



## 1. Project Data

**Operation ID**  
P159774

**Operation Name**  
Fiji Post-Cyclone Winston Emergency DPO

**Country**  
Fiji

**Practice Area(Lead)**  
Macroeconomics, Trade and Investment

**L/C/TF Number(s)**  
IBRD-86320

**Closing Date (Original)**  
30-Jun-2017

**Total Financing (USD)**  
50,000,000.00

**Bank Approval Date**  
30-Jun-2016

**Closing Date (Actual)**  
30-Jun-2017

	IBRD/IDA (USD)	Co-financing (USD)
Original Commitment	50,000,000.00	0.00
Revised Commitment	50,000,000.00	0.00
Actual	50,000,000.00	0.00

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## 2. Project Objectives and Policy Areas

### a. Objectives

The development objective of the Post-Cyclone Winston Emergency Development Policy Loan (DPL) (Program Document [PD], page 2) was to *(i) support Fiji's recovery from the immediate impact of cyclone Winston through a prioritized and sequenced recovery plan; and (ii) cushion the immediate impact of cyclone Winston on the most vulnerable through the provision of disaster-responsive social protection.*



**b. Were the program objectives/key associated outcome targets revised during implementation of the series?**

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**c. Pillars/Policy Areas**

The pillars supported by the DPL were:

**Pillar 1: supporting recovery from the immediate impact of the cyclone**, by reallocating budget funds to finance immediate relief and rehabilitation expenditures; and to strengthen the country's resilience to natural disasters over the medium term;

**Pillar 2: supporting the provision of disaster-responsive social protection** to cushion the impact of the disaster on the most vulnerable and strengthen their resilience against future shocks.

**d. Comments on Program Cost, Financing, and Dates**

Project cost and financing. An IBRD loan of US\$50 million was provided. It was fully disbursed.

Dates. The loan was approved on June 30, 2016, less than five months after the cyclone struck. It became effective on July 21, 2016, and closed on June 30, 2017, the original closing date.

### 3. Relevance of Objectives & Design

**a. Relevance of Objectives**

The Post-Cyclone Winston Emergency DPL was a single-operation program aimed at enabling Fiji to recover from cyclone Winston that damaged or destroyed housing of 15 percent of the population, and led to loss of livelihoods (primarily farming and fishing) of some 55 percent of the population. The project sub-objectives were highly relevant both for the government and the Bank. They were aligned with the government's objectives of a rapid recovery from the cyclone and increased resilience against future cyclones. Both sub-objectives remain relevant as the country considers appropriate precautionary strategies for the future. Bank participation is supported by its crisis risk platform, and its regional strategy for East Asia and the Pacific, where building resilience against natural disasters remains a major strategic direction for Bank interventions in the region. Bank participation also supports one of the two broad themes in the Bank's country engagement note for Fiji (FY2015-FY2017) – i.e., protecting vulnerable populations. Under that theme, the Bank seeks to build resilience and protect vulnerable populations and resources against the impacts of natural disasters and other shocks.

**Rating**  
High



**b. Relevance of Design**

The design – policy areas and proposed actions – was consistent with the PDO. It focused on addressing immediate recovery needs, as well as defining measures for longer term resilience against natural disasters; and on providing disaster-responsive social protection to the most vulnerable groups. Recovery design was informed by a needs assessment undertaken collaboratively by the government of Fiji, the Asian Development Bank (ADB) and the Bank. The needs assessment informed a disaster recovery framework (DRF) which in turn functioned as a strategic planning and resource allocation tool that set out a prioritized and sequenced recovery plan for 2016-2018. Design was also backed up by studies carried out by the Bank on the resilience of social protection in Fiji and more broadly among the island nations in the South Pacific. The results framework as presented in the PD (a policy and results matrix, page 29) included a set of prior actions that could reasonably be expected to facilitate the achievement of intended outcomes, albeit within a period that exceeded the timetable for the operation - the DRF had a horizon of three years. A DPL was selected to allow for quick disbursement of funds and to ease pressures on the regular budget in FY2016/17.

Two key aspects of design that may not have garnered all the necessary attention are a revised building code for reconstruction, and capacity constraints in the construction sector. The government is in the process of developing a plan for post-cyclone reconstruction - building back better - once the initial relief and rehabilitation phase is completed. A key element moving forward (“building back better”) is a revised national building code, but so far the government has not acted on it. The ICR gives no strong reason for this, but it may in part be due to capacity limitations in the construction sector, currently busy with relief and rehabilitation, which may have dispelled some of the immediate urgency surrounding the building code. A review of the code is now expected sometime in FY2018/19 with subsequent adoption the following year.

Despite an uncertain outlook for the demand for Fiji’s main exports due to economic slowdown in China, tourism proved to be resilient after the cyclone. Public debt is expected to remain sustainable, and the macroeconomic policy framework was considered adequate.

**Rating**  
 Substantial

**4. Achievement of Objectives (Efficacy)**

**Objective 1**  
**Objective**

To support Fiji's recovery from the immediate impact of cyclone Winston



### **Rationale**

The objective was to be achieved by preparing a prioritized and sequenced recovery plan (the DRF) and drawing on the DRF to finance critical recovery activities during FY2016/17 (August 2016-July 2017).

### **Outputs**

A post-disaster needs assessment of damage and losses from the cyclone was completed in May 2016 as a prior action for the DPL. A disaster recovery framework (DRF) was also completed in May 2016, again as a prior action for the DPL. The DRF sets out a prioritized and sequenced recovery plan for FY2016/2018, and its full implementation was to result in enhanced disaster resilience. Enhanced disaster resilience was to be guided by principles of “building back better”, “inclusiveness” and being “pro-poor”.

### **Outcomes**

Implementation of the DRF is only partially on track. According to the policy and results matrix in the PD, at least 75 percent of the FY2016/2017 budget for Tropical Cyclone Winston recovery programs should have been spent. If the original and additional allocations and spending are taken into account, about 46 percent of the total allocation for DRF activities was spent (less than the 56 percent stated in the ICR). The reason for this low rate of budget execution seems to have been the overambitious targets set by the authorities for reconstruction of schools and additional transport infrastructure by mid-2017, and the inability of the Fiji construction sector to deliver on these targets (ICR, page 20). The ICR (page 7) further reports that school construction is scheduled to be fully completed by December 2018. The government had been unwilling to provide additional information to the Bank until after the November 2018 elections. They have since been completed but the government has not yet provided any further information on school construction. “Enhanced disaster resilience” – the aim of the DRF – was to be measured by revisions to the building code, notably by improving the robustness of standards and enhancing enforcement of regulations. However, by December 2018, no action had been taken on the building code.

### **Rating**

Modest

## **Objective 2**

### **Objective**

To cushion the immediate impact of cyclone Winston on the most vulnerable

### **Rationale**

The objective was to be achieved by providing timely disaster-responsive social protection to beneficiaries of Fiji's core safety net programs

### **Outputs**



All eligible households/individuals registered in Fiji’s core social protection programs – a trio of safety net programs (a poverty benefit scheme, a social pension scheme, and a care and protection scheme targeted at children) - were provided with additional cash assistance (top-up payments) within a deadline of four weeks after the policy announcement (prior action).

An evaluation of the disaster-responsive social protection programs was undertaken to assess the utility of timely disaster-responsive social protection and its eventual mainstreaming as part of a future disaster response.

### **Outcomes**

A total of 96 percent of the eligible households/individuals received the additional benefits within the deadline of four weeks, compared to a target of 75 percent.

The program evaluation found that 86.9 percent of top-up payments were spent on “essential items”. Essential items initially were not defined, but drawing on survey responses, beneficiaries spent the top-up funds on housing repairs, household goods, food, school supplies, and productive assets. Table 4 in the ICR (page 14) sets out a list of essential and non-essential spending items, all of which are household expenditures that can be expected when unconditional cash transfers are introduced.

No evaluation was formally made by the government of mainstreaming social protection into a disaster framework . However, the ICR (page 15) indicates that recommendations relating to disaster-responsive social protection have been prepared within the Ministry of Social Welfare.

### **Rating**

Substantial

## **5. Outcome**

Relevance of objectives and design were rated **high** and **substantial**, respectively. Objectives were aligned with government objectives of rapid recovery from the cyclone and building resilience against future cyclones; they were aligned with the Bank’s country engagement strategy of protecting vulnerable populations and building their resilience. Relevance of design was consistent with the PDO, except for a targeted action (the building code) requiring longer term implementation. Achievement of objective 1 was rated **modest**, as spending on recovery activities fell short of target; and disaster resilience as measured by the key indicator remained unchanged. Although spending expectations had an overambitious timeline, reconstruction of schools, the largest expenditure category for the DRF, is expected to have been completed by the end of 2018. Achievement of objective 2 was rated **substantial**: while top-up social protection payments appear to



have had a positive effect, there is no evidence that any disaster-related social protection strategy has been mainstreamed.

**a. Outcome Rating**  
Moderately Satisfactory

## 6. Rationale for Risk to Development Outcome Rating

Risks listed in the PD included institutional capacity constraints to manage recovery, and economic shocks that might arise from future climatic events. Performance during the DPL raises flags regarding capacity – the shortfall in budget spending, and the relative absence of actions to improve disaster-responsive social protection or overall resilience to disasters (building code). The economic challenges that were posed by the cyclone remain, but here the government appears to be active in building public sector financial management capabilities, as indicated in the PD (page 2).

**a. Risk to Development Outcome Rating**  
Substantial

## 7. Assessment of Bank Performance

**a. Quality-at-Entry**

The operation was put into place less than five months after the cyclone struck. Its design was developed in collaboration with the government and the ADB, and drew on the findings of the needs assessment and on previous Bank work on social protection in the island states. It aligned with government and Bank objectives. The results framework linked policy areas to objectives, albeit with goals that sometimes did not take implementation capacities or time horizons sufficiently into account. Evidence of stretched capacity at the national level is reflected in unfinished initiatives (social protection, building codes) and shortfalls in spending, reflecting both the scope of needs, lack of proper consideration of limitations in Fiji's construction sector, and overly ambitious planning by the Bank team as well as the government. The Bank should have given more support in matching the design of proposed initiatives with available capacity.

**Quality-at-Entry Rating**  
Moderately Satisfactory

**b. Quality of supervision**

The ICR indicates that the supervision of the social protection component was intense during the project period. A total of ten missions were undertaken to evaluate the effects of the top-up program and draw up a plan for mainstreaming a disaster-responsive social protection strategy. While the latter was not achieved during the operation, work is ongoing in the Ministry of Social Welfare with Bank help. The ICR



(page 18) notes that interaction was less intense after the preparation stage of the first objective (addressing the immediate impact of the cyclone, and recovery and resilience objectives) as the focus of the team shifted towards other priorities including the preparation of a new DPL with little substantive engagement on the DRF. At the same time, the dialogue on this objective between the government and the Bank appears to have waned, and implementation progress was not regularly shared with the Bank.

### **Quality of Supervision Rating**

Moderately Unsatisfactory

### **Overall Bank Performance Rating**

Moderately Satisfactory

## **8. Assessment of Borrower Performance**

### **a. Government Performance**

Government ownership was strong. It led the preparation of the needs assessment and developed the DRF both of which formed the core of the operation. It was closely engaged in implementing and monitoring progress on the relief and recovery effort, including indicators included in the results framework. However, collaboration appears to have faltered – the government did not appreciate the importance of the operation’s results framework, and progress in implementing the DRF was not shared publicly, nor with the Bank’s supervision team until the ICR was being prepared. The low budget execution rate on DRF funds is a particular concern, resulting *inter alia* from an overly ambitious timeline that did not consider the limitations of Fiji’s construction sector.

### **Government Performance Rating**

Moderately Satisfactory

### **b. Implementing Agency Performance**

Included in Section 8a.

### **Implementing Agency Performance Rating**

Not Rated

### **Overall Borrower Performance Rating**

Moderately Satisfactory

## **9. M&E Design, Implementation, & Utilization**

### **a. M&E Design**



The Ministry of Finance was responsible for coordinating the monitoring and evaluation of the results indicators for the operation. It was also in charge of tracking and measuring the implementation of the results indicators relating to the DRF. The Ministry of Welfare was responsible for monitoring and evaluating the results indicators relating to social protection. The five results indicators were selected based on readily available data. Of the five indicators, one was related to budget execution data, two were indicators of whether an output was prepared, and two were to be drawn from the administration, complemented with survey data. Most indicators were relevant to the PDO and its focus on the immediate situation and the subsequent two years. Only the building code indicator was of a longer-term nature, where the effects of a revised code were likely to be felt only after a period of time. As discussed in Section 8a, the government should have given more attention to the operation's results framework, and to sharing progress in implementing the DRF.

#### **b. M&E Implementation**

Monitoring and evaluation relating to social protection was carried out by the Ministry of Social Welfare, and it provided necessary data for monitoring related outcome indicators. Information on budget execution of the DRF was being produced but collaboration between the government and the Bank appears to have faltered - the government did not appreciate the results framework, and progress in implementing the DRF was not shared.

#### **c. M&E Utilization**

According to the ICR, information from the monitoring and evaluation was being used to monitor progress and influence decision-making. It is, however, not clear that this was done systematically and what was the impact of such monitoring.

#### **M&E Quality Rating**

Modest

### **10. Other Issues**

#### **a. Environmental and Social Effects**

Neither the PD nor the ICR indicate if any safeguard policies were triggered. The PD (pages 23 and 24) discusses environmental aspects. It notes that the policy actions supported under the project were not expected to have a significant negative impact on the environment. None are noted in either the needs assessment or the DRF. The Bank's project preparation team assesses Fiji's systems for addressing environmental impacts as being relatively strong, albeit with limited implementation capacity.





**b. Fiduciary Compliance**

Fiduciary aspects are not discussed in the ICR. The PD does signal that Fiji’s public financial management system is reasonably strong and centered on a set of relatively advanced policies and procedures, a clear legislative framework and well documented rules, and a set of financial manuals. A 2012 Public Expenditure and Financial Accountability report by the Bank found that fiscal information is credible.

**c. Unintended impacts (Positive or Negative)**

None noted.

**d. Other**

None noted.

**11. Ratings**

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Satisfactory	Moderately Satisfactory	---
Risk to Development Outcome	Modest	Substantial	IEG notes significant climatic risks and capacity constraints
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	---
Borrower Performance	Satisfactory	Moderately Satisfactory	IEG notes an imbalance in the government's ambitions and capacity; and deficiencies in communications with the Bank on progress
Quality of ICR		Substantial	---

**Note**

When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.  
The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.



## 12. Lessons

**Rapid stock-taking, sequenced planning and targeted budget support are key elements of an emergency intervention.** The Fiji post-cyclone operation included all these elements: a rigorous needs assessment was undertaken, it formed the basis for a sequenced, multi-year program of interventions, and domestic budget resources were reallocated and complemented with donor funds in the form of budget support.

**Development policy lending can facilitate rapid emergency interventions.** Development policy lending can rapidly mobilize financing for large national disaster recovery and reconstruction programs. This operation allowed the transmission of much-needed resources to targeted households; and allowed interventions to be based on rigorous field surveys.

**Ambitious planning and the need for urgency may exceed implementation capacity on the ground.** In the immediate aftermath of a disaster, a realistic balance needs to be found between recovery and reconstruction on the one hand, and implementation capacity on the other. The Bank needs to provide adequate support in both design and implementation to help ensure a proper balance is found. In Fiji, bottlenecks appeared early in the absence of such considerations: the budget execution rate for the disaster relief framework was low; and capacity constraints in the construction sector quickly extended timeframes for implementing some initiatives, e.g. implementation of a new building code.

## 13. Assessment Recommended?

Yes

Please explain

Yes. Small island jurisdictions are increasingly at risk to climate related disasters. A better understanding would be helpful to understand why in this instance the planned timing for reconstruction in Fiji was so out of line with local capacity, what should have been done differently by the Bank and government to better mitigate this shortcoming, why such things were not done, and how to better prepare for such disasters going forward.

## 14. Comments on Quality of ICR

The ICR provides a mainly adequate basis for assessing the operation and drawing up the ICRR. The assessment of implementation and results is thorough, providing a reasonable balance between results-orientation and narrative; it is internally consistent; and the main text is concise. Shortcomings include an error in the calculation of the percentage of DRF expenditure to total allocation (ICR, page 11), and not enough analysis on why the overambitious timing for reconstruction was accepted by both the Bank and government in designing the operation.



**a. Quality of ICR Rating**  
Substantial