PACIFIC RESILIENCE PROJECT UNDER PACIFIC RESILIENCE PROGRAM (P155257)


Implementing Agencies: Republic of the Marshall Islands, Ministry of Finance

Key Dates

**Key Project Dates**

- Bank Approval Date: 19-Jun-2015
- Effectiveness Date: 15-Oct-2015
- Planned Mid Term Review Date: 31-Oct-2018
- Actual Mid-Term Review Date: --
- Original Closing Date: 30-Nov-2020
- Revised Closing Date: 30-Nov-2020

Project Development Objectives

Project Development Objective (from Project Appraisal Document)
To strengthen the financial protection of the Republic of Marshall Islands.

Has the Project Development Objective been changed since Board Approval of the Project Objective?
No

Components

- Component 1: Strengthening Early Warning and Preparedness
- Component 2: Risk Reduction and Resilient Investments
- Component 3: Disaster Risk Financing: (Cost $1.50 M)
- Component 4: Project and Program Management

Overall Ratings

<table>
<thead>
<tr>
<th>Name</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress towards achievement of PDO</td>
<td>Satisfactory</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Overall Implementation Progress (IP)</td>
<td>Satisfactory</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Overall Risk Rating</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
</tbody>
</table>
Implementation Status and Key Decisions

Progress towards achieving the development objective and implementation progress have both been rated Satisfactory since November 2015, and the PDO is expected to be achieved. While no covered (insured) event has taken place in RMI, under the pilot Pacific Catastrophe Risk Assessment and Financing Initiative, Vanuatu received a payment after Tropical Cyclone Pam in 2015, and Tonga (under the Pacific Resilience Program) received a payment after Tropical Cyclone Gita (2018), both within one month of the respective insured disasters (the PDO-level indicator for the Program is that “Participating PICs have received payment within a month of the occurrence of a covered (insured) event”). The regional catastrophe insurance pool has achieved premiums lower than the simulated price for a comparable coverage purchased individually in the market.

The project is in compliance with the legal covenants, fiduciary and safeguard policies. There are currently no overdue audit reports. Prior to the October 2017 restructure, the previous arrangements for the flow of funds did not require audits, so there are no audits to date. Following the restructure audits are now required, and the first audit following the restructure for the year ended 30 September 2018 is not due until 31 May 2019.

Risks

Systematic Operations Risk-rating Tool

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Rating at Approval</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Political and Governance
- Moderate
- Moderate
- Moderate

Macroeconomic
- Moderate
- Moderate
- Moderate

Sector Strategies and Policies
- Substantial
- Moderate
- Moderate

Technical Design of Project or Program
- Low
- Low
- Low

Institutional Capacity for Implementation and Sustainability
- Substantial
- Moderate
- Substantial

Fiduciary
- Substantial
- Moderate
- Moderate

Environment and Social
- Low
- Low
- Low

Stakeholders
- Moderate
- Moderate
- Moderate

Other
- Substantial
- Moderate
- Moderate

Overall
- Substantial
- Moderate
- Moderate

**Results**

**Project Development Objective Indicators**

- Participating PICs have received payment within a month of the occurrence of a covered (insured) event. (Percentage, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Comments
On February 12, 2018 Tropical Cyclone Gita made landfall in Tonga with Category 4 winds. The event resulted in a US$3.5 million payout, the maximum amount on Tonga’s parametric insurance policy against cyclones. The government received the transfer within seven days of the event, fully achieving this indicator for the Program as a whole.

**Overall Comments**

**Intermediate Results Indicators**
The premiums are lower than the simulated price for a comparable coverage purchased individually in the market. (Yes/No, Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
</table>

Overall Comments

Data on Financial Performance

Disbursements (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Currency</th>
<th>Original</th>
<th>Revised</th>
<th>Cancelled</th>
<th>Disbursed</th>
<th>Undisbursed</th>
<th>Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>P155257</td>
<td>IDA-D0790</td>
<td>Effective</td>
<td>USD</td>
<td>1.50</td>
<td>1.50</td>
<td>0.00</td>
<td>1.50</td>
<td>0.03</td>
<td>98%</td>
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</tbody>
</table>

Key Dates (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Orig. Closing Date</th>
<th>Rev. Closing Date</th>
</tr>
</thead>
</table>

Cumulative Disbursements
Restructuring History

Level 2 Approved on 05-Oct-2017

Related Project(s)

P166974-ADDITIONAL FINANCING FOR THE PACIFIC RESILIENCE PROJECT UNDER THE PACIFIC RESILIENCE PROGRAM