



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
PACIFIC RESILIENCE PROGRAM
APPROVED ON JUNE 19, 2015
TO
THE PACIFIC COMMUNITY

(Formerly known as the Secretariat of the Pacific Community)

SOCIAL, URBAN, RURAL AND RESILIENCE GLOBAL PRACTICE

EAST ASIA AND PACIFIC

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ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
CCA	Climate Change Adaptation
DRM	Disaster Risk Management
DRR	Disaster Risk Reduction
IRI	Intermediate Results Indicator
JNAP	Joint National Action Plan on Climate Change Adaptation and Disaster Risk Management
LiDAR	Light Detection and Ranging
M&E	Monitoring and Evaluation
MHEWS	Multi-Hazard Early Warning System
MTR	Mid-Term Review
PAD	Project Appraisal Document
PDO	Project Development Objective
PIC	Pacific Island Country
PIFS	Pacific Islands Forum Secretariat
PMU	Project Management Unit
POM	Project Operational Manual
PPCR	Pilot Program for Climate Resilience
PREP	Pacific Resilience Program
RF	Results Framework
RMI	Republic of the Marshall Islands
PSU	Project Support Unit
SPC	The Pacific Community
SPCR	Strategic Program for Climate Resilience
SPREP	Pacific Regional Environmental Program
TA	Technical Assistance
TTL	Task Team Leader



BASIC DATA

Product Information

Project ID P147839	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 19-Jun-2015	Current Closing Date 30-Nov-2020

Organizations

Borrower PACIFIC COMMUNITY	Responsible Agency Pacific Community
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Project Development Objective (PDO)

Original PDO

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

Summary Status of Financing

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IDA-D0740	19-Jun-2015	02-Oct-2015	13-Oct-2015	30-Nov-2020	3.68	1.38	2.36
TF-A1131	19-Jun-2015	02-Oct-2015	13-Oct-2015	30-Nov-2020	5.79	.60	5.20
TF-14369	08-May-2013	22-May-2013	22-May-2013	31-Mar-2015	.29	.29	0

Policy Waiver(s)

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

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Project status

This paper seeks approval to extend the closing date of the Pacific Resilience Program (PREP) SPC-1 (P147839) by 23 months to align the closing date with the other PREP nationally implemented projects, as well as to fully implement the components. It also proposes to streamline the scope of the components and eliminate a redundant Intermediate Results Indicator. This would be the first extension of the closing date for this project.



- 1. Phase One of the PREP is a ‘Series of Projects’ that include both national projects implemented by countries, and regional projects implemented by regional organizations.** The regional approach of the Program is helping the participating Pacific Island Countries (PICs) to: (i) strengthen early warning and preparedness; (ii) create a framework for stronger and prioritized investments in resilience and retrofitting of key-public assets to meet internationally recognized resilience standards; and (iii) improve the post-disaster response capacity of the countries through strengthened financial resilience to disaster events. The PREP projects have the same PDO (as stated above) and four standardized components. For Phase 1 of PREP, Tonga and Samoa are implementing all four components, whereas Vanuatu and the Republic of the Marshall Islands are implementing only one of the components.
- 2. Under PREP, there are two regional organization projects that complement the country projects,** carried out through the Pacific Islands Forum Secretariat (PIFS) and the Pacific Community (SPC, formerly known as the Secretariat of the Pacific Community), which support PREP countries in developing and improving tools and data that can be used by all PICs for disaster and climate resilience to achieve the PDO. The two regional organizations have a critical role in supporting PICs in technical, policy and information areas. The PREP also builds on the Pilot Program for Climate Resilience (PPCR) supported regional activities that are administered by the Asian Development Bank (ADB) and implemented by the Secretariat of Pacific Regional Environmental Program (SPREP) to avoid duplication of efforts and establish synergies.
- 3. The IDA grant and PPCR grant for the PREP-1 with the SPC was approved on June 19, 2015, became effective on October 13, 2015, and is currently closing November 30, 2020.** SPC’s project financing totals US\$9.47 million of which US\$3.68 million is from a regional IDA grant and US\$5.79 million is from a PPCR grant under the Strategic Program on Climate Resilience (SPCR). To-date, 23 percent has been disbursed.
- 4. Implementation has been slow,** primarily due to failures to procure technical assistance (TA) to assist with implementing the components. These include key technical positions including the hydromet modelling expert, geophysical hazard expert, risk analyst, system developer among others, worth approximately US\$ 1 million. Procurement failures have been partly due to insufficient communication and lack of established procedures between the SPC’s PMU and its Corporate procurement¹ to approve project-related procurements. These issues stalled TA procurement processes, resulting in little implementation progress. Following SPC internal discussions, a standardized process between SPC Corporate procurement and the PMU is now in place which should facilitate the procurement process. In other cases, the positions simply failed to attract enough applicants due to SPC’s preference that candidates move to Fiji where SPC is based. Arrangements to ensure that technical consultants can be made available to the project are ongoing, such as where feasible more flexible arrangements including remote support or part time.
- 5. The Risk Ratings have been revised since the approval of the project.** There are no direct or indirect impacts anticipated from the technical advisory services provided by SPC, as such the ratings for Environmental and Social were reduced from Moderate to Low in May 2017. No social policies are triggered. The risk rating for Institutional Capacity for Implementation and Sustainability was increased to High in December 2018. This is due to ongoing changes and restructures and modified staffing within SPC, all of which have had an impact on the implementation of the project. The Political and governance risk was raised from Moderate to Substantial also in December 2018 for the same reason.

¹ At SPC, corporate procurement is undertaken by the Procurement, Grants, Risks and Assets section under the Finance Department.



B. Rationale for restructuring

6. **This paper proposes to (a) streamline the sub-components to simplify the project, (b) amend the results framework and (c) extend the closing date to allow time for implementation.** The project will be streamlined by removing sub-component 2.2.3 *Developing an Integrated Community Based Approach to Resilience for Disaster Risk and Climate Change* and transferring the resources to sub-component 2.2.1. This will augment and concentrate resources on those sub-components and simplify the PMU's work plan. As project management capacity improves, the extension of the closing date by 23 months will allow for full implementation.

7. **Despite the slow progress due to the lack of recruitment of necessary technical consultants, the activities are still highly relevant to the nationally implemented PREPs and for the increased resilience of the Pacific region.** The regional PREP programs are designed to support the nationally implemented activities, especially the development of Multi-Hazard Early Warning Systems (MHEWS) (Component 1) and Informed Resilient Investments (Component 2). With the growing disaster and climate change risk in the Pacific region, increasing the region's capacity to handle and issue early warnings is critical to make the countries resilient. Developing disaster risk and climate informed investment plans and understanding the risks that the public assets are exposed to are equally important for the resilience of the PICs. The activities under PREP SPC-1 are designed to contribute to the development of the MHEWS through developing models for the countries on coastal inundation modelling/forecasting which SPC is one of the lead technical agencies in the region. The PREP SPC-1 activities on provision of training opportunities for MHEWS related staff (Component 1) as well as developing better and higher resolution hazard and exposure datasets for the risk-informed urban planning decision-making tools also remain highly relevant for the overall PREP technical implementation all for which SPC has much experience.

II. DESCRIPTION OF PROPOSED CHANGES

C. Proposed changes

8. **The restructuring would extend the closing date by 23 months to allow the technical components to be fully implemented.** This would more closely align the SPC Grant closing date with the PREP Phase 1 Country Projects, which were all extended to October 31, 2023 in 2018. This would be the first extension for PREP SPC-1. Measures and an action plan to improve implementation were agreed in December 2018, with priority activities to be completed by September 2019 and some already completed. For SPC's PMU, a new, full-time, experienced project



manager was recruited in March 2019 and is now on board working at SPC with PIC clients. A short-term procurement specialist has been recruited to work on the project for the next six months, while a longer-term procurement specialist is being recruited from the open market. With support from the SPC's DRM sector team leader and with the priority activities agreed and being implemented, especially the US\$1.7 million procurement of LiDAR data (17% of budget) under component 2 under way, the project is in a sound position to improve implementation. On June 11, 2019, PPCR approved the extension of the closing date for the project. While the closing date will be extended for PREP SPC-1, the support to be provided by the Project Support Unit (PSU) to the two PREP countries Tonga and Samoa under the Service Agreements will end in November 30, 2020, as agreed during the PREP Tonga and Samoa Additional Financing negotiations in 2018, unless otherwise agreed by the relevant parties before then.

9. The restructuring also proposes to streamline Component 2.2 to simplify implementation. Sub-component 2.2.3 on developing an integrated community-based approach to resilience for disaster, risk and climate change will be deleted. To-date, no activity has taken place under this sub-component. Since project approval in 2015, other development partners have been supporting activities planned under sub-component 2.2.3. Therefore, the resources (approximately US\$1.89 million) earmarked for sub-component 2.2.3 will be transferred mainly to sub-components 2.2.1 to make sub-component 2.2.1 more attractive and scale up the LiDAR data acquisition and hiring of a quality assurance consultant for the LiDAR data for this activity to cover three countries. The number of countries and area to be covered are subject to the cost estimates. The budget of subcomponent 2.2.1 will rise from approximately US\$1 million to US\$2.9 million. With the proposed change, the project will still be able to achieve the PDO, which is in line with the broader goals and objectives of the Pacific Regional Strategic Program for Climate Resilience (SPCR)².

10. It is proposed to drop the Intermediate Results Indicator (IRI) linked to sub-component 2.2.3: "Number of Community Based DRM/Climate resilience projects developed by the program in targeted areas". The target end date for all the indicators are extended to the proposed new closing date of October 31, 2022. The World Bank PPCR team have been kept informed and consulted on the restructuring, and they have no objection to the proposed removal of the indicator. The Project Operations Manual (POM) will be updated upon approval of the restructure at which point the indicator will be removed from the results framework.

11. The disbursement estimate in the operations portal has been corrected. The disbursement estimate table did not include the disbursement estimates for the PPCR Trust Fund portion of the budget totaling US\$ 5.79 million, 61% of the funding. The disbursement estimate table in the portal has been corrected.

12. The official name of the recipient has been standardized to the Pacific Community. This decision is confirmed in Paragraph 3 of the Communique of the Ninth Conference of the Pacific Community, which took place in Alofi, Niue, From November 3 to November 5, 2015, under which the Conference adopted the recommendations of the 45th meeting of the Committee of Representatives of Governments and Administrations (CRGA). The CRGA, which took place from October 31 to November 2, 2015, recommended, amongst others, that "the organization should

² The overall objective of the SPCR for this project is to improve the use of local, national, and regional knowledge and information on CCA and related DRR in order to strengthen the capacity of Pacific island countries to manage climate change risks to food security and critical infrastructure. Specifically, to build and strengthen the national capacity of all participating Pacific island countries to understand and implement an integrated CCA and related DRR approach in key sectors. This will be achieved by helping them access, analyze, and manage the essential information, and develop and implement JNAPs or their equivalent to enable effective CCA decision making. Activities under this component will also assist in building competencies in the use of appropriate management tools. These will respond to climate risks associated with coastal zone management, drinking water resources, agriculture, and oceanic fisheries. Taken from PPCR/SC.10/7, *Strategic Program for Climate Resilience for the Pacific Program - Regional Track, April 13, 2012*



revert to using its formal name ‘the Pacific Community’ (‘la Communauté du Pacifique’), adopted by the 37th South Pacific Conference in 1997 to replace the ‘South Pacific Commission’ and reaffirmed by Resolution of the 8th Conference of the Pacific Community. This will rectify the informal practice of referring to the organization as ‘the Secretariat of the Pacific Community’, which has developed over past years.” It is proposed to revise the legal agreements to reflect such name change. Going forward, all documents for this project will make references to the Pacific Community.



I. SUMMARY OF CHANGES

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

IV. DETAILED CHANGE(S)



LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-D0740	Effective	30-Nov-2020		31-Oct-2022	28-Feb-2023
TF-14369	Closed	30-Sep-2014	31-Mar-2015, 02-May-2016		
TF-A1131	Effective	30-Nov-2020		31-Oct-2022	28-Feb-2023

DISBURSEMENT ESTIMATES

Change in Disbursement Estimates
Yes

Year	Current	Proposed
2015	0.00	0.00
2016	320,000.00	420,000.00
2017	1,180,000.00	1,060,000.00
2018	1,620,000.00	850,000.00
2019	270,000.00	530,000.00
2020	180,000.00	2,000,000.00
2021	110,000.00	1,800,000.00
2022	0.00	1,740,000.00
2023	0.00	1,070,000.00
2024	0.00	0.00

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating at Approval	Current Rating
Political and Governance	● Moderate	● Substantial
Macroeconomic	● Moderate	● Moderate
Sector Strategies and Policies	● Substantial	● Substantial
Technical Design of Project or Program	● Substantial	● Substantial



Institutional Capacity for Implementation and Sustainability	● Substantial	● High
Fiduciary	● Substantial	● Substantial
Environment and Social	● Moderate	● Low
Stakeholders	● Moderate	● Substantial
Other	● Substantial	● Substantial
Overall	● Substantial	● Substantial



Results framework

COUNTRY: Pacific Islands
Pacific Resilience Program

Project Development Objectives(s)

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

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	DLI	Baseline	End Target
Strengthen Early Warning, resilient investments and financial protection of participating countries			
Direct Project Beneficiaries (Number)		62,000.00	135,000.00
<i>Action: This indicator has been Revised</i>	<i>Rationale: It is proposed to extend the closing date based on the rational provided in this paper. No other changes.</i>		

Intermediate Results Indicators by Components

Indicator Name	DLI	Baseline	End Target
Component 1: Strengthening Early Warning and Preparedness			
Improved use of training opportunities (Percentage)		30.00	80.00
<i>Action: This indicator has been Revised</i>			
Component 2: Mainstreaming Risk Reduction and Resilient Investments			



Indicator Name	DLI	Baseline	End Target
Satisfaction of users of the multi-national spatial risk data and information system (Percentage)		0.00	70.00
Action: This indicator has been Revised	Rationale: <i>It is proposed to extend the closing date.</i>		
Percentage of updated risk exposure data for PREP countries (Percentage)		0.00	70.00
Action: This indicator has been Revised	Rationale: <i>This paper proposes to extend the closing (target) date.</i>		
Number of public assets with risk information available to inform resilient planning in targeted areas (Number)		0.00	50.00
Action: This indicator has been Revised	Rationale: <i>It is proposed to extend the closing (target) date. The original indicator name had a mistake - the original indicator was "percentage of public assets with risk information available to inform resilient planning in targeted areas" with "Number" as the unit of measure. The Indicator will be changed to "Number of public assets with risk information available to inform resilient planning in targeted areas" in line with the unit of measure (number) in the original PAD.</i>		
Number of Community based DRM/climate resilience projects developed by the Program in targeted areas (Number)		0.00	50.00
Action: This indicator has been Marked for Deletion	Rationale: <i>As proactivity, and to streamline the sub-components under Component 2, the component (sub-component 2.2.3) linked to this indicator will be removed. This indicator is hence marked for deletion. The resources for sub-components 2.2.3 will be transferred to sub-component 2.2.1 and 2.2.2.</i>		



Indicator Name	DLI	Baseline	End Target
Intended beneficiaries that are aware of project information and project support investments (Percentage)		0.00	60.00
Action: This indicator has been Revised	Rationale: <i>It is proposed to extend the closing (target) date.</i>		



The World Bank

Pacific Resilience Program (P147839)
