1. Operation Information

<table>
<thead>
<tr>
<th>Operation ID</th>
<th>Operation Name</th>
<th>Country</th>
<th>Practice Area (Lead)</th>
</tr>
</thead>
<tbody>
<tr>
<td>P166303</td>
<td>Lckd. Romania Cat DDO</td>
<td>Romania</td>
<td>Urban, Resilience and Land</td>
</tr>
</tbody>
</table>

### Non-Programmatic DPF

<table>
<thead>
<tr>
<th>L/C/TF Number(s)</th>
<th>Closing Date (Original)</th>
<th>Total Financing (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IBRD-88790</td>
<td>31-Dec-2021</td>
<td>437,050,000.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bank Approval Date</th>
<th>Closing Date (Actual)</th>
</tr>
</thead>
<tbody>
<tr>
<td>26-Jun-2018</td>
<td>31-Dec-2021</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IBRD/IDA (USD)</th>
<th>Co-financing (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Commitment</td>
<td>493,060,000.00</td>
</tr>
<tr>
<td>Revised Commitment</td>
<td>493,060,000.00</td>
</tr>
<tr>
<td>Actual</td>
<td>437,050,000.00</td>
</tr>
</tbody>
</table>

Prepared by

<table>
<thead>
<tr>
<th>Prepared by</th>
<th>Reviewed by</th>
<th>ICR Review Coordinator</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ranga Rajan Krishnamani</td>
<td>Chikako Miwa</td>
<td>Kavita Mathur</td>
<td>IEGSD</td>
</tr>
</tbody>
</table>

2. Program Objectives and Pillars/Policy Areas

a. Objectives

The Program Development Objective (PDO) of this Development Policy Loan (DPL) with a Catastrophe Deferred Drawdown Option (Cat - DDO) as stated in the Program Document (PD, page 3) is: "**To strengthen**
Romania's institutional and legal framework to effectively manage the physical, social and fiscal impacts of natural disasters and climate change”.

For the purpose of this review, the PDO is unpacked as follows:

- To strengthen Romania's institutional and legal framework to effectively manage the physical impacts of natural hazards and climate change.
- To strengthen Romania's institutional and legal framework to effectively manage the social impacts of natural hazards and climate change.
- To strengthen Romania's institutional and legal framework to effectively manage the fiscal impacts of natural hazards and climate change.

b. Pillars/Policy Areas

The PDOs were to be achieved through reforms in two pillars/policy areas (PD, page 20):

Pillar # 1. Strengthen the Borrower's national framework for disaster risk management (DRM).

Pillar # 2. Strengthen the Borrower's capacity to systematically identify and reduce disaster and climate risks and to manage the financial impact of disasters.

c. Comments on Program Cost, Financing and Dates

Financing. The operation was financed by an IBRD loan of US$493.06 million. The amount disbursed was US$437.05 million. The team clarified that the difference between the appraisal loan amount and amount disbursed was due to exchange rate changes between Euro and the US$ during implementation.

Dates. This operation was approved on June 26, 2018, became effective on December 20, 2018, and closed as scheduled on December 31, 2021.

Drawdown of Cat DDO instrument.

- On February 7, 2020, the Government requested a first partial withdrawal of EUR200 million (approximately US$216.75 million) due to an imminent public health emergency. The funds were used to increase the intervention capacity for preventing and fighting infections related to the COVID-19 pandemic, including procurement of necessary medical materials and equipment and conducting activities such as mobilizing medical staff and preparing quarantine spaces.
- On March 19, 2020, the Government requested a second partial drawdown of EUR 200 million (approximately US$220.30 million) for taking measures to prepare and mitigate the impacts of the COVID-19 pandemic.

3. Relevance of Design

a. Relevance of Objectives
Country context. Romania is prone to natural disasters, such as earthquakes, floods, droughts and extreme weather conditions. Furthermore, the effects of climate change were manifesting in increased frequency of such disasters. Given that disasters disproportionately impacted the poor, access to immediate post-disaster liquidity for meeting emergency needs and strengthening the institutional and legal framework to manage the physical, social and fiscal impacts of natural disasters and climate change were important to the Government strategy.

Government strategy. In the years before appraisal, Romania made a major transition towards reorganizing the disaster and emergency response structure. In 2014, the Government updated the legal framework to establish the Department for Emergency Situations (DES) in the Ministry of Interior Affairs (MOIA). The DES was in charge of taking emergency prevention actions and providing human, material and financial resources for restoring normality in the wake of a disaster. Under the coordination of the DES and General Inspectorate of Emergency Situations (GIES), Romania completed a multi-hazard risk assessment (RO-RISK). The Government endorsed the United Nations Office for Disaster Risk Reduction (DRR) Sendai Framework for DRR 2015 - 2030. This framework underscored the need to "build back better" in disaster recovery and reconstruction.

The National Action Plan on Climate Change for 2016 - 2020 specified key areas of focus for climate change adaptation. This operation supported the following plan areas: (i) Strengthening the emergency management system through policy and regulatory reforms; (ii) developing a national Disaster Risk Reduction (DRR) strategy to reduce disaster vulnerability in earthquake prone areas; (iii) raising public awareness of climate change impacts; and (iv) updating the national building codes to address seismic disaster risks; The PDO was consistent with the current Romania National Climate Change and Low Carbon Green Growth Strategy (2016-2030). This strategy highlighted the need for adopting programs for reducing climate change impacts.

Bank strategy. The PDO was aligned with the Bank strategy for Romania. At appraisal, the PDO was aligned with the objectives of the Country Partnership Strategy (CPS) which broadly articulated the need for reducing poverty in Romania and fostering sustainable income growth of bottom 40% of its population. The PDO was fully aligned with the third focus area of the Bank's current Country Partnership Framework (CPF) for 2019 - 2023: "Building Resilience to Shocks" through improving preparedness to natural disasters and strengthening adaptation to climate change.

Bank experience. The World Bank has financed DRM projects in Romania. In 2003, the Bank financed the Hazard Risk Mitigation and Emergency Preparedness Project aimed at reducing the environmental and social risks of natural disasters. The World Bank through an Investment Project Financing (IPF) project which closed in 2012, initiated the process for creating a national information system for emergency situations. Alongside this operation, the Bank was preparing a parallel IPF Project "Strengthening Disaster Risk Management Project". According to the team, the parallel IPF was approved in July 2018 and is ongoing. While the IPF project focused on seismic risks and a single agency to establish a platform to initiate risk reduction in building sector, this Cat DDO aimed to strengthening disaster risk governance to manage disaster risks ex-ante and ex-post and ensure the country's access to quick financing to manage fiscal risks from natural disasters.

This operation was the first DPL with a Cat DDO in Romania. The chosen lending instrument was appropriate. As a quick source of financing, the Cat - DDO would provide the necessary financing until other sources of financing (such as from the European Union (EU) Solidarity Fund, concessional funding, and emergency reconstruction loans) would become available and this would help in avoiding diversion of budget resources from other development programs. As a DPL instrument, the operation would aid in advancing the
policy reforms that would in the longer term enhance predictable and structured financing for disaster risk prevention, preparedness, response and post-disaster reconstruction. At appraisal, the Bank concluded that Romania's macroeconomic outlook was adequate for supporting the DPL operation.

b. Relevance of Prior Actions

Rationale

**Pillar #1. Strengthen the Borrower's national framework for disaster risk management (DRM).** Reforms in this pillar aimed to strengthen the systems for managing emergencies, raising public awareness, and information sharing before, during and after natural disasters. There were two prior actions (PAs) (PD, page 38).

**PA #1.** The Government established the National Platform for DRR in 2016 and the platform is effective.

Although managing natural disasters and climate risks requires action from all segments of society (such as Government action across ministries and national and subnational sectors and civil society) in the past DRM in Romania was viewed mainly as the sole responsibility of the Department for Emergency Situation (DES). As a result, disaster and climate risks were rarely considered in short- and long-term development planning.

This prior action sought to establish the National Platform for DRM as recommended by the Sendai Framework for DRM and the Romania 2016 - 2020 National Action Plan on climate change. This prior action would help in setting the institutional and legal framework for DRR monitoring and communication of disaster impacts and increase public awareness on preparedness and response strategies. Establishing a platform would also enable the Government to meet its commitment under the Sendai framework for reporting on disaster and climate change risks.

The analytical underpinnings for this prior action were based on: (i) World Bank (2016). *Romania 2016 - 2020 National Action Plan on Climate Change*. This report highlighted the need for participation of stakeholders in developing and implementing the DRM action plan and establishing a national platform for implementing the action plan; and (ii) International Federation for Red Cross and Red Crescent (2011). *Public Awareness and Public Education for Disaster Risk Reduction*. This report underscored the importance of raising public awareness in galvanizing DRM actions.

**PA #2.** The Government adopted the national emergency management system for emergency and disaster response (SMISU) and the system was effective nationwide.

This prior action sought to establish a system that collected information on emergencies in real or near-real time for providing emergency responders with data on the response assets available in the vicinity. Systematic data on the disaster parameters - event, location, number of affected people and damage to infrastructure enable quantitative measurement of the long-term impacts of disasters and climate change and aid in national and international dialogue around damage and loss under the Paris Agreement and the Sendai framework.

The analytical underpinnings of this prior action were based on: (i) World Bank (2016). *Romania 2016 - 2020 National Action Plan on Climate Change*. A key action recommended by this document was to ensure that mechanisms are in place to compensate for economic losses associated with weather related events through
This report specified the data that the Government needs to collect to better manage disasters.

**Pillar # 2. Strengthen the Borrower's capacity to systematically identify and reduce disaster and climate risks and to manage the financial impact of disasters.** Reforms under this pillar aimed at supporting the Government to promote risk-informed planning and financial management to public authorities. There were two PAs (PD, pages 38 - 39).

**PA # 3.** The Government, through the National Commission for Earthquake Engineering, Technical Commissions for Action on Buildings and Technical Commission for structural Systems revised the national building design code for addressing seismic risk in existing buildings.

When this operation was being prepared, over 3,000 residential buildings in Romania were identified as needing structural strengthening and many public buildings were identified as high risk of partial or complete collapse because of earthquakes. The buildings in Bucharest built before the first official seismic code of 1963 were particularly susceptible to seismic risks. Buildings constructed between 1964 and 1977 were also vulnerable, due to the weakness of the existing building code regarding seismic risk. For buildings constructed with the 2013 building code, the likelihood of severe damage or earthquake was low, as this code was harmonized with the EUROCODE 8 (discussed below). This prior action sought to upgrade the building code for seismic risk reduction in all buildings.

The analytical underpinnings of this prior action based on: (i) World Bank (2016): *Unbreakable: Building the Resilience of the Poor in the face of Natural disasters*. This report underscored the importance of reducing exposure and vulnerability of buildings to reduce the risks to the poor and the near poor; (ii) World Bank (2015): *Housing in Romania: Towards a National Housing Strategy*: This report highlighted the risks from earthquakes to existing apartment buildings and the need for steps to be taken by the Government to reduce seismic risks - including linking seismic strengthening to energy efficiency programs; and (iii) European Union (EU) (1998). *EUROCODE 8*. This report provided guidelines for designing structures for earthquake resistance.

**PA # 4.** The Government: (i) in line with the EU Regulation No 1303/2013, submitted to the European Commission, the national assessment of disaster risks in order to access funds under the European Structural Investment Funds (2014 - 2020) for enhanced emergency response; and (ii) made available to the public the RO-Risk Platform data and reports on disaster risk assessment.

Before appraisal, the Government completed a national risk assessment process known as RO-RISK, which articulated the risks from ten natural, technical and biological hazards. The RO-RISK report, data and information was uploaded and made available to different stakeholders. This report met EU standards and the sharing of the data supported the Government's commitment to the EU-INSPIRE directive.

The assessment of disaster and climate risk at the national level was a critical first step for quantifying disaster and climate risk, prioritizing them and developing actions in different sectors to improve resilience to identified risks. The analytical underpinnings of this prior action were based on: (i) World Bank (2010): *Natural Hazards, Unnatural Disasters: The Economics of Effective Prevention*. This report assessed the economics of disaster prevention and noted the different kinds of preventive actions that could be considered by governments; and (ii) Romanian Government (2017): *Risk Assessment (RO-RISK)*. This document provided national assessments of ten disasters facing Romania.

**The causal links between the prior actions under the pillars, the intended program results and the long-term outcomes were clear, direct and logical.** The first prior action aimed to strengthen the institutional and
legal framework for DRR through setting a National Platform for monitoring and communicating disaster impacts, enhance public awareness on effective preparedness and response strategies. The second prior action supported the monitoring of disaster impacts and coordination of disaster impacts in the case of a disaster through operationalizing a national emergency management system for emergency and disaster response. The third prior action aimed to provide the legal foundation for disaster resilience of physical infrastructure and strengthen the national building code for seismic risk reduction. The fourth prior action aimed to develop DRM plans for fiscal and budgetary strategies. Overall, the prior actions were likely to contribute to the PDO of strengthening Romania's institutional and legal framework to manage the physical, social and fiscal impacts of natural disasters and climate change. The prior actions were based on sound analytical underpinnings. The prior actions are rated as highly satisfactory.

Therefore, the relevance of design are rated as highly satisfactory.

Rating

Highly Satisfactory

4. Relevance of Results Indicators

Rationale

Pillar # 1. Strengthen the Borrower's national framework for disaster risk management. There were three results indicators (RIs) (PD, page 38)

RI # 1. The Government submitted annual reports on progress under the Sendai Framework for DRR.

RI # 2. The Government initiated citizen awareness campaigns to ensure that they understand the potential impact of disasters and how they can prevent, prepare and respond to disasters.

RI # 3. The Government submitted annual reports on the number of people affected by disasters each year, disaggregated by gender and age and damage to buildings and infrastructure.

The indicators discussed above measured progress towards the PDO of strengthening Romania's institutional and legal framework to effectively manage the physical and social impacts of natural disasters and climate change. The indicators were appropriate for measuring the development outcome and were verifiable.

Pillar # 2. Strengthen the Borrower's capacity to systematically identify and reduce disaster and climate risks and to manage the financial impact of disasters. There were three RIs (PD, pages 38 - 39).

RI # 4. The Government adopts the revised building code of seismic risk in existing buildings in the Official Gazette; (ii) the number of engineers certified as experts on the revised code; and (iii) the number of new buildings designed and built using the new regulations, and the number of old buildings refurbished on the basis of the revised design code for seismic for the existing building.
RI # 5. Disaster risk reduction action plans are prepared and approved by the relevant authorities.

RI # 6. The fiscal and budgetary strategy is informed by main disaster risks and their potential fiscal impacts based on the RO - RISK assessment data.

The indicators measured progress towards the PDO of strengthening Romania's institutional and legal framework to effectively manage the physical and fiscal impacts of natural hazards and climate change. The indicators which were directly attributable to the prior actions, were appropriate and could be verified. The baseline, targets and the data sources for monitoring performance were specified at appraisal. Therefore, the relevance of results indicators is rated as **satisfactory**.

**Table: Results Indicators (RIs), the Prior Actions they support, baseline and target values, actual change in RI relative to target and RI achievement rating.**

<table>
<thead>
<tr>
<th>RIs</th>
<th>Associated PAs</th>
<th>RI Relevance</th>
<th>Baseline (including units and dates)</th>
<th>Target (including units and dates)</th>
<th>Actual value of target</th>
<th>Actual change in target relative to targeted change</th>
<th>RI achievement rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDO. To strengthen Romania’s institutional and legal framework to effectively manage the physical, social and fiscal impacts of natural disasters and climate change.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pillar # 1. Strengthen Romania’s national framework for DRM.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RI # 2. Number of citizen awareness campaigns conducted to ensure that citizens are better informed of the potential impacts of disasters and how they can prevent, prepare and respond to disasters.</td>
<td>PA # 1 Satisfactory</td>
<td>Baseline (2018): No public awareness campaigns.</td>
<td>Target (2021): Six public awareness campaigns</td>
<td>Six public awareness campaigns</td>
<td>Target realized.</td>
<td>Substantial</td>
<td></td>
</tr>
</tbody>
</table>
### Pillar # 2. Strengthen the Borrower's capacity to systematically identify and reduce disaster and climate risks and to manage the financial impact of disasters.

| RI # 5 | Disaster risk reduction plans are prepared and approved by the relevant responsible authorities. | PA # 4 | Satisfactory | Baseline (2018): No disaster risk reduction plans. | Target (2021): Three action plans approved. | Seven disaster risk reduction plans approved. | Target exceeded. | Substantial |
| RI # 6 | The fiscal and budgetary strategy is informed by potential impact of disasters, with the publicly available RO-RISK data. | PA # 4 | Satisfactory | Baseline (2018): Disaster risk information not included in the fiscal and budgetary strategy. | Target (2021): Disaster risk information is included in the fiscal and budgetary strategy. | The draft fiscal and budgetary strategy, informed by disaster risks, was approved in 2022 and published in the Ministry of Finance website. | Target realized. | Substantial |

**Rating**

Satisfactory

### 5. Achievement of Objectives (Efficacy)

#### OBJECTIVE 1

**Objective**

To strengthen Romania's institutional and legal framework to effectively manage the physical impacts of natural hazards and climate change.

PA # 1 and 2, RI # 1 and 3

**Rationale**

**Outcomes.**
The National Platform for Disaster Risk Reduction (NPDRR) provided a basis for consultations on the diagnostic of the state of DRM in Romania. Four reports (2018, 2019, 2020 and 2021) were produced by experts from the General Inspectorate for Emergency Situations (GIES) and the Department for Emergency Situations (DES) on the progress achieved under the Sendai International Framework for DRR, exceeding the target of one report. In parallel, the Government through the NPDRR and with EU support, also started taking major steps for implementing the DesInventar database for enhancing the quality of reporting on the Sendai International Framework for DRR and validating data and information from progress reports as expected by the United Nations Office for Disaster Risk Reduction (UNDRR).

Four reports were produced (2018, 2019, 2020 and 2021) by the System for Emergency and Disaster Response (SMISU) on loss and damage data due to natural disasters, exceeding the target of three. The reports were publicly available. In addition to data on emergencies, the analytical reports on operations included indicators on efficiency of emergency response which included rescue time required, persons assisted and persons saved disaggregated by gender and age, event type and agency responsible. The ICR (para 47) noted that the report from 2021 showed that in the wake of the COVID-19 pandemic, the number of people assisted medically by the teams per minute increased between 2018 and 2021, with a much higher number during 2020 (6972 persons per minute) compared to 2018 (6445 persons per minute).

Rating
Satisfactory

OBJECTIVE 2
Objective
To strengthen Romania’s institutional and legal framework to effectively manage the social impacts of natural hazards and climate change.
PA # 1. RI # 2.

Rationale
Outcomes.

- The Government initiated several national strategic frameworks for improving the effectiveness of disaster preparedness and response and concrete objectives on risk communications through campaigns for raising public awareness, capacity building for emergency responders and operationalizing information and warning systems. This included six dedicated government awareness campaigns as targeted. The campaigns were disseminated through various communication channels (television, radio, 4,675 public emergency drills and through digital media tools). The number of downloads of the Department for Emergency Situations (DES) mobile app and the number of citizens accessing the "Be Prepared" digital platform doubled and tripled between 2018 and 2021, reaching over one million downloads and 805,000 users in 2021.

- Results of two public awareness surveys implemented in 2018 and 2021, showed that citizens awareness of earthquake as a major disaster risk increased from 26% to 39% between 2018 and 2021. About 74% of respondents were interested in receiving first aid training in 2021 and citizens
having actively joined prevention or relief actions increased from 28% to 41% between 2018 and 2021.

As discussed in section 2c, the Government requested a first partial withdrawal on February 7, 2020, and a second partial withdrawal in the wake of the COVID-19 pandemic (also discussed in section 8b and 9a).

Rating

Satisfactory

OBJECTIVE 3

Objective
To strengthen Romania’s institutional and legal framework to effectively manage the fiscal impacts of natural hazards and climate change.
PA # 3 - 4. RI # 4 - 6.

Rationale

Outcomes.

- The revised national building code for seismic risk reduction for all buildings was approved in December 2019, as targeted. The revised code updated standards for inspection of existing buildings, their retrofit and upgrade. This code was aligned with the structure of the European Norm Eurocode 8. The provisions in the code established the criteria and procedures for the seismic evaluation of existing buildings to determine their susceptibility of damage to severe seismic actions, and where appropriate, the substantiation of interventions works to reduce seismic vulnerability. The engineers in the Ministry of Internal Affairs (MoIA) were trained for assessing building structural vulnerability and undertaking verification of works for alignment with the regulation.

- Seven sector-specific DRR action plans were approved since 2018 to provide specific emergency management, exceeding the target of three plans. These action plans were for forest fires in August 2018, hydrometeorological events in 2019, droughts in 2020, chemical, biological and radiological incidents in 2020, earthquakes in November 2021, overall emergency in June 2022 and epidemics in 2022.

- The Fiscal and budgetary strategy informed by potential impact of disasters with a multi-hazard risk assessment (RO-RISK) data was approved in February 2022. This strategy provided a basis for considering several financial instruments to manage fiscal impacts towards a comprehensive disaster risk financing strategy.

Rating

Satisfactory
Overall Achievement of Objectives (Efficacy)
Rationale

Given that the intended outcomes were realized, overall outcome is rated as satisfactory.

Overall Efficacy Rating
Satisfactory

6. Outcome
Rationale

The PDO was highly relevant to the Government strategy and the current Bank strategy for Romania. There is an explicit, comprehensive and convincing results chain linking the prior actions to the achievement of the PDO, grounded in credible analytical work at the country level. Credible data were available to measure achievement of the target. Achievement of results indicators was rated substantial. Therefore, overall outcome is rated as satisfactory.

a. Rating

Satisfactory

7. Risk to Development Outcome

Government commitment. The risk that development outcomes will not be sustained due to inadequate Government commitment is low. The ICR (para 69) notes that the Government is highly committed to advancing specific DRM activities under the EU programming period. The Government is also implementing several programs for seismic upgrading and retrofitting and enhancing sustainability and energy efficiency of infrastructure, including through four IPFs focusing on emergency response and educational assets. The ICR observes that the role of the disaster and emergency sector became even clearer during the COVID-19 pandemic and in the wake of the pandemic, there is greater appreciation across the Government of investing in building resilience.

Macroeconomic risk. There is moderate risk to development outcomes due to the ongoing Russia's invasion of Ukraine and ensuing impacts risks on global supply chains that can impact the fiscal situation in Romania and thereby undermine resources of the DRM agencies.

Institutional risk. The ICR (para 72) notes that there are still some gaps in the legal and institutional framework to ensure sufficient and timely implementation of DRR programs. The ICR also notes that although Romania had made progress in terms of general awareness, DRM outreach activities from the Government could be specifically tailored and designed to reach the lower income groups.
8. Assessment of Bank Performance

a. Bank Performance – Design

Rationale

The Bank prepared this operation in coordination with Government stakeholders and in consultation with civil society and vulnerable groups such as the Roma community, as well as the EU and international organizations. The operation was based on the experiences from the previous Bank-financed 2003 - 2012 multi-sectoral hazard risk mitigation project in Romania and from the 12 Bank financed Cat DDO's operations implemented globally by the Bank since 2008. The lessons incorporated at design were: (i) disasters need to be managed as opposed to treating them as exogenous shocks that cannot be proactively addressed; (ii) efficiency of DRM is likely to be enhanced when it is based on adequate risk identification; (iii) an ex-ante strategy to finance response, recovery and reconstruction for faster recovery after a disaster event; (iv) recognizing that Governments can take preventive actions for reducing risks without incurring additional costs; and (v) securing flexible source of funding to cover early disaster response and recovery (PD, para 53).

The prior actions of this operation were based on sound analytical underpinnings (discussed in section three). The baseline and targets for the results indicators and the data sources for monitoring performance were appropriately specified at appraisal.

The Bank identified several risks at appraisal, including substantial political and governance risks, moderate risks with macroeconomic and fiduciary management and low risks relating to the technical design of the program. The mitigation measures incorporated proved to be appropriate for managing the operation's risks (ICR, paras 64 and 65). The ICR notes that although the COVID -19 pandemic could have posed a substantial risk to divert attention from DRM reforms, the Bank's parallel engagements with the Government and the possibility to utilize liquidity from the Cat DDO to support early response to the pandemic helped to keep the visibility of DRM reforms.

Rating

Satisfactory

b. Bank Performance – Implementation

Rationale

The Bank conducted twice a year supervision missions, with a multidisciplinary team consisting of DRM and financial specialists (ICR, para 66). The in-country presence of the Bank team facilitated in tracking the progress of reforms, coordinating between the Government and other development partners and engaging in high-level policy dialogue. The Bank also mobilized additional resources for TA to advance complementary reforms. The Bank also expeditiously addressed the two withdrawal requests for disbursement of Cat DDO
funds in the wake of the COVID-19 pandemic. This enabled timely transfer of funds to the Government and providing assistance to the citizens in the aftermath of the public health crisis.

Rating

Satisfactory

c. Overall Bank Performance

Rationale

Overall Bank performance is rated as satisfactory reflecting the Bank performance both at design and during implementation.

Overall Bank Performance Rating

Satisfactory

9. Other Impacts

a. Social and Poverty

This operation supported Romania's vulnerable populations by providing immediate liquidity to the Government that was critical in avoiding disruptions to social assistance during the COVID-19 pandemic in 2020 and 2021 respectively (ICR, para 58).

b. Environmental

The ICR (para 59) noted that specific actions under this DPL were not expected to have adverse environmental impacts. The ICR observed that as an EU member, Romania has strong environmental protection standards and the national strategies and reforms supported by the DPL were aligned with the National Climate Change and Low Carbon Green Growth Strategy's 2016-2030 sector specific goals for protecting natural resources.

c. Gender

There was no gender-specific impacts.
d. Other

Not applicable (ICR, para 61).

10. Quality of ICR

Rationale

The ICR is well-written, and the quality of evidence provided in the ICR is adequate for monitoring the operation's performance. The ICR appropriately discusses the analytical underpinnings of the prior actions. The theory of change provided in the ICR is clear and convincingly articulates the causal links between the prior actions, the results indicators and the intended outcomes. The ICR clearly provides justification for why a Development Policy Lending (DPL) with a Catastrophic Deferred Drawdown Option (Cat-DDO) was used for this operation and draws good lessons from the experience of implementing this operation. The ICR is concise and for the most part, adheres to the recommended length.

a. Rating

Substantial

11. Ratings

<table>
<thead>
<tr>
<th>Ratings</th>
<th>ICR</th>
<th>IEG</th>
<th>Reason for Disagreement/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outcome</td>
<td>Satisfactory</td>
<td>Satisfactory</td>
<td></td>
</tr>
<tr>
<td>Bank Performance</td>
<td>Satisfactory</td>
<td>Satisfactory</td>
<td></td>
</tr>
<tr>
<td>Relevance of Results Indicators</td>
<td>---</td>
<td>Satisfactory</td>
<td></td>
</tr>
<tr>
<td>Quality of ICR</td>
<td>---</td>
<td>Substantial</td>
<td></td>
</tr>
</tbody>
</table>

12. Lessons

The ICR draws four main lessons from the experience of implementing this operation. Three of them are presented below, with some adaptation of language.

1. A national disaster risk management (DRM) platform with strong convening power across institutions and sectors help in ensuring cooperation and coordination of actors. The lesson is while the coordination and division of tasks with limited resources worked well at the central level, capacity and collaboration needs to be strengthened at the local level for improving disaster risk reduction.
2. Strong institutional champions and a platform for dialogue help in advancing complex reforms and ensuring effective implementation of a Development Policy Operation (DPO) with Catastrophe Deferred Drawdown Option (Cat DDO). Institutional partners with understanding of the program and other engagements with the World Bank such as the Ministry of Finance in this operation helped in advocating the financial mechanisms that were instrumental for developing and implementing the Cat DDO. Having champions at a high decision-making level also proved to be critical for the triggering and withdrawal of funds from the Cat DDO.

3. The Cat DDO can be effective and timely instrument for high impact events. The Cat DDO in this operation supported the Government through two separate withdrawals in the wake of the COVID - 19 pandemic. This allowed to mitigate the impacts of the pandemic through prepositioning human resources, equipment and quarantine spaces such as supporting citizens in home-based isolation.

13. Project Performance Assessment Report (PPAR) Recommended?

No