



Nicaragua Catastrophe Risk Insurance Project (P149895)

LATIN AMERICA AND CARIBBEAN | Nicaragua | Urban, Resilience and Land Global Practice |
IBRD/IDA | Investment Project Financing | FY 2014 | Seq No: 12 | ARCHIVED on 22-Jun-2020 | ISR42212 |

Implementing Agencies: Republic of Nicaragua, Republic of Nicaragua

Key Dates

Key Project Dates

Bank Approval Date: 18-Jun-2014
Planned Mid Term Review Date: --
Original Closing Date: 31-Jul-2021

Effectiveness Date: 01-Jun-2015
Actual Mid-Term Review Date:
Revised Closing Date: 30-Jun-2021

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objective is to enable the access of Honduras and Nicaragua to efficient sovereign risk insurance associated with tropical cyclones, earthquakes, and/or excess rainfall.

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

Yes

Board Approved Revised Project Development Objective (If project is formally restructured)

The Project Development Objective is to enable access of Nicaragua to efficient sovereign risk insurance associated with geophysical and climate-related events.

Components Table

Name

Component 1: Payment of the entrance fee to the CCRIF for Nicaragua:(Cost \$1.00 M)
Component 2: Payment of annual insurance premium to the CCRIF for Nicaragua:(Cost \$11.00 M)

Overall Ratings

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

Implementation Status and Key Decisions

The government has decided to renew the earthquake, tropical cyclone, and excess rainfall policies for the Policy Year 2020/21, which started on June 1, 2020, for a total premium of US\$2.3 million. This is the sixth renewal of the CCRIF policy, and the project continues to be on track to achieve its PDO and intermediate indicators.





Risks

Systematic Operations Risk-rating Tool

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

Results

PDO Indicators by Objectives / Outcomes

Improved access to efficient sovereign risk insurance				
► Nicaragua as member of CCRIF is eligible for catastrophe risk coverage and has received payment within a month of the occurrence of a covered (insured) event (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	100.00	100.00	100.00
Date	01-Jun-2014	16-Dec-2019	05-Jun-2020	30-Jun-2021

Overall Comments

Although no payouts were received in Policy Year 2019/20, Nicaragua remains eligible for catastrophic risk insurance, and the two previous payouts triggered by Policy Year 2016/17 were made within 14 days of the event.

Intermediate Results Indicators by Components



Component 2: Payment of annual insurance premium to the CCRIF for Nicaragua				
► Policies provide increasing insurance coverage and/or lower attachment point (insurance deductible) for a given premium amount (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	01-Jun-2014	16-Dec-2019	05-Jun-2020	30-Jun-2021
► CCRIF premiums for Nicaragua are lower than the simulated price for a comparable coverage purchased individually in the market (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Yes	Yes	Yes	Yes
Date	01-Jun-2014	16-Dec-2019	05-Jun-2020	30-Jun-2021

Overall Comments

- For TC, the change in coverage for Policy Year 2020/21 (based on the premiums of Policy Year 2015/16) is -5.95% (a decrease), and the change in the attachment point for Policy Year 2020/21 (based on the premiums of Policy Year 2015/16) is 52% (an increase).
- For EQ, the change in coverage for Policy Year 2020/21 (based on the premiums of Policy Year 2015/16) is 45.056 (an increase), and the change in the attachment point for Policy Year 2020/21 (based on the premiums of Policy Year 2015/16) is -62.84% (a decrease).
- For XSR, the change in coverage for Policy Year 2020/21 (based on the premiums of Policy Year 2015/16) is -31.4 (a decrease), and the change in the attachment point for Policy Year 2019/20 (based on the premiums of Policy Year 2015/16) is 122.89 (an increase).

In two (EQ and XSR) of the three policies, the insurance provides higher coverage and lower attachment points. Once the increases in coverage are incorporated, this may change. The new indicators will be reflected in the next ISRs.

Performance-Based Conditions

Data on Financial Performance

Disbursements (by loan)

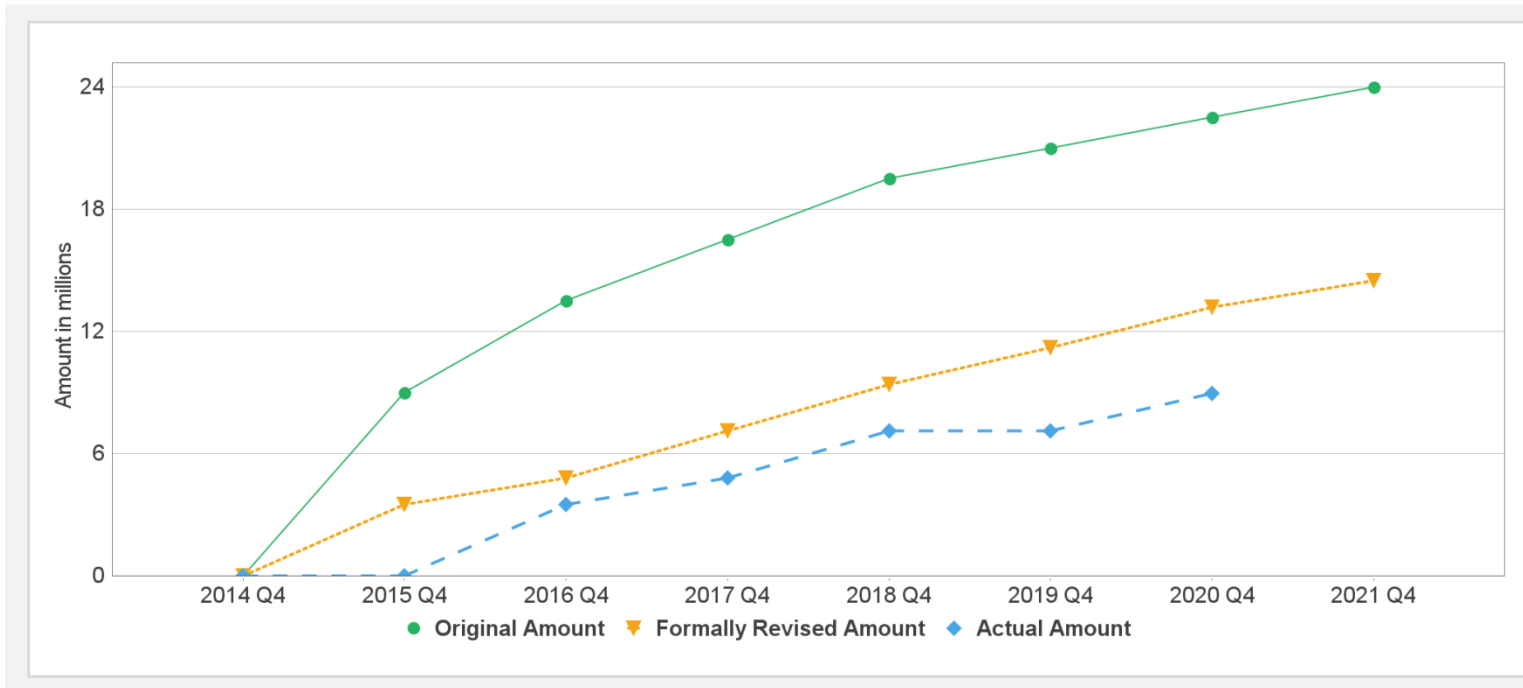
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P149895	IDA-55300	Closed	USD	12.00	0.00	12.00	0.00	0.00	0%
P149895	IDA-55310	Effective	USD	12.00	12.00	0.00	8.94	1.93	82%

Key Dates (by loan)



Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P149895	IDA-55300	Closed	18-Jun-2014	--	--	31-Jul-2021	18-Jan-2017
P149895	IDA-55310	Effective	18-Jun-2014	11-Jul-2014	01-Jun-2015	30-Jun-2019	30-Jun-2021

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 1 Approved on 19-Apr-2017 ,Level 2 Approved on 19-Jul-2019

Related Project(s)

There are no related projects.