



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
ENHANCING THE CLIMATE RESILIENCE OF COASTAL RESOURCES AND COMMUNITIES PROJECT
APPROVED ON DECEMBER 27, 2013
TO
THE INDEPENDENT STATE OF SAMOA

ENVIRONMENT & NATURAL RESOURCES

EAST ASIA AND PACIFIC

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ABBREVIATIONS AND ACRONYMS

ACDM	Aid Coordination & Debt Management Division
AF	Adaptation Fund
CCA	Climate Change Adaptation
CEP	Community Engagement Plan
CIF	Climate Investment Fund
CIM	Community Integrated Management
CRICD	Climate Resilience Investment Coordination Division
CRIP	Climate Resilience Investment Program
CSO	Civil Society Organization
CSSP	Civil Society Support Program
DA	Designated Account
DRM	Disaster Risk Management
DRR	Disaster Risk Reduction
DSP	District Level Sub-project Plan
ECR	Enhancing the Climate Resilience of Coastal Resources and Communities (Project)
EMP	Environmental Management Plan
EWS	Early Warning System
FM	Financial Management
GA	Grant Agreement
GEO	Global Environmental Objective
GoS	Government of Samoa
IP	Implementation Progress
IPF	Investment Project Financing
LiDAR	Light Detection and Ranging
MNRE	Ministry of Natural Resources and Environment
MOF	Ministry of Finance
MS	Moderately Satisfactory
MTR	Mid-Term Review
MU	Moderately Unsatisfactory
PDO	Project Development Objective
PMS	Project Management Services
POM	Project Operations Manual
PPCR	Pilot Program for Climate Resilience
SCF	Strategic Climate Fund
TF	Trust Fund
UNDP	United Nations Development Program



BASIC DATA

Product Information

Project ID P126596	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 27-Dec-2013	Current Closing Date 31-Dec-2018

Organizations

Borrower Ministry of Finance,Independent State of Samoa	Responsible Agency Ministry of Natural Resources and Environment,Ministry of Finance
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Project Development Objective (PDO)

Original PDO

The project development objective is to support coastal communities to become more resilient to climate variability and change.

Summary Status of Financing

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
TF-15828	27-Dec-2013	07-Feb-2014	07-Feb-2014	31-Dec-2018	14.60	6.02	8.58

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

1. *Background.* The Enhancing the Climate Resilience of Coastal Resources and Communities Project (“ECR Project”) in the Independent State of Samoa (“Samoa”) has been effective since February 7, 2014 with a closing date of December 31, 2018. The project is financed by a grant from the Strategic Climate Fund-Pilot Program for Climate Resilience (SCF-PPCR) (TF015828) in an amount of US\$ 14.6 million. The project’s three components are: (1) Implementation of priority adaptation measures to manage climate and disaster-related threats; (2) Strengthened climate information services; and (3) Institutional strengthening for climate and disaster resilience, project coordination and monitoring. Implementation progress and disbursement in the first two years were slow due to capacity constraints and procurement delays; further delays were due to a need for restructuring to introduce a sub-grant mechanism for district level sub-projects and adapting the implementation arrangements following that restructuring in June 2017 (see below). However, there is clear progress: the recipient’s current capacity is good, all legal and administrative requirements are now in place and disbursements have increased from 24 percent to 41 percent during the past six months. With the approval of the Climate Resilience Steering Committee (CRSC) of all of the 100 village and 16 district level sub-projects, the commitment stands at approximately 95 percent of the total project funds.

2. *Previous Project Restructuring.* The project has gone through two level 2 restructurings, one approved on December 27, 2015 and the second on June 7, 2017. The first introduced (i) the provision of goods and services through a special unit of the Ministry of Finance (MOF), the Civil Society Support Program – CSSP, instead of small grants for preparation and implementation of village level sub-projects, and (ii) a minor change to an end target of an indicator. The second restructuring introduced a sub-grant mechanism for the implementation of sub-projects at the district level, which included a disbursement condition that required preparation of a sub-grant manual that the government refers to as District-Level Sub-Project Plan (DSP).

3. *Current Overall Ratings.* The ISR of June 2018 rates progress towards achievement of the PDO as *Moderately Satisfactory (MS)* and overall implementation progress (IP) as *Moderately Unsatisfactory (MU)*. The IP rating is based on the current disbursement percentage and the implementation progress relative to the current closing date, and does not indicate shortcomings in the performance of the Recipient or its capacity to fully implement the project by the proposed extended closing date. Financial management was upgraded in December 2017 from *MS* to *Satisfactory* with interim financial and annual audit reports submitted in a timely manner; procurement has also been upgraded from *MU* to *MS* reflecting the clear improvements since December 2017 and no remaining outstanding issues in procurement. The overall risk rating is being changed to *Moderate* as the Technical Design risks are now rated as *Moderate*, in view of the focus on district level sub-projects being implemented by government entities and State-Owned Enterprises as part of their work program. The completion of the DSP, progress in training and recruiting of Civil Society Organizations (CSOs) to support village-level implementation, and the accumulated experience of the implementing agency in carrying out sub-projects also contributes to the lower risk rating. Fiduciary and Environmental & Social Risks are rated *Moderate*.

4. *Current Status.* The project is now providing a valuable platform for all 16 districts and 100 villages supported under the project, establishing vertical linkages between community level resilience to district and national levels through implementation of the priority investments identified through a participatory process instigated as part of the revision of the Community Integrated Management (CIM) plans. The project is supporting data-driven investment decisions at the community and district levels, with the use of the latest remote sensed images and Light Detection & Ranging (LiDAR) data and with technical inputs from experts (including engineers, agriculture, biodiversity, safeguard specialist) to help identify disaster and climate risks and prioritize resilience investments within the revised CIM plans. Progress on *Component 1* has been upgraded to *Moderately Satisfactory* reflecting significant improvement in implementation over the past 6 months; as of April 2018, the result indicator reflect this improvement with 36,000 beneficiaries (out of a target of 45,000) having been reached, and 47 of the planned 100 village sub-projects implemented. CIM plans for all 16 districts have been revised



and/or completed and launched during a public ceremony in June 2018. The District-Level Sub-Project Plan (DSP) – which details the process for providing sub-grants to state-owned enterprises and other public bodies for implementation – has been finalized and adopted by the Government of Samoa (GoS). Although the finalization and adoption took almost six months, it is a significant achievement as it allowed the Bank to lift the related disbursement condition. Implementation at the district level has gained momentum with adoption of the DSP and project restructuring, which established a clear direction for this sub-component. As of April 2018, six (6) district sub-projects (out of the 16 identified, one per district) have been completed; another 10 have been approved by the CRSC and are being implemented and or being prepared. Progress on *Component 2* remains *Satisfactory*: training and awareness programs for CSOs has been completed, risk and Lidar/aerial photography data has been acquired and is being shared with various stakeholders, and outreach activities underway to further improve understanding and use of the data. Progress on *Component 3* has been upgraded to *Satisfactory*, with continued support and oversight from the Climate Resilience Investment Coordination Division (CRICD) of the Ministry of Finance for district level sub-projects, and revision of the Project Operational Manual to include documentation relating to district level sub-grants.

5. The development objective remains achievable within the proposed extension of the closing date. Project management, Financial Management, Monitoring & Evaluation are *Moderately Satisfactory* or *Satisfactory*. The recipient is compliant with all legal covenants; there are no overdue audits and legal obligations have all been met. The Bank and the Recipient have agreed on a plan of actions to be undertaken to complete the project, especially with respect to the district level sub-projects. The recipient has revised the Project Operations Manual to reflect the proposed changes to the results framework and submitted it to the Bank on June 18, 2018.

A. RATIONALE FOR RESTRUCTURING

6. In response to a request received from GoS (through MOF) dated April 3, 2018 and a supplemental request dated June 14, 2018, a project restructuring is proposed to: (i) amend and enhance the Results Framework to better report on the village- and district-level sub-projects as well as to reflect changes in the approach to ensuring and measuring watershed and water supply protection, organizing participant consultations, and training and using support of the Civil Society Organizations (CSOs) in project implementation; and (ii) extend the project closing date from Dec 31, 2018 to June 30, 2020 (18 months) to allow completion of the remaining 30 village level and 10 district level sub-projects, especially those focused on non-infrastructure options as they require time for coordination and inputs from multiple villages as well as several line ministries. There will be no changes in the scope of activities or the grant financing arrangements.

7. As detailed in the preceding sections, the lag in overall implementation and relatively low disbursements are the result of capacity constraints and procurement delays especially for acquisition of LiDAR data, procurement of experts for the CIM plan team, a restructuring to introduce a sub-grant mechanism for district level sub-projects and preparation of the DSP required as a condition for disbursements under the June 2017 restructuring. However, the current capacity of the Recipient is sound, and there are no significant planning, administrative, or technical hurdles standing in the way of continued implementation. The proposed extension and restructuring therefore represents an opportunity to fully implement the project and achieve outcomes, with anticipated risks largely managed.

II. DESCRIPTION OF PROPOSED CHANGES

A. Proposed Changes to the Results Framework

PDO Indicators:

Original Indicator No. 1: “Direct project beneficiaries (number)”.

Proposed Revision: “Project beneficiaries (number)”.



Original Indicator No. 3: “Percent of sub-projects with climate/disaster resilience satisfactorily implemented based on a scoring system”.

Proposed Revision: “Number of subprojects with climate/disaster resilience satisfactorily implemented based on a scoring system”. **Revised end target:** 100 village sub-projects; 16 district level sub-projects.

Original Indicator No. 5: “Area restored or re/afforested (Hectare(Ha), Custom)”.

Proposed deletion: This indicator is being replaced by two new water supply related indicators (see below).

Intermediate Results Indicators:

Original Intermediate Indicator No. 1: “Participants in consultation activities during project implementation”.

Proposed Revision: “Participants (direct & indirect) in consultation activities during project implementation”.

Original Intermediate Indicator No. 4: “Number of trained CSOs providing climate change related services under the project”. **Revised end target:** Change end target from 15 to 5.

Original Intermediate Indicator No. 7: “Use of improved climate information and tools (Percentage)”.

Proposed Revision: Replace the unit of measure “Percentage” with “Number”.

New Intermediate Indicators:

Intermediate Indicator No. 9: “**Number of people with access to resilient water supply (number)**”. **Baseline:** 0; **End target:** 15,000

Intermediate Indicator No. 10: “**Water sources with improved condition; Baseline:** Poor; **End target:** Medium

B. Extension of Project Closing Date from December 31, 2018 to June 30, 2020.

8. While the institutional frameworks for village- and district-level sub-project implementation are now fully in place, considerable work is still needed to complete the remaining 10 district level sub-projects, especially those relating to the “soft” resilience measures, such as improving the condition of the watersheds and coastal forest, as these require a longer time to implement compared to the infrastructure investments that are either under implementation or have been completed. The extension would also allow sufficient time to complete the village level sub-projects that are planned to start implementation in July 2018 and ensure that CSSP completes its final evaluation of village level sub-projects (done six months after the completion of implementation).



Table 1: Details of the proposed changes to the Results Framework

Existing Indicator	Proposed Indicator Change	Justification	Metric	Baseline	Actual (Current) as at April 10, 2018	End Target
<i>PDO indicators</i>						
Direct project beneficiaries	<i>Project beneficiaries (delete "direct")</i>	At the time of project preparation, " direct beneficiaries " were included as per the Bank's normal practice. However, GoS has indicated that " beneficiaries " is a less ambiguous descriptor since the "direct" and "indirect" changes during and after a climate-related disaster for example the beneficiaries of improved spring pools or escape routes not being those immediately next to these interventions.	Number	0.00	35,924	45,000
Percent of subprojects with climate/disaster resilience satisfactorily implemented based on a scoring system.	Number of subprojects with climate/disaster resilience satisfactorily implemented based on a scoring system (change in the metric)	The change is to better align with the governments community level interventions. The metric " Percent " does not indicate the total number of villages targeted, nor the government process of when CSSP provides a completion certificate. CSSP provides a certification/satisfactorily completed when the sub-projects are scored as 3+ (on a scale of 1-5); if the score is less, the communities are expected to complete the necessary work.	Number	0.00	Two sub-indicators: 47 village subprojects completed 6 district level subprojects completed	100 village subprojects 16 district level subprojects
Area restored or re/afforested	<i>Delete</i>	This would be replaced with the two new proposed water supply indicators and reflect the outcome of the restoration and improved management of areas and watersheds.	-			
<i>Intermediate indicators</i>						
Participants in consultation activities during project implementation	<i>Participants (direct & indirect) in consultation activities during project implementation</i>	The modification reflects the reality of the consultations where participants were directly and indirectly (through the village representative) involved. For efficiency and aligned with the government process that was	Number	0.00	2296	5,000



		in place during 2017, the consultations were done through inviting representatives of the villages to a central location. These representatives came with the priorities that were identified during consultations within their own groups in the village (e.g. village committees, youth and women’s groups) and then reported back to that group after the consultations at the central location. The CSSP staff and technical agencies during site visits also did consultations and these numbers are captured in those directly consulted.				
Number of trained CSOs providing climate change related services under the project	<i>Number of trained CSOs providing climate change related services under the project (change in end target)</i>	Change the end target from 15 to 5 given CSSP has engaged with 20 CSOs. These CSOs were all invited to the training along with others focussed on environmental issues. 10 CSO participated in the two-week training. All 10 were invited to bid to support the villages. Only 5 were recruited on a competitive basis to support the villages as they met the selection criteria. There has, however, been extensive effort in training and sensitization of CSOs.	Number	0.00	5	5
Use of improved climate information and tools	<i>Use of improved climate information and tools (change in metric)</i>	Change the metric “Percentage” to “Number” to align with how the information and tools are being recorded. It is also less ambiguous and less likely to be mis-recorded	Number	1	6	20
Addition of intermediate indicators						
	<i>Number of people provided with access to resilient water supply</i>	This reflects the support to water supply/water harvesting system related sub-projects at village and district as a result of community and stakeholder consultations and prioritization. The underlying factors are Samoa’s increasing vulnerability to seasonal droughts and voluntary relocation of people from highly vulnerable coastal areas to	Number	0.00		15,000



		inland/upland areas, where due to limited supply or access to spring ponds, there is increased risks from seasonal water shortages				
	<i>Three water sources with improved condition based on a qualitative scoring system (New Indicator)</i>	This reflects the emerging priorities through CIM Plan Review consultations on water catchment management in Upolu and Savaii that go from ridge to reef with mangroves and coral reefs. This catchment based indicator is also more appropriate than area to be afforested/reforested and reflects the land management responsibility lies with the villages in a catchment	Rating	Poor		Medium



III. SUMMARY OF CHANGES

	Changed	Not Changed
Change in Results Framework	✓	
Change in Loan Closing Date(s)	✓	
Change in Overall Risk Rating	✓	
Change in Implementation Schedule	✓	
Change in Implementing Agency		✓
Change in DDO Status		✓
Change in Project's Development Objectives		✓
Change in Components and Cost		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Change in Disbursements Arrangements		✓
Change in Disbursement Estimates		✓
Change in Safeguard Policies Triggered		✓
Change of EA category		✓
Change in Legal Covenants		✓
Change in Institutional Arrangements		✓
Change in Financial Management		✓
Change in Procurement		✓
Other Change(s)		✓
Change in Economic and Financial Analysis		✓
Change in Technical Analysis		✓
Change in Social Analysis		✓
Change in Environmental Analysis		✓

IV. DETAILED CHANGE(S)

RESULTS FRAMEWORK



Project Development Objective Indicators

Project beneficiaries
Unit of Measure: Number
Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	0.00	35924.00	45000.00	Revised
Date	10-Feb-2014	09-Feb-2018	30-Jun-2020	

Female beneficiaries
Unit of Measure: Percentage
Indicator Type: Custom Supplement

	Baseline	Actual (Current)	End Target	Action
Value	0.00	48.00	48.00	No Change

Sub-projects with climate/disaster resilience satisfactorily implemented based on a scoring system
Unit of Measure: Number
Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	0.00	53.00	116.00	Revised
Date	10-Feb-2014	09-Feb-2018	30-Jun-2020	

Village level sub-projects
Unit of Measure: Number
Indicator Type: Custom Breakdown

	Baseline	Actual (Current)	End Target	Action
Value	0.00	47.00	100.00	Revised
Date	03-Oct-2016	09-Feb-2018	30-Jun-2020	

District level sub-projects
Unit of Measure: Number
Indicator Type: Custom Breakdown

	Baseline	Actual (Current)	End Target	Action
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Value	0.00	6.00	16.00	Revised
Date	06-Oct-2016	09-Feb-2018	30-Jun-2020	
Area restored or re/afforested Unit of Measure: Hectare(Ha) Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	15.00	600.00	Marked for Deletion
Date	10-Feb-2014	09-Feb-2018	31-Dec-2018	

Intermediate Indicators

Participants in consultation activities during project implementation (number) Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	2296.00	5000.00	Revised
Date	10-Feb-2014	09-Feb-2018	30-Jun-2020	

Participants (direct and indirect) in consultation activities during project implementation - female Unit of Measure: Number Indicator Type: Custom Breakdown				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	950.00	2500.00	Revised
Date	10-Feb-2014	09-Feb-2018	30-Jun-2020	

CIMs updated through consultative processes and incorporate other planning frameworks Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	16.00	16.00	Revised
Date	10-Feb-2014	09-Feb-2018	30-Jun-2020	

Number of trained CSOs providing climate change related services under the project Unit of Measure: Number				
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Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	5.00	5.00	Revised
Date	10-Feb-2014	09-Feb-2018	30-Jun-2020	
<p>Maps prepared for bathymetry and topography for Upolu and Savai'i and use to strengthen resilience</p> <p>Unit of Measure: Text</p> <p>Indicator Type: Custom</p>				
	Baseline	Actual (Current)	End Target	Action
Value	None	16 in total - one for each of the districts have been prepared with relevant data on hazards, wave movement and other key information for decision making. The maps are contributing to the design of risk management interventions, including but not limited to the project's village and district level sub-projects.	Relevant hazard maps, data on wave movement, and other information contributes to decision making on climate risks and used in the design of risk management interventions	No Change
Date	10-Feb-2014	09-Feb-2018	31-Dec-2018	
<p>Improved awareness on climate change associated risks and hazards among population in targeted districts</p> <p>Unit of Measure: Percentage</p> <p>Indicator Type: Custom</p>				
	Baseline	Actual (Current)	End Target	Action
Value	10.00	40.00	40.00	No Change
Date	10-Feb-2014	09-Feb-2018	31-Dec-2018	
<p>Use of improved climate information and tools.</p> <p>Unit of Measure: Number</p> <p>Indicator Type: Custom</p>				
	Baseline	Actual (Current)	End Target	Action
Value	1.00	6.00	6.00	Revised



Date	10-Feb-2014	09-Feb-2018	30-Jun-2020	
Evidence of strengthened government capacity and coordination mechanism to mainstream climate resilience. Unit of Measure: Text Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	Climate information product/services rarely used in decision making	Improved coordination through CRICD, CRSC, CSSP as well as engagement of technical agencies with CIM Review consultations. PMS has also assisted through provision of support to the Line Agencies in facilitating and providing advice at all levels of project implementation in commitment to including some of the budget to support such activities.	Climate information products/services are used in decision making in climate sensitive sectors	No Change
Date	10-Feb-2014	09-Feb-2018	31-Dec-2018	
Number of people provided with access to resilient water supply Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	15000.00	New
Date	04-Jun-2018	04-Jun-2018	30-Jun-2020	
Three water sources with improved condition based on a qualitative scoring system Unit of Measure: Text Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	Poor	Poor	Medium	New
Date	04-Jun-2018	04-Jun-2018	30-Jun-2020	



LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
TF-15828	Effective	31-Dec-2018		30-Jun-2020	30-Oct-2020

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating at Approval	Current Rating
Political and Governance		● Moderate
Macroeconomic		● Substantial
Sector Strategies and Policies		● Low
Technical Design of Project or Program		● Moderate
Institutional Capacity for Implementation and Sustainability		● Moderate
Fiduciary		● Moderate
Environment and Social		● Moderate
Stakeholders		● Moderate
Other		
Overall		● Moderate