

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

Basic Information

GEF ID

11008

Countries

Regional (Africa)

Project Title

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

GEF Agency(ies)

AfDB

Agency ID

GEF Focal Area(s)

Climate Change

Program Manager

Jason Spensley

PIF

Part I – Project Informatic

Focal area elements

1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?

Secretariat Comment at PIF/Work Program Inclusion

25April2022:

Yes

Agency Response

Indicative project/program description summary

2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?

Secretariat Comment at PIF/Work Program Inclusion

4May2022:

Cleared.

25April2022:

A) Please number all project components, outcomes, and outputs.

B) As a minor comment, please correct word spacing inconsistencies.

b) As a minor comment, please correct word spacing inconsistencies.

Agency Response

AfDB- 2 May 2022

Changes have been executed.

Co-financing

3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?

Secretariat Comment at PIF/Work Program Inclusion

17May2022:

Cleared

13May2022:

Please seek to identify other expected sources of co-finance.

4May2022:

We note AfDB will continue to identify further sources of co-finance during project preparation.

25April2022:

We appreciate the AfDB co-finance through the Africa Disaster Risk Financing Program. Please continue to explore and identify opportunities for further sources of co-finance.

Agency Response

AfDB 17 May 2022

As indicated in the description of "Investment Mobilized" under Table C. of Part 1 of the PIF, the co-financing presented is from the baseline project of the African Development Bank, "Africa Disaster Risk Financing (ADRFi) Programme", which is funded through two main streams: i) \$1,500,000 from AfDB's core budget investment into the ADRFi programme (staff costs, missions, programme implementation and supervision) and ii) the ADRFi 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 ADRFi 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.

AfDB- 2 May 2022

Yes, thank you, we will keep exploring during the PPG phase. The AfDB is looking into mobilizing co-financing from the Transition States Facility to supplement capacity-building activities.

GEF Resource Availability

4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):

Secretariat Comment at PIF/Work Program Inclusion

25April2022:

Yes

Agency Response

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

25April2022:

N/A

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion

25April2022:

N/A

Agency Response

The LDCF under the principle of equitable access?

Secretariat Comment at PIF/Work Program Inclusion

25April2022:

Yes

Agency Response

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion

25April2022:

N/A

Agency Response

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion

25April2022:

N/A

Agency Response

Agency Response

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion

25April2022:

N/A

Agency Response

Project Preparation Grant

5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)

Secretariat Comment at PIF/Work Program Inclusion

25April2022:

Yes

Agency Response

Core indicators

6. Are the identified core indicators in Table F calculated using the methodology included in the corresponding Guidelines? (GEF/C.54/11/Rev.01)

Secretariat Comment at PIF/Work Program Inclusion

4May2022:

Cleared.

25April2022:

We note the number of expected hectares in core indicator 2 is only 150.00 (one hundred and fifty). Is this a typo. Please significantly increase.

Agency Response

AfDB- 2 May 2022

This has been increased, with the understanding that it will be further revised and accurately indicated during project preparation (PPG phase).

Project/Program taxonomy

7. Is the project/program properly tagged with the appropriate keywords as requested in Table G?

Secretariat Comment at PIF/Work Program Inclusion

25April2022:

Yes

Agency Response

art II – Project Justification

1. Has the project/program described the global environmental/adaptation problems, including the root causes and barriers that need to be addressed?

Secretariat Comment at PIF/Work Program Inclusion

4May2022:

Cleared.

25April2022:

Please strengthen references to anticipated impacts of climate hazards looking forward for the region, ideally with two scenarios (one being severe and the other more optimistic), and link this range of anticipated climate change impacts to the project interventions to show how the project will reduce the impacts by decreasing vulnerability for the agriculture sector.

Agency Response

AfDB- 2 May 2022

The comment has been addressed in the relevant section. Reference to climate scenarios and their impacts have been made.

2. Is the baseline scenario or any associated baseline projects appropriately described?

Secretariat Comment at PIF/Work Program Inclusion

4May2022:

Cleared.

25April2022:

In the third paragraph of this section, please clarify which national government in the Americas is being referred to by the "American Government".

Agency Response

AfDB- 2 May 2022

This reference has been removed when redrafting the paragraph.

3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?

Secretariat Comment at PIF/Work Program Inclusion

5May2022:

G) Cleared

4May2022:

A) Cleared.

B) Cleared

C) Cleared at the PIF stage. During project preparation and provide further analysis of lessons learned from other regional risk pooling facilities, and how these lessons are/will be taken into consideration in the design and implementation of this project.

D) Cleared.

E) Cleared.

F) Cleared.

G) This has not been addressed. Please respond to this comment in the review sheet and indicate any changes made to the PIF (what the change is and the location of revised text in the PIF).

H) Cleared.

I) Cleared.

25April2022:

A) We note the statement at the bottom on first first paragraph in this section that Africa is "contributing to only 0.5% of global insurance to agricultural climate related crises." This seems to a a particularly relevant point. Please explain this quote more clearly, and indicate the reference. Does this mean that only .05% of all premiums paid, or payouts made for agricultural climate related insurance is in Africa, or something else? What are the dollar values?

B) With regards to the second paragraph in this section, what facility or facilities are being referred to in Latin America and the Caribbean?

C) Please provide some narrative on lessons learned from the regional de-risking pools being referred to, and the similarities and differences of the design of ACRiF to these examples.

D) We note the statement that "Resources received from such leverage pools are invested back in adaptation to climate change and countries no longer have to manage global issues independently." Please briefly explain how the risk/leverage pool operate in these examples, and if/how the ACRIF model will differ.

E) How does the term "leverage pool" differ from "regional pool", or are these terms being used interchangeably. Particularly given the innovative n nature of these instruments, please be consistent on the use of these terms throughout the PIF.

F) We note the statement that ADRiFI "will support the guarantee facility and will invest in addressing root causes of vulnerability to climate change" . Please briefly explain how this will be the case.

G) We also note the statement that "The project will benefit from parallel financing from the ADRiFI programme which is supporting countries with partial premium financing from their ADF allocation and the multi-donor trust fund, working with the Africa Risk Capacity." Please briefly explain this? Is this referring to the source of co-financing currently listed? If so, please clarify this.

H) Please briefly expand on the statement that "In the long run, the change in mindset of countries, increased capacity and demand will let the fund be sustainable and for countries with capacity for catalyzing domestic participation of insurance companies, localized facilities would be sought and supported as appropriate." How will localized facilities be supported? Will this happen with the LDCF support in question? What is meant by "in the long run"?

(I) Please provide a brief explanation of each of the outputs.

Agency Response

AfDB 5 May 2022

G) The sentence was rephrased in the table for Component (Business as usual, baseline scenario column) of section 5 "Incremental/additional cost reasoning" in blue highlight as well as in the description for "Investments Mobilized" of Table C. The co-financing presented refers to co-financing currently listed which is from the baseline project of the African Development Bank, "Africa Disaster Risk Financing (ADRFi) Programme", which is funded through the African Development Fund of the Bank, and the ADRFi Multi-Donor Trust Fund (MDTF), capitalized by the Swiss, UK and US governments. The MDTF is aimed at providing ex-ante management of climate induced crises in Africa. The project has been running since 2018 and has been rolled out to seven countries, with more countries in the pipeline. These resources have already been committed and will serve as co-financing to the project. Furthermore, the Bank is in the process of mobilizing co-financing from the Transition States Facility to finance capacity-building activities that will address the drivers of fragility, in Fragile African States, including LDCs.

AfDB- 2 May 2022

A: reference to the statement has been added with further details on uptake of agricultural insurance in Africa.

B and C: The regional risk pools referred to are the Caribbean Catastrophe Risk Insurance Facility (CCRIF) and the Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI), which both provide parametric insurance coverage against climate related risks, coupled with access to rapid response financing. Some key lessons learned from these regional risk pools include:

- Pools can strengthen disaster preparedness and crisis response - Catastrophe risk pools are part of a comprehensive approach to disaster risk management and play a key role in efforts to strengthen preparedness and crisis response.

Pools can foster policy dialogue on risk management and risk ownership: They offer a vehicle to anchor (i) financial planning (with participation in a risk pool an integral part of a more comprehensive disaster risk financing strategy that brings together various financial instruments); (ii) contingency planning; (iii) ownership of and collaboration on the climate risk management agenda between and within countries; and (iv) risk-informed investments in risk reduction through the pricing of climate and disaster risks.

D: This statement has been deleted.

E: Noted. The PIF is now making reference to " regional risk pools" only.

F: It is expected that through component 3 the project will strengthen the early warning capacity of the countries whilst also implementing localized community-based adaptation activities to reduce the exposure of the most vulnerable to the disastrous impacts of climate hazards G: this statement is referring to the source of co-financing listed. This has been clarified in the PIF.

H: The statement has been rephrased. The idea is that the project is 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, so as to catalyze domestic participation of insurance companies

I: The output are now a bit more elaborate.

4. Is the project/program aligned with focal area and/or Impact Program strategies?

Secretariat Comment at PIF/Work Program Inclusion

25April2022:

Yes

Agency Response

5. Is the incremental/additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?

Secretariat Comment at PIF/Work Program Inclusion

4May2022:

Cleared

25April2022:

Is it possible to provide an explanation of the incremental/additional cost reasoning and expected contributions from the baseline beyond just ADRIFI related activities. For example, what about the current state of the agriculture insurance industry in Africa, and/or other existing insurance related support, as relevant?

Agency Response

AfDB- 2 May 2022

The section has been further revised accordingly to take into account the contributions of GEF activities to the existing baseline scenario beyond just ADRIFI related activities.

6. Are the project's/program's indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?

Secretariat Comment at PIF/Work Program Inclusion

4May2022:

Cleared

25April2022:

Please note the comment above on impact indicator level for hectares (core indicator 2).

Agency Response

AfDB- 2 May 2022

Reference to this indicator has been removed.

7. Is there potential for innovation, sustainability and scaling up in this project?

Secretariat Comment at PIF/Work Program Inclusion

4May2022:

4May2022:

Cleared at the PIF stage. During project preparation, please expand on the to sustainably finance the risk pooling facility and related aspects after the life of this project.

25April2022:

Regarding sustainability, please expand on the strategy to sustainably finance the risk pooling facility and related aspects after the life of this project.

Agency Response

AfDB- 2 May 2022

The project will fund risk financing strategies that will aim at helping countries to identify ways of mobilizing sustainable resources to finance adaptation in general and climate risks specifically. This will help countries to address the barriers of affordability of premium payment as well as timeliness of payment of premiums.

Project/Program Map and Coordinates

Is there a preliminary geo-reference to the project's/program's intended location?

Secretariat Comment at PIF/Work Program Inclusion

4May2022:

Cleared

25April2022:

Please provide a map and geo-referenced information for the region.

Agency Response

AfDB- 2 May 2022

AFDB 2 May 2022

A Map of Africa LDCs has been attached as these are targeted by the project.

Stakeholders

Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?

Secretariat Comment at PIF/Work Program Inclusion

5May2022:

A) Cleared

B) Cleared

4May2022:

A) In a resubmitted PIF, please ensure the explanation provided by AfDB below is included within the body of the PIF and indicated where this is included.

B) The project should be able at the PIF stage to provide more details on the regional consultations that have been taken place during project design (including information on the potential roles of different stakeholders and project beneficiaries, including civil society organizations). The project should also be able to provide further information on the anticipated roles that different stakeholders may play in project development and implementation, means of engagement and plans for developing a stakeholders engagement plan during PPG phase. Please elaborate further on both point above.

C) We note further in depth stakeholder consultation with all relevant types of stakeholders will be conducted during project preparation.

25April2022:

A) Please include information about the proposed means of future engagement.

B) Please also consider explanation on the stakeholders that have been consulted and have informed design of the PIF.

Agency Response

AfDB 5 May 2022

A) This is well-noted.

B) Under the framework of the ADRiFi programme, the Bank has undertaken consultations with several stakeholders in African LDCs beyond government officials. These stakeholders include regulators of the financial sector (mostly insurance regulators), private sector insurance companies, civil society and representatives of beneficiaries such as farmers associations. These categories will be further consulted during project preparation phase to further strengthen their role in the climate risk financing value chain. PIF includes a table on the list of stakeholders consulted in a number of LDCs under the ADRiFi programme. The table also indicates the expected roles of these stakeholders throughout the project cycle. More information was provided in the PIF at section 2 "Stakeholders" in blue highlight.

C) Thank you, well-noted.

AfDB- 2 May 2022

The ADRiFi team will organize dialogues missions with prospective countries to further understanding on their willingness to join the ARC risk pool and benefit support from the project. During these dialogues missions, the project team intends to consult with members of the Government, private sector, civil society and obviously GEF OFP. An Aide memoire will be signed with the Government at the end of the mission to firm their commitment (co-financing) and chart the way forward.

Gender Equality and Women's Empowerment

Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?

Secretariat Comment at PIF/Work Program Inclusion

5May2022:

A) Cleared

4May2022:

A) It is well noted that the project will be assessed against AfDB Gender Marker System (GMS). However, the submission does not elaborate on any indicative gender dimensions related to the project objectives or components. In addition, it does not provide information on any planned gender assessments/ analysis to be carried out during PPG stage. Please elaborate further on both points above.

B) We note that at project preparation phase the project will be screened against the AfDB's gender marker system (GMS) to define the right set of activities needed to ensure gender mainstreaming.

25April2022:

Please rephrase or explain the statement that "The While focus will be on root causes, the project cannot only address future needs independent of immediate needs to guarantee sustainability, so special needs of women, ... " for greater clarity.

Please briefly explain how gender equality and women's empowerment will be considered in "the needs of the most vulnerable groups", and what is meant here by "is gender paramount".

Agency Response

AfDB 5 May 2022

A) The gender dimension of project objectives has now been clarified in the PIF in Table B and section 3 "Gender Equality and Women's Empowerment) in blue highlight. A key activity to be undertaken during project design is 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.

B) Thank you, well-noted.

AfDB- 2 May 2022

The sentence as been rephrased for greater clarity.

At project preparation phase the project will be screened against the AfDB's gender marker system (GMS) to define the right set of activities needed to ensure gender mainstreaming. 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.

Private Sector Engagement

Is the case made for private sector engagement consistent with the proposed approach?

Secretariat Comment at PIF/Work Program Inclusion

6May2022:

Cleared

4May2022:

Consistent with the comment above related to co-finance, during project preparation, please further explore opportunities for co-finance from private sector actors, including international and nationally focused insurance companies.

25April2022:

A) How will the private insurance sector be involved in design of the full project during project preparation?

B) Is there a potential for private sector co-financing and/or ongoing sustainably financing certain aspects of the risk pooling facility after the life of the this LDCF finance?

Agency Response

AfDB- 2 May 2022

The ADRiFi team will undertake dialogue missions in the countries including local private insurance companies and insurance regulators. As the project target local private insurance companies as recipient of training and awareness raising, no co-financing is expected from their side at the moment.

Risks to Achieving Project Objectives

Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?

Secretariat Comment at PIF/Work Program Inclusion

4May2022:

Cleared

25April2022:

What about risk to sustainably financing the risk pooling facility after the life of this project?

Agency Response

AfDB- 2 May 2022

Sustainability through the project is guaranteed through three main axes:

- 1) The guarantee facility will strengthen the risk pool by increasing the participation of countries. A strong risk pool will, in turn, generate lower premiums for countries in the long term;
 -
 - 2) Through the support in designing and implementing risk financing strategies, countries will be in a position to mobilize sustainable resources for climate risk management and risk premium payment consequently;
 -
- Private sector involvement and establishment of relevant enabling environments will contribute to creating a market of index-based insurance at the local level. It is expected that with time the market will self-adjust to address premium affordability of small holder farmers.

Coordination

Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined?

Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?

Secretariat Comment at PIF/Work Program Inclusion

9May2022:

Cleared at PIF stage.

6May2022:

Still the Executing Partner section is empty. As previously mentioned, if indeed AfDB aims to execute part of the project, a justification is required. Alternatively, please include t.b.d. (to be determined) and remove "GEF Agency" from the field "Executing Partner Type" at the top of the PIF.

4May2022:

We note this is a regional (multi-country project) to be supported through the global set aside for the LDCF. Given AfDB aims to execute the project, please provide a clear justification within the PIF explaining why this is required.

25April2022:

Please clarify who will be the Executing Partner for this project and if any component is desired to be self-executed by AfDB, with the understanding that AfDB will be the GEF Implementing Agency.

Agency Response

AfDB-9 May 2022

Thank you for the comment. TBD (to be determined) was added and "GEF Agency" removed from the field "Executing Partner Type" at the top of the PIF.

AfDB 5 May 2022

Information provided in the PIF at section 6 "Coordination" has been revised and updated in blue highlight. The LDCF project is building on a long experience of the Bank in managing climate change adaptation projects and innovative financing facilities as well as a strong foundation from the ADRiFi Programme, which is being executed by the Bank in partnership with the African Risk Capacity. Through its

coordination unit, the LDCF project (similarly to the ADRIFi programme) will operate within the Agriculture Finance and Rural Development Department of the AfDB and will be managed by a coordinator and dedicated technical staffs who will be responsible for programme development and execution. In addition to the coordination unit, the LDCF project will benefit from a dedicated governance structure that ensures adequate policy orientation, as well as quality assurance. It is therefore proposed that, in order to ensure efficient and timely execution, the LDCF project builds on the current institutional arrangement of the ADRIFi programme, which would be strengthened as appropriate by the GEF investment. Details on the proposed arrangements for project execution will be provided during project preparation.

AfDB- 2 May 2022

Overall the project will be self-executed by AfDB, except for the Climate risk insurance guarantee facility, for which we proposed that it is managed by the African Risk Capacity. Details of the Agreement with ARC will be further elaborated prior to CEO endorsement.

Consistency with National Priorities

Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and assessments under relevant conventions?

Secretariat Comment at PIF/Work Program Inclusion

4May2022:

Cleared

25April2022:

Please include explanation in the PIF of how this project will be consistent and help countries implement their NDCs, National Adaptation Plans, and NAPAs.

Agency Response

AfDB- 2 May 2022

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

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. 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.

Knowledge Management

Is the proposed "knowledge management (KM) approach" in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project's/program's overall impact and sustainability?

Secretariat Comment at PIF/Work Program Inclusion

5May2022:

Cleared

4May2022:

Please provide greater specificity on plans for strategic communications and knowledge management activities in the knowledge management section of the PIF

Agency Response

AfDB 5 May 2022

Thank you, additional information was provided in section 8 "Knowledge Management" in blue highlights. 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 and produce knowledge products through which it will foster knowledge dissemination with the larger public. Further knowledge management strategies will also be explored as part of the PPG phase.

Knowledge dissemination with the target population and knowledge management strategies will also be explored as part of the PIF process.

Environmental and Social Safeguard (ESS)

Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?

Secretariat Comment at PIF/Work Program Inclusion

2May2022:

Cleared at PIF stage, pending a comprehensive ESS assessment during project preparation, building on the preliminary assessment prior to project preparation.

25April2022:

Please upload the risk screening document.

Agency Response

AfDB- 2 May 2022

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.

art III – Country Endorsements

Has the project/program been endorsed by the country's GEF Operational Focal Point and has the name and position been checked against the GEF data base?

Secretariat Comment at PIF/Work Program Inclusion

5May2022:

Cleared at the PIF stage.

4May2022:

The description of some of the project's some activities shows that there will be GEF financed activities to be executed in countries. For example, output 1.2.1. includes "*Awareness raising and training of Africa LDC governments and public institutions on weather and index-based insurance*"; output 1.2.2 includes "*Awareness raising and training of private sector (insurance) companies, and farmers associations on weather and index-based insurance including the design of insurance contract with the private sector*"; output 1.2.3. includes "*Training on climate data collection, processing and climate risk modelling*". Please clarify if these are foreseen as in country convening/trainings at the national level for each participating country, or if these are foreseen as regional convening at AfDB HQ. If these will be in country, then during project preparation and by the time of CEO Endorsement the countries where these activities (outputs) will take place need to provide LoEs.

Agency Response

AfDB 5 May 2022

AfDB will organize regional workshops, convening key stakeholders from target countries at the decision-making chain to raise awareness, train and foster peer to peer learning and knowledge exchange. The relevant activities have been updated accordingly in Table B. Further details on the proposed trainings will be provided at CEO endorsement stage.

AfDB- 2 May 2022

The project will build on the pipeline of the ADRIFi programme, i.e. LDCs that are ARC Members states (35 countries of which 28 are LDCs) and that have expressed interest in joining the ADRIFi programme. The ADRIFi team will engage into dialogue with ARC and the Governments of these countries (including GEF focal points) to determine their difficulties in joining the risk pool. In order to avoid creating distortions and create moral hazards, focus will be on those countries that face difficulties in joining the pool in a timely manner, meaning that those countries that do not have issues in joining the pool (such as Senegal for instance) will be not considered as a priorities given the limited amount of resources available.

Termsheet, reflow table and agency capacity in NGI Projects

Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat Comment at PIF/Work Program Inclusion

25April2022:

N/A

Agency Response

EFSEC DECISION

RECOMMENDATION

Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?

Secretariat Comment at PIF/Work Program Inclusion

17May2022:

Cleared.

13May2022:

Please seek to identify other expected sources of co-finance.

9May2022:

PIF recommended for clearance.

6May2022:

Please address the final comment on the Executing partner.

5May2022:

Recommended for clearance.

4May2022:

Please address remaining comments for policy adherence.

25April2022:

Not yet.

ADDITIONAL COMMENTS

Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.

Secretariat Comment at PIF/Work Program Inclusion

2May2022:

- A) We note AfDB will continue to identify further sources of co-finance during project preparation.
- B) During project preparation, please provide further analysis of lessons learned from other regional risk pooling facilities, and how these lessons are/will be taken into consideration in the design and implementation of this project.
- C) We note further in depth stakeholder consultation with all relevant types of stakeholders will be conducted during project preparation.
- D) We note that at project preparation phase the project will be screened against the AfDB's gender marker system (GMS) to define the right set of activities needed to ensure gender mainstreaming.
- E) Consistent with comment A above on co-finance, during project preparation, please further explore opportunities for co-finance from private sector actors, including international and nationally focused insurance companies.

Review Dates

	PIF Review	Agency Response
First Review	4/5/2022	
Additional Review (as necessary)	5/2/2022	
Additional Review (as necessary)	5/4/2022	
Additional Review (as necessary)	5/6/2022	
Additional Review (as necessary)	5/9/2022	

PIF Recommendation to CEO

Brief reasoning for recommendations to CEO for PIF Approval