



## 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: 8 | ARCHIVED on 07-Jan-2021 | ISR44316 |

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"/> 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. On September 1, 2020 Mr. Aholotu Palu was appointed as a CEO of PCRIC. The recruitment of a CEO is an important step which is expected to significantly enhance PCRIC's capacity, particularly in terms of client outreach.

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 finalized by March 2021.



**Risks**

**Systematic Operations Risk-rating Tool**

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	☐ Moderate	☐ Moderate	☐ Moderate
Macroeconomic	☐ Moderate	☐ Moderate	☐ Moderate
Sector Strategies and Policies	☐ Moderate	☐ Moderate	☐ Moderate
Technical Design of Project or Program	☐ Substantial	☐ Substantial	☐ Moderate
Institutional Capacity for Implementation and Sustainability	☐ Substantial	☐ High	☐ Substantial
Fiduciary	☐ Substantial	☐ High	☐ Substantial
Environment and Social	☐ Low	☐ Low	☐ Low
Stakeholders	☐ Moderate	☐ Moderate	☐ Moderate
Other	--	--	☐ Moderate
Overall	☐ Substantial	☐ Substantial	☐ 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	22-Jun-2020	11-Dec-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	22-Jun-2020	11-Dec-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	Yes	Yes	Yes
Date	14-Feb-2017	22-Jun-2020	11-Dec-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	Yes	Yes	Yes
Date	14-Feb-2017	22-Jun-2020	11-Dec-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	22-Jun-2020	11-Dec-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	22-Jun-2020	11-Dec-2020	30-Jun-2021
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Monitoring and Evaluation				
► Monitoring and Evaluation (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	Yes	Yes
Date	14-Feb-2017	22-Jun-2020	11-Dec-2020	30-Jun-2021

### Performance-Based Conditions

#### Data on Financial Performance

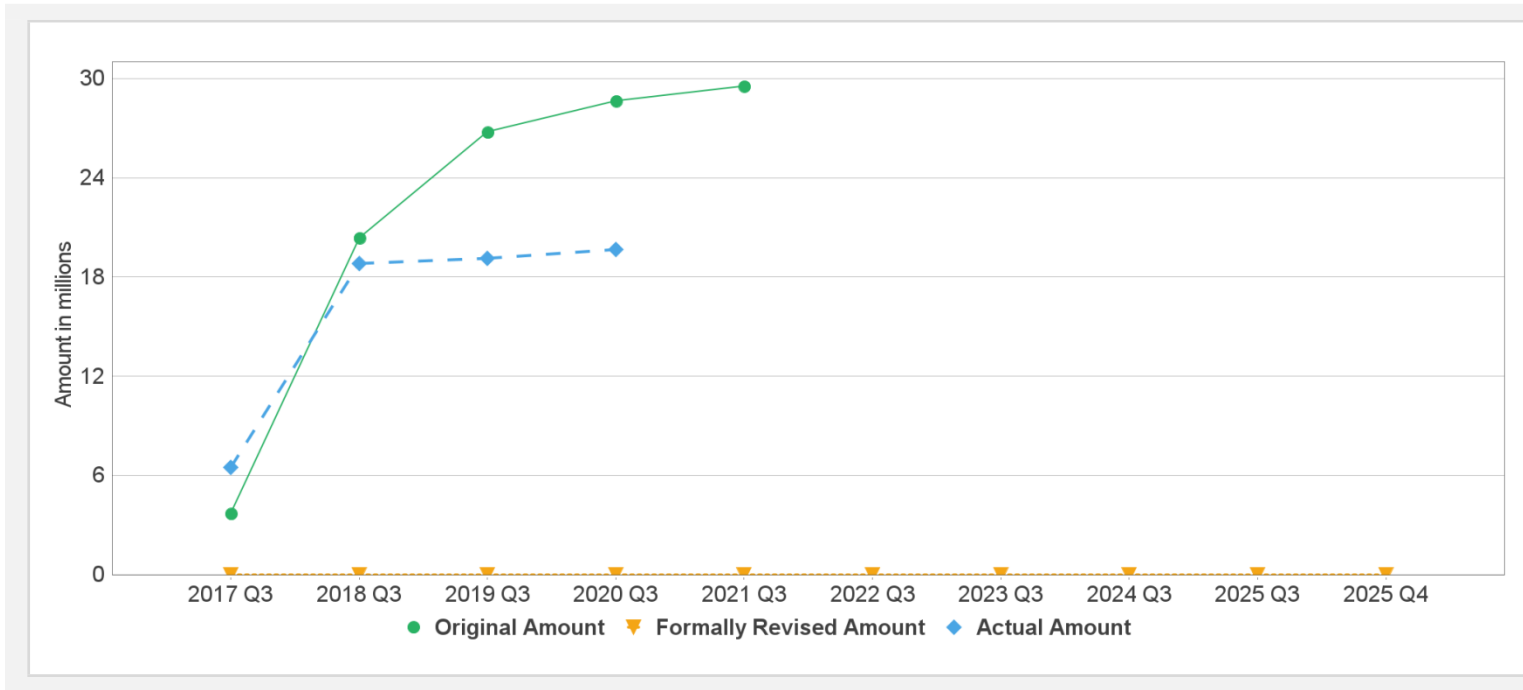
##### Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P161533	TF-A4171	Effective	USD	25.33	25.33	0.00	19.89	5.44	79%

##### 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.