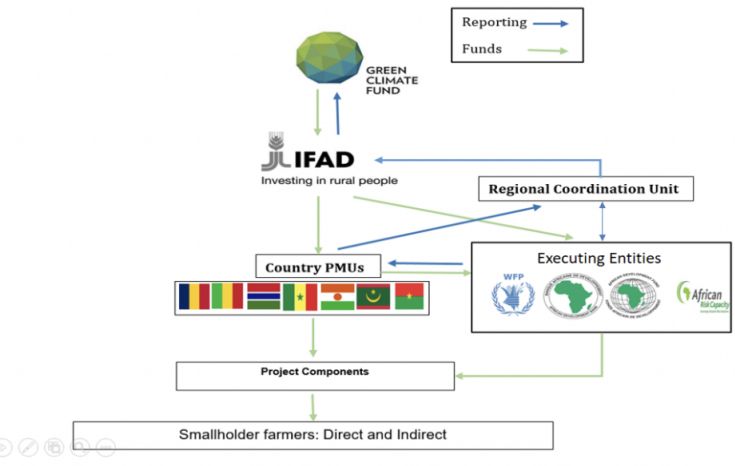


**MITIGATION & ADAPTATION  
BLENDED**

<b>PROJECT NAME</b>	<b>Africa Integrated Climate Risk Management Programme<sup>1</sup></b>
<b>COUNTRY/REGION</b>	Burkina Faso, Chad, The Gambia, Mali, Mauritania, Niger, Senegal
<b>SECTOR</b>	Energy access and power generation, Ecosystem and ecosystem services, forestry, and land use, health, food, water security, livelihoods, Most vulnerable people, communities and regions
<b>PROJECT/INVESTMENT AMOUNT</b>	\$ 143 million <ul style="list-style-type: none"> <li>● GCF: \$83 million</li> <li>● IFAD: \$30 million</li> <li>● AfDB: \$23 million</li> <li>● ARC: \$7 million</li> </ul>
<b>DEVELOPMENT PARTNER(S)/STAKEHOLDERS</b>	Green Climate Fund (GCF) , IFAD ( International Fund for Agricultural Development (IFAD) , African Development Bank (AfDB), African Risk Capacity (ARC), World Food Programme (WFP)
<b>BENEFICIARY MINISTRY/ INSTITUTION</b>	Meteorological Agencies of the selected countries (The Republic of Burkina Faso, The Republic of Chad , The Republic of Mali, The Republic of Mauritania, The Republic of Niger, The Republic of Senegal) : Office National de Météorologie in Mauritania; l'Agence Nationale de l'Aviation Civile et de la Météorologie (ANACIM) in Senegal ; Mali Météo; l'Agence Nationale de la Météorologie in Burkina Faso; The Gambia Met Office; the Direction de la Météorologie Nationale du Niger in Niger, and l'Agence Nationale de la Météorologie in Chad  Ministries of Economy and Finance , Ministries of agriculture, Ministries of Environment in the focus countries
<b>INVESTOR(S) AND FUNDERS</b>	GCF, IFAD, AfDB, ARC
<b>GUIDEBOOK TAXONOMY FINANCIAL SYSTEM ACTOR</b>	Bilateral, multilateral & Development Finance Institutions
<b>PROJECT OVERALL GOAL</b>	The programme will build, strengthen and scale up the resilience and adaptive capacities of smallholder farmers and rural communities of the seven Sahelian country members of the Great Green Wall (GGW). It will provide capacity building and institutional development on integrated climate risk management by reducing obstacles to accessing agricultural insurance for governments and smallholder farmers, thereby enhancing resilience. The integrated program is an innovative approach which brings together strategic partners such as IFAD, the African Development Bank (AfDB), The World Food Program (WFP) , The African Risk Capacity (ARC) to address all climate related agriculture risks before they occur with a. better climate information and early warning systems (EWS) b. better adaptation measures. It also aims to reduce loss and damage with agricultural insurance ( micro and macro insurance )
<b>PROJECT OUTCOMES</b>	1. Strengthened institutional and regulatory systems for climate-responsive planning and development

<sup>1</sup> This case was provided by the International Fund for Agricultural Development (IFAD) as a contribution to the Sharm El-Sheikh Guidebook for Just Financing

	<ol style="list-style-type: none"> <li>2. Strengthened adaptive capacity and reduced exposure to climate risks</li> <li>3. Increased generation and use of climate information in decision-making</li> <li>4. Increased number of small, medium and large low-emission power suppliers</li> <li>5. Improved management of land or forest areas contributing to emissions reductions</li> </ol>
<b>ALIGNMENT WITH COUNTRY IDENTIFIED CLIMATE STRATEGIES, NDCs, ETC. (IF APPLICABLE)</b>	This programme fully aligns with the countries' national development plans and their national commitments to climate mitigation and adaptation included in their National Adaptation Plans, National Climate Change Policies and Strategies, Nationally Determined Contributions (NDCs), National Communications (NCs), SDGs and National Strategies for Disaster Risk Reduction.
<b>CONTRIBUTION OF THE PROJECT TO THE UN SDGs</b>	SDG 1: No Poverty SDG 2: Zero Hunger SDG 3: Good Health and Wellbeing SDG 5: Gender Equality SDG 6: Clean Water and Sanitation SDG 7: Affordable and Clean Energy SDG 13: Climate Action SDG 15: Life on Land SDG 17: Partnerships for the Goals
<b>SOCIOECONOMIC IMPACT</b>	<ul style="list-style-type: none"> <li>● Improved climate resilience and increased adaptive capacity of women and youth. They constitute 50 percent and 40 percent of the programme's 817,922 direct beneficiaries and 5,332,754 indirect beneficiaries respectively.</li> <li>● Increased access to climate information and services for forecast-based financing „insurance schemes which result in productivity increase, generating improvements to food security and surpluses that can be marketed for higher income</li> <li>● Increased resilience in terms of health and well-being, food and water security</li> <li>● Sustainable forest management (SFM) practices implemented in 40,000 ha of forests; agroforestry techniques integrated into farming systems on 26,000 ha of selected watersheds</li> <li>● Increased access to renewable energy (mini grids) to power agricultural value chains</li> </ul>
<b>ENVIRONMENTAL IMPACT (ON CLIMATE MITIGATION AND/OR ADAPTATION)</b>	<ul style="list-style-type: none"> <li>● Expected tonnes of carbon dioxide equivalent (t CO<sub>2</sub>eq) to be reduced or avoided (mitigation and cross-cutting only) is estimated to be 1,072,324.95 million t CO<sub>2</sub> eq or 21 446 499 million t CO<sub>2</sub>eq over the life time of the program</li> <li>● Improved resilience of ecosystems and ecosystem services by investing in agroforestry, land restoration and climate-smart agriculture techniques.</li> </ul>
<b>ENABLING ENVIRONMENT (SUPPORTING POLICIES)</b>	<p>Enhanced capacity-building of selected meteorological agencies, technicians and agents and the use of reliable and robust information for forecast-based financing (insurance industry development) and programming (adaptation and mitigation programmes)</p> <p>This approach combines climate risk preparedness with climate risk reduction and climate risk transfer. In relation to preparedness, the programme will address the need to strengthen the hydromet network and develop climate information and early warning systems that provide robust climate data to governments, smallholder farmers and other relevant stakeholders.</p>

<p><b>TECHNICAL ASSISTANCE (IF PROVIDED)</b></p>	<p>Every component of the project involves some level of technical assistance. Focus of IFAD is on risk reduction and adaptation measures while Afdb would focus on EWS, and WFP and ARC on insurance.</p>
<p><b>FINANCING MODEL/APPROACH (EX: BLENDED FINANCE)</b></p>	<p>Highly concessional finance, ( all Grant )</p>
<p><b>RATIONALE FOR FINANCING MODEL/APPROACH</b></p>	<p>The programme targets highly vulnerable LICs. The impacts of climate change still exceed the region's capacities to respond to predicted damages. Thus, more environment and climate finance are needed to help these countries adapt to the impacts of climate change. This grant-based investment targets key enabling environment components of climate risk preparedness, climate risk reduction and climate risk transfer and will have transformational effects on the focus countries by addressing the need for adaptation and resilience-building in risk-prone areas.</p>
<p><b>FINANCIAL INSTRUMENT(S) (LOANS (COMMERCIAL/ CONCESSIONAL), EQUITY, GUARANTEE)</b></p>	<p>Grants</p>
<p><b>DIAGRAM OF THE FINANCING STRUCTURE</b></p>	 <p>The diagram illustrates the financing structure. At the top is the Green Climate Fund (GCF), which provides funds to IFAD (Investing in rural people). IFAD then provides funds to a Regional Coordination Unit. The Regional Coordination Unit provides funds to Country PMUs (Project Management Units) and Executing Entities. The Country PMUs provide funds to Project Components, which then provide funds to Smallholder farmers (Direct and Indirect). The Executing Entities (WFP, African Risk Capacity) also provide funds to Project Components. Reporting flows from the Country PMUs and Executing Entities back to IFAD and the Regional Coordination Unit.</p>

## Executive Summary

The Sahel is extremely vulnerable to the impacts of climate change variability (characterized by inter-annual and longer-term changes in rainfall patterns, extreme temperatures, recurring droughts, floods including riverine floods, dust storms, and heatwaves among others) because of its dependence on the agricultural sector. The programme will strengthen the resilience and adaptive capacity of smallholder farmers and rural communities in the target countries by providing capacity building and institutional development on integrated climate risks management. This includes reducing obstacles to accessing agricultural insurance for governments and smallholders and strengthening climate weather information services. The \$143 million programme was approved in 2021. It has the following components:

- Component 1. Climate risk preparedness:** This component will support the expansion and upgrade of existing early warning systems and hydromet observation networks and capacity-building to enhance data collection, interpretation, understanding and dissemination of climate data. The data will inform forecast-based action programmes, namely those for the development of the micro and macro insurance industry (climate models and agricultural insurance products/services), but also the selection of the most appropriate adaptation practices/technologies and mitigation measures (forestry and land use, access to renewable energy) to respond to climate variability (cropping calendar, the best timing for marketing and processing; choice of the most suitable agricultural practices, climate-resilient varieties and technologies); and decision-making, planning and investments of the private sector, government (local and national) and local rural communities and smallholder farmers.
- Component 2. Climate risk reduction (adaptation and mitigation):** This component aims to strengthen climate change adaptation capacity and boost climate resilient and low emission investments in smallholder agriculture value

chains and food systems through a better adoption and implementation of climate adaptation and mitigation best practices in forestry, land use and renewable energy access and solutions and the diversification of livelihoods.

- **Component 3. Climate risk transfer (micro and sovereign risk transfer mechanism):** This component will support countries and smallholder farmers in addressing multi-hazards (droughts, heatwaves, floods, diseases, locusts and other pests) in agriculture and livestock value chains. Under component 3, the project will help transfer the residual risks and burdens of climate change faced by smallholder farmers to national and international insurance markets, ensuring that they receive timely compensation and avoid resorting to negative coping strategies when faced with climate disasters. Enhanced hydro-meteorological information and standard operating procedures linking hydromet information to early adaptation response (cropping calendars planning, choice of adaptation and mitigation measures) will support public, private sector (insurers and reinsurers, microfinance institutions, banks) and businesses' investment decisions on climate risk transfer services and products for enhanced country climate risk profiles. Reliable and robust climate information will ultimately support agricultural policy and planning, investment programming and resilience planning at national and local levels.

## Analysis

WHAT MADE THIS PROJECT SUCCESSFUL?	This project is in the early stages of implementation.
TO WHAT EXTENT IS THIS MODEL SCALABLE?	This programme focuses on enabling environment and capacity building, and as such creates necessary preconditions for further interventions to build on for scale.
WHAT ARE THE NECESSARY CONDITIONS TO MAKE IT REPLICABLE IN OTHER COUNTRIES/REGIONS?	The comprehensive and integrated approach to climate risk management that combines climate risk preparedness, adaptation and risk transfer in one package of services is a good model particularly for highly vulnerable, low-capacity contexts. This model may apply in other such country contexts, especially where it is possible to leverage partnerships by working across multiple similar countries, as was the case with this programme, which focused on seven members of the GGW.
CONSTRAINTS/DRAWBACKS OF FINANCING MODEL	The nature of the intervention means that the model is unlikely to attract private finance.
LESSONS LEARNT	N/A