



## PCRAFI : Furthering Disaster Risk Finance in the Pacific (P161533)

EAST ASIA AND PACIFIC | Pacific Islands | Finance, Competitiveness and Innovation Global Practice |  
Recipient Executed Activities | Investment Project Financing | FY 2017 | Seq No: 10 | ARCHIVED on 19-Jan-2022 | ISR48983 |

Implementing Agencies: Pacific Catastrophe Risk Insurance Company, Pacific Catastrophe Risk Insurance Foundation, Pacific Catastrophe Risk Insurance Foundation

**Key Dates****Key Project Dates**

Bank Approval Date: 14-Feb-2017

Effectiveness Date: 16-Feb-2017

Planned Mid Term Review Date: 31-Oct-2019

Actual Mid-Term Review Date: 26-Jul-2019

Original Closing Date: 30-Jun-2021

Revised Closing Date: 31-Dec-2022

**Project Development Objectives**

Project Development Objective (from Project Appraisal Document)

The project development objective is to improve access to post-disaster rapid response finance to Pacific Island Countries.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

**Components Table**

Name
Establishment and Operations of PCRIC and PCRIF:(Cost \$3540000.00 M)
Capitalization of PCRIC:(Cost \$20100000.00 M)
Institutional Capacity Building on Disaster Risk Finance and Insurance
Development of Disaster Risk Insurance Products and TA to PICs on DRFI products:(Cost \$1540000.00 M)
Monitoring and Evaluation:(Cost \$250000.00 M)

**Overall Ratings**

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Risk Rating	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate

**Implementation Status and Key Decisions**

The Pacific Catastrophe Risk Insurance Foundation (PCRIF) and PCRIC have both been established albeit with some management and operational challenges. The closing date for the PCRAFI project has been extended until December 31, 2022 (still within the end disbursement date for the overarching PCRAFI MDTF of June 30, 2023) to support PCRIC's continuous operationalization efforts and progress towards long term sustainability.

For the Cyclone Season 9 that started on November 1, 2020 three clients have purchased insurance cover: The Cook Islands, Tonga and Samoa. Work is ongoing on developing a new excess rainfall/drought product using new rainfall data from NASA. This product is expected to be available by the tropical cyclone season 2022/23.



## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Macroeconomic	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Sector Strategies and Policies	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Technical Design of Project or Program	<input type="checkbox"/> Substantial	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Institutional Capacity for Implementation and Sustainability	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial
Fiduciary	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial
Environment and Social	<input type="checkbox"/> Low	<input type="checkbox"/> Low	<input type="checkbox"/> Low
Stakeholders	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Other	--	<input type="checkbox"/> Moderate	--
Overall	<input type="checkbox"/> Substantial	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate

## Results

### PDO Indicators by Objectives / Outcomes

Pacific Catastrophe Risk Insurance Company (PCRIC) operationalized

► Pacific Catastrophe Risk Insurance Company (PCRIC) operationalized (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	22-Sep-2016	01-Jul-2021	03-Nov-2021	31-Dec-2022
Comments:	Partially achieved			

PCRIC makes full insurance payout within 30 days of the occurrence of a covered (insured) event

► PCRIC makes full insurance payout within a 30 days of the occurrence of a covered (insured) event (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
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Value	No	Yes	Yes	Yes
Date	14-Feb-2017	01-Jul-2021	03-Nov-2021	31-Dec-2022
Comments:	The PCRIC made a payout to Tonga within 8 days of TC Gita making landfall in Tonga. Following TC Harold, PCRIC took 32 days to make a payout, due to Covid-19 related delays from the calculation agent and, more importantly, processing delays by the banks used by PCRIC to process the payment. Given that all other payments were made within 30 days and that the delay of the payout following TC Harold is minor and explained in part by the impact of Covid-19 on a key stakeholder, this indicator is still considered to be a "yes"			

The claims paying capacity of the PCRIC is enough to sustain a 1-in-200 year insured loss				
▶ The claims paying capacity of the PCRIC is enough to sustain a 1-in-200 year insured loss (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	14-Feb-2017	01-Jul-2021	03-Nov-2021	31-Dec-2022

PCRIC is financially sustainable				
▶ PCRIC total equity is projected to increase through FY24 (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	01-Apr-2021	01-Jul-2021	03-Nov-2021	31-Dec-2022

### Intermediate Results Indicators by Components

Establishment and Operations of PCRIC				
▶ Number of additional countries purchasing insurance per season (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	3.00	3.00	3.00	5.00
Date	01-Apr-2021	01-Jul-2021	01-Jul-2021	30-Dec-2022

Capitalization of PCRIC				
▶ PCRIC Capitalization (Amount(USD), Custom)				



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	20,000,000.00	20,000,000.00	20,000,000.00
Date	14-Feb-2017	01-Jul-2021	01-Jul-2021	30-Dec-2022

#### Development of Disaster Risk Insurance Products

##### ► Number of Insurance Products Developed (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	3.00
Date	14-Feb-2017	01-Jul-2021	01-Jul-2021	30-Dec-2022

#### Monitoring and Evaluation

##### ► Monitoring and evaluation conducted (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	14-Feb-2017	01-Jul-2021	01-Jul-2021	30-Dec-2022

### Performance-Based Conditions

#### Data on Financial Performance

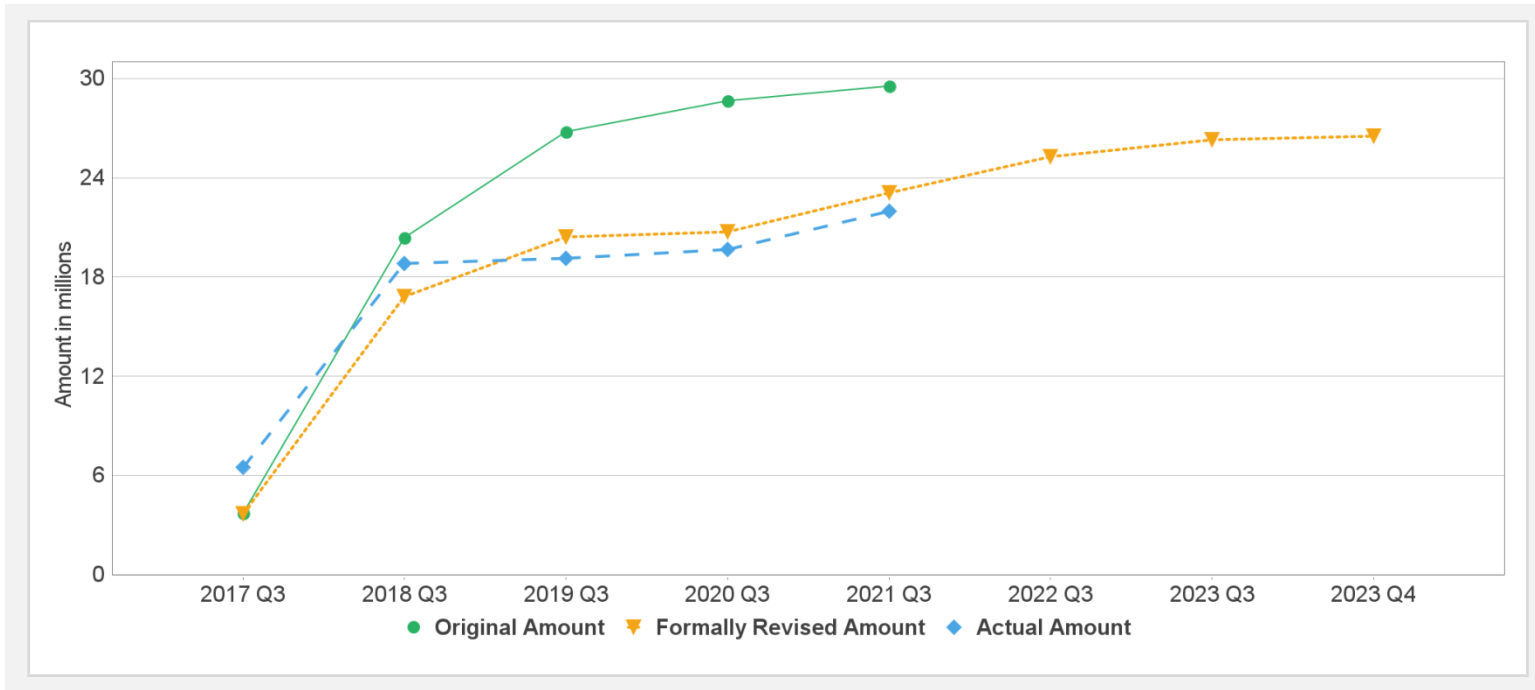
##### Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P161533	TF-A4171	Effective	USD	25.33	25.33	0.00	22.77	2.56	90%

##### Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P161533	TF-A4171	Effective	14-Feb-2017	16-Feb-2017	16-Feb-2017	30-Jun-2021	31-Dec-2022

#### Cumulative Disbursements



**PBC Disbursement**

PBC ID	PBC Type	Description	Coc	PBC Amount	Achievement Status	Disbursed amount in Coc	Disbursement % for PBC
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**Restructuring History**

Level 2 Approved on 23-Jun-2021

**Related Project(s)**

There are no related projects.