REPORT NO.: RES40624

DOCUMENT OF THE WORLD BANK

RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING

OF

ENHANCING THE CLIMATE RESILIENCE OF COASTAL RESOURCES AND COMMUNITIES PROJECT

APPROVED ON DECEMBER 27, 2013

TO

INDEPENDENT STATE OF SAMOA

ENVIRONMENT, NATURAL RESOURCES & THE BLUE ECONOMY

EAST ASIA AND PACIFIC

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Country Director: Michel Kerf
Regional Director: Benoit Bosquet
Practice Manager/Manager: Ann Jeannette Glauber
Task Team Leader(s): Habiba Gitay
I. BASIC DATA

Product Information

<table>
<thead>
<tr>
<th>Field</th>
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<tr>
<td>Project ID</td>
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<td>Financing Instrument</td>
<td>Investment Project Financing</td>
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<td>Original EA Category</td>
<td>Partial Assessment (B)</td>
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<td>Current EA Category</td>
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<td>Approval Date</td>
<td>27-Dec-2013</td>
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<td>Current Closing Date</td>
<td>30-Jun-2020</td>
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Organizations

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<tr>
<td>Borrower</td>
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<td>Responsible Agency</td>
<td>Ministry of Natural Resources and Environment, Ministry of Finance</td>
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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

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<th>Ln/Cr/Tf</th>
<th>Approval</th>
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<td>27-Dec-2013</td>
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Policy Waiver(s)

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

No

I. SUMMARY OF PROJECT STATUS AND PROPOSED CHANGES
There continues to be good progress towards achievement of the project development objective (PDO) to support coastal communities to become more resilient to climate variability and change. The number of beneficiaries stands at 74,700 exceeding the project target of 45,000. Nevertheless, implementation of the village- and district-level subprojects has been slowed by delays on key procurement activities, the time required to negotiate land leases, the measles outbreak in December 2019 and the effect of heavy rain from two tropical cyclones in February 2020. The proposed restructuring, which would involve a one-year extension of the closing date, would provide enough time to complete the village- and district-level subprojects and conduct post completion site visits (after the recommended period of six months) to monitor their outcome and ensure their sustainability.

Implementation Progress. The progress of implementation is summarized below:

Component 1 - Implementation of Priority Adaptation Measures to Manage Climate and Disaster-related Threats. Eighteen Community Integrated Management (CIM) plans incorporating climate risk and vulnerability as part of Samoa-wide spatial plans have been approved by the Cabinet and made publicly available on the government’s website (this exceeds the original target of 16 CIM plans). The CIM plans and their use for climate resilient development decisions formed part of a policy reform in a Development Policy Operation with a Catastrophe Deferred Drawdown Option (Cat-DDO - P165928) approved in November 2018. A major part of the CIM plans was the identification and prioritization of climate resilient investments which are being implemented as village- and district-level subprojects. These climate and disaster resilient priorities are also informing projects financed by other development partners, particularly in environment and water resources sectors. Component 1 activities also resulted in developing Community Engagement Plans (CEP) to guide the implementation of the village-level subprojects, as well as District Subproject Plans (DSP) which informs the implementation of district-level subprojects. In addition, Component 1 activities included training for Civil Society Organisations with the use of the CIM plans and the CEP. The trained CSOs are supporting the target villages in the design and implementation of their subprojects and conducting nationwide awareness on climate resilience. As of December 30, 2019, 55 of the 100 planned village-level subprojects and 8 of the 22 planned district-level subprojects had been completed. The remaining 45 village-level and 14 district-level subprojects have started implementation and are expected to be completed by end of July 2020. As per the agreed project procedures, a follow-up site visit is normally carried out six months after completion of the subproject to assess its performance and sustainability and provide any needed advice on maintenance. In addition, or the district-level subprojects involving civil works, the site visits are critical and help ensure any issues are identified and rectified within the defects liability period and/or before the Project closes.

Component 2 - Strengthened Climate Information Services. All activities under this component have been completed.

Component 3 - Institutional Strengthening for Climate and Disaster Resilience, Project Coordination and Monitoring. The activities under this component include coordination across technical agencies for climate resilience (including those implementing district-level subprojects) and the establishment and subsequent support to the Climate Resilience Steering Committee (CRSC) which is now the main decision-making body on climate resilience in Samoa. In addition, this component supported the establishment of a nationwide annual scoring of climate resilience outcomes across various resilience investment projects. Activities related to project management, including post-completion monitoring and performance assessment, are continuing satisfactorily; the outputs and outcomes related to institutional strengthening and coordination have been completed.

Previous Project Restructurings. The project has gone through three level 2 restructurings, one approved on December 27, 2015, the second on June 7, 2017 and the third on June 28, 2018. The first restructuring introduced (i) the provision of goods and services for village-level subprojects through a special unit of the Ministry of Finance (MoF),
the Civil Society Support Program – CSSP, instead of provision of small grants directly to the villages; and (ii) a minor change to an end target of an indicator. The second restructuring introduced a sub-grant mechanism for the implementation of subprojects at the district-level which span multiple communities, to be implemented by technical agencies and State-Owned Enterprises (SOEs). This second restructuring required changes to project implementation manuals, and preparation of special manual - the DSP - to specify the process of the selection of the district-level subprojects and the roles and responsibilities of the technical agencies in their preparation and implementation. Finalizing these manuals and related internal approval processes took more time than expected, compounding other delays, and necessitating a third restructuring for an 18-month extension to the project closing date. This restructuring also included revisions to project indicators to better report on the village- and district-level subprojects.

Rationale for Current Restructuring. The current restructuring proposes an additional 12-months extension of the closing date, to June 30, 2021. This will ensure completion of all the subprojects, which otherwise might not be assured by the project’s current closing date, and allow time for monitoring their performance and sustainability through follow-up site visits.

Specifically, the extension is justified based on:

(a) delays in the procurement of storage tanks which forms key part of community-resilient water supply, where providers needed to be certified to meet Aus/ANZ standards (now resolved);

(b) time needed for post-completion inspection of investments to confirm their quality and that appropriate community operations and maintenance arrangements are in place to ensure sustainability (6 months after subproject completion);

(c) delay in signing of land leases for small plots of land required for drilling boreholes for several of the resilient water supply subprojects (expected to be finalized by June 2020); and

(d) the measles outbreak in December 2019 that led to a national state of emergency and essentially brought most non-emergency government activities to a halt for at least six weeks, affecting access to many of the villages where the planned activities were under implementation. In addition, the effect of the corona virus is unknown, but it is anticipated to slow the implementation due to shortage of some goods (e.g. hardware and cement) already evident in early March 2020.

Current status: In December 2019, due primarily to implementation progress of village-level subprojects, the project IP rating was downgraded to Moderately Unsatisfactory (MU) and the PDO rating to Moderately Satisfactory (MS). The proposed restructuring would provide enough time to make up for the delays in implementation of the village- and district-level subprojects and help fully achieve the project’s PDO. There are no outstanding audits.

A plan of action has been agreed to accelerate implementation and address the challenges, including bulk procurement of the remaining goods and regular meetings between project implementing agencies and the MoF to facilitate timely government internal approvals. The Bank is also providing additional technical and procurement support. With these agreed actions and the client’s commitment to successful completion of the activities, we believe the PDO is fully achievable.

Given that the closing date was previously extended by 18 months, the Regional Vice President’s approval-in-principle for an additional 12-month extension of the closing date was received on February 15, 2020. As per the request from
the RVP, the team confirms receiving agreement from the Special Climate Change Fund Manager for such an extension (attached as supporting documents). The request from the government dated February 13, 2020 (received by the Bank on February 17, 2019) is also attached as supporting document, as well as the time-bound action plan agreed with the implementing agency for completion of project activities during the extension period.

II. DETAILED CHANGES

LOAN CLOSING DATE(S)

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<tr>
<th>Ln/Cr/Tf</th>
<th>Status</th>
<th>Original Closing</th>
<th>Revised Closing(s)</th>
<th>Proposed Closing</th>
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