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Nicaragua Catastrophe Risk Insurance Project (P149895)

LATIN AMERICA AND CARIBBEAN | Central America | Social, Urban, Rural and Resilience Global Practice Global Practice |
IBRD/IDA | Investment Project Financing | FY 2014 | Seq No: 6 | ARCHIVED on 30-May-2017 | ISR28107 |

Implementing Agencies: Ministry of Finance and Public Credit of Nicaragua, Republic of Nicaragua

Key Dates

Key Project Dates

Bank Approval Date:18-Jun-2014
Effectiveness Date:01-Jun-2015
Planned Mid Term Review Date:30-Jun-2018
Actual Mid-Term Review Date:--
Original Closing Date:31-Jul-2021
Revised Closing Date:30-Jun-2019

Project Development Objectives

Project Development Objective (from Project Appraisal Document)
The Project Development Objective is to enable the access of Honduras and Nicaragua to efficient sovereign risk insuranceassociatedwith tropical cyclones, earthquakes, and/or excess rainfall.

Has the Project Development Objective been changed since Board Approval of the Project Objective?
Yes

Board Approved Revised Project Development Objective (If project is formally restructured)
The Project Development Objective is to enable access of Nicaragua to efficient sovereign risk insurance associated with geophysical and climate-related events.

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Components

Name
Component 1: Payment of the entrance fee to the CCRIF for Nicaragua:(Cost $1.00 M)
Component 2: Payment of annual insurance premium to the CCRIF for Nicaragua:(Cost $11.00 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	Satisfactory	Satisfactory
Overall Implementation Progress (IP)	Moderately Unsatisfactory	Satisfactory
Overall Risk Rating	Moderate	Moderate

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Implementation Status and Key Decisions

The World Bank's Board of Directors approved a restructuring of the project on May 2, 2017 to reflect the withdrawal of the Credit offer to the Republic of Honduras as of January 18, 2017. The following changes were made to the Project as a result of the restructuring: change to the Project Development Objectives; extension of the Credit closing date to June 30, 2021; reallocation of funds between categories of Eligible Expenditures; modification of the percentage of expenditures to be financed (enabling financing of 100 percent of premiums during years three and four of the Project and financing of 50 percent of premiums during years five and six); and update of the description of Component 2 to reflect that the Project will provide financing for annual insurance premiums for six years

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Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	Low	Low
Macroeconomic	--	Low	Low
Sector Strategies and Policies	--	Low	Low
Technical Design of Project or Program	--	Moderate	Moderate
Institutional Capacity for Implementation and Sustainability	--	Moderate	Moderate

Fiduciary	--	Low	Low
Environment and Social	--	Low	Low
Stakeholders	--	Low	Low
Other	--	--	--
Overall	--	Moderate	Moderate

Results

Project Development Objective Indicators

▸ Nicaragua as member of CCRIF is eligible for catastrophe risk coverage and has received payment within a month of the occurrence of a covered (insured) event (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	100.00	100.00	100.00
Date	01-Jun-2014	03-Mar-2017	17-May-2017	30-Jun-2021

Overall Comments
Nicaragua received a payout of US$1.1 million following Hurricane Otto, which hit the country on November 25, 2016. The payout was received by Nicaragua within 14 days of the event.

Intermediate Results Indicators

▸ Policies provide increasing insurance coverage and/or lower attachment point (insurance deductible) for a given premium amount (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	Y	Y	Y
Date	01-Jun-2014	06-Dec-2016	06-Dec-2016	30-Jun-2021

▸ CCRIF premiums for Nicaragua are lower than the simulated price for a comparable coverage purchased individually in the market (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Y	Y	Y	Y
Date	01-Jun-2014	06-Dec-2016	06-Dec-2016	30-Jun-2021

Overall Comments
Intermediate results indicators depend on the policies issued for the respective policy year; therefore, the values remain unchanged from the previous ISR (for the policy year 2016/2017). The next policies will be issued on June 1, 2017 for the policy year 2017/2018; intermediate indicators will be updated in the next ISR.

Data on Financial Performance

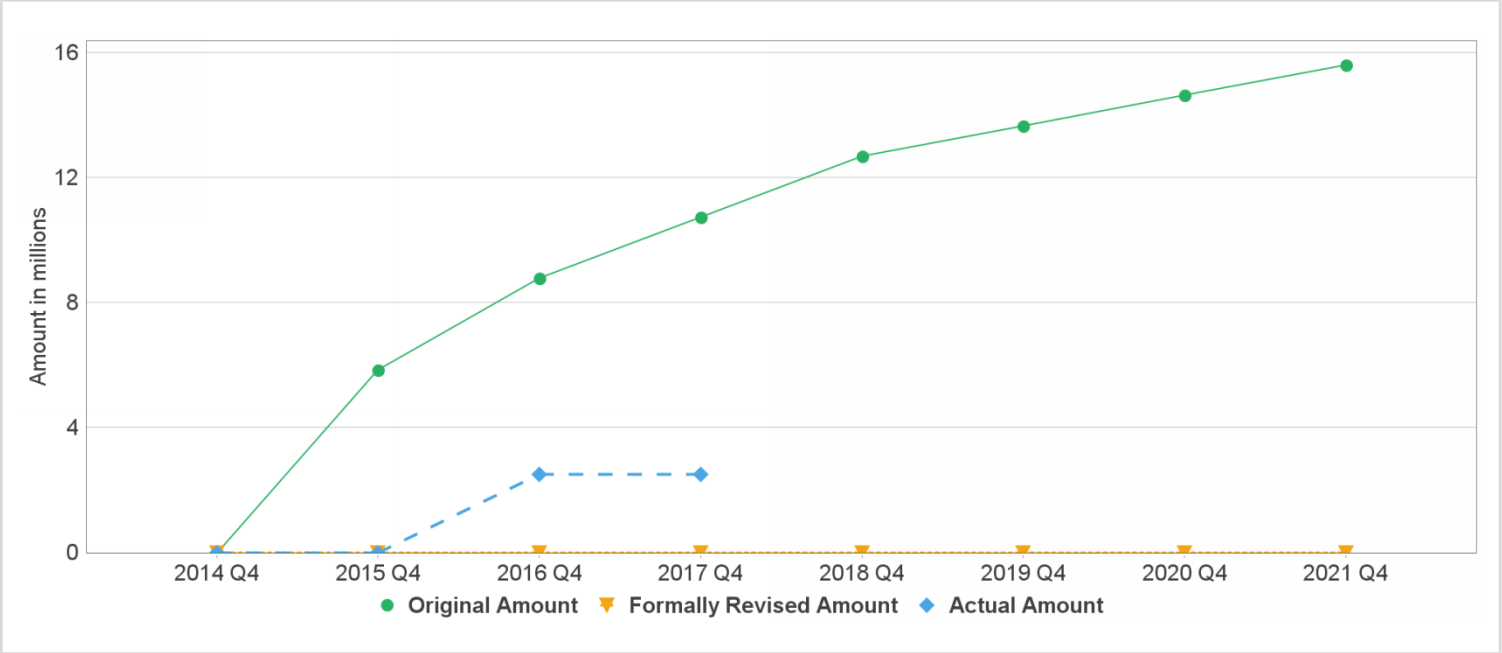
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P149895	IDA-55300	Closed	XDR	7.80	0.00	7.80	0.00	0.00	0%
P149895	IDA-55310	Effective	XDR	7.80	7.80	0.00	2.50	5.30	32%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P149895	IDA-55300	Closed	18-Jun-2014	--	--	31-Jul-2021	18-Jan-2017
P149895	IDA-55310	Effective	18-Jun-2014	11-Jul-2014	01-Jun-2015	30-Jun-2019	30-Jun-2019

Cumulative Disbursements



Restructuring History

Level 1 Approved on 19-Apr-2017

Related Project(s)

There are no related projects.