INVESTMENT CONCEPT TEMPLATE

A: Investment Concept Title: Post Disaster Social Infrastructure Support Panel
Proposed start date: 05/2018 End Date: 05/2022
Proposed DFAT funding allocation: $120,000 (for panel only)
Current program fund annual allocation: There is no set figure. Funding allocations will more than likely be based on amounts disbursed from the humanitarian fund for recovery activities. For example, funding for recovery and reconstruction following Tropical Cyclone Winston was approximately $56.3m and for Tropical Cyclone Pam it was $40m.
Risk and Value Profile: Low Risk / Unknown Value
Proposed Design Pathway: FAS/ Review (with peer review)
Draft AidWorks Investment number:
Delegate approving concept at post: N/A
Delegate approving concept at desk/in Canberra: FAS HPD

B: Problem/Issue definition and rationale for investment (Why)
In the wake of a significant humanitarian event, such as a cyclone, earthquake or conflict, much of an affected country's infrastructure is ruined or destroyed. This includes key community and social infrastructure such as schools, health clinics and community centres. Reconstruction can take a considerable amount of time. Such delays are due to relief priorities of the affected government, insufficient supplies, slow or staggered donor support, land tenure issues or the tyranny of distance and underdeveloped markets. Delays to the reconstruction and rebuilding of social infrastructure can have a significant knock on effect for people trying to rebuild their lives. It can delay children returning to school, deny people access to medical facilities and hinder community engagement. This in turn can delay individual recovery efforts as people have to look after their children during the day, people may be too ill to rebuild their lives and individuals and families may not be able to access community support. Australia's Humanitarian Strategy recognises the importance of recovery assistance to support the transition from humanitarian relief to longer-term recovery and development. Through the strategy, Australia aims to accelerate the trajectory of recovery by prioritising the restoration of basic services, for example health and education infrastructure. Australia's efforts to provide an effective and rapid response to humanitarian events have been largely successful, particularly in the Pacific. For example, a recent evaluation of Australia's

response to Cyclone Pam in Vanuatu concluded, "Australia's humanitarian action is timely and coordinated" (*Humanitarian Assistance in the Pacific: An evaluation of the effectiveness of Australia's Response to Cyclone Pam)*. However, the evaluations of the medium to longer-term recovery support provided to affected countries identified a number of gaps that should be addressed more effectively. Following Cyclone Winston in Fiji, the *Tropical Cyclone Winston Education Response Evaluation* noted that the temporary learning spaces provided (mostly tents) were highly effective and enabled the re-opening of schools and classrooms. However, their effectiveness declined over time, mostly due to weather conditions, the tents were not rapidly replaced with more formal structures, which led to a sense of "delayed recovery". The evaluation specifically noted:

> *The evaluation team spent time in a tent classroom at the Nalawa Central School in the Ra District during what was labelled a "typical" rainstorm. They were unable to communicate with the children due to the noise and disruption. Children were observed to leave their desks and take positions around the tent to hold up the canvas to prevent rain from leaking in. Issues of heat, mud, and dust were commonly expressed. The combination of these smaller issues created the impression of continued disruption to schooling in those schools most dependent on temporary learning spaces. Where tents provided stability at the outset, they may have contributed to a sense of a prolonged or delayed recovery over time.*

Addressing and providing social infrastructure needs, particularly in the recovery period following a humanitarian event (including post-conflict), is a challenge that DFAT is addressing. To overcome some of the delays and challenges in re-establishing social infrastructure, it is proposed that through this investment DFAT develops a panel of suppliers that can provide prefabricated, social infrastructure to support Australia's humanitarian response efforts. This panel would be used for recovery and reconstruction following a humanitarian event and its intent would be to quickly deploy social infrastructure products should this form part of Australia's agreed relief and recovery response. This panel is borne out of the challenges that have arisen from the delays in meeting social infrastructure needs following a humanitarian event.

The investment design will establish the framework for a panel that will consist of suppliers that can provide social infrastructure products (either the product itself or potentially a quality design that can be built rapidly using local resources) and can deliver them effectively and quickly following a humanitarian event. The utility of the panel will extend further than just post-disaster responses, as Posts will be able to draw on it for their own bilateral programs. Affected governments, NGOs, UN Partners and other stakeholders may also wish to draw on it for their own recovery and reconstruction efforts.

The purpose of this panel is not to direct or restrict a country's reconstruction efforts, particularly through the use of local materials and resources. It will be presented as a option, to complement existing reconstruction efforts, to affected governments should they wish to draw upon it, as a quick option, as part of Australia's support to the recovery program.

C: Proposed outcomes and investment options (What)

In line with Australia's Humanitarian Strategy and the commitment to strengthen international humanitarian action this investment proposes to address social infrastructure needs in an affected country following a humanitarian event.

Investment Objective

The objective of the panel is to provide rapidly deployable, prefabricated, social infrastructure options to assist an affected country to rebuild its social infrastructure needs following a humanitarian event:

Investment Outcomes

- To provide a rapid response tool to assist with the reconstruction of social infrastructure needs.
- Meet critical social infrastructure needs early while planning for a longer and more sustained response.

The investment will result in the establishment of a scrutinised panel of stand-by partners that can supply pre-fabricated social infrastructure that can be deployed and established rapidly (within 3-6 months) following a humanitarian event. The type of social infrastructure pursued will be primarily for Pacific deployment but options will be considered for the broader Asia and Pacific region.

Depending on the environment this solution will either complement the use of tents as temporary shelter or be used as a stand-alone tool with a longer-term focus. Specifications are yet to be developed but will include:

- Light weight and easily transportable by either ship or air, with an ability to be easily manhandled in the absence of forklifts or cranes
- Cost effective relative to the construction costs for permanent buildings
- Easily assembled by local, unskilled labour with basic hand tools for assembly and limited training and oversight from suppliers or qualified trades people
- Durable and fit for at least three years in exposed tropical locations
- Child Friendly and culturally appropriate
- Safe and resistant to severe weather. Structures will need to be wind rated but also pose limited safety risks to those assembling or using them (e.g. no heavy beams).

Selected providers will ideally be able to manufacture, deliver, and oversee assembly of units although depending on market capacity these functions may need to be sourced separately. The experience from both Cyclones Winston and Pam suggests that this type of infrastructure could form a valuable part of Australia's response to any similar such events in the Pacific and possibly Asia.

The panel will be offered as a tool to support post disaster relief and recovery efforts and will be available to support Australia's initial response efforts or the Post's recovery program; should one be established. The panel will also be offered to affected countries should they wish to draw upon it for their own recovery efforts (costs borne by them).

The proposed approach will better enhance Australia's response efforts through an innovative approach to rapidly deploy social infrastructure solutions to affected countries.

The higher upfront investment is also likely to be cheaper in the longer term as prefabricated buildings will last longer and will not have to be repaired or replaced as regularly as tents. Additionally when tents are deployed they often remain for a considerable amount of time as

they can be perceived as a fix to social infrastructure shortfalls; even when they have deteriorated.

The same longevity issues may also apply to prefabricated transitional shelter. However the shelter will be of a higher standard and quality and is likely to last longer. A recent DFID Value for Money assessment on multi-year approaches to Humanitarian Funding recognised that transitional shelter was not appropriate in all circumstances. It nonetheless found that while transitional shelter per unit is more expensive than tents, the lifespan of the transitional shelter is four years whereas tents required replacing every four months. In this review the cost comparison between transitional shelter and tents over a four year period was $690 compared to $5,400. Although this example was for housing shelter, it does present a viable value for money consideration in deploying transitional shelter. The review also found protection elements better as the transitional shelter had enhanced protection and privacy through lockable doors and better protection from cold and damp.

D: Implementation/delivery approach (How and with whom?)

The investment design will establish a panel of scrutinised, stand-by partners that supply social infrastructure that can be deployed and established quickly for use after a humanitarian event. The focus will be on the Pacific but options will also be considered for the broader Indo-Pacific region. Once established HMB will manage the panel through DRR.

The panel will be targeted towards the recovery and reconstruction phases following a humanitarian event and will assist Posts with their “post disaster” recovery and reconstruction program(s). Posts will be able to draw on the panel either to provide ad-hoc support to communities or as part of a larger reconstruction and recovery program. It is proposed that funding for the social infrastructure will come from the Post’s budget (either bilateral or through additional humanitarian funding from the emergency fund).

Providers on the panel will provide a one-stop-shop solution. The contract under the panel will expect the supplier to cover procurement, delivery, establishment and ongoing technical support and maintenance assistance and engagement with local communities and government. The supplier may also provide a suite of different options, both in size and type, that can be deployed based on the needs of the recipient Government and the context in which the product is being used. It is also anticipated that the panel will consist of a number of suppliers who each have various models of social infrastructure. The panels implementation could also involve using more than one supplier to provide a suite of social infrastructure options as some of the choices may be more applicable than others (particularly around use and possible environmental considerations). The design should also draw out a better indication of the costs involved in deploying social infrastructure.

Most of the effort will be centred on establishing the panel as it will require a full design and tender. However once the panel is in place, and set for a number of years, it will be an easily manageable process that could be as simple as issuing a work order to the supplier (following agreement with the recipient government).

It is proposed that the investment design team will consist of up to two contractors and one DFAT officer (the design team could be drawn from the Aid Advisory Service or directly contracted) but would need to consist of personnel with shelter expertise. Because this is a new concept for DFAT it is proposed that the design goes through a peer review process to ensure full

exposure and testing before being implemented. The peer review should consist of both internal and external expertise.

E: Risk assessment approach (What might go wrong?)

The establishment of the panel may be perceived as high risk, specifically the issues associated with the deployment of social infrastructure, however this investment is considered low risk. This is because the main risk associated with the development of the panel is the effective use of staff resources and funding to design the panel.

Most prefabricated shelter risk often revolves around housing. Housing risks can include land tenure issues, locations, ownership and reduced emphasis on localisation. However many of these risks will not arise, or will do so to a much lesser extent, with social infrastructure. Particularly around land tenure, do no harm and inadequate localisation. A preliminary risk assessment is at attachment 1 which includes risks associated with the development of the panel and some of the potential generic shelter risks that may arise with the implementation of the panel. However, the appropriateness of these shelters will depend on environmental and contextual factors, which will need to be assessed through each response.

To ensure a thorough understanding of potential risks with the use of this deployable capability a full risk assessment will be conducted as part of the design process. This will cover both the risks associated with the design of the panel and the risks of deploying social infrastructure. This will ensure that users of the panel are fully aware of the potential risks associated with the deployment of prefabricated shelter.

The safeguards checklist, at Attachment 2, identifies a number of areas that will need further consideration in the design. These will be covered within the design to ensure that safeguards are addressed.

F[1]: Proposed design and quality assurance process (What are the next steps?)

Following approval of the investment concept, an investment design will be undertaken with completion expected in early 2018. The design will be developed using both resources internal (DRR, HPD) and external to DFAT (consultant). Consultations with Pacific and South/South East Asian posts will also take place on the concept of the design. Some scoping consultations have already taken place with some Pacific Posts and some short-term missions may be undertaken to review the effectiveness of existing shelter, particularly pre-fabricated, used following a humanitarian response.

The design itself will outline the investment and what it hopes to achieve. It will also draw out the tender document that will be used to draw providers into the panel. It will also draw on case-studies, through field visits, that are relevant to the design to strengthen the proposed investment objective. To further inform the design a small number of industry consultations will be held to

[1] Aid Investment managers should refer to the advice on quality assurance options available on the intranet to help ensure the investment will meet DFAT's Investment Design Quality Standards.

inform the sector of the proposed panel. This will also inform the likelihood of the panel's effectiveness in drawing in participants.

It is proposed that even though the value of the design may not warrant it (size and cost), a peer review will be undertaken of the Investment Design Document with both DFAT expertise and external expertise (particularly shelter expertise). This is because DFAT has little experience in delivering shelter as a humanitarian response option and the approach is new and innovative for DFAT humanitarian responses. It is likely that private sector actors will be engaged through consultations in the development of the design as well as the peer review. Prior to the peer review an independent appraisal may also be undertaken but this will be decided through the design process.

Following peer review the design will be agreed by FAS HPD and the tender process will commence.

Once the panel is in place regular monitoring and evaluation of its use will take place, particularly information on where the shelter has been deployed and its quality. The outcomes of the shelter and whether this has hindered or strengthened opportunities for more permanent development.

Investment Concept Risk Assessment Tool (Attachment 1)

Descriptors of risk likelihood and consequence ratings can be found in the Risk Management for Aid Investment Better Practice Guide, available on the intranet. Note the risk rating for each category in the Investment Concept should be based on unmitigated risk.

	Likelihood	Consequence	Rating
1. Operating environment: What factors in the operational or physical environment (political instability, security, poor governance, lack of essential infrastructure etc.) that might impact directly on achieving the objectives?	Likely	Minor	Moderate
Event/s (what can happen): Localisation is not achieved through the activity and local resilience is not encouraged **Source** (what can cause the event to occur): Delivery of social infrastructure to local communities. **Impact** (what is the impact on the objective if the event occurs): Given the nature of product, there may be minimal opportunities to use local labour and resources to support the construction of the social infrastructure. This could hinder recovery efforts and possibly build up resentment to the product.			
Mitigation – what (if known) can DFAT do to decrease the likelihood and/or consequence of the risk? It is expected that panel members will have a thorough understanding of the Pacific (or Asia) context, both culturally and legislatively, and it will be expected that where possible localisation is incorporated into their product. This would include having a strong relationship with the Government of the recipient country and an understanding of their systems, including land tenure and local traditions/customs for example. Such quality is only likely to be able to be delivered by larger entities that can manage these multi-faceted elements. This would also manage a considerable amount of risk for DFAT in terms of assuring delivery. The panel will only support social infrastructure so the impact is likely to be minimal because there are unlikely to be many buildings concentrated in one area and communities are likely to perceive the building as a community asset rather than a detriment.			
2. Results: How realistic are the objectives and can they be achieved within the timeframe? Are the objectives/results sustainable? Would the failure to achieve the results in the proposed timeframe, or at all, affect the targeted beneficiaries directly?	Likely	Major	High
Event/s (what can happen): Government systems are challenging in the Pacific. Experience has shown that they are cumbersome, subject to abuse, sidestepped, deficient in compliance audit and can be detrimental to progress and effectiveness of implementation. **Source** (what can cause the event to occur): Government changes its mind on product, relationship fall out between Australia/provider and affected government. **Impact** (what is the impact on the objective if the event occurs): Delivery of social infrastructure does not occur – this could also possibly happen after the shelter has been procured.			
Mitigation – what (if known) can DFAT do to decrease the likelihood and/or consequence of the risk? Members of the panel will need to have strong relationships with the recipient Government in order to ensure effective and efficient delivery. Furthermore, members of the panel would need to ensure that their approach is flexible and that they can handle fluidity, particularly if there are changes in the political and policy environment.			
3. Safeguards (see the checklist below)**:** Do any of the activities involved in this investment have the potential to cause harm relative to safeguard issues (child protection, displacement and resettlement and environmental protection)?	Unlikely	Moderate	Moderate
Event/s (what can happen): Because the panel involves infrastructure, there may be some associated issues with infrastructure safeguards.			

Source (what can cause the event to occur): Relocation of social infrastructure sites, full removal of social infrastructure (specifically no effort is made to repair it) **Impact** (what is the impact on the objective if the event occurs): Minor displacement, removal of cultural heritage.			
Mitigation – what (if known) can DFAT do to decrease the likelihood and/or consequence of the risk? Ensure that any resettlement is planned for in the deployment of social infrastructure. Program manager to maintain oversight of deployment to be aware of any impacts early. Ensure strong liaison with recipient government to remain aware of any resettlement issues.			
4. Fraud/Fiduciary: Are there any significant weaknesses which mean funds may not be used for intended purposes, not properly accounted for or do not achieve value for money? (Fraud Control and Anti-Corruption Strategies and Assessments of National Systems will assist in identifying significant risks.)	Rare	Minor	Low
Event/s (what can happen): **Source** (what can cause the event to occur): **Impact** (what is the impact on the objective if the event occurs):			
Mitigation – what (if known) can DFAT do to decrease the likelihood and/or consequence of the risk?			
5. Reputation: Could any of the risks, if they eventuated, cause damage to DFAT's reputation? Could any aspect of implementation damage bilateral relations?	Likely	Moderate-Major	High
Event/s (what can happen): The social infrastructure is not delivered on time or not at all. Government want pre-fabricated housing infrastructure. Government pushes for a particular supplier because of existing relationships. **Source** (what can cause the event to occur): Delays caused by Government systems. Government want to expand the remit of the social infrastructure to include housing. **Impact** (what is the impact on the objective if the event occurs): Perceptions of perceived bias towards a particular provider.			
Mitigation – what (if known) can DFAT do to decrease the likelihood and/or consequence of the risk? Members of the panel will need to have strong relationships with the recipient Government in order to ensure effective and efficient delivery. Furthermore, members of the panel would need to ensure that their approach is flexible and that they can handle fluidity, particularly if there are changes in the political and policy environment. Post will need to ensure relationships with Government are strong in order to enforce the boundaries of using the panel. However should the Government be able to fund housing shelter this could be presented as an option provided the supplier can meet the demand. Ensure that the choice of partner is demand led and the selection process is transparent.			
6. Partner relations: Could a relationship breakdown occur with key partners or stakeholders and would this prevent the objectives/results from being achieved? Does the intended partner (if known) have the capacity to manage the risks involved with this investment? Could differing risk appetites affect the relationship?	Unlikely	Minor	Low
Event/s (what can happen): Supplier disgruntled at not being used. **Source** (what can cause the event to occur): Number of humanitarian events occur and the shelter panel is stood up. A specific provider does not get used. **Impact** (what is the impact on the objective if the event occurs): Reduced relationship between DFAT and the supplier.			
Mitigation – what (if known) can DFAT do to decrease the likelihood and/or consequence of the risk? Supplier aware of conditions of use before engaging with the panel. TORs should be clear that they may not get utilised. Indicate the panel is demand driven based on country needs and preferences. Manage expectations of suppliers.			

7. Other: Are there any other factors specific to this investment that would present a risk (e.g. this is a new area of activity or it is an innovative approach), including potential opportunities? If yes, please describe and rate the risk.	Likely	Minor	Moderate
Event/s (what can happen): Delayed implementation because of working through Government, local contractors and community systems, shelters are seen as a long-term solution, shelters are not appropriate for local conditions, shelters are unsafe or cause injury to installers/users. **Source** (what can cause the event to occur): Challenges to implementation. **Impact** (what is the impact on the objective if the event occurs): Social housing not delivered on time, delay in recovery, alternative solutions are sourced, community dissatisfied.			
Mitigation – what (if known) can DFAT do to decrease the likelihood and/or consequence of the risk? In order to reduce implementation risk, members of the panel will need to take an all-inclusive approach to social infrastructure provision by managing design/procurement, delivery, assembly and on-going technical support. Contractually we should expect panel members to maintain full oversight of the delivery and implementation. This will not only ensure a more streamlined approach to delivery of social infrastructure but it will also cut out potential delays, particularly around procurement and contracting. It will also enhance DFAT's processes, as we will only need to deal with one contractor and one contract. Based on the complexity of delivering social infrastructure in the Pacific, members of the panel will have to be able to cover a lot of risks, and therefore this panel may only be suited for adequately sized firms, that not only can build relationships with Governments but also have the size and capabilities to handle the complexities and challenges of the Pacific environment. There would also need to be consideration of the ancillary elements that go along with social infrastructure, e.g. water and sanitation. In terms of local conditions, the recipients of the shelter will have the opportunity to review the options prior to selecting. It is envisaged that through the design and when the options are selected, an overview of the climatic conditions the shelter are suitable for. In terms of construction hazards, this could be mitigated with proper training, occupational health and safety standards (which are adequately overseen), proper tools and a quality product.			
8. Overall Risk Rating:	**Low-risk**		

Figure 1: Determining the risk rating for the Investment Concept

Likelihood	Consequences				
	Negligible	Minor	Moderate	Major	Severe
Almost Certain	Moderate	Moderate	High	Very High	Very High
Likely	Moderate	Moderate	High	High	Very High
Possible	Low	Moderate	High	High	High
Unlikely	Low	Low	Moderate	Moderate	High
Rare	Low	Low	Moderate	Moderate	High

For each risk category, determine the risk rating using the risk matrix at Figure 1 above. The risk rating represents the level of impact[2] on investment objectives that would occur should the risk become a reality. A short description of impact should be provided for each risk category. The overall risk rating for the Investment Concept (at 8. above) is then calculated as follows:

- if any risk categories are rated as Very High, the overall rating for the Investment Concept will be High-risk

[2] Impact is a function of both likelihood and consequence.

- if three (3) or more risk categories are rated as High, the overall rating for the Investment Concept will be High-risk.

There are only two overall risk categories – **High-risk** and **Low-risk**[3]. The purpose of this risk assessment is to determine the appropriate approval pathway for the investment. The Investment Concept risk rating should be determined relative to the individual (country/regional) program context and any risk management controls already in place.

[3] All investments must be marked as either High-risk or Low Risk in AidWorks.

Safeguards Screening Checklist (Attachment 2)

This tool provides a safeguard 'checklist' for you to consider at the early stages of investment development. It will help you determine the appropriate level of analysis that needs to be included in your Investment Design. This does not replace the need to further assess and manage safeguard risks throughout Investment Design and implementation in accordance with each of the Safeguard Policies and Guidelines.

	Yes	No	Not Sure
Child protection[4]			
1.1 Did the outcome of the child protection risk context assessment indicate a full assessment is required?[5]		x	
1.2 Is the investment likely to involve contact with or access to children (0-18 years old) due to the nature of the activity or the working environment?		x	
1.3 Will the investment involve personnel working with children?		x	
Displacement and resettlement			
2.1 Does the investment involve construction on: exclusion from: or repurposing of land that is occupied, accessed to generate livelihoods or of cultural or traditional importance?	X		
2.2 Does the investment's success depend on other development activities that may involve construction on; exclusion from; or repurposing of land that is occupied, accessed to generate livelihoods; or of cultural or traditional importance?	x		
2.3 Does the investment involve planning for, advising on or designing the economic or physical displacement of people to make way for infrastructure development, disaster risk reduction or exclusion of the local population from land accessed to generate livelihoods?		x	
Environment			
3.1 Will the investment support any of the following: • medium to large-scale infrastructure such as roads, bridges, railways, ports, infrastructure for energy generation; or • development of irrigation and drainage, diversion of water; or • land clearing, intensification of land use; or • hazardous materials and wastes; or • activity in mining, energy, forestry, fisheries, water supply, urban development, transport, tourism or manufacturing sectors?		x	

[4] Answers to these questions will need to be logged in AidWorks under the policy marker questions.

[5] The Child Protection risk assessment guidance can be found on the intranet.

3.2 Will the investment support any of the following: • small to medium scale infrastructure such as localised water supply and/or sanitation infrastructure; irrigation and drainage; rural electrification, rural roads; or • construction/renovation/refurbishment/demolition of any building for example: schools, hospitals or public buildings; or • localised use of natural resources, including small-scale water diversion, agriculture, or other types of land-use change?	x		
3.3 Will the investment contribute to, directly or indirectly, or facilitate, activities such as those listed above, including through: • trust funds, procurement facilities; or • co-financing contributions; or • support for planning, change to regulatory frameworks, technical advice, training or; • applied research?		x	
3.4 Has an environmental review of the proposed investment already been, or will be completed by an implementing partner or donor?		x	
3.5 Does this investment need to meet any national environmental standards or requirements?		x	

Note:

If you answer 'Yes' or 'Not Sure' to any of the questions you will need to include a short description under question 3 in the Investment Concept Risk and Value Assessment, identifying each of the safeguard areas you have marked yes or not sure to above. Further analysis will need to be undertaken during the design of your investment. For further information refer to the relevant safeguard policy or contact the relevant area.