1. Operation Information

**Operation ID**
P159351

**Operation Name**
DR DPL with a Cat DDO

**Country**
Dominican Republic

**Practice Area (Lead)**
Urban, Resilience and Land

**Non-Programmatic DPF**

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**Prepared by**
Ranga Rajan
Krishnamani

**Reviewed by**
Fernando Manibog

**ICR Review Coordinator**
Victoria Alexeeva

**Group**
IEGSD

2. Program Objectives and Pillars/Policy Areas

a. Objectives

The development objectives of this Development Policy Operation (DPO) as stated in the Program Document (PD, page 1) is to support the Government of the Dominican Republic in:
a. Strengthening institutions for improved climate and disaster resilience in priority sectors; and

b. Establishing mandatory regulations for climate and disaster risk reduction in public investment and construction works.

b. Pillars/Policy Areas

The development objectives were to be achieved through reforms under two policy areas/pillars. The two pillars are worded exactly the same as the PDOs. There were three prior actions under each of the two pillars.

Pillar A. Strengthening institutions for improved climate and disaster resilience in priority sectors.

Pillar B. Establishing mandatory regulations for climate and disaster risk reduction in public investment and construction works.

c. Comments on Program Cost, Financing and Dates

Financing. An IBRD loan of US$150.00 million financed this DPO with a Catastrophe Deferred Drawdown Option (CDD - DDO). The loan was fully disbursed.


Other changes. The main changes during implementation were as follows:

- In 2019, there was a change in the Ministry of Education, with the General Directorate for Rehabilitation (DIGRE) absorbed by the General Directorate of School Infrastructure Maintenance (DGMIE). This change created delays in the progress of the rehabilitation program in schools.
- In March 2020, the Government declared a state of emergency due to the COVID-19 pandemic. The Government faced fiscal and physical constraints and was unable to mobilize the necessary resources needed for achieving the results for the indicators on rehabilitation of schools and the number of watershed basin studies.
- The Presidential Elections in July 2020 resulted in changes within the government. This affected the operation's progress and monitoring the related indicator in the water sector.

3. Relevance of Design

a. Relevance of Objectives

Country context. Due to its geographical location, the Dominican Republic (DR) is highly exposed to natural hazards such as earthquakes, hurricanes and tropical storms. According to the World Bank 2018 Country Disaster Risk Profile (CDRP) for DR, average annual losses from earthquakes and hurricane-related events amounted to US$642 million. The frequency and severity of such hazards was further expected to be
exacerbated by climate change factors. Given that shocks created by adverse natural events have regressive
distribution effects as the poor are more vulnerable to such shocks, mobilizing resources quickly in the event
of a natural catastrophe and strengthening the disaster risk management (DRM) and climate change
adaptation (CCA) systems were important to the Government strategy.

**Government strategy.** The National Development Strategy (END) approved in 2012, identified reducing
vulnerability to climate and disasters as priorities. The 2013 National Plan for Comprehensive Disaster Risk
Management operationalized selected aspects of the END for facilitating disaster preparedness and
implementing early warning systems. In 2015, the Government adopted the National Climate Change Policy
aimed at strengthening the National Planning System for promoting a "low-emission and climate-resilient"
system. More recently, the Dominican Republic's National Strategy for Development for 2030 (NSD) and the
National Multi-Sector Public Sector Plan for 2020-2024 (NPSP) called for recalibrating the economic growth
path towards one that is green, inclusive, innovative and resilient to climate shocks.

**Bank strategy.** The Bank financing for this operation intended to provide the DR with a fiscal buffer for: (i)
reducing the impact of future disasters; (ii) providing bridge financing for immediate response, since disasters
disproportionately impact the poor; and (iii) ensuring that budget resources are not diverted from other
development programs. At appraisal, the PDOs were well-aligned with the Bank's Country Partnership
Strategy (CPS) for 2015 - 2018, which had the strategic goals of eliminating poverty and promoting shared
prosperity. The CPS acknowledged that the high vulnerability to climate change was key for sharing
prosperity. This CPF was extended to 2019. The Bank's current Country Partnership Framework (CPF) for
2022 - 2026 reiterated the need for strengthening the government's institutional and financial capacity to
manage the DR's exposure to natural shocks. The objective 3.3 of the CPF explicitly referenced the need for
improving DRM in DR.

**Previous Bank experience.** The Bank has a long history of engagement with DR. This was the first Bank Cat
DDO in the Caribbean and the first Cat DDO to include health emergencies as a trigger. This operation was
designed based on the Bank's technical assistance work aimed at mainstreaming DRM and CCA in territorial
planning, public investment and public finances in DR between 2011 and 2015. The Bank team determined
that the macroeconomic situation was adequate at appraisal to support a DPF operation. The prior actions of
this operation were based on solid analytical underpinnings (discussed below).

b. Relevance of Prior Actions

**Rationale**

**Pillar A. Strengthening institutions for improved climate and disaster resilience in priority
sectors.** Reforms in this area aimed to mainstream DRM and CCA policies in three priority sectors: fiscal
management, school infrastructure and water resource management. This pillar had three prior actions.

**Prior Action 1.** The Government established new institutional structures for quantifying and pricing contingent
liabilities associated with disaster and climate risks by: (i) establishing an interinstitutional body for assessing
and quantifying the economic and fiscal impacts of natural disasters; and (ii) mandated the Ministry of Finance's
(MH in Spanish) General Directorate for Fiscal Analysis and Policy to assess the impacts of disasters on fiscal
accounts as part of managing contingent liabilities and the MH's General Directorate of Public Credit to manage
the contracting of financial instruments for risk transfer.
The DRM entities in the DR before appraisal, neither had the mandate nor the expertise to assess the fiscal and economic impacts of disasters. The knowledge gap limited the ability to quantify the economic and fiscal impacts of disasters. This prior action aimed to remedy this deficiency by mandating MH to respond to disasters and climate impacts through developing a cost-effective strategy, and authorizing the General Directorate for Fiscal Analysis and Policy to explicitly assess contingent liabilities as part of the MH's broader risk management strategy.

The analytical underpinnings of this prior action were sound and based on: (1) The World Bank's 2017 study "Open and Nimble: Funding Growth in Small Economies", which concluded that exposure to natural disasters not only increases external volatility but also exposes small states to two common challenges: fiscal mismanagement and low saving rates; and (2) "Improving the Assessment of Disaster Risk to Strengthen Financial Resilience", a joint G20 publication by the Government of Mexico and the World Bank, that highlighted the need for quantifying contingent liabilities.

This prior action, which aimed at institutional strengthening that in turn would increase the fiscal capacity to respond to natural disasters and climate change factors, was based on sound analytical underpinnings. Therefore, the relevance of PA 1 is satisfactory.

Prior Action 2. This prior action sought to incorporate safety standards in school infrastructure through: (i) creating a General Directorate for Risk Management in the Ministry of Education (MINERD); (ii) creating a General Directorate within MINERD for rehabilitating and retrofitting the existing school infrastructure; and (iii) centralizing the supervision of school infrastructure construction under the Ministry of Public Works (MOPC) for enforcing safety standards in new schools.

The capacity to incorporate risk analysis in designing and constructing schools was limited in the DR at appraisal. The decision-making process regarding locating schools in the past had been driven mainly by availability of land. This had resulted in building schools in flood-prone areas, as evidenced during the heavy flooding in the northern part of DR in 2016. The inadequate institutional framework hampered quality control of existing schools and enforcing regulations in building new school infrastructure.

Reforms in this area aimed to create a new institutional framework for: (i) developing a risk informed management system for rehabilitating and retrofitting existing schools; and (ii) incorporating mandatory safety standards in new schools. The analytical underpinnings of this prior action were sound and based on the: (1) United Nations: Safe School Selected Reports; (2) An Independent Assessment on disaster risk reduction in DR by the United Nations Office for Disaster Risk Reduction (UNISDR); and (iii) a report by the Japan International Cooperation Agency (JICA), which provided the first comprehensive risk assessment of school infrastructure in the San Cristobal Province of the DR.

This prior action, which aimed at enhancing safety standards in existing schools and in the construction of new schools, was appropriate and could be expected to contribute to the intended outcome. Therefore, this prior action is satisfactory.

Prior Action 3. Reforms in this area aimed to enhance flood and drought reduction. As a prior action, the Government established an interinstitutional structure to coordinate and facilitate the works of the institutions responsible for Integrated Water Resources Management.

Floods and droughts are the most frequent and recurring disasters in DR. When this operation was prepared, DR lacked a comprehensive framework encompassing the many of actors in water management. This prior action sought to strengthen the institutional set-up of the water sector through creating the Water Resource
Coordination Board (WRCB) in the Ministry of Economy, Planning and Development (MEPyD) in 2016. This prior action was appropriate, given that water resource management in the DR was viewed as a cross-sectoral issue.

The analytical underpinnings of this prior action were based on: (1) World Bank (2013) study "Resilient Coastal Cities: The Economic, Social and Environment Dimensions of Risk". This study identified public investment in flood protection as one of the most important adaptation tools in coastal cities. and (2) World Bank (2017) study "Overview: Shaking up economic progress: Aggregate Shocks in Latin America and the Caribbean". This study noted that lack of information on relevant risk constrains the ability of private and public agents to price risks.

The analytical underpinnings for this prior action were strong and given that establishing the Water Resource Coordination Board would help in coordinating the work of the many water sector entities, this prior action is satisfactory.

The prior actions, based on solid analytical underpinnings, were good steps for realizing the intended objectivities. However, all the prior actions in this pillar, focused on upstream activities such as establishing new institutions or assigning new tasks to them, that were carried out in 2016 or 2017. Given that the ICR is dated February 2022, the ICR could have provided more evidence related to the operational effectiveness of those institutions or the beneficial impact of their processes and products.

Pillar B. Establishing mandatory regulations for climate and disaster risk reduction in public investment and construction works. Reforms in this area aimed to create and enforce standards for assessing and including disaster risks in the National Public Investment System (SNIP), health infrastructure and the building sectors respectively.

Prior Action 4. As a prior action, the Government established mandatory technical standards for incorporating disaster and climate risk analysis while designing Public Investment projects (PIPs).

Although the Government had enacted legislation establishing technical standards for PIPs in 2010 and 2013, they were not mandatory and hence not effective in enforcing the critical resilience measures in PIPs. Unlike in the past, the current technical guidelines were mandatory. The analytical underpinnings of this prior action were based on the "2013 Global Assessment Report on Disaster Risk Reduction. From Shared Risk to Shared Value: The Business Case for Disaster Risk Reduction", a publication from the United Nations Office for Disaster Risk Reduction. This report looked at how regulations shape disaster risk.

Mandatory technical standards for PIPs were an essential step for reducing the human and economic impact of disasters over the long term. However, the effectiveness of this prior action could be undermined by lax enforcement of the standards. Therefore, this prior action is moderately satisfactory.

Prior Action 5. The Government issued mandatory technical regulations for granting operating permits to health facilities by: (i) requiring compliance with the Ministry of Public Health's (MSP) guidelines for designing and constructing health facilities; and (ii) an assessment of the health facilities build before 2011 using the Hospital Safety Index.

A large percentage of health facilities in DR are highly vulnerable and exposed to climate and disaster risks. This prior action aimed to assess all major public health facilities in DR with the Hospital Safety Index (ISH) proposed by the Pan American Health Organization/World Health Organization (PAHO/WHO). The ISH provides a snapshot of the probability that a hospital or health facility will continue to function in the aftermath of
an adverse natural event based on the assessment of structural, nonstructural and functional factors. The analytical base for this prior action was provided by the WHO's 2015 "Hospital Safety Index for Evaluators".

The prior action of establishing mandatory technical standards in the health sector directly supported the mainstreaming of disaster risk assessment for health infrastructure. Therefore, the prior action is satisfactory.

**Prior Action 6.** As a prior action, the Government sought to strengthen the technical regulations for inspecting and supervising of construction works, by requiring such works to comply with all applicable building regulations.

The large majority of new construction works in DR were not systematically inspected and supervised, and enforcement of building codes was limited. This prior action aimed at strengthening the enforcement of building codes. The analytical underpinnings for this prior action came from the technical assistance (TA) from the Japan International Cooperation Agency (JICA) and a World Bank TA operation in DR (DR Improving Competitiveness P155562). This prior action was based on sound analytical underpinnings and could be expected to contribute to the intended outcome. Therefore, the relevance is satisfactory.

The selected prior actions were for the most part the relevant ones in achieving the objectives of the two pillars along the results chain to the achievement of the Program's overarching objectives. Assigning equal value to each prior action, the simple average of the two Pillars is five. Therefore, the relevance of design is rated as satisfactory.

**Rating**

Satisfactory

**4. Relevance of Results Indicators**

**Rationale**

**Pillar A. Strengthening institutions for improved climate and disaster resilience in priority sectors.** There were four results indicators for this pillar.

**Results Indicator number one.** The Ministry of Finance publishes and incorporates contingent liabilities associated with natural disasters and climate change events in its Medium-Term Fiscal Framework. This results indicator is a direct measure of financial risks and resilience, in support of the pillar's institutional strengthening goals. Therefore, the relevance of this indicator is substantial.

**Results indicator number two and results number three.** Results indicators two and three measured the pillar's institutional strengthening goals in the education sector. Results indicator two measured the percentage of the existing public schools for which a disaster risk assessment has been completed. Results indicator three measured the percentage of public schools, for which a disaster risk assessment had been completed, and which were included in a rehabilitation/retrofitting program. The indicators could be verified, and directly measured the increase in the public schools' resilience through the preparation of
risk assessments, which supports the pillar's institutional strengthening goals in the education sector. Therefore, the relevance of these indicators is substantial.

Results indicator number four. This indicator measured the number of risk-prone areas in main watershed basins that had been prioritized by the hydrological and hydrometerological studies to undergo improvements in water management. This indicator was appropriate for measuring the achievement of risk reduction outcomes in the water sector. Therefore, the relevance of this indicator is substantial.

Pillar B. Establishing mandatory regulations for climate and disaster risk reduction in public investment and construction works.

Results indicator number five. This indicator measured the number of public investment projects that complied with the mandatory technical standards after they came into effect. This indicator was appropriate and measures the development outcome related to reducing risks in public investments through compliance with set standards. Therefore, the relevance of this indicator is substantial.

Results indicator number six. This indicator measured the number of existing health facilities that were assessed using the Health Safety Index methodology. This indicator could be verified and appropriate for monitoring the outcome. Therefore, the relevance of this indicator is substantial.

Results indicator number seven. This indicator measured the percentage of private buildings with a building permit that were inspected. This indicator is a direct measure of the climate and disaster risk reduction, through inspection and enforcement actions, in support of the pillar’s institutional strengthening goals. Therefore, the relevance of this indicator is substantial.

Of the seven results indicators, the first four indicators can be expected to measure the intended outcome of strengthening institutions for improving climate and disaster resilience in the priority sectors. The remaining three indicators can be expected to measure the intended outcome of strengthening institutions for reducing climate and disaster risk in public investment and construction works. Therefore, the overall relevance of the results indicators is satisfactory.

Table. Results Indicators (RIs), the Prior Actions (PAs) they support, baseline values, 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 change in RI relative to targeted change</th>
<th>Most recent value (2021)</th>
<th>RI achievement rating</th>
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</table>
### Independent Evaluation Group (IEG)

**DR DPL with a Cat DDO (P159351)**

<table>
<thead>
<tr>
<th>RI 2. Percentage of existing public schools for which a disaster risk assessment was conducted.</th>
<th>PA 2</th>
<th>Substantial</th>
<th>Baseline (2016): 0</th>
<th>Target (2020): 15% of existing schools as of 2015 (of 6,500 of total schools).</th>
<th>16.15% of existing schools.</th>
<th>Target exceeded.</th>
<th>Satisfactory.</th>
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<tbody>
<tr>
<td>RI 3. Percentage of public schools with a disaster risk assessment which are included in a rehabilitation and retrofitting program.</td>
<td>PA 2.</td>
<td>Substantial</td>
<td>Baseline (2016): 0</td>
<td>Target (2020): 30% of the schools</td>
<td>12% of the schools</td>
<td>40% of the target.</td>
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<tr>
<td>RI 4. Number of risk-prone areas in main watershed basins that were prioritized by hydrological and hydrometeorological studies to undergo improvements in water management.</td>
<td>PA 3.</td>
<td>Substantial</td>
<td>Baseline (2016): Studies conducted in 10 of the 140 identified risk-prone areas.</td>
<td>Target (2020): Studies conducted in 50 of the 140 identified risk-prone areas.</td>
<td>Status (2021): Studies in 23 of the 140 identified risk-prone areas.</td>
<td>46% of the target.</td>
<td>Moderately Satisfactory</td>
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</table>

**PDO 2. Establishing mandatory regulations for climate and disaster risk reduction in public investment and construction works.**

| RI 5. The number of PIPs approved in the National Public Investment System (SNIP) after the technical standards came into effect on July 20, 2017. | PA 4. | Substantial | Baseline (2016): 0 | Target (2020): All PIPs approved. | Status (2021): All PIPs approved. | Target realized. | Satisfactory |
were assessed using the ISH in 2016. assessed using the ISH.

RI 7. Number of construction works with a building permit that were inspected by the Ministry of Public Works and Communications.

<table>
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### 5. Achievement of Objectives (Efficacy)

#### OBJECTIVE 1

**Objective**

Strengthening institutions for improved climate and disaster resilience in priority sectors.

**PA 1 -3: RIs 1-4.**

**Rationale**

*Theory of change.* Incorporating contingent liabilities in the Medium-Term Fiscal Framework and incorporating new institutional structures for quantifying and pricing contingent liabilities were aimed at strengthening the institutional framework for addressing disaster and climate risks. These activities were likely to strengthen the fiscal framework for responding to natural disasters and climate change events. Conducting disaster risk assessments and incorporating safety standards in school infrastructure were aimed at incorporating safety standards for school infrastructure. Such standards were likely to strengthen the institutional framework for incorporating safety standards in the education sector. Conducting assessments of disaster-prone areas were likely to aid in identifying disaster prone areas. Such assessments were likely to improve the institutional framework for responding to disasters and climate change events in the water sector. The combination of these reforms were likely to contribute to improving the institutional framework for climate and disaster resilience in the priority sectors identified by the Government.

By 2020, the Ministry of Finance (MH) had incorporated contingent liabilities for quantifying and pricing contingent liabilities associated with disasters in the Medium-Term Fiscal Framework for 2019 - 2023 and 2020 - 2024 and 2021-2025. During 2017 - 2018, the MH through its General Directorate of Analysis and Fiscal Policy (DGAPF), developed the first Fiscal Report. This report included the Country Disaster Risk Profile, identifying and quantified the costs and potential losses from disasters. While the documents were not published, the 2020 Budget Law Report (which was published) included an assessment of contingent liabilities associated with disasters. The Multi-Year Budgetary Policy also included an assessment of
contingent liabilities. The targets were for the most part realized. Therefore, efficacy of this PDO is satisfactory.

By the end of 2020, disaster risk assessment had been completed in 16.5% of the 6,500 total existing public schools in DR, exceeding the target of 15%. (The General Directorate for Environmental and Risk Management (DIGAR) conducted 759 assessments in public schools with a rapid visualization tool based on the World Bank's Global Program for Safe Schools methodology and 217 assessments using the Safety Index for DR schools (ISCERD). The target was slightly exceeded. Therefore, efficacy of this PDO is satisfactory.

By February 2021, 12% out of 470 schools with a disaster risk assessment were included in a rehabilitation/retrofitting program. This was short of the target of 30% of schools. Given that 40% of the target was realized, efficacy of this PDO is moderately satisfactory.

Studies were conducted for 23 of the identified risk-prone areas in 2020, as compared to 10 at the baseline in 2016. This was short of the target of 50 identified risk-prone areas. The ICR notes that the target could not be realized for a combination of factors, including lack of human and financial resources within the Ministry and impact of COVID-19 which precluded the necessary field visits by ministry officials to conduct the required studies. Given that only 35% of the specified target was realized, efficacy of this PDO is moderately satisfactory.

Of the four results indicators, two were satisfactory and two moderately satisfactory. However, the indicators such as disaster risk assessments, studies and publications of the contingent liabilities focused on upstream activities. The ICR provides little evidence on concrete development outcomes at the level of beneficiaries. Therefore, the overall efficacy of this PDO is moderately satisfactory.

Rating

Moderately Satisfactory

OBJECTIVE 2

Objective
Establishing mandatory regulations for climate and disaster risk reduction in public investment and construction works.
PA 4 - 6: RIs 5 - 7.

Rationale
Theory of change. Reforms aimed at establishing mandatory regulations for in public investment projects, in the health sector and construction works were aimed at climate and disaster risk reductions in the sectors prioritized by the Government. While establishing mandatory standards in public investment projects, safety standards in the health sector and for construction works would help, the extent to which they would help in reducing climate and disaster risk in the respective sectors would depend on how these standards are enforced.
All Public Investment Projects approved in the National Public Investment System (SNIP) complied with the mandatory technical standards of incorporating disaster and climate risk analysis as targeted. Therefore, efficacy of this PDO indicator is satisfactory.

By 2020, twenty two of the 164 public health facilities built before 2011 received an operating permit after having been assessed through the Hospital Safety Index, as compared to the specified target of twenty five hospitals. Given that this represented 88% of the target, efficacy of this PDO indicator is satisfactory.

All private works with a building permit were supervised and inspected by 2021. This exceeded the target of 80%. Efficacy of this PDO indicator is satisfactory.

The three indicators in PDO 2 were rated as satisfactory. Therefore, efficacy of PDO 2 is satisfactory.

**Drawdown of the Cat DDO.** On March 20, 2020, the Bank received a request from the Government to withdraw US$150 million from the Cat DDO following the declaration of emergency related to the COVID-19 pandemic. In response to the request, the Bank released the funds. The funds were used to support the Government's efforts to manage the economic and social costs of the pandemic.

**Rating**

Satisfactory

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**Overall Achievement of Objectives (Efficacy)**

**Rationale**

Of the four results indicators for PDO 1, two were rated as substantial (the percentage of existing public schools for which a disaster risk assessment was completed and incorporating contingent liabilities in the Medium-Term Fiscal Framework). The remaining two results indicators were rated as modest (the percentage of public schools included in a rehabilitation/retrofitting program and the number of studies completed for the risk-prone areas in main watershed basins).

The three results indicators for PDO 2 were rated as substantial (the number of construction works with a building permit that were inspected, the number of public investment projects approved in the National Public Investment System and the number of facilities assessed using the Hospital Safety Index).

Overall efficacy is moderately satisfactory.

**Overall Efficacy Rating**

Moderately Satisfactory
6. Outcome

Rationale

The prior actions were appropriate along the results chain for realizing the intended objectives. The seven results indicators were a direct measure of the two Pillars' achievement.

The operation's efficacy is moderately satisfactory. The Cat DDO achieved the development objective with only minor shortcomings by strengthening institutions for improved climate and disaster resilience in priority sectors and to establishing mandatory regulations for climate and disaster risk reduction in public investment and construction works. The operation also quickly mobilized resources in the aftermath of a disaster, including public-health related events. In 2020, the Cat DDO provided immediate liquidity support to the Government's efforts to implement emergency measures to contain the spread of the COVID-19 pandemic and manage the impact of the pandemic.

However, the operation did not achieve all of the agreed results under the policy matrix. The pandemic in particular, directly affected the achievements of at least two results indicators RI 3 on school rehabilitation programs and RI 4 on water studies, as it prevented officials from undertaking the necessary field works, and/or inspections, and the impact caused the Government to shift resources from planned investments towards the COVID-19 emergency response. Therefore, overall outcome is rated as moderately satisfactory.

a. Rating

Moderately Satisfactory

7. Risk to Development Outcome

Government commitment. The risk to development is low, given that the new Government which came into power when this operation was being executed, continued to express its strong commitment to enhance the DRM program. While two of the institutional developments (discussed in section two) supported under the Cat DDO were affected by the changes, in practice the changes did not affect the continuity of the mandate. The current Government is continuing the objective of mainstreaming risk management in the public investment and territorial planning processes.

8. Assessment of Bank Performance

a. Bank Performance – Design

Rationale

This operation was prepared based on the Bank's technical assistance work aimed at mainstreaming DRM and CCA in territorial planning, public investment and public finances in DR between 2011 and 2015, and the lessons from previous Bank-financed Cat DDOs in Panama, Philippines, Sri Lanka and Bolivia. The
key lessons incorporated at design included: (i) actions and activities of a Cat DDO needs to be aligned with government priorities; (ii) DRM policies need to be based on adequate risk identification (including fiscal and physical risks); and (iii) DPLs with a Cat-DDO needs to be part of a broader financial protection strategy against disasters and climate-related shocks.

The prior actions were based on sound analytical underpinnings (discussed in section three), and the prior actions were designed based on consultations with the Government, private sector academia and civil society. The operation was prepared in close consultations with other donors financing complementary DRM policies in DR such as the European Union (EU), the Inter-American Development Bank (IADB) and Japan International Cooperation Agency (JICA).

Several risks were identified at appraisal, including substantial risks associated with institutional capacity and sustainability of the program over the medium and long run. Mitigation measures incorporated at design included, proactive engagement of the Ministry of Finance to support DRM-related reforms. With mitigation measures, the overall operation risk was rated as moderate at appraisal (PD, paragraph 83).

Rating
Satisfactory

b. Bank Performance – Implementation

Rationale
The Bank conducted regular implementation supervision missions to assess progress on the expected results and the achievement of the development objective. The implementation capacity of the Government to advance the DRM agenda was adequately assessed by the Bank, which facilitated the implementation of this operation. The Bank mobilized a significant technical assistance program to support the Government in implementing this program. Activities under this program supported the Ministry of Finance (MH) and the Ministry of Economy, Planning and Development (MEPyD) in the implementation of policy reforms included under this operation.

Rating
Satisfactory

c. Overall Bank Performance

Rationale
The Bank's sustained involvement during the design and implementation stages helped significantly in developing policy tools to improve the resilience of public investments and also support the financial and fiscal resilience to climate and disaster risks in the DR.
Overall Bank Performance Rating

Satisfactory

9. Other Impacts

a. Social and Poverty

This Cat DDO directly supported the DR's more vulnerable populations by contributing to the adoption of mechanisms to increase the Government's fiscal resilience and capacity to mobilize resources in the aftermath of a disaster. Similarly, reducing disaster risk in critical infrastructure besides reducing the burden of recovery on the Government, also minimizes the human costs of recovery (ICR, 43).

b. Environmental

Reforms in this operation were not expected to have adverse environmental impacts, as the reforms were primarily aimed at strengthening the institutional framework and improving regulations for increased resilience and reduction of disaster and climate-related risks (PD, paragraph 73).

c. Gender

Reforms in this operation were not specifically directed towards women.

d. Other

The ICR (paragraph 46) states that this operation did not have significant unintended outcomes.

10. Quality of ICR

Rationale

The ICR is well-written. The ICR provides a clear description of the country context when the Bank prepared this operation. The ICR provides a good description of the Cat-DDO instrument. The quality of evidence provided in the ICR is adequate to assess the performance of this operation. The ICR draws suitable lessons from the experience of implementing this operation.
One shortcoming of the ICR is that it does not articulate a theory of change showing the causal links between the prior actions, the chosen results indicators, and the intended outcomes.

### a. Rating

**Substantial**

#### 11. Ratings

<table>
<thead>
<tr>
<th>Ratings</th>
<th>ICR</th>
<th>IEG</th>
<th>Reason for Disagreement/Comments</th>
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</thead>
<tbody>
<tr>
<td>Outcome</td>
<td>Moderately Satisfactory</td>
<td>Moderately Satisfactory</td>
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<tr>
<td>Bank Performance</td>
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<tr>
<td>Relevance of Results Indicators</td>
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<tr>
<td>Quality of ICR</td>
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#### 12. Lessons

The ICR draws the following main lessons from the experience of implementing this operation, with some adaptation of language.

1. **In addition to providing immediate liquidity in the aftermath of a natural disaster, a Cat DDO instrument can help in enhancing long-term policy, while providing technical and capacity support.** The Cat-DDO helped in providing immediate liquidity in the wake of the COVID-19 pandemic. In addition, it also enhanced the Government's understanding of contingent liabilities and pricing climate and disaster risks.

2. **Technical Assistance activities to support the Cat DDO can be useful in improving policy dialogue and implementation.** Technical assistance provided by the Bank alongside this operation helped the Government in advancing key disaster risk management topics.

3. **Strong coordinating/implementing agencies can be useful in advancing robust reform programs.** In this operation, the Ministry of Finance had a good understanding of the Cat DDO and this helped in implementing this operation.

#### 13. Project Performance Assessment Report (PPAR) Recommended?

**No**