

## Ex-Ante Evaluation (for Japanese ODA Loan)

Pacific and Southeast Asia Division 6  
Southeast Asia and Pacific Department  
Japan International Cooperation Agency

### 1. Name of the Project

- (1) Country: The Republic of Fiji
  - (2) Project Site / Target Area: The whole of Fiji (approximately 930,000 people)
  - (3) Project: Stand-by Loan for Disaster Recovery and Rehabilitation Phase 2
- Loan Agreement: October 11, 2024

### 2. Background and Necessity of the Project

- (1) Current State and Issues of the Disaster Risk Reduction Sector/Area and the Priority of the Project in Fiji

The economic activities of the Republic of Fiji are significantly affected by the damage that natural disasters cause to the country's social infrastructure. Severe Tropical Cyclone Winston that crossed Fiji in 2016 caused US\$600 million in damage (approximately 13 percent and 36 percent of the country's then GDP and annual national budget, respectively) and impacted approximately 540,000 people (60 percent of its population). In April 2020, Fiji was struck by Tropical Cyclone Harold, which caused approximately US\$43.7 million in damage and affected approximately 180,000 people, and then by Tropical Cyclone Yasa in December 2020, which caused approximately US\$225 million in damage and affecting approximately 140,000 people. Tropical cyclones have occurred more frequently in the country, and the extent of devastation has become more severe. The Western Division of the country, where the international airport and the tourist area of Nadi are located and economic capital is concentrated, is particularly vulnerable to disasters.

To address this situation, the Government of Fiji (GOF) develops Divisional Disaster Risk Reduction (DRR) plans and implements pre-disaster priority investment projects in accordance with the National Disaster Risk Reduction Policy 2018-2030, with the National Disaster Management Office (NDMO) leading the promotion of pre-disaster investment projects. However, GOF is also required to reconstruct homes and restore social infrastructure by utilizing its budget if the country is hit by a disaster as described above, while further promoting pre-disaster investment projects. Despite its efforts, the government

finds difficulty in coping with the increasing frequency and severity of natural disasters occurring in the country. For this reason, GOF has set out its strategy to expand a contingency fund in the National Development Plan 2017-2036 and annually sets aside a total of US\$0.9 million for disaster recovery (US\$0.45 million for the regular budget and US\$0.45 million for the Prime Minister's National Disaster Relief and Rehabilitation Fund). GOF has also signed a loan agreement under the Catastrophe Deferred Drawdown Option ("CAT-DDO") with the World Bank. In February 2020, GOF signed a Japanese ODA loan for the Stand-by Loan for Disaster Recovery and Rehabilitation for up to five billion yen with JICA, and the lending of the full agreed amount for recovery from Tropical Cyclone Harold of April 2020 and Tropical Cyclone Yasa of December 2020 was completed. In October 2023, GOF signed a parametric insurance policy with Pacific Catastrophe Risk Insurance Company (PCRIC) to strengthen its financial resilience.

Given the background described above, the Stand-by Loan for Disaster Recovery and Rehabilitation Phase 2 ("Project") is identified as a project that will contribute to the achievement of GOF's National Development Plan.

## (2) Japan's and JICA's Policy Cooperation Policy and Operations in the Disaster Risk Reduction Sector/Area

Japan has identified climate change and disaster resilience as one of five priority areas in the Leaders Declaration of the Ninth Pacific Islands Leaders Meeting (PALM9) held in July 2021 and has expressed its commitment to cooperate in the development of a disaster resilient system to minimize negative impacts of climate change, which is referred to by Pacific island countries as the biggest threat. Strengthening disaster resilience and response capabilities is one of the Japanese government's efforts to "Address Challenges in an Indo-Pacific Way" in its new plan for a "Free and Open Indo-Pacific (FOIP)" announced in March 2023, and the Project will contribute to the achievement of Japan's foreign policy.

To address vulnerabilities to climate change in the priority area of Climate Change/Environment identified in the Country Development Cooperation Policy for the Republic of Fiji (April 2019), the Japanese government provides support that contributes to "Build Back Better" in DRR mainstreaming, pre-disaster investment, and the recovery and reconstruction process based on the Sendai Framework for DRR 2015-2030. In addition, JICA has declared in the JICA

Country Analysis Paper for the Pacific region (March 2023) its intention to plan pre-disaster investment centered around technical cooperation in adapting to climate change, which is a pressing issue facing island countries, and to provide cooperation for Build Back Better in the recovery and reconstruction process through the Stand-by Loan for Disaster Recovery and Rehabilitation. The JICA Global Agenda: Disaster Risk Reduction through Pre-disaster Investment and Build Back Better states that DRR is directly linked to human security, and it is a challenge that must be addressed to achieve the sustainable development of developing countries. The Project is positioned as one of the initiatives implemented in the JICA Global Agenda.

### (3) Other Donors' Activities

The United Nations Development Programme (UNDP), the United Nations Office for Disaster Risk Reduction (UNDRR), the World Meteorological Organization (WMO), the UN Women, the Pacific Community (SPC), the World Bank, the Asian Development Bank, Australia, New Zealand, the EU, Germany, the USA, and South Korea, the Coalition for Disaster Resilient Infrastructure (CDRI), and the International Committee of the Red Cross provide support for DRR (mainly in the disaster preparedness and recovery phase) as counterparts of DRR organizations, including NDMO. Under the Australian Infrastructure Financing Facility for the Pacific (AIFFP), Australia is conducting a feasibility study on a priority project of the master plan formulated in JICA's Technical Cooperation for Development Planning, "The Project for the Planning of the Nadi River Flood Control Structures" while the World Bank signed a loan agreement under the CAT-DDO with the government of Fiji in 2021 and 2024.

## **3. Project Description**

### (1) Project Description

- ① Project Objective: The objective of the Project is to promote the implementation of policy actions for pre-disaster investment and DRR mainstreaming in Fiji, which is highly vulnerable to disasters, and to ensure prompt recovery from a disaster by providing support for financial needs that are expected to temporarily increase in the recovery process, thereby contributing to the sustainable growth of the country.
- ② Project Components: JICA will verify the implementation by the government of Fiji of the policy actions for pre-disaster investment and DRR

mainstreaming described in the table below at the time of semi-annual monitoring. The Project is intended for disasters that may occur after an international agreement for the Japanese ODA loan for the Project is signed, and a loan will be promptly disbursed (general financial assistance) if a natural disaster is declared under Fiji's Natural Disaster Management Act and the borrower requests the loan.

The Natural Disaster Management Act is expected to be amended as the National Disaster Risk Management Bill. However, even when the amended Act comes into effect, the provision of the loan will be triggered by a declaration of a national disaster made under the National Disaster Risk Management Bill that results from a natural disaster.

Table: Policy Actions

Applicable areas	Prior actions (scheduled for September 2024)	Future actions (September 2027)
<p>1.Strengthening disaster risk governance to manage disaster risk</p> <p>【Executing agencies】</p> <ul style="list-style-type: none"> <li>• Ministry of Finance, Strategic Planning, National Development and Statistics (MOF)</li> <li>• The Ministry of Rural and Maritime Development and Disaster</li> </ul>	<p>NDMO shall submit a draft version of Divisional DRR Plan for Western Division to MRMDDM.</p>	<p>(1) MRMDDM shall approve a Divisional DRR Plan for Central Division.</p> <p>(2) NDMO shall issue a DRR White Paper every year from the 2024 edition, which will be approved by the Cabinet.</p> <p>(3) MOF/NDMO shall issue the Disaster Risk Financing Policy and the Cabinet approves it.</p>

<p>Management (MRMDDM)</p> <ul style="list-style-type: none"> <li>National Disaster Management Office (NDMO)</li> </ul>		
<p>2. Investing in disaster risk reduction for resilience</p> <p>【Executing agencies】</p> <ul style="list-style-type: none"> <li>MOF</li> <li>MRMDDM</li> <li>NDMO</li> <li>The Western Division</li> </ul>	<p>The Western Division shall select Priority measures for DRR investment based on a draft version of Divisional DRR Plan.</p>	<p>(4) NDMO shall approve NDRRP Roadmap.</p> <p>(5) Budget shall be allocated for Priority measures for DRR investment in the Divisional DRR Plan of Western Division which will be implemented by Line ministries and local governments.</p> <p>(6) Budget for a flood control project at Nadi River shall be allocated.</p>
<p>Understanding disaster risk and Enhancing disaster preparedness for effective response</p> <p>【Executing agencies】</p> <ul style="list-style-type: none"> <li>MOF</li> <li>Fiji Meteorological Service (FMS)</li> <li>Mineral Resource Department (MRD)</li> <li>NDMO</li> <li>Lautoka City</li> </ul>	<ul style="list-style-type: none"> <li>FMS shall provide training course for 10 countries in the pacific region and instrument calibration service for pacific island countries.</li> <li>Budget shall be allocated for the relocation of underground infrastructure at the FMS property to accommodate the meteorological training and calibration centre.</li> </ul>	<p>(7) Regional Training Centre and Regional Instrument Centre of FMS shall be accredited by WMO.</p> <p>(8) MRD and NDMO shall develops the draft of SOP for volcanic tsunamis and start the approval process within the Ministry.</p> <p>(9) A Municipal Council other than the City of Lautoka develops a disaster waste contingency plan and reflect the plan in the municipal waste management master plan.</p>

<p>Council</p> <p>.</p>	<ul style="list-style-type: none"> <li>• MRD shall approve the Standard Operation Procedure (SOP) for Emergency Response to Seismic Tsunami.</li> <li>• Lautoka City Council shall develop a Disaster Waste Contingency Plan.</li> </ul>	
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③ Project Beneficiaries (Target Group): The whole of Fiji (approximately 930,000 people)

(2) Estimated Project Cost: 5 billion yen

(3) Schedule (Cooperation Period): The period of the policy actions in the Project is from September 2024 to September 2027. The stand-by period is three years from the signing of a loan agreement. The Project will be completed upon either the full provision of the loan or the expiration of the stand-by period. (The stand-by period can be extended up to four times and for a total period of 15 years. If the terms and conditions of loan provision are revised upon extension, the revised terms and conditions will apply to an extended stand-by period.)

(4) Project Implementation Structure

1) Borrower: The Government of the Republic of Fiji

2) Executing Agency: The Ministry of Finance, Strategic Planning, National Development and Statistics

3) Operation and Maintenance System: The Ministry of Finance, Strategic Planning, National Development and Statistics will manage the overall progress of the Project. MOF and JICA will confirm and monitor progress in a monitoring meeting, which will be held twice a year.

(5) Collaboration and Sharing of Roles with Other Donors

1) Japan's Activity: To provide assistance in pre-disaster investment and DRR mainstreaming in Fiji, JICA is currently implementing Technical cooperation "The Project for Mainstreaming Disaster Risk Reduction" (2020 to 2025), "DRR National/Regional Advisor" (2014 to 2018 and 2021 to 2025), "Third Country Training - Sustained Activity of FMS for Developing Capacities for Meteorological Services in the South Pacific" (2022 to 2025), "Promotion of Regional Initiative on Solid Waste Management in Pacific Island Countries Phase 3" (2023 to 2028), and "The Project for Disaster Risk Reduction of Widespread Volcanic Hazards in Southwest Pacific Countries" (2024 to 2029). Technical cooperation "The Project for Capacity Development for Improvement of Meteorological Forecasting and Warning and for Establishment of Regional Centers for the Pacific" (2024 to 2027) is due to start shortly. Through these technical cooperation projects, the Project is expected to further disseminate Japan's expertise and the effects of development and contribute to strengthening Fiji's DRR capacity.

JICA will provide support for the implementation of future policy actions through "The Project for Mainstreaming Disaster Risk Reduction" for future actions (1), (2), (4) and (5) of the above table, "Nadi River Flood Control Structures Preliminary Survey" for future action (6), "The Project for Capacity Development for Improvement of Meteorological Forecasting and Warning and for Establishment of Regional Centers for the Pacific" for future action (7), "The Project for Disaster Risk Reduction of Widespread Volcanic Hazards in Southwest Pacific Countries" for future action (8), and "Promotion of Regional Initiative on Solid Waste Management in Pacific Island Countries Phase 3" for future action (9).

2) Other Donors' Activity: Cabinet approval for a disaster risk finance policy in future action (8) of the policy actions is required in the Joint Policy Matrix (2023 to 2026), which has been jointly developed by the World Bank, ADB, the EU, Australian Government Department of Foreign Affairs and Trade (DFAT), and New Zealand Foreign Affairs & Trade (MFAT) to provide cooperation to the Fijian government's policy, and JICA will monitor the progress of the action plans with the other partners.

## (6) Environmental and Social Consideration

① Category: C

- ② Reason for Categorization: The Project is likely to have minimal adverse impacts on the environment as described in the Japan International Cooperation Agency (JICA) Guidelines for Environmental and Social Considerations (January 2022 edition).
- ③ Environmental Permit:
- ④ Anti-Pollution Measures:
- ⑤ Natural Environment:
- ⑥ Social Environment:
- ⑦ Other/Monitoring:

(7) Cross-Sectoral Issues: Fiji is expected to be at greater risk of being affected by disasters, such as tropical cyclones caused by climate change. The Project will contribute to climate change adaptation measures as it will support policies for mitigating and managing disaster risks through the implementation of policy actions and provide funds for emergency recovery efforts in the event of a major disaster.

Although JICA did not identify any policy actions requiring special considerations for people with disabilities at the time of the appraisal of the Project, JICA will monitor the progress and outcomes of special measures that may be taken for people with disabilities in the future, such as barrier-free facilities for FMS' training center and instrument center.

(8) Gender Category: 【Not applicable】 ■Gender Informed [GI]  
 <Reason for Categorization> JICA did not identify any gender-responsive actions among the policy actions at the time of the appraisal of the Project, and JICA did not need to set or plan gender mainstreaming initiatives or indicators. JICA will monitor the progress and outcomes of gender mainstreaming initiatives that may be implemented in the future when Divisional DRR plans are developed, or any other actions are taken.

(9) Other Important Issues: N/A

#### 4. Targeted Outcomes

##### (1) Quantitative Effects

Indicator	Baseline (September	Target (September 2027)



	2024)	
No. of Divisional DRR plans approved	0	2
No. of Priority measures for DRR investment for which a budget has been allocated based on the Divisional DRR plan for the Western Division	0	3

(2) Qualitative Effects: Developing regional DRR plans by GOF and improving its implementation capabilities, stabilizing GOF's financial foundation after a disaster, facilitating disaster recovery projects, restoring and stabilizing the livelihoods of those affected, and achieving sustainable economic growth.

(3) Internal Rate of Return

The internal rate of return is not calculated as the Project is a loan program.

## **5. External Factors and Risk Control**

(1) Preconditions: N/A

(2) External Factors: N/A

## **6. Lessons Learned from Past Projects**

JICA has learned from the ex-post evaluation of Post Disaster Stand-by Loan (Phase 3) for the Republic of the Philippines (2017 evaluation) that planning the policy matrix based on JICA's other relevant technical cooperation projects was a success factor in the achievement of the policy actions. JICA therefore ensure that relevant technical cooperation projects are taken into consideration when developing a policy matrix for the Project and that the policy actions continue to be implemented with the participation of NDMO and other executing agencies for technical cooperation.

## **7. Evaluation Results**

The Project is in line with Fiji's development policy and Japan's and JICA's cooperation policy and analysis. It is expected to contribute to SDGs Goal 3: Ensure healthy lives and promote well-being for all at all ages, Goal 11: Make cities and human settlements inclusive, safe, resilient, and sustainable, and Goal

13: Take urgent action to combat climate change and its impacts. It is, therefore, crucial to support the implementation of the Project.

## **8. Plan for Future Evaluation**

(1) Indicators to be Used

As indicated in Sections 4.

(2) Future Evaluation Schedule

Ex-post evaluation: Two years after the project completion

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