



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: 7 | ARCHIVED on 29-Jun-2020 | ISR42357 |

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: 30-Jun-2021

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 \$1300000.00 M)
Capitalization of PCRIC:(Cost \$20100000.00 M)
Institutional Capacity Building on Disaster Risk Finance and Insurance:(Cost \$2300000.00 M)
Development of Disaster Risk Insurance Products:(Cost \$5500000.00 M)
Monitoring and Evaluation:(Cost \$530000.00 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"/> Substantial	<input type="checkbox"/> Substantial

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. PCRIC has fully achieved the PDO indicators on payouts and claims paying capacity as set out in the project results framework. PCRIC made a payout of US\$4.5 million to Tonga on May 12, 2020 due to TC Harold which passed Tonga on April 10, 2020. This was PCRIC's record payment to date, and much welcomed by the Government of Tonga. Under the PCRAFI initiative, Tonga has received a total of US\$9.2 million in payouts since 2014, for premium payments of US\$2.24 million to date. Tonga has paid roughly 10 percent of premium payments out of their own budget, with PCRAFI financing the rest.

PCRIC has appointed a full Board of Directors but implementation challenges remain, including the recruitment of CEO; finalization of project audits; development of new products; and limited outreach to client countries. The recruitment of a CEO is an important step which should



significantly enhance PCRIC's capacity, particularly in terms of client outreach. However, since the mid-term review, progress has been made and PCRIC's capacity has slowly increased. The Development Objective of the project remains relevant and can reasonably be expected to be achieved.

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"/> Substantial	<input type="checkbox"/> Substantial
Institutional Capacity for Implementation and Sustainability	<input type="checkbox"/> Substantial	<input type="checkbox"/> High	<input type="checkbox"/> High
Fiduciary	<input type="checkbox"/> Substantial	<input type="checkbox"/> High	<input type="checkbox"/> High
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	--	--	--
Overall	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial

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	20-Mar-2018	22-Jun-2020	30-Jun-2021

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
Value	No	Yes	Yes	Yes
Date	14-Feb-2017	20-Mar-2019	22-Jun-2020	30-Jun-2021
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	No	Yes	Yes
Date	14-Feb-2017	20-Mar-2019	22-Jun-2020	30-Jun-2021

Intermediate Results Indicators by Components

Establishment and Operations of PCRIC and PCRIF				
▶ PCRC Operationalized (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	Yes	Yes
Date	14-Feb-2017	16-Dec-2019	22-Jun-2020	30-Jun-2021

Capitalization of PCRIC				
▶ PCRIC Capitalization (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	18,100,000.00	18,100,000.00	20,100,000.00
Date	14-Feb-2017	16-Dec-2019	22-Jun-2020	30-Jun-2021

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	2.00
Date	14-Feb-2017	16-Dec-2019	22-Jun-2020	30-Jun-2021

Monitoring and Evaluation				
► Monitoring and Evaluation (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	14-Feb-2017	16-Dec-2019	22-Jun-2020	30-Jun-2021

Performance-Based Conditions

Data on Financial Performance

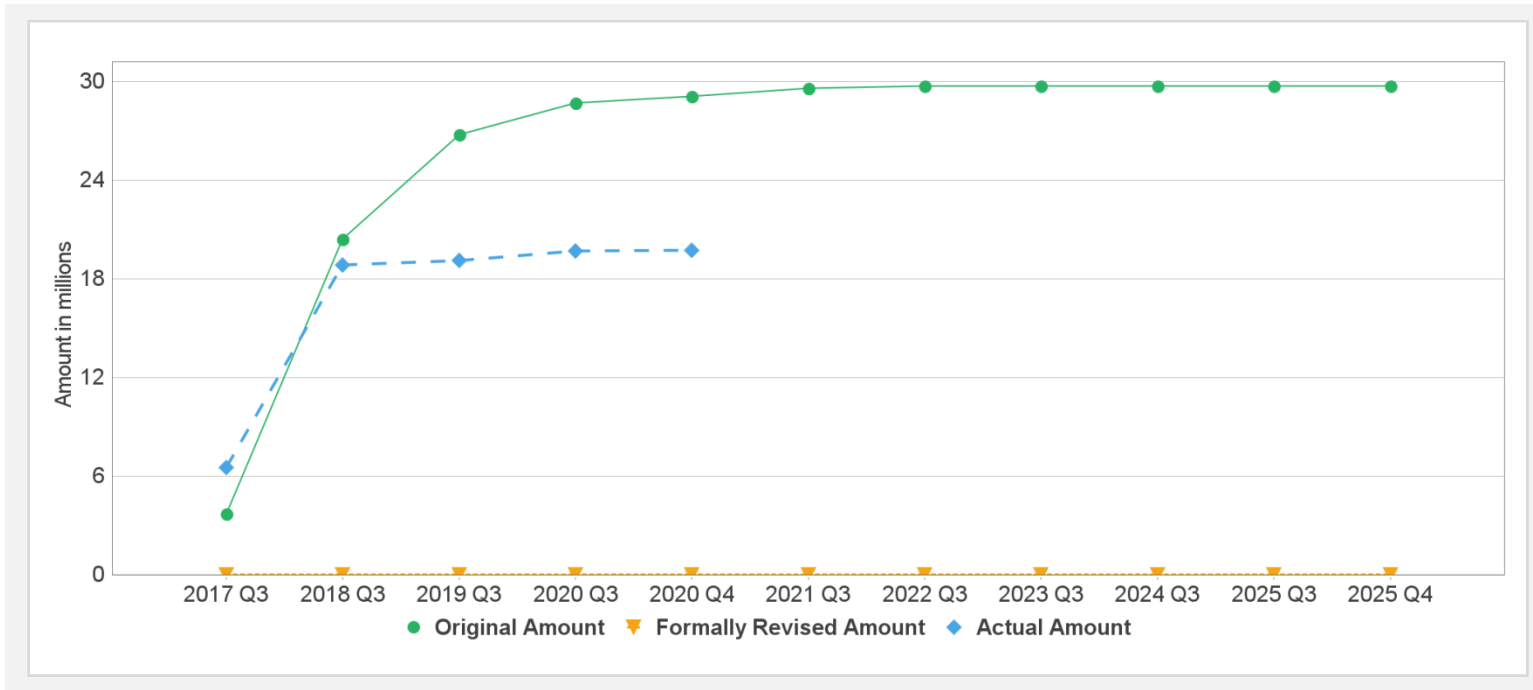
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P161533	TF-A4171	Effective	USD	25.33	25.33	0.00	19.71	5.62	78%

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	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

There has been no restructuring to date.

Related Project(s)

There are no related projects.