, the Government and SPC will amend its Service Agreement by November 30, 2020 to reflect the continued support until the end of the Project implementation period

34. **At the national level**, MNRE will be responsible for the implementation of Component 1 of the project; MNRE and MOF will be jointly responsible for the implementation of Components 2 and 4 of the project; and MOF will be responsible for the implementation of Component 3 of the project. **MOF** will continue with the overall coordination responsibility throughout the project implementation period. To this end, MOF will maintain, throughout the Project implementation period, a national coordinator that will continue to be responsible for the overall coordination of all activities. A Climate Resilience Investment and Coordination Division (CRICD) within MOF will continue to exist. CRICD will be responsible for, *inter alia*: (a) carrying out day to day implementation and monitoring of Component 3; (b) carrying out, jointly with MNRE, day to day implementation and monitoring of Components 2 and 4; and (c) in collaboration with MNRE, preparing and submitting to the Bank the Annual Work Plans and Budgets, Project Reports and any other reports under the Project. An implementation support specialist, with terms of reference, qualifications and experience satisfactory to the Bank, will be retained within CRICD. **Within MNRE**, the Government will maintain throughout the project implementation period, a Project manager, a monitoring and reporting officer and a procurement officer, each with terms of reference, qualifications and experience satisfactory to the Bank. MNRE will be responsible for, *inter alia*: (a) carrying out day to day implementation and monitoring of Component 1; and (b) carrying out, jointly with MOF, day to day implementation and monitoring of Components 2 and 4.

35. The CRSC will continue as the main platform for key decision making.



36. **Proposed Additional Procurement Method.** To align with the Government of Samoa's revised Treasury Instructions (Section 6, Procurement and Contracting June 2016) which will facilitate procurement post a natural disaster, the use of "Framework Agreements" (as a particular type of contractual arrangement), for procurement of goods, works and services, in accordance with paragraph 3.6 of Procurement Guidelines, January 2011, revised July 2014 is being proposed.

37. In Samoa, amendment of the Treasury Instructions (Section 6, Procurement & Contracting) in June 2016 included provision for the use of Framework Arrangements (described by the World Bank as Framework Agreements). Incorporating this method in PREP-Samoa would enable arrangements to be established well in advance of any future natural disaster. The ensuing agreements will guarantee the terms for supply, prevent opportunistic pricing, speed up procurement, and reduce the transactional cost and administrative burden.

38. **Proposed Changes to Results Framework.** The target end date for most indicators will be changed from the current closing date to November 30, 2022 and to October 31, 2023 for those indicators directly relating to sub-component 3.1.2 (Premium Financing). In addition, the following changes are proposed for PDO and Intermediate level indicators:

- i. *PDO level indicators:* a) Increase the "Direct project beneficiaries" end target from 75,000 to 100,000, with female beneficiaries from 30,000 to be 55,000 in consideration of expansion of the early warning system which has already been successfully implemented to benefit 82,400 people ; b) "Percentage of short term priority projects of the resilient investment plan developed under the Program included in the Medium Term Expenditure Framework" is marked for deletion given the intention to focus on retrofitting and/or rebuilding of schools with the available budget; c) Revise the description of the indicator "Time taken to commit funds from the contingency emergency response component (CERC) requested by the Government for an eligible emergency (weeks, no target) to "Time taken to trigger the contingency emergency response component (CERC) for an eligible emergency" (Weeks; target: 4.00)";
- ii. *Intermediate indicators:* a) "Multi-sectoral Resilient Investment Plan developed/updated based on the tools developed under Component 2.2" is marked for deletion as this is no longer a high priority activity that determines the investments and similar work has been completed through other means; b) A new indicator: "Number of school buildings retrofitted or rebuilt to improve resilience standards and gender appropriate WASH facilities (Number, target: 3)" is added to reflect the focus on resilient investments for schools; and
- iii. *New indicator (to reflect Citizen Engagement):* "Beneficiaries that feel project investments meet their needs (Percentage, target: 80)"

39. **Citizen Engagement.** The project's communication and outreach strategy will continue to be the key tool for citizen engagement. During the parent project preparation, the ESMF had already included consultation with key project stakeholders to provide information on the proposed project, the potential social and environmental risks and source their contribution to overall project design. PREP continues to ensure effective citizen engagement during project implementation. The parent project's grievance redress mechanism is considered to be adequate. An intermediate results indicator will be added to monitor "Beneficiaries that feel project investments reflect their needs" to monitor beneficiary satisfaction.

40. **Project Operational Manual.** The Project Operational Manual (POM) is to be updated to reflect changes in the institutional arrangements and the results framework, and adopted by Samoa by not later than November 30, 2018.



### III. KEY RISKS

41. **Overall Risk Rating.** The overall risk rating of the parent project is currently substantial, with Sector Strategies & Policies, Institutional Capacity, and Fiduciary risks rated substantial. There are no new components, activities or categories added under the AF and the implementation arrangements for payment of the premia remain the same as for the parent project. Hence there is no added complexity to the project that could affect the risk ratings.
42. *Sector Strategies & Policies.* While Sector Strategies and Policies risks remain substantial, to manage these risks the Ministry of Finance is working on initiatives to strengthen its interface with the Ministry of Natural Resources and Environment (MNRE), which includes the National Disaster Management Office. Such initiatives include a close monitoring of results to align with budget expectations, and more particularly with respect to disaster risk financing.
43. *Technical Design.* The technical design of the parent project was complex, as it involved various categories of stakeholders at each level of implementation. The AF is relatively simple and the Technical Design risk is low; the selection of the insurance coverage will continue to be supported by the Bank.
44. *Institutional Capacity.* Overall project oversight, which is being provided by both MOF and MNRE, has been inadequate in coping with large procurements that require timely document reviews and clearances. To compensate for the limited implementation capacity within MOF and MNRE, consultants were hired to fill key positions to assist in day-to-day project implementation. MNRE has also retained three consultants to supplement its in-house inputs. In addition to hiring a dedicated project manager mostly for Component 1, MNRE is currently working with the Bank on strengthening contract management, which will help ensure continued support from consultants while keeping within the original project budget envelope. It is envisaged that the risk rating for institutional capacity would improve within the next six months with the recent appointment of a project manager on July 2, 2018 and Monitoring and Evaluation Officer on July 31, 2018 resulting in improvement in the pace of implementation. Grant disbursements are expected to improve substantially with delivery of each milestone under the ongoing SIC contract and implementation of the NEOC building works.
45. *Fiduciary.* The fiduciary risk rating will remain substantial, given the weaknesses in institutional capacity and a heavy reliance on consultants to supplement MOF and MNRE inputs. Support from the PSU and consultant inputs are helping to mitigate the associated risks.

### IV. APPRAISAL SUMMARY

#### A. Economic and Financial (if applicable) Analysis

46. Disasters resulting from natural hazards represent a significant contingent liability for Samoa and are often associated with large fiscal consequences. Sovereign disaster risk financing and insurance can protect against sudden macroeconomic shocks that negatively impact fiscal performance and a country's long-term economic development. Catastrophe risk pooling at the regional level aggregates risk into larger, more diversified portfolios, with participants benefitting from cost savings and access to international markets. The cost of risk transfer to international markets depends on many factors, including the risk level of the portfolio as a fraction of the size of the portfolio. The pooling of risks generates diversification benefits that are reflected in reduced insurance premiums. The real price of insurance coverage (insurance premium rate) accessed under the project through the PCRAFI insurance program has resulted in 50 percent savings on average, compared to the simulated market price that Samoa would have been able to obtain if it had



secured disaster insurance individually. Samoa is now also participating in an Asian Development Bank (ADB) regional contingent financing risk pool and has requested the preparation of a development policy operation with a Catastrophe Deferred Drawdown Option (Cat-DDO) funded through IDA-18. Collectively, these instruments will help protect Samoa against climate and other natural hazards.

47. In the last decade, Samoa has been affected by one category 3 tropical cyclone and an earthquake and tsunami, as detailed in paragraph 16. Using the risk profiles produced for the PICs including Samoa (reference: PCRAFI Report in 2017), the return period of a tropical cyclone event with the magnitude of TC Evan in 2012 can be estimated to be a one in a hundred-year event. The modeling suggests that Samoa is at risk of incurring on average an annual loss of US\$10 million following tropical cyclones in the next 50 years, with a 50 percent chance of experiencing a loss of about US\$130 million, and a 10 percent chance of experiencing a loss exceeding US\$350 million (PCRAFI 2017). Under the current conditions, where climate change is likely to increase the intensity of tropical cyclones, an event with a return period of 100 years is likely to occur more frequently, necessitating a disaster risk financing strategy and suite of financial instruments that ensures liquidity following major natural disasters. In terms of earthquakes, again using the hazard parameters of the 2009 event and the risk profile from the PCRAFI report for Samoa, it can be estimated that an event with a return period of 50 to 100 years can result in an economic impact equivalent to 20 percent of GDP. As ten years have passed since the risk profiles for the PICs were produced, the PCRAFI model is in the process of being revised to reflect the changes in the hazard, exposure and their vulnerabilities over the past 10 years.

48. Analysis of a range of scenarios<sup>3</sup> was conducted and allows estimation of the expected return for disaster risk insurance coverage under the regional pool, over any given 5-year coverage period. Depending on the scenario, the economic internal rate of return (EIRR) can range from 133 percent if exactly one severe disaster occurs over the five-year period (with 16 percent probability, based on catastrophe risk models) to 226 percent or more if at least one extreme disaster occurs during the five-year period (10 percent probability). If no triggering disaster event occurs during a given five-year period there will be no payout (59 percent probability). On a long-term average basis, the EIRR is estimated at 23 percent. Assuming a 10 percent discount rate, an aggregate US\$3 million premium contribution over a five-year period has a net present value of US\$ 0.1 million on average (ranging from US\$ -2.3 million if no disaster occurs, to US\$9.4 million if one extreme disaster occurs).

49. For Samoa, the PCRAFI coverage started in 2013 under the PCRAFI pilot and from 2015 continued through PREP, hence neither the 2009 nor 2012 events were covered by the insurance. The recent TC Gita that passed over Samoa as a category 1 storm in February 2018 did not trigger a payout. Despite this, the Government recognizes PCRAFI as an important financial instrument to ensure liquidity in the face of a major future disaster, and is requesting the extension of the coverage for a further five years. By October 2018, Samoa will have access to contingency donor financing of approximately US \$15.7 million<sup>4</sup> --in case of a natural disaster. The maximum payout from PCRAFI to date is US\$3.5 million (to Tonga this year). If Samoa were to receive a payout of a similar magnitude just once over the five years of extended coverage, the return on investment would be approximately 1.2 times the cost of the premium. Such a payout would be equivalent to about 22 percent of the total natural disaster related contingency donor financing that is available (planned or actual) to the Government.

<sup>3</sup> This analysis considers five consecutive years of coverage, with no changes in coverage selection over that period

<sup>4</sup> This includes access to US\$6 million from ADB and approximately US\$9.7 million from IDA as a -Cat-DDO that is under preparation. Samoa also has a budget allocation for “unforeseen expenditure” which for 2018/2019 is approximately US\$6.4 million, but does not exclusively cover natural disasters.



## **B. Technical**

50. This project scale-up will continue to use the successful mechanisms established under the PCRAFI supported by the World Bank, under which market-based catastrophe risk insurance transactions have been successfully implemented for participating countries for 6 years, based on fully probabilistic country risk profiles for the major perils affecting the region.

## **C. Financial Management**

51. Changes in the Financial Management and Disbursement arrangements for the insurance premia Sub-component have already been made following restructuring of the parent project and were incorporated in an Amendment to the Financing Agreement dated October 5, 2017. As such, there are no changes in the Financial Management and Disbursement arrangements for this AF and therefore no new or updated Financial Management assessment is required. MOF will be responsible for: (i) ensuring that budgetary allocations are made annually towards the Government's share of the insurance premium; (ii) signing the annual insurance contracts with PCRIC (or other eligible insurer); (iii) contract monitoring and payments in respect of the insurance contracts; and (iv) financial reporting and auditing of Project funds. The insurance premia to be financed under the AF will continue to be paid under the Direct Payment disbursement category, as was done in 2017 following project restructuring.

## **D. Procurement**

52. Procurement under the AF will follow the procurement procedures specified in the World Bank Procurement Regulations for IPF Borrowers, dated July 2016, revised in November 2017 and August 2018 (Procurement Regulations). The AF is for payment of the premia for insurance coverage for disaster risk financing. The provision of catastrophe risk insurance is classified as a non-consulting service under an ex ante type contract. The Pacific Catastrophe Risk Insurance Company (PCRIC) is currently the only entity for such services in the region. As such, the Government shall directly contract PCRIC in accordance with the requirements outlined in Paragraphs 6.8 to 6.10 of the Procurement Regulations.

53. MOF would need to prepare a Project Procurement Strategy for Development (PPSD) detailing the procurement arrangement for the AF and seeking approval from the Bank.

## **E. Social (including Safeguards)**

54. The regional Pacific Resilience Program has been classified as Environmental Category B, given the expected limited environmental and social impacts. The overall social impact of the project is expected to be highly positive, as the project will manage residual risk and strengthen the capacity of the Government to respond to and recover from disasters. As such, minimizing the social impacts created by natural disasters and climate change underlies the purpose of the Project. An Environmental and Social Management Framework (ESMF) was prepared for the program and disclosed regionally in Samoa, Tonga and Fiji, as well as via the World Bank InfoShop on March 5, 2015, prior to the Appraisal of the parent Program. The same ESMF will be used for the AF. It was redisclosed by the Government on July 24, 2018<sup>5</sup> and on the Bank's website on August 6, 2018.

55. The AF will not be funding any activities under Component 1 (Strengthening Early Warning and Preparedness) or Component 2 (Risk Reduction and Resilient Investments). The AF will remain limited to providing funding for payment

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<sup>5</sup> See <https://www.mnre.gov.ws/about-us/divisions/disaster-management-office/>





of disaster risk insurance premia under Component 3 (Disaster Risk Financing). As such, there are no safeguard issues or impacts associated with the proposed AF.

56. The ESMF prepared for the parent project included consultation with key project stakeholders to provide information on the proposed AF, the potential social and environmental risks, and their contribution to the overall AF design. The parent project drew on the outcome of citizen engagement activities carried out during community consultations conducted to update the Community Integrated Management (CIM) plans that the Government has been undertaking over the past three years under separate financing. The parent project was tagged for gender which led to a comprehensive gender analysis to understand the gender-differentiated impacts of disasters and climate change conducted in 2013. This analysis has informed the activities in components 1 and 2 (not covered by this AF). Given that the AF is for the risk insurance premia only, there are no project-relevant gender gaps to be included for this activity. A new indicator relating to beneficiary satisfaction is proposed in the Results Framework (see paragraph 35).

**F. Environment (including Safeguards)**

57. The overall environmental impact of the Program is expected to be positive. There are no salient physical characteristics relevant to safeguard analysis under the AF, as it will only finance the payment of insurance premia.

**G. Other Safeguard Policies (if applicable)**

N/A

**V. WORLD BANK GRIEVANCE REDRESS**

58. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB’s Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB’s independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank’s attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank’s corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org)

**VI. SUMMARY TABLE OF CHANGES**

	Changed	Not Changed
Results Framework	✓	
Components and Cost	✓	
Loan Closing Date(s)	✓	



Legal Covenants	✓	
Procurement	✓	
Implementing Agency		✓
Project's Development Objectives		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Safeguard Policies Triggered		✓
EA category		✓
Financial Management		✓
APA Reliance		✓

**VII. DETAILED CHANGE(S)**

**COMPONENTS**

Current Component Name	Current Cost (US\$, millions)	Action	Proposed Component Name	Proposed Cost (US\$, millions)
Component 1: Strengthening Early Warning and Preparedness	9.25		Component 1: Strengthening Early Warning and Preparedness	9.25
Component 2: Risk Reduction and Resilient Investments	1.15		Component 2: Risk Reduction and Resilient Investments	1.15
Component 3: Disaster Risk Financing	2.50	Revised	Component 3: Disaster Risk Financing	5.00
Component 4: Project and Program Management	0.89		Component 4: Project and Program Management	0.89





<b>TOTAL</b>	<b>13.79</b>			<b>16.29</b>
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**LOAN CLOSING DATE(S)**

Ln/Cr/Tf	Status	Original Closing	Current Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-D0770	Effective	30-Nov-2020	30-Nov-2020	30-Nov-2022	30-Mar-2023

**Expected Disbursements (in US\$)**

Fiscal Year	Annual	Cumulative
2015	0.00	0.00
2016	1,150,000.00	1,150,000.00
2017	625,461.00	1,775,461.00
2018	751,815.00	2,527,276.00
2019	3,849,724.00	6,377,000.00
2020	4,151,000.00	10,528,000.00
2021	2,640,000.00	13,168,000.00
2022	1,352,000.00	14,520,000.00
2023	1,270,000.00	15,790,000.00
2024	500,000.00	16,290,000.00

**SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)**

Risk Category	Latest ISR Rating	Current Rating
Political and Governance	● Moderate	● Moderate
Macroeconomic	● Moderate	● Moderate
Sector Strategies and Policies	● Substantial	● Substantial
Technical Design of Project or Program	● Substantial	● Low
Institutional Capacity for Implementation and Sustainability	● Substantial	● Substantial
Fiduciary	● Substantial	● Substantial



Environment and Social	● Low	● Low
Stakeholders	● Moderate	● Moderate
Other	● Substantial	● Substantial
Overall	● Substantial	● Substantial

**LEGAL COVENANTS – PACIFIC RESILIENCE PROJECT UNDER PACIFIC RESILIENCE PROGRAM (P154839)**

Loan/Credit/TF	Description	Status	Action
IDA-D0770	Allocate adequate funds, on an annual basis, to cover the operation and maintenance costs of the multi-hazard early warning systems in amounts which the Association agrees are adequate for said purpose.   Frequency :Yearly	Complied with	No Change
IDA-D0770	A Project Operational Manual is to be prepared and adopted no later than 4 months after effectiveness   Due Date :29-Feb-2016	Complied with	Revised
Proposed	A Project Operations Manual is to be prepared and adopted no later than November 30, 2018	Not yet due	
IDA-D0770	The Recipient shall enter into and thereafter maintain, throughout the Project implementation period, a service agreement (“Service Agreement”) with the Secretariat of the Pacific Community   Due Date :29-Feb-2016	Complied with	No Change

**LEGAL COVENANTS – SAMOA - PACIFIC RESILIENCE PROJECT UNDER PACIFIC RESILIENCE PROGRAM ADDITIONAL FINANCE (P167152)**

Sections and Description
1. Section I.A.1(a) of Schedule 2 to the Financing Agreement: The Recipient shall, in collaboration with SPC, PIFS and the other Participating Countries, take all necessary measures on its part to ensure that: (i) the Regional Advisory Committee (RAC) is maintained within PIFS from the Effective Date to November 30, 2020, with a mandate, adequate resources and composition satisfactory to the Association; and (ii) by not later than January 31, 2020, a successor committee, with a mandate, adequate resources and composition satisfactory to the Association, is established and maintained to the end of the Project implementation period.
2. Section I.A.2(a) of Schedule 2 to the Financing Agreement: The Recipient shall, in collaboration with SPC, PIFS and the other Participating Countries, take all necessary measures on its part to ensure that a program support unit is maintained within SPC until November 30, 2020, with a mandate, adequate resources and composition



satisfactory to the Association.

3. Section I.A.2(b) of Schedule 2 to the Financing Agreement: The Recipient shall take all necessary measures on its part to ensure that, by not later than December 31, 2018, the service agreement executed with SPC is amended, with terms and conditions acceptable to the Association, and thereafter maintain such amended service agreement until November 30, 2020.

4. Section V.1(b) of Schedule 2 to the Financing Agreement: Without limitation to the provisions of Section 5.03 of the General Conditions, the Recipient shall provide its counterpart funding to partially finance the Premia under Part 3(b) of the Project on an annual basis in the amounts and timeline specified in Section V.1(b) of Schedule 2 to the Financing Agreement.

**Conditions**

Type	Description
Disbursement	“No withdrawal shall be made under Category (3) until the Recipient has: (i) declared that an Eligible Crisis or Emergency has occurred, and the Association has agreed with such determination in writing; and (ii) complied with all requirements set forth in Section I.D of this Schedule 2.” This is Section III.B.1(b) of Schedule 2 to the Financing Agreement.



**VIII. RESULTS FRAMEWORK AND MONITORING**

**Results Framework**

COUNTRY: Samoa

SAMOA - PACIFIC RESILIENCE PROJECT UNDER PACIFIC RESILIENCE PROGRAM ADDITIONAL FINANCE

**Project Development Objective(s)**

To strengthen early warning, resilient investments and financial protection of Samoa.

**Project Development Objective Indicators by Objectives/ Outcomes**

Indicator Name	DLI	Baseline 2019	End Target 2021
<b>To strengthen early warning, resilient investments and financial protection of Samoa</b>			
Direct project beneficiaries (Number)		38,000.00	100,000.00
<i>Action: This indicator has been Revised</i>	<i>Rationale: Increased the end target as the current beneficiaries stand at 82,400 and extended the end target date aligned to the new proposed closing date.</i>		
Female beneficiaries (as a subset of the total number of beneficiaries) (Number)		15,200.00	55,000.00



Indicator Name	DLI	Baseline 2019	End Target 2021
<i>Action: This indicator has been Revised</i>	<b>Rationale:</b> <i>Revised the end target to align with the changes to the total beneficiaries and using the approximate proportion of females in Samoa. The end target date has been extended to align with the new proposed closing date.</i>		
Increased coverage of hazard forecast and warning messages to population at risk (Percentage)		50.00	80.00
<i>Action: This indicator has been Revised</i>	<b>Rationale:</b> <i>The end target date is aligned to the new proposed closing date of the parent project.</i>		
Participating PICs have received payment within a month of the occurrence of a covered (insured) event (Percentage)		0.00	100.00
<i>Action: This indicator has been Revised</i>	<b>Rationale:</b> <i>End target has been revised to align with the proposed closing date for the project.</i>		
Percentage of short term priority projects of the resilient investment plan developed under the Program included in the Medium Term Expenditure Framework. (Percentage)		0.00	40.00
<i>Action: This indicator has been Marked for Deletion</i>	<b>Rationale:</b> <i>The project will support retrofitting and/or rebuilding of schools within the available budget rather than wider investment plans.</i>		
Time taken to trigger the contingency emergency response component (CERC) for an eligible emergency (Weeks)		0.00	4.00
<i>Action: This indicator has been Revised</i>	<b>Rationale:</b> <i>The Description has been changed from the triggering of the CERC to the commitment of funds; end target date has been revised to align with the proposed closing date of the parent project.</i>		



**Intermediate Results Indicators by Components**

Indicator Name	DLI	Baseline 2019	End Target 2021
<b>Component 1: Strengthening Early Warning and Preparedness</b>			
Improved status of hazards observational network (Hydro Meteorological and Seismic) (Percentage)		30.00	60.00
<i>Action: This indicator has been Revised</i>	<i>Rationale: The end target date is aligned to the new proposed closing date of the parent project.</i>		
Multi Hazard Early warning systems are established and operating (Yes/No)		No	Yes
<i>Action: This indicator has been Revised</i>	<i>Rationale: The end target date is aligned to the new proposed closing date of the parent project.</i>		
<b>Component 2: Risk Reduction and Resilient Investments</b>			
Multi-sectoral Resilient Investment Plan developed/updated based on the tools developed under Component 2.2 (Yes/No)		No	Yes
<i>Action: This indicator has been Marked for Deletion</i>	<i>Rationale: This is no longer a high priority activity that determines the investments and similar work was done from other support.</i>		
Number of school buildings retrofitted or rebuilt to improved resilience standards and gender appropriate WASH facilities (Number)		0.00	3.00



Indicator Name	DLI	Baseline 2019	End Target 2021
<i>Action: This indicator is New</i>	<i>Rationale: this is a new indicator.</i>		
Beneficiaries that feel project investments meet their needs (Percentage)		0.00	80.00
<i>Action: This indicator is New</i>	<i>Rationale: This is a new indicator and also reflects Citizens Engagement.</i>		
<b>Disaster Risk Financing</b>			
The premiums are lower than the simulated price for a comparable coverage purchased individually in the market (Yes/No)		No	Yes
<i>Action: This indicator has been Revised</i>	<i>Rationale: The end target date is aligned to the new proposed closing date of the project.</i>		

**Monitoring & Evaluation Plan: PDO Indicators**

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Direct project beneficiaries	Total number of people or groups who directly derive benefits from an intervention by the project.	Annually.	Estimation of the total number of beneficiaries	Implementing Agencies to conduct estimation of the total number of beneficiaries based on	Ministry of Natural Resources and Environment (MNRE) and Ministry of Finance



			from the investments made in component 1, 2 and 3.	area coverage for the early warning and monitoring systems, number of students and staff members that attend/use the schools that receive investment from the project.	(MOF)
Female beneficiaries (as a subset of the total number of beneficiaries)	Female beneficiaries (as a subset of the total number of beneficiaries)	Annually	Estimation of the proportion of female beneficiaries.	An estimate of the proportion will be made based on reports from Implementing Agencies; M&E Officer is expected to collect information through sampled beneficiary surveys.	MNRE and MoF
Increased coverage of hazard forecast and warning messages to population at risk	Measure of increase in coverage of hazard forecast and warning messages to population at risk as a result of modernization of the warning system.	Annually.	Progress reports from the system integrator consultants (a firm recruited in 2018) and MNRE.	System integrator consultants will provide an estimate of the total area covered by the modernized warning system. This information will be complemented with that from MNRE.	MNRE
Participating PICs have received payment within a month of the occurrence of a covered (insured) event	Participating PICs have received payment within a month of the occurrence of	Annually	Project Progress report	Reporting on Insurance payout.	Ministry of Finance





	a covered (insurance) event.				
Percentage of short term priority projects of the resilient investment plan developed under the Program included in the Medium Term Expenditure Framework.				Project reporting by PMU	
Time taken to trigger the contingency emergency response component (CERC) for an eligible emergency	Funds will be used: (i) for quick disbursements to meet immediate liquidity needs following a disaster event in order to finance critical imports; and/or (ii) to finance emergency recovery and reconstruction works and associated services	Annually	Request letter to trigger the CERC from MOF, Project reports from MOF to indicate commitment of the funds	Information from request letter to trigger the CERC from Ministry of Finance and follow-up reports from the Government.	MOF

**Monitoring & Evaluation Plan: Intermediate Results Indicators**

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Improved status of hazards observational network (Hydro Meteorological and Seismic)	Improved status of hazards observational network (Hydro Meteorological and Seismic)	Annually,	Project Progress reports	MNRE to report on the implementation progress.	MNRE and the consultants (esp system integrator consultant) reporting to MNRE
Multi Hazard Early warning systems are established and operating	Multi Hazard Early warning systems are established	Annually	Progress reports	Regular reports from MNRE and consultant	MNRE



	and operating			reporting to them (especially systems integrator consultant),	
Multi-sectoral Resilient Investment Plan developed/updated based on the tools developed under Component 2.2				PMU/Ministry of Finance will monitor the number of investment plans that are updated using tools developed through component 2.2	
Number of school buildings retrofitted or rebuilt to improved resilience standards and gender appropriate WASH facilities	Beneficiaries (e.g. school repairs, retrofitting, and rebuilding) that feel project investments reflect their needs	Annually	Progress report	Progress report	PMU, Ministry of Finance.
Beneficiaries that feel project investments meet their needs	The proportion of the beneficiaries to be interviewed to get their views on the investments and if they meet their needs, particularly those for multi-hazard systems and retrofitting/reconstruction of a small number of schools.	Annually	Project progress reports	Surveys	MOF and MNRE
The premiums are lower than the simulated price for a comparable coverage purchased individually in the	The premiums are lower than the simulated price for a comparable coverage	Annually	Progress Report and PCRAFI	Ministry of Finance will work with the PCRAFI team to analyze whether	Ministry of Finance with support from the PCRAFI team.



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market	purchased individually in the market		reports	the premium.is lower than when purchased individually in the market.	
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