

African Climate Risk Insurance Facility-Derisking Adaptation to Climate Change in Africa

Part I: Project Information

GEF ID

11008

Project Type

FSP

Type of Trust Fund

LDCF

CBIT/NGI

CBIT No

NGI No

Project Title

African Climate Risk Insurance Facility-Derisking Adaptation to Climate Change in Africa

Countries

Regional, Africa

Agency(ies)

AfDB

Other Executing Partner(s)

TBD

Executing Partner Type

Others

GEF Focal Area

Climate Change

Taxonomy

Focal Areas, Communications, Stakeholders, Capacity, Knowledge and Research, Climate Change, Climate Change Adaptation, Least Developed Countries, Mainstreaming adaptation, Complementarity, Climate resilience, Livelihoods, Disaster risk management, Climate finance, Climate information, Private sector, Innovation, Sustainable Development Goals, Influencing models, Demonstrate innovative approaches, Strengthen institutional capacity and decision-making, Deploy innovative financial instruments, Type of Engagement, Information Dissemination, Awareness Raising, Private Sector, Capacity Development, Learning, Adaptive management, Knowledge Generation, Workshop, Training, Knowledge Exchange, South-South

Sector

Mixed & Others

Rio Markers**Climate Change Mitigation**

Climate Change Mitigation 0

Climate Change Adaptation

Climate Change Adaptation 2

Duration

60 In Months

Agency Fee(\$)

840,432.00

Submission Date

4/13/2022

A. Indicative Focal/Non-Focal Area Elements

Programming Directions	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
CCA-1	LDCF	8,940,768.00	25,000,000.00
	Total Project Cost (\$)	8,940,768.00	25,000,000.00

B. Indicative Project description summary

Project Objective

To establish the African Climate Risk Insurance Facility (ACRIF) to promote climate risk insurance as a viable instrument of improving climate risk management, strengthening adaptation and addressing fragility on the African continent

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
1. Setting the enabling environment for the adoption of climate risk financing instruments in African LDCs	Technical Assistance	<p>Outcome 1.1: Strengthened understanding of climate risk exposure of African LDCs and establishment of institutional climate risk management processes and frameworks needed to be put in place to facilitate enhanced recovery from climate shocks.</p> <p>Outcome 1.2: Enhanced understanding of climate risk financing instruments including index-based insurance by - relevant stakeholders in African LDCs (Governments, insurance regulators, private insurance companies, farmers associations and cooperatives, etc.)</p> <p>Outcome 1.3:</p>	<p>Output 1.1.1: Gender sensitive climate risk profiles of African LDCs including an estimation of the potential gender disaggregated social and financial impacts of climate hazards</p> <p>Output 1.1.2: Gender sensitive contingency plans developed and processes and regulatory frameworks on climate risk management established in African LDCs</p> <p>Output 1.2.1 : Regional workshops to raise awareness and train of Africa LDC governments and public institutions on weather and index-based insurance.</p>	LDC F	896,319.00	3,769,524.00

Enhanced knowledge generation and sharing on collecting climate data that is critical for climate risk management.

Output 1.2.2: Regional workshops to raise awareness and train private sector (insurance) companies, and farmers associations on weather and index-based insurance including the design of insurance contract with the private sector

Output 1.3.1:

Training on climate data collection, processing and climate risk modelling

Output 1.3.2:

Enhanced participation of the private sector and research institutions in climate risk management, and knowledge generation/sharing

2. Improving uptake of climate and disaster risk financing in Africa	Investment	<p>Outcome 2.1: Strengthened participation of African LDCs in the Sovereign regional risk pool offered by the African Risk Capacity</p> <p>Outcome 2.2:</p> <p>Enhanced capacity of African LDCs to mobilize sustainable financial resources for climate risk management and adaptation through the design and implementation of Disaster Risk Financing (DRF) strategies</p>	<p>Output 2.1: Establishment of a climate risk financing guarantee facility to enable a timely and sustainable participation of African LDCs in the ARC sovereign risk pool</p> <p>Output 2.2: Gender sensitive disaster risk financing strategies</p>	LDC F	4,481,587.00	11,000,000.00
3. Strengthening Adaptation and Resilience of African LDCs against climate risks	Investment	<p>Outcome 3.1:</p> <p>Enhanced capacity and skills of African LDCs in collecting and managing data that is critical for climate risk management, development of contingency plans and validation of trigger points.</p> <p>Outcome 3.2:</p> <p>Exposure to climate risks for marginalized groups is reduced, and they benefit from recovery during extreme climate events</p>	<p>Output 3.1: Acquisition of and training in the utilization of climate relevant technologies (weather stations, High Performance Computers, Clusters for HPCs, Servers, etc.) to strengthen climate data collection and management at the national and subnational levels</p> <p>Output 3.2:</p> <p>Investment in key community-based and gender-sensitive adaptation and disaster risk reduction interventions in key hotspots from climate change management plans and NDCs.</p>	LDC F	3,137,111.00	9,040,000.00

	Sub Total (\$)	8,515,017.00	23,809,524.00
Project Management Cost (PMC)			
	LDCF	425,751.00	1,190,476.00
	Sub Total(\$)	425,751.00	1,190,476.00
	Total Project Cost(\$)	8,940,768.00	25,000,000.00

Please provide justification

C. Indicative sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
GEF Agency	AfDB through the Africa Disaster Risk Financing Programme	Grant	Investment mobilized	1,500,000.00
GEF Agency	AfDB through the the ADRIFi Multi-Donor Trust Fund	Grant	Investment mobilized	10,500,000.00
GEF Agency	AfDB's Transition Support Facility	Grant	Investment mobilized	3,000,000.00
GEF Agency	AfDB: ADF-16 set-aside	Grant	Investment mobilized	10,000,000.00
			Total Project Cost(\$)	25,000,000.00

Describe how any "Investment Mobilized" was identified

The co-financing presented is from the baseline project of the African Development Bank, "Africa Disaster Risk Financing (ADRIFi) Programme", which is funded through two main streams: i) \$1,500,000 from AfDB's core budget investment into the ADRIFi programme (staff costs, missions, programme implementation and supervision) and ii) the ADRIFi Multi-Donor Trust Fund, capitalized by the governments of Switzerland and the United Kingdom, which aims at fostering the adoption of sovereign risk transfer mechanisms as a viable solution to strengthen the financial resilience of African countries against climate-induced disasters. To date the Trust Fund has been capitalized to the tune of \$10,500,000 and it is expected that this funding will increase as more donors join, with the United States of America being in the process of finalizing its participation. Additionally, the ADRIFi team is targeting \$3,000,000 in funding from AfDB's Transition Support Facility which, under its pillar III, provides support to critical capacity building interventions and technical assistance that cannot be adequately addressed through traditional projects and instruments. In addition, the Bank is currently engaged into negotiations towards the 16th replenishment of its African Development Fund (ADF), a climate change set aside currently being negotiated to address the incremental costs of climate change in African countries. Climate risk management is viewed by the Bank as an important window for investment and funding expected to be confirmed as co-financing for this project during the PPG phase. The amount of investment mobilized expected from this source is currently estimated at \$10,000,000 and may vary during the PPG phase.

D. Indicative Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)	Total(\$)
AfDB	LDCF	Africa	Climate Change	NA	8,940,768	840,432	9,781,200.00
Total GEF Resources(\$)					8,940,768.00	840,432.00	9,781,200.00

E. Project Preparation Grant (PPG)

PPG Required **true**

PPG Amount (\$)

200,000

PPG Agency Fee (\$)

18,800

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)	Total(\$)	
AfDB	LDCF	Africa	Climate Change	NA	200,000	18,800	218,800.00	
					Total Project Costs(\$)	200,000.00	18,800.00	218,800.00

Meta Information - LDCF

LDCF **true**

SCCF-B (Window B) on technology transfer

false

SCCF-A (Window-A) on climate Change adaptation

false

Is this project LDCF SCCF challenge program?

false

This Project involves at least one small island developing State(SIDS).

true

This Project involves at least one fragile and conflict affected state.

true

This Project will provide direct adaptation benefits to the private sector.

true

This Project is explicitly related to the formulation and/or implementation of national adaptation plans (NAPs).

true

This Project has an urban focus.

true

This Project covers the following sector(s)[the total should be 100%]:*

Agriculture	12.00%
Natural resources management	12.00%
Climate information Services	25.00%
Costal zone management	0.00%
Water resources Management	12.00%
Disaster risk Management	15.00%
Other infrastructure	12.00%
Health	12.00%
Other (Please specify:)	0.00%
Total	100%

This Project targets the following Climate change Exacerbated/introduced challenges:*

Sea level rise
false

Change in mean temperature
true

Increased Climatic
Variability

Natural hazards
true

Land degradation	Costal and/or Coral reef degradation	GroundWater quality/quantity
true	false	false

Core Indicators - LDCF

CORE INDICATOR 1	Total	Male	Female	% for Women
Total number of direct beneficiaries	5,800,000	2,800,000	3,000,000	51.72%
CORE INDICATOR 2				
Area of land managed for climate resilience (ha)	150,000.00			
CORE INDICATOR 3				
Total no. of policies/plans that will mainstream climate resilience	15			
CORE INDICATOR 4		Male	Female	% for Women
Total number of people trained	700	350	350	50.00%

Part II. Project Justification

1a. Project Description

1) The global environmental and/or adaptation problems, root causes and barriers that need to be addressed

The global impact of climate change and natural disasters has been worsening in the last few decades, and more specifically in Africa. The continent is experiencing increasing cases of climate related disasters in both scale and frequency, ranging from flooding, drought, prolonged dry spells, pest infestations, rising sea levels and tropical cyclones. Through rainfall deficits and severe droughts, but also heavy rains and devastating floods, the Sahel region is experiencing the full impact of climate change and its dramatic consequences on people's livelihoods. These impacts are, in turn, degrading the natural resources that are essential to the agro-pastoral livelihoods that underpin the economy in much of the area. In the Eastern and Southern part of the Continent, a combination of both drought (caused by El Nino phenomenon) and tropical cyclones have caused far reaching damages to infrastructure, as well as loss of lives and livelihoods. As a result, climate related crises often distort economic growth, and development gains made over the years, and adaptation to climate change get eroded with extreme events, which are increasing in magnitude and frequency overtime. The trajectory of adaptation to climate change has often been built around addressing vulnerability, with limited risk management and resilience co-benefits.

While programming based on addressing vulnerability has delivered some positive changes in some areas, focus has been on quick wins and immediate social services with limited trade-off with risk management. This approach has often rendered most countries destitute following climate related crises, where budgets are reallocated to manage crises, and countries resorting to humanitarian appeals. In the wake of these climate disasters, ex-post approaches are not adequate to provide a timely assistance to the most vulnerable, whereas this is paramount to safeguard human lives and livelihoods. Climate projections for Africa indicate risks of rising temperatures and droughts, increased uncertainty in rainfall patterns, and increased frequency of tropical storms and cyclones. Productivity in some sectors like agriculture which employs more than 75% of labor force in Africa is severely affected, with exacerbating food insecurity and investments in adaptation that has limited provision of risk management continue to deliver short lived adaptation. Against this background protecting farmers and agribusinesses from weather-related risks is critical, especially as the impacts of climate change become more pronounced. Mitigating weather-related risks is also an important precondition to providing credit, stimulating investment in farming, and increasing productivity among smallholder farmers in Sub-Saharan Africa.

Given the climate projections by the IPCC and scenarios for Africa, the region will face more flooding events, more drought, rising sea levels for small island states, more loss of productive land for agriculture, more deforestation from energy use of biomass by most of the population and more erratic rainfall seasons. In countries that already do not meet production requirements for domestic consumption, reliance on rain-fed agriculture would become more unreliable with uneven rainfall distribution, flooding events and drought, and innovations will be required to sustain food security through technology.

The proposed project is aimed at building resilience of African least developed countries through adopting adaptive measures to minimize the devastating impacts of climate hazards. The project will aim at addressing current adaptation gaps in a context of preparedness, reduction and mitigation of climate risks, and in alignment with Nationally Determined Contributions. Key hazards to be covered include drought, floods and tropical cyclones which have led to key impacts on the economic growth and human impact within the African region, including loss of lives and livelihoods, destruction of physical infrastructure disruption of social services and economic flows following slow and rapid onset climate crises. In the current context of the Covid-19 crisis, climate change has become the highest risk amplifier for fragility coupled with conflicts in some parts of the region and the impact of the conflicts in Europe, which is causing an unprecedented food and commodity crisis over the Continent.

The project, while empowering countries to have predictable financing for resilience building and quick recovery from climate related crises, will target the most vulnerable groups and assist them to recover quickly following climate shocks. This will be achieved through a comprehensive capacity building and investment programme that will aim to establish the enabling environment for the adoption of climate management measures instruments as viable solution to adapt and strengthen resilience to climate shocks in the context of the implementation of the nationally determined contributions (NDCs) to the Paris Agreement. Recognizing that adaptation needs, and options have to pay attention to context, tailored options that are appropriate to respective countries,

capacity to sustain results, and consistent with culture will be implemented to enhance the adaptation and resilience of communities, with a tradeoff of vulnerability, risk management and resilience. Given that the scope of the project is on ex-ante approach towards risk management, a blend of actions that restore the environment, resilience building actions will be implemented as part of the adaptation equation, and countries will leverage NDC implementation through blending traditional and market based innovative tools for adaptation action.

2) The baseline scenario and any associated baseline projects

The global impact of climate change and natural disasters has been worsening in the last few decades, and more specifically in Africa. Between 1994 and 2013, more than 6,870 natural disasters occurred worldwide, and claimed 1.35 million lives or almost 68,000 lives on average each year. In addition, an average of about 218 million people were affected by natural disasters per annum during this 20-year period.[1] Between 2000 and 2015, an average of about 340 climate-related disasters per annum were recorded, up 44% from the 1994-2000 average and well over twice the level in 1980-1989.[2] Drought affected more than one billion people between 1994 and 2013, and about 41% of global drought disasters were recorded in Africa.[3]

Future climate projections based both on models and observations indicate that one of the most serious consequences of climate change is the likelihood of greater frequency and intensity of extreme weather events. The Intergovernmental Panel on Climate Change (IPCC) projections under medium scenarios (RCP 4.5) as reported in the IPCC Fifth Assessment Report (AR5) indicate that extensive areas of Africa will exceed 2 °C of warming relative to the late twentieth century mean annual temperature by the last two decades of this century, with all of Africa reaching that threshold under high emission scenarios.[4] This will have devastating consequences for human well-being and the livelihoods of rural people across the Continent. With one in four people in Sub-Saharan Africa living in extreme poverty and most of the workforce in small-scale agricultural production, the majority of the population does not have the safety nets as can be found in wealthier nations.

In this context, the approach to adaptation and management of climate related crises, has been through ex-post approaches and humanitarian responses, with major gaps including delayed support during emergencies, lack of predictable funding, maladaptation, and lack of leverage for small economies to manage crises independently. While the climate change negotiations and disaster risk platforms underscore the need to manage these thematic areas coherently, not many countries have fully embraced this, and disaster management continues to operate independent of climate change management and development planning is not risk informed, hence economic growth trajectories often get disrupted by climate crises most of which can be anticipated.

More than ever before, African countries need to reduce their exposure and vulnerability, and create a system to absorb, adapt and recover in the face of climate shocks. Given the growing impacts of climate change and how development trajectories get disrupted from increasing climatic events, it is crucial to mainstream climate and disaster risk management into development planning. In fact, climate risk management in Sub-Saharan Africa suffers from inadequate financing and challenges in the deployment of available funds. This is due to the tight fiscal space and budget constraints in countries, along with the absence of dedicated funding mechanisms for climate risk management, and limited insurance penetration, which is restricting the contribution of the private sector to this agenda. Additionally, risk financing instruments can also be complex, involving intangible benefits accruing at some indeterminate point in the future. The complexity and uncertainty of the benefit make it hard for governments to understand the value proposition, contributing to limited uptake of such instruments. Therefore, to financially address the humanitarian needs in the aftermath of these events, governments resort to shifting money away from other critical development programming; borrowing (where rates are often higher for rapid post-crisis financing), incurring debt; or relying on external 'free' humanitarian assistance, which is unpredictable and often comes too late. As a result, when climate disasters strike, countries are often unable to provide enough immediate financing to fully address response and recovery needs, meaning that the effects of such events must be absorbed by the population. Often, it is the poorest households who are disproportionately negatively impacted by disaster shocks and other crises due to their higher vulnerability and exposure.

This project is building on the Bank's flagship programme on climate risk finance, the Africa Disaster Risk Financing (ADRFi) programme which is aimed at catalyzing countries to migrate from ex-post to ex-ante approach towards management of climate related crises. Through the ADRFi programme, the project will aim to address the additional cost of mainstreaming climate risk management into development planning and catalyzing the Africa region to embrace innovative tools for climate action financing and predictable financing following climate related crises. The programme is implemented in partnership with the Africa Risk Capacity (ARC), working with countries that have ratified the ARC Treaty on climate risk financing. The ADRFi programme is funded from the African Development Fund of the Bank, and the ADRFi Multi-Donor Trust Fund (MDTF), which has been established to promote climate risk financing over the African Continent, and with funding from the Swiss and the British Governments. The MDTF and ADF has to date mobilized \$ 50 million, and with the growing demand in the region the fund has significant potential to grow and have a lasting impact in the region.

The ADRIFi programme has been running since 2018, where 7 countries have been supported with climate risk management solutions, partial premium support and development of Disaster Risk Financing Strategies. In 2022, 8 more countries are being supported and more countries have expressed interest. A recent dividend of the programme includes a payout disbursed to the Government of Madagascar following the impacts of Tropical Cyclones Batsirai and Ana, where the government of Madagascar has received \$10.7 Million payout following premium payment of \$2.0 million. In addition to delivering on key results, ADRIFi has also elevated the profile of climate risk management through leveraging the role of Ministries of Finance and development planning with sectors that manage climate risk management. Despite this increased interest, there remain challenges for uptake and use of climate risk financing instruments by governments. Reasons for limited uptake include, among others:

- Limited funding to cover the substantial start-up costs for climate risk financing instruments, given the already tight budgets and competing priorities that these Governments are faced with.
- Lack of understanding within governments on risk financing and how it fits into regular processes of budgeting and finance;
- Lack of adequate and affordable tools and data to effectively quantify risk, which is a first step toward understanding what combinations of financial solutions could optimize coverage of risks for a specific country;
- Political economy pressures (e.g., planning vs. payout horizons, opportunity costs of spending on uncertain future outcomes, mis-aligned incentives, etc.) which can discourage financial planning of this sort.
- Lack of technical expertise within vulnerable countries to design and implement climate risk management solutions.
- There often remains a government reliance on ex-post 'free' funding by the humanitarian community due to decades of access to such assistance;
- There are few readily available pre-arranged financing solutions that are specifically tailored to fit different countries' needs and contexts those that address the needs of LDCs.

3) The proposed alternative scenario with a brief description of expected outcomes and components of the project;

As climate related disasters lead to several direct and indirect financial impacts on governments, this project will promote adaptation and resilience to the negative impacts of climate through sovereign risk financing and risk transfer measures that provide cover against the financial impacts of climate related disasters as well as financing some of the post-disaster expenses. In the context of climate risk management, risk pools have emerged as cost-effective vehicles to help countries access rapid financing for disaster response. Additionally, pooling risks at the regional level makes it more affordable for Governments to transfer their climate risks at a premium that is more competitive than what they would have gotten if they were to seek insurance directly in the market. Furthermore, recent research indicates that one dollar invested in pre-arranged financing solutions saves about four dollars in humanitarian spending. [5]

Globally, Africa is lagging in ex-ante management of crises, contributing to only 0.5% of global insurance to agricultural climate related crises.[6] The AfDB is advocating for such instruments through this project, leveraging on the experience of the AfDB in promoting innovative climate risk financing instruments through the ADRIFi programme. Within the ADRIFi programme, Madagascar has over the past 2 years received payouts of more than \$10.7 Million cumulatively following tropical cyclones from the risk pool. Given the timely assistance and investments in adaptation, there is growing interest from member states of the African Development Bank to de-risk climate crises, and this has potential to make countries that are prone to climate related crises to have predictable and timely financing to safeguard development gains, to adapt to the changing climate, to save lives and property and to own climate risk management even from domestic budgets.

This project will enhance understanding of climate risk management in African LDCs, by endowing them with relevant requirements for risk modelling, disaster risk financing policies and legislation, thereby fostering enabling environments for an uptake of climate risk financing instruments in Africa. It is expected that through this will facilitate ex-ante approach to climate risk management and empower countries to have timely financial resources following extreme climatic events, provide rapid assistance to the most vulnerable and foster sustainable recovery by reducing exposure of the marginalized groups to extreme climate events. This innovation will transform Africa's approach to climate risk management, by promoting ex-ante climate risk financing approaches and incentivizing the mobilization of financial resources to address the risks of climate disasters in a sustainable manner. In addressing the challenges for the uptake of climate risk financing instruments, the project will foster capacity building, knowledge generation on climate risk management, thereby facilitating a foundation towards resilience and innovative climate risk financing in Africa. This will be done essentially through three main components including :

- **Component 1: Setting the enabling environment for the adoption of climate risk financing instruments in African LDCs.** This component aims at building the capacity of African LDCs towards climate risk management and the adoption of climate risk financing instruments as viable tools to address the risks of climate hazards. The component is designed to strengthen the understanding of African LDCs of their exposure to climate risks and to design and establish, where appropriate, the institutional climate risk management processes and frameworks needed to be put in place to facilitate enhanced recovery from

climate shocks. The component is also designed to strengthen the capacity of relevant stakeholders in African LDCs, particularly private sector insurance companies, of climate risk financing instruments including index-based insurance, to catalyze domestic participation of insurance companies. Expected outputs under this component include climate risk profiles and contingency plans elaborated, climate risk management processes and regulatory frameworks established, trainings and awareness raising of private sector insurance companies on index-based insurance including the design of insurance contracts with the private sector.

· **Component 2: Improving uptake of climate and disaster risk financing, by supporting the establishment of a climate insurance guarantee facility** that will promote and support African LDCs towards transferring their risks of climate shocks to the regional risk pool in a sustainable manner. This approach will include smoothing out payments to the insurer by providing guarantees to the African Risk Capacity for risk premium payments of LDCs being processed and for which disbursements may delay. This arrangement will eliminate the situation where a disaster occurs in country whose payment for the premium of the disaster has delayed and will ensure payments of such premiums, and subsequent payouts. Activities under this component will include, but not limited to, establishing a guaranteed fund of about USD 4.5 million proposed to be domiciled with the African risk capacity with the view of providing advance payments for countries whose payments are delayed. This activity will be complemented by supporting countries to elaborate Disaster Risk Financing Strategies for a sustainable mobilization of financial resources. The facility is expected to lead to enhanced financial and technical capacity of countries, growth as well as regional and product diversification of the pool. The growth of the pool will eventually lead to reducing the average cost of premiums for all participating countries. The facility will serve as a short-term advance on behalf of the countries and should guarantee payments for not more than 6 months. The facility will be domiciled within ARC and the Bank will monitor incomes that will accrue from interests on funds disbursed. Details of the arrangement between the Bank and ARC will be defined prior to CEO endorsement. Moreover, operational modalities of the facility will be further developed prior to CEO endorsement taking into account, but not limited to, the following considerations:

- o What would be the exit strategy of the fund after the initial planned for 7 years period?
- o How the fund will incentivize countries to be proactive and disincentive those that will otherwise pay their premiums on time

· **Component 3: Strengthening Adaptation and Resilience of African LDCs against climate risks.** As effective action on climate adaptation and resilience is only possible with high-quality weather, climate, hydrological, and related environmental data ("hydro met" data), this component will target investments in the hard and soft data collection infrastructure in African LDCs to strengthen the functioning of multi-hazard early warning systems and foster the mainstreaming of climate risks into development planning. This will be complemented by small-scale adaptation and disaster risk reduction intervention targeting the most exposed population in African LDCs, with the view to strengthening their resilience to climate shocks. The activities may consist of some Community Based Adaptation such as local adaptive planning around changing rainy seasons with modified agricultural planting seasons as well as adjusted crop choice; or community disaster risk trainings to store water and food on high-and-dry lands to cope with recurrence of floods or dry spells. These activities will be identified in alignment with the respective NDCs of participating countries.

4) Alignment with GEF focal area and/or Impact Program strategies

The proposed project and outcomes are aligned to the GEF focal areas, especially CC1 which is on *“Reducing Vulnerability and Increase Resilience through Innovation and Technology Transfer for Climate Change Adaptation”*. As this is the main driver of providing the foundation for ex-ante approach towards climate risk management in Africa, Innovative tools to manage risk, such as risk insurance facilities, risk pooling, risk transfer, and supportive policy and capacities are among the core targets of the GEF in cycle 7. This project is delivering on this objective, and it will benefit from AfDB’s foundational baseline programme – the ADReFi Programme – which is already under implementation with significant support from partners for scale up. The project further cements adaptation, climate risk management into development financing and insurance, thereby making Ministries responsible for Finance and Development Planning into becoming active agents of climate action. Given that in most countries, institutions for disaster management and climate change management have low convening power, the project will elevate climate risk management to the core of government business and decision making, by leveraging on the convening power of Ministries of Finance and Development Planning. It is to be expected that when governments start owning the climate action including through domestic financing, the trajectory of resorting to humanitarian appeals will change and implementation of sustainable development goals will be more coherent.

5) Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and co-financing;

GEF Components	Business as usual and baseline scenario	Incremental cost reasoning/Value added
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<p>1. Setting the enabling environment for the adoption of climate risk financing instruments in African LDCs</p>	<p>The ADRiFi programme is providing capacity building in the area of risk profiles, modeling, setting up of triggers for insurance, capacity building of governments and links disaster risk management agencies, institutions responsible for climate risk management, development partners and Ministry of finance to mainstream climate risk management in development planning.</p> <p>The scale of the programme remains low, with Africa contributing only less than 1% of global climate insurance (only agricultural available in literature). While the momentum is growing, the programme is yet to have regional approach to convene countries, bring key players and leverage from climate financing.</p> <p>Further investments are needed to enhance comprehension of risk management and strengthen enabling environment for the uptake of the climate risk financing instruments at both national and regional levels.</p>	<p>The ADRiFi is advocating a new concept to the region, and in the preliminary years, comprehension of risk management has been minimal. This GEF support will enable the programme to reach more countries, and Ministries for development planning and finance will serve a critical role so that climate change adaptation should be delinked from development.</p>
<p>2 Improving uptake of climate and disaster risk financing</p>	<p>The ADRiFi programme is supporting countries with partial premium financing from the MDTF and their ADF allocation to enable their participation in the regional risk pool provided by the African Risk Capacity</p>	<p>GEF funding will be instrumental in enabling a timely and sustainable participation of African LDCs in the ARC sovereign risk pool. Efficiency in the delivery of climate change adaptation and risk management are very key, and the support from the GEF with capacity building, the risk guarantee facility and resilience building interventions that address root causes of vulnerability will enable member countries to manage climate data better, which</p>

		<p>will in the long run deliver credible systems, and this will facilitate better roll out of this facility in Africa. The more countries subscribe to capacity building, the greater the risk pool, and the lower premium costs will become thereby providing an incentive to countries to pay from their domestic budgets independently in the longrun.</p>
<p>3 Strengthen adaptation and resilience of African LDCs against climate risks</p>	<p>The ADRiFi is supporting development of contingency plans and well as implementation plans based on currently available climate data in African LDCs, which is not always of good quality, and may cause inaccuracy of trigger points and contingency plans. Some issues which arose from stakeholder consultations are the inclusion of marginalized groups in the contingency plan coverage and interventions from payouts following a crisis. Furthermore, support provided by ADRiFi at the institutional level is limited in terms of impacts in strengthening the adaptive capacity of the most vulnerable.</p>	<p>In order to better inform contingency planning and further strengthen countries' participation in the ARC risk pool, quality and availability of climate data is paramount. GEF funding will help to improve collection and management of climate data, which in turn will enhance accuracy of trigger points for the insurance thereby limiting basis risk.</p> <p>Additionally, GEF support will also be instrumental in strengthening the adaptive capacity of the most vulnerable and minimizing their exposure to climate risks.</p>

6) Global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF);

This project is aimed at enhancing resilience and adaptation of both humans and the biophysical environment to climate shocks by addressing the drivers to climate vulnerability and fostering the adoption of innovative climate risk financing solutions. Given that increasing extreme events are arising from disequilibria in the environment, apart from addressing adaptation needs, this project will also deliver interventions that enhance resilience. The project will enable better planning to address the impacts of climate hazards and prevent loss of human lives and livelihoods. Moreover, the project will strengthen preparedness of African LDCs towards climate shocks, through enhanced multi-hazard early warning systems, and strengthen the financial resilience of African LDCs and their most vulnerable population, by promoting the adopting of climate risk financing instruments such as risk transfer. Furthermore, through locally tailored small-scale adaptation measures, the project will raise awareness about the need for humans to co-exist with the natural environment and adapt to the changing pattern of the climate and the impacts of such variability on their lives and livelihoods. For example, crises like flooding are minimized from nature-based solutions like afforestation, catchment management, as such the project will also promote nature-based solutions, which will indirectly enhance ecosystem integrity and deliver global adaptation benefits.

As development planning will be risk informed, this project will enhance Ministries of Finance which are responsible for allocating resources in the public sector to invest in resilience, which will indirectly raise the profile of domestic climate financing. As countries become more resilient, more independent in financing climate risk management, in the long run this will empower countries to invest more in adaptation and resilience. As the global pandemic of covid-19 is still in existence with significant health, social and economic impacts, this project will also facilitate recovery from covid-19 pandemic through including covid-19 response as part of contingency planning. As such, payouts will also be sensitive to covid-19 pandemic, with the principle of building back better from Covid-19 pandemic. Some of the adaptation options following feasibility assessments may include scaling up areas under irrigation agriculture, which would enhance income generation and food security in some vulnerable households who have been socially affected by impacts of the covid-19 pandemic. Adaptation options that utilize nature-based solutions also derive some investments like, integrated water management systems, bee keeping and honey production, which deliver both environmental, social and economic co-benefits as appropriate.

7) Innovation, sustainability and potential for scaling up.

This project is providing a new approach towards climate risk management in Africa, preventing RMCs from relying on aid but rather manage climate risks, towards the adoption of ex-ante financing instruments that will build their resilience and minimize the burden for countries in managing risks independently. Market-based disaster risk financing solutions, such as macro insurance policies purchased by governments to cover disaster losses, can enable faster, more cost-effective and predictable responses to climate and disaster shocks. A scale-up of climate and disaster risk finance and insurance solutions is urgently needed to enable governments and the humanitarian sector to strengthen safety nets for the most vulnerable and provide more timely financing and assistance to populations at risk.

Market based instruments have not been prominent in the region, but since the inception of the ADRiFi in 2018 and looking at the growing interest from both regional member states (including African LDCs), donors and development partners, and how countries like Madagascar who have received a pay out of more than 600% the initial premium payment, with more payouts of similar magnitude, pooling of risks has significant potential to transform Africa. Given the increasing magnitude of climate risks with some countries like Malawi that have done 3 post disaster needs assessments in a space of 5 years from climate related crises, countries like Madagascar that suffer tropical cyclones every year, countries like Mauritania and the Gambia who can barely produce at least 50% for domestic consumption in good seasons, demand and the turnaround benefits of participating in the sovereign risk pool could enable them afford premium payments and benefit from the shared pool. Given that this is a demand driven facility where countries express interest and meet participation criteria, the support from the GEF will further strengthen the scale, and the guarantee facility to be established will enhance efficiency, which will serve as an incentive for timely payouts. In principle, payouts are meant to be done 10 days after trigger points are reached or 10 days after the end of the season for slow onset hazards like drought. In the past, countries with least capacity suffered from delayed payouts, but the guarantee facility will cushion the inefficiencies in the preliminary tears of implementation.

The approach is sustainable given that direct benefits are being realized, and given the risk profiles of many LDCs, the historical trend of climate related crises and projections indicate more frequent extreme events, which have the potential to continue eroding development and adaptation goals if ignored. Given the high return on investments, and that the ADF support from the bank is provided on concessional basis, the facility is attractive to most countries and has potential for sustainability. Furthermore, support given through the project to counties in designing and disaster risk financing strategies. Implementation of these strategies will put the countries in the path of mobilizing sustainable resources for adaptation in general and climate risk management specifically.

[1] Centre for Research on the Epidemiology of Diseases (CREDE): The Human Cost of Natural Disasters – A Global Perspective (2015)

[2] Climate and Development Knowledge Network. The IPCC's Fifth Assessment Report – What's in it for Africa? (online access: <https://cdkn.org/resource/highlights-africa-ar5/>) (2014)

[3] I. Niang, O.C. Ruppel, M.A. Abdrabo, A. Essel, C. Lennard, J. Padgham, and P. Urquhart, 2014: Africa. In: Climate Change 2014: Impacts, Adaptation, and Vulnerability. Part B: Regional Aspects. Contribution of Working Group II to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Barros, V.R., C.B. Field, D.J. Dokken, M.D. Mastrandrea, K.J. Mach, T.E. Bilir, M. Chatterjee, K.L. Ebi, Y.O. Estrada, R.C. Genova, B. Girma, E.S. Kissel, A.N. Levy, S.

MacCracken, P.R. Mastrandrea, and L.L.

White (eds.]). Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, pp.

1199-1265.

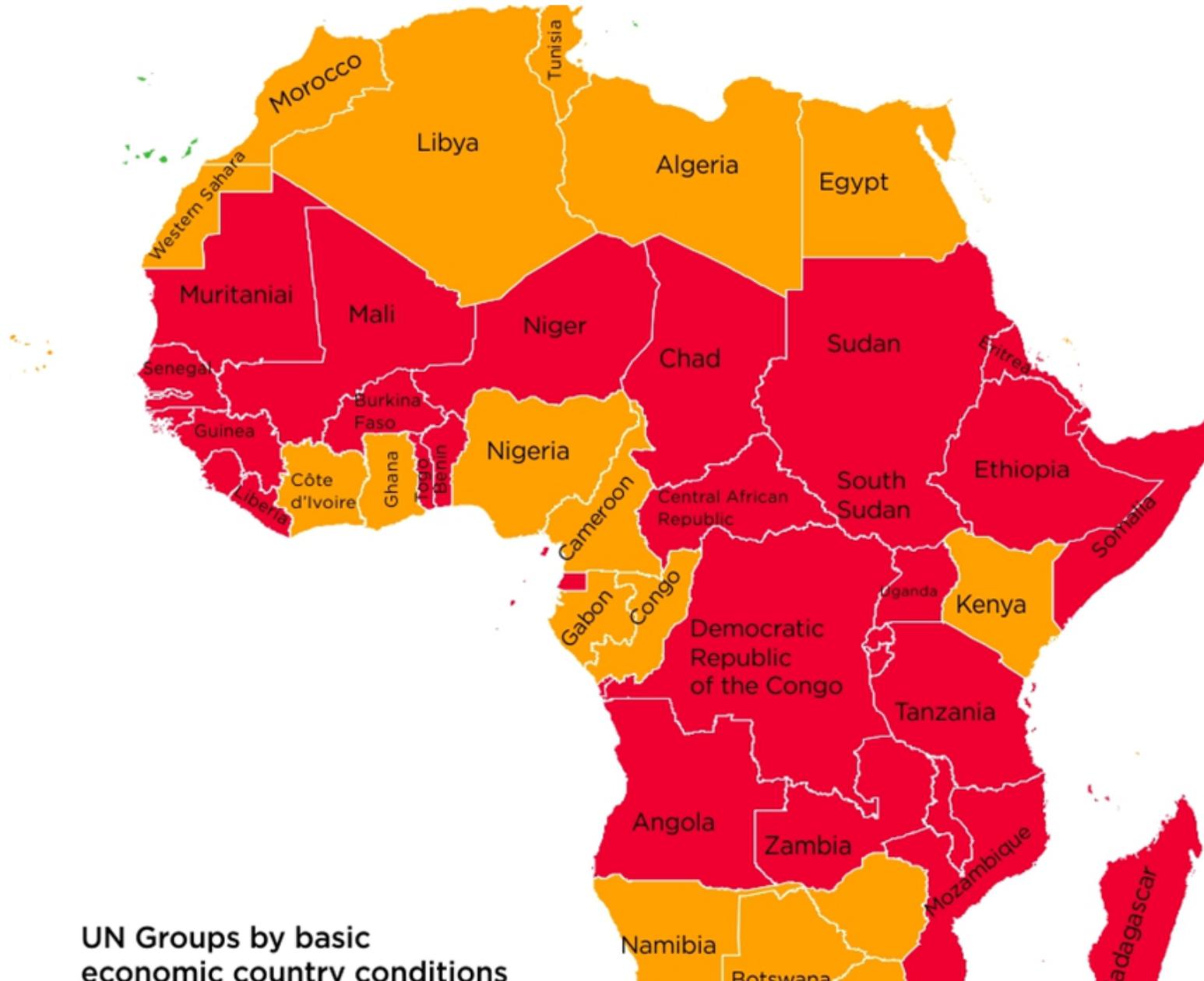
[4] WMO: State of Climate in Africa < https://library.wmo.int/doc_num.php?explnum_id=10421> .

[5] <https://www.globalriskfinancing.org/sites/default/files/2020-07/GRI%20Theory%20of%20Change.pdf>

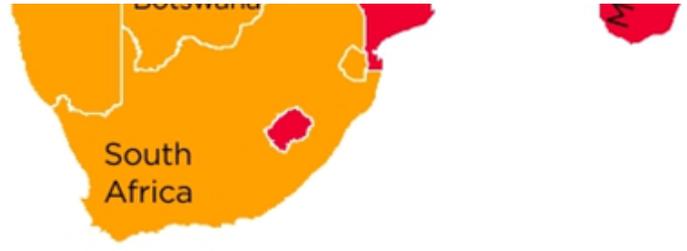
[6] Agricultural insurance has been present in some African countries since the early 20th century (Burger, Reference Burger1939; Adesimi and Alli, Reference Adesimi and Alli1980; Alli, Reference Alli1980; Atlas Magazine, 2017), however, the market remains very small. As of 2008, four out of 47 countries in the region had a functioning agricultural insurance program and an additional six were implementing pilot projects (Mahul and Stutley, Reference Mahul and Stutley2010). The last decade has observed gradual improvement ranging from agriculture micro-insurance (Di Marcantonio and Kayitakire, Reference Di Marcantonio, Kayitakire, Tiepolo, Pezzoli and Tarchiani2017) with several countries piloting index insurance (Sandmark et al., Reference Sandmark, Debar and Tatin-Jaleran2013). Hess and Hazell (Reference Hess and Hazell2016) found that about 653,000 farmers had some form of insurance coverage and our updated program coverage suggests over 2 million smallholder farmers have insurance in Africa. Source: <https://www.cambridge.org/core/journals/environment-and-development-economics/article/determinants-of-uptake-and-strategies-to-improve-agricultural-insurance-in-africa-a-review/6FB330C15BEE881A0358E1159DFF3199>

1b. Project Map and Coordinates

Please provide geo-referenced information and map where the project interventions will take place.



- Least Developed Countries
- Developing countries
- Economies in Transition
- Developed Countries



Map of African LDCs (source: United Nations)

2. Stakeholders

Select the stakeholders that have participated in consultations during the project identification phase:

Indigenous Peoples and Local Communities

Civil Society Organizations Yes

Private Sector Entities

If none of the above, please explain why: Yes

This is a regional project which is building on several consultations with: countries that are participating in the ADRiFi, as well as several stakeholders and development partners who have expressed interest to join ADRiFi. . Given that countries undergo a series of dialogues and appraisals missions, the formulation process of this proposal has benefited from a wide range of consultations, and at the entry point are Governments of regional LDC member states, followed by key public institutions such as regulators or financial institutions, which have a stake in climate risk financing. Consultations were also undertaken with private sector (insurance) companies to investigate their appetite in participating in the project and creating a local market for index-based insurance at the micro level. Lastly, organizations representing the interests of the beneficiaries of the insurance coverage, i.e. the most vulnerable were also consulted within the framework of the ADRiFi programme. Engagement with the category of stakeholder will be critical to ensure adequate beneficiary identification and targeting, particularly in the context of gender sensitive contingency plans. It is expected that during the full project formulation phase towards CEO endorsement, further consultations will be undertaken to sharpen the role of the different categories identified in line with project objectives.

In addition, provide indicative information on how stakeholders, including civil society and indigenous peoples, will be engaged in the project preparation, and their respective roles and means of engagement

The project has a dedicated output towards investing in needs of the most vulnerable groups, of which gender is paramount. Outcome 3 is dedicated in investments that empower the most vulnerable groups, through addressing root causes of vulnerability and building resilience of the most vulnerable. While focus will be on root causes of vulnerability and exposure to the risks of climate hazards, the project cannot only address future needs independent of immediate needs to guarantee sustainability, so special needs of women, the elderly, people with disabilities, child headed households, indigenous groups and other groups as appropriate, will be directly targeted under Outcome 3, and the results framework will have complete results chain, including gender analysis an action plan as part of the project formulation package. Moreover, the project will be assessed against AfDB Gender Marker System (GMS) which is a four-category system that marks the extent to which the design a project has integrated gender equality perspectives. The GMS is applied at the earliest stages of project identification and preparation so as to maximize the opportunity for gender to be fully integrated into project preparation activities and design.

3. Gender Equality and Women's Empowerment

Briefly include below any gender dimensions relevant to the project, and any plans to address gender in project design (e.g. gender analysis).

The project has a dedicated output towards investing in needs of the most vulnerable groups, of which gender is paramount. In most African LDCs unpredictable climate, erratic rains and sometimes floods result into bad or total failure of crop yields, leading to food insecurity affecting men, women and their children. However, being a social responsibility for women to provide food for their household, they end up bearing the biggest emotional weight at the scenes of their starving children. Moreover, although no sector of society is spared from the negative impacts of climate hazards, women bear the most brunt. Women walk long distances in search for household firewood and water where they spend much of their time especially on long queues at water points, while being awaited by other household chores. Such also exposed women to Gender Based Violence (GBV) risks robs them of emotional and physical energy that would otherwise have been used for socioeconomic development activities. At times girls drop out of school to provide support to their overburdened mothers , which drags them into poverty and widen the gender gap[1]

The literature recognizes that women's empowerment and improvements in gender relations have proven impacts on productivity, income generation, diversification, and improved decision making on the use of income and resources to meet household consumption and nutritional, a factor that boosts resilience to climate change. As such the project will aim to identify and promote gender sensitive approaches to strengthen the resilience of the most vulnerable so as to minimize negative impacts of climate hazards on both men and women. To achieve this objective, the project will be assessed against AfDB Gender Marker System (GMS) which is a four-category system that marks the extent to which the design a project has integrated gender equality perspectives. The GMS is applied at the earliest stages of project identification and preparation so as to maximize the opportunity for gender to be fully integrated into project preparation activities and design.

A key activity to be undertaken during project design is the elaboration of a gender analysis and action plan with regards to the level of gender inclusiveness within existing climate risk management frameworks across African LDCs. This assessment will guide the final set of activities that will be proposed for CEO endorsement, with the view to ensuring adequate gender mainstreaming and achieving gender equality through this project. Additionally, further inputs on gender mainstreaming will be gathered during stakeholders consultations throughout the preparation phase.

[1] <https://www.equaltimes.org/>

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment? Yes

closing gender gaps in access to and control over natural resources; No

improving women's participation and decision-making; and/or Yes

generating socio-economic benefits or services for women. Yes

Will the project's results framework or logical framework include gender-sensitive indicators?

Yes

4. Private sector engagement

Will there be private sector engagement in the project?

Yes

Please briefly explain the rationale behind your answer.

The project is aimed at promoting a market-based tool for climate risk management, and there are several insurance providers who may be willing to participate in climate risk management, so the project will target them, and provision of other products for climate services may also be of interest to the private sector, hence the scope will be wide for attracting key players in the market. The performance of climate risk management requires credible data and climate services which require robust hydro and meteorological telemetry systems in countries, modelling and facilities to access some satellite-based products which are correlated with ground-based products. The insurance market at local level could grow if there is potential of a viable market and willingness to pay for premium, as some countries are developing climate funds, the private sector in the financial industry may have potential to provide some services at the local level. The Climate Insurance guarantee facility will operate more at national level, but delivering services in hotspots from climate related crises, where there will be need for complementary robust systems on the ground, some of which could be delivered by the private sector, e.g., management of risk data as well as delivery of some resilience interventions. Given that the final set of countries will be derived during the project formulation phase based on countries which will be participating in the programme, the project will build a business case for private sector insurance institutions participation, through tailored capacity-building and awareness raising on index-based insurance, including the design of insurance contracts. Additionally, the development process of DRF strategies will involve the private sector with local based insurance companies.

5. Risks to Achieving Project Objectives

Indicate risks, including climate change, potential social and environmental risks that might prevent the Project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the Project design (table format acceptable)

Key Risk	Type	Description	Anticipated Impact and Probability (scale from 1 (low) to 5 (high))	Mitigation Options
Conflict in some African LDCs which may limit implementation	Political and strategic	Conflicts in some parts of the region, terrorism and sanctions which may limit implementation of the programme	Probability: 2 Impact: 4	Investment will be done to countries that have political stability as one of the conditions
Lack of involvement and/or co-operation among stakeholders	Operational	Competition for partners who are investing in ex-post support and unwillingness to reform	Probability: TBD Impact: TBD	The project will leverage of south-south cooperation and leverage on successful case studies for advocacy
Political interests over implementation of innovative financing	Organizational/Operational	Some politicians may want to capitalize on crises	Probability: TBD Impact: TBD	Being a regional programme, regional bodies will play a critical role to minimize politicization, and the programme will be demand driven
Lack of willingness from the private sector to participate in climate risk management	Political	The private sector may find investment in climate risk management very risky	Probability: TBD Impact: TBD	The programme will invest in clear business cases and pay attention to unique contexts
Impact of covid-19 pandemic may risk timely implementation and affect replenishment of the MDTF from donors and the ADF	Financial, strategic	Covid-19 may affect global economies and thereby affect replenishment of the ADF and MDTF, and may slow down implementation	Probability: TBD Impact: TBD	The bank has written agreements with donors on multiyear financing, as such manifestation of such risks in minimal, and appropriate adaptation options will, be adhered to in managing waves of covid-19
Pressure of too much demand beyond the capacity of the institutions to deliver on the mandates	Organizational	The growing demand and interest may stretch the capacity of ADRIFi and ARC in efficiently meeting the requirements	Probability: TBD Impact: TBD	The bank is already reforming and growing the team given the demand and country offices will play a significant role in delivering some services, and the ARC has geographical presence across Africa

6. Coordination

Outline the institutional structure of the project including monitoring and evaluation coordination at the project level. Describe possible coordination with other relevant GEF-financed projects and other initiatives.

The project is building on a long-term experience of the Bank in managing climate change adaptation projects and innovative financing facilities as well as a very strong foundation of the ADriFi Programme, which is being executed by the Bank and in partnership with the African Risk Capacity. Through its coordination unit, the ADriFi programme operates within the Agriculture Finance and Rural Development Department of the AfDB and is managed by a coordinator and dedicated technical staffs who are responsible for programme development and execution. In addition to the coordination unit, the ADriFi programme benefits from a dedicated governance structure that includes: (i) a multi-sectoral technical review committee responsible to review and recommend approval of funding requests, annual workplans and budget, as well as requests for disbursement; and (ii) an oversight committee, responsible for policy decision making (e.g. approval of operational procedures including country eligibility criterion, annual workplans and budget, etc.), recommendation of approval of funding requests above the USD 1 million threshold for approval by the Board of Directors. It is therefore proposed that, in order to ensure efficient and timely execution, the project builds on current structure of the ADriFi programme, which would be strengthened as appropriate by, adding dedicated staff to the ADriFi Coordination Unit, procuring the services of consultants for specific activities and . Details on the team composition will be further elaborated prior to CEO endorsement, and entering into an agreement with the African Risk Capacity for the establishment and operation of the climate risk financing guarantee facility. Details of the arrangement between the Bank and ARC will be defined prior to CEO endorsement.

7. Consistency with National Priorities

Is the Project consistent with the National Strategies and plans or reports and assesments under relevant conventions?

Yes

If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc

The ADRiFi programme which is providing a baseline for the project, builds on national development plans and country assessments regarding adaptation needs of recipient countries as such alignment with national priorities, disaster risk management strategies and Bank policies is paramount. Since this project is delivering CCA-1 priorities, which are anchored in the global conventions on climate change and disaster risk reduction (UNFCCC and the Sendai Framework on Disaster Risk Reduction) and taking into account Bank's commitment to implement national climate actions, the starting point of every engagement under this project will be the national development plans, national climate change strategies and priorities when stated in the countries NDCs. Moreover, The Bank pays strong attention to the economic growth of its member states, and climate change and fragility are key pillars of the ADF 16 which is one of the main funding streams of the Bank's strategy. In this respect, engagement of all member states and the selection criteria under the ADRiFi include, implementation of the national development plans, NDCs, SFDRR and leveraging on complementary investments from other development partners including climate funds (GEF, GCF, Adaptation Fund, etc.), which is key for AfDB. At operational level, community-based activities to be identified under component 3 will be informed by the National Adaptation Plans (NAPs) or the National Adaptation Plans of Actions (NAPAs), as appropriate, of the participating LDCs.

8. Knowledge Management

Outline the knowledge management approach for the Project, including, if any, plans for the Project to learn from other relevant Projects and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.

The project will deploy results-based management from the design stage, which will include results-based reporting and generation of information that helps to draw lessons (both positive and negative) during implementation, that helps adaptive management and that helps to objectively update the adaptation tracking tools and managing risks. Once countries have been identified in this regional project during the formulation phase, the theory of change will be strengthened with identification of baselines, targets, indicators, means of verification with methods of collecting and generating data to inform objective reporting, and feedback tools will be deployed for impact evaluation as appropriate. The design of the programme for market-based instruments thrives on credible information, as such building on the ADRIFi this area will be consistently managed to inform the progress towards achievement of results. The project will have specific tools for linking inputs, activities, outputs, outcomes and impact with clear cause and effect relationships and indicators at each stage, which will guide the M&E Plan which will have a dedicated budget.

The project will undergo independent evaluation at mid-point and during closure, and the baseline programme is also undergo a midterm review. The ADRIFi regularly reports to AfDB's Board of Directors and the oversight committee, which is composed of donors in the MDTF, who also regularly provide direction and validate progress as appropriate. These processes are important in keeping the project implementation on track, to enhance efficiency and make key decisions on adaptive management based on the risks being managed, and new risks like pandemics which could not be foreseen during design, and as the demand for the programme is growing, the team will have a dedicated Knowledge Management, Monitoring and Evaluation Specialist provided by the Bank.

Knowledge generated throughout the lifespan of the project will be disseminated through regional workshops organized to foster peer to peer learning and promote knowledge sharing. Moreover the Bank will establish a micro website through which it will foster knowledge dissemination towards a wider audience.

9. Environmental and Social Safeguard (ESS) Risks

Provide information on the identified environmental and social risks and potential impacts associated with the project/program based on your organization's ESS systems and procedures

Overall Project/Program Risk Classification*

PIF

CEO Endorsement/Approval MTR

TE

Low

Measures to address identified risks and impacts

Provide preliminary information on the types and levels of risk classifications/ratings of any identified environmental and social risks and potential impacts associated with the project (considering the GEF ESS Minimum Standards) and describe measures to address these risks during the project design.

Following a preliminary screening, the project is classified category 3 (low category risk) of the Bank's Environmental and Social Assessment Procedures for Public Sector Operations. The project does not have an environmental component that would require a comprehensive Environmental and Social Impact Assessment (ESIA). The project aims to mitigate the effects of extreme climatic events exacerbated by climate variability to the extent that these affect agricultural productivity and subsequently, food security. It is promoting solutions that will lead to greater climate resilience and improve access to financing for initiatives to promote more effective and efficient disaster risk management. It is unlikely to have any detrimental and site-specific negative environmental and social impacts as it involves mainly capacity building, risk modeling and risk transfer solutions. Based on the Guidelines and standards (including Operational Safeguards and Guidance Notes) of ESA studies considered, none of the OS1-5 are expected to be triggered. These include (i) Environmental Assessment (OS1); (ii) Involuntary Resettlement (OS2); (iii) Natural Habitats/Biodiversity and Ecosystem Services (OS3); (iv) Pollution Prevention & Hazardous Materials (OS4); and (v) Labour Conditions & Occupational Health and Safety (OS5). As environmental and climate change capacity building measures are already part of the project activities, no mitigation measures are required at this stage. As this is a regional/multinational project classified category 3, a comprehensive ESS assessment has not yet been done but is planned to take place during the PPG phase to build on this preliminary assessment. For your information, an example of a preliminary assessment made for Malawi can be found here attached.

The project is classified under Category 3 (low category risk) according to the AfDB's climate risk assessment procedures (CSS), and does not require the development of specific actions for climate risk management due to the scope of activities which focus on capacity building, awareness raising, resilience building and key data generation. Hence, the project is specifically identified as an operation that supports adaptation and resilience to climate risks.

Supporting Documents

Upload available ESS supporting documents.

Title

Submitted

ADRIFI_Environmental and Social Compliance Note (ESCON)

Part III: Approval/Endorsement By GEF Operational Focal Point(S) And GEF Agency(ies)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the Operational Focal Point endorsement letter with this template).

Name

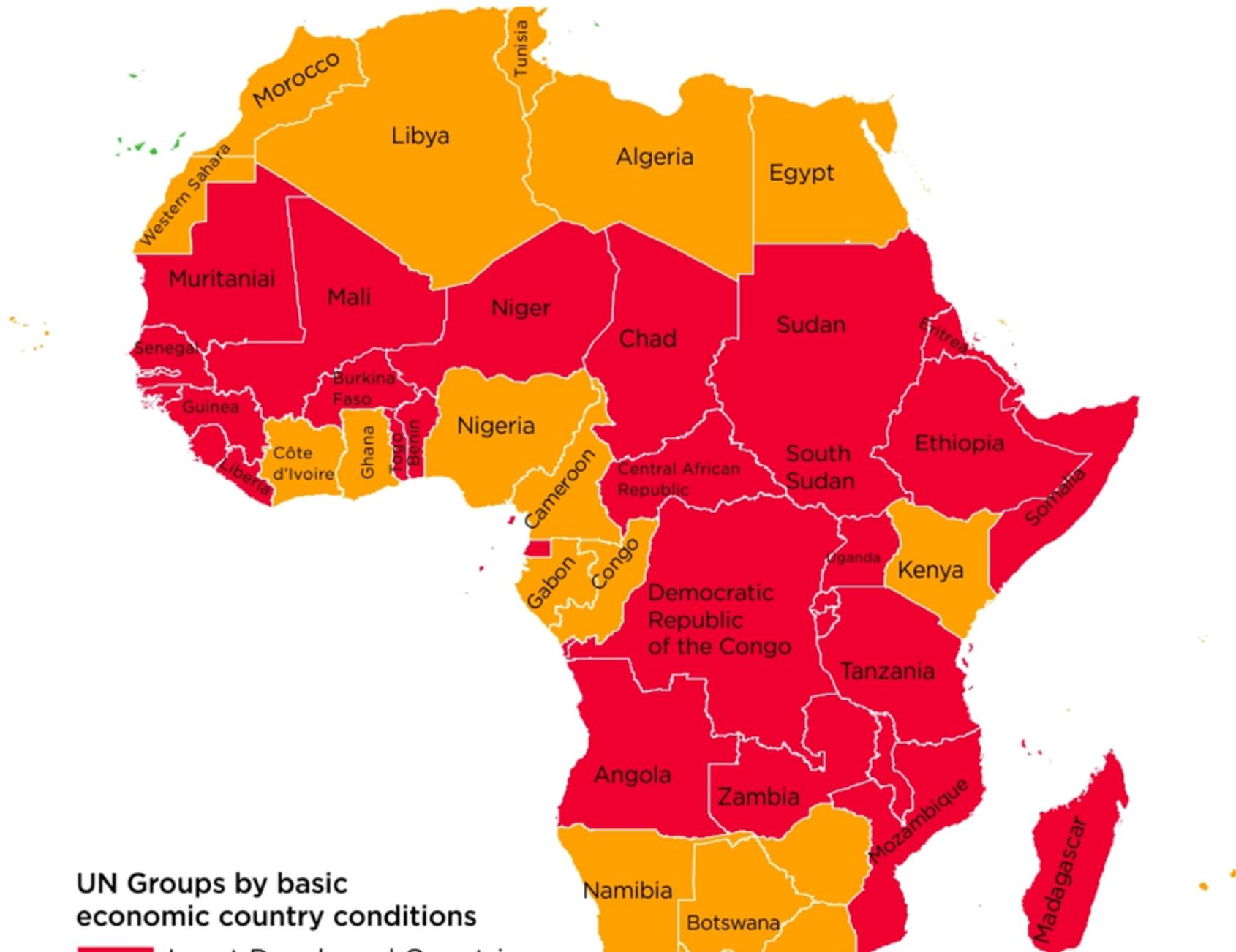
Position

Ministry

Date

ANNEX A: Project Map and Geographic Coordinates

Please provide geo-referenced information and map where the project intervention takes place



- Least Developed Countries
- Developing countries
- Economies in Transition
- Developed Countries



Map of African LDCs (source: United Nations)