



Addis Ababa, Ethiopia.  
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# BUILDING DISASTER RESILIENCE IN SUB-SAHARAN AFRICA PROGRAM:

## Result Area 5

Africa Disaster Risk Financing Initiative

**Activity Report 2017 –2018**



Building Disaster  
Resilience in  
Sub-Saharan Africa



An initiative of the African, Caribbean and Pacific Group of States funded by the European Union

Implemented by:



**GFDRR**  
Global Facility for Disaster Reduction and Recovery



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*Notes: The financial contributions and expenditures reported are reflected up to June 30, 2018; all dollar amounts are in U.S. dollars (\$) unless otherwise indicated.*



Green tea plantations, Malawi

Source: iStock

## **Africa Disaster Risk Financing Initiative** **Activity Report 2017–2018**

This activity report summarizes activities of Result Area 5, also known as the Africa Disaster Risk Financing (ADRF) Initiative from July 1, 2017 to June 30, 2018. The report provides an overview of the achievements to date and identifies upcoming priorities and challenges.

The ADRF Initiative was officially launched on November 17, 2015 in Addis Ababa during the *Understanding Risk and Finance* (URF) conference.<sup>1</sup> It supports African countries in developing national risk financing tools and strategies that have the potential to significantly reduce disaster losses, speed recovery, and build resilience to natural hazards. So far, the ADRF Initiative has achieved positive results in supporting governments by strengthening their capacity to design and implement risk financing policies, instruments, and strategies at regional, national and local levels.

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<sup>1</sup> The URF was financed by the ADRF Initiative and organized in Addis Ababa on November 17-20, 2015. For more information, see the links to:  
The URF page: <https://understandrisk.org/event/understanding-risk-finance-conference/>  
The conference materials: [https://understandrisk.org/wp-content/uploads/URF-Proceedings\\_FINAL\\_web.pdf](https://understandrisk.org/wp-content/uploads/URF-Proceedings_FINAL_web.pdf)

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# Acronyms and Abbreviations

ACP	Africa, Caribbean and Pacific
AFD	Agence Française de Développement – French Development Agency
ADRF	Africa Disaster Risk Financing
AfDB	African Development Bank
AUC	African Union Commission
Cat-DDO	Catastrophe Deferred Drawdown Option
DFID	United Kingdom Department for International Development
DMA	Lesotho Disaster Management Authority
DMF	Mozambique Disaster Management Fund
DPL	Development Policy Loan
DRFIP	Disaster Risk Financing and Insurance Program
DRF	Disaster Risk Financing
DRM	Disaster Risk Management
DRR	Disaster Risk Reduction
EC	European Commission
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EU	European Union
FEED	Cabo Verde Special Fund for Stabilization and Development
GFDRR	Global Facility for Disaster Reduction and Recovery
GIS	Geographic Information System
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit – German Development Agency
HSNP	Kenya Hunger Safety Net Program
IDA	International Development Agency
IGAD	Intergovernmental Authority on Development
INGC	Mozambique National Institute for Disaster Management
IRM	Immediate Response Mechanism
KLIP	Kenya Livestock Insurance Program
KSEIP	Kenya Social and Economic Inclusion Project
NGOs	Non-Governmental Organizations
NUSAF3	Northern Uganda Social Action Fund Phase 3
OpenDRI	Open Data for Resilience Initiative
PoA	Program of Action
PSC	Program Steering Committee
R2	Result Area 2 Program
R5	Result Area 5 Program
REC	African Regional Economic Community
SADC	Southern African Development Community
SFDRR	Sendai Framework for Disaster Risk Reduction
SIDA	Swedish International Development Cooperation Agency
SRSP	Shock-Responsive Social Protection
TA	Technical Assistance
TC	Tropical Cyclone
TWG	Technical Working Group
UNICEF	The United Nations Children’s Fund
UNISDR	United Nations International Strategy for Disaster Reduction
URF	Understanding Risk and Finance Conference
USAID	United States Agency for International Development
WB	World Bank
WFP	World Food Program



Hillside homes, Rwanda

Source: iStock

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# 1. Introduction

Most of Sub-Saharan African countries have experienced sustained economic growth in recent years. However, the region's vulnerability to natural disasters can curb this development. Natural disasters affect all sectors of the economy, and as such hamper people's ability to increase their living standards. They can also drag into poverty those who are not yet poor but remain vulnerable. Disaster Risk Financing (DRF) helps protecting hard-won development gains.

Launched in 2015, the Africa Disaster Risk Financing (ADRF) Initiative is the first program in Sub-Saharan Africa to focus on this specific agenda. Strengthening financial resilience to disasters enables countries to manage the cost of disasters and climate shocks and to become effective risk managers rather than emergency borrowers. The ADRF Initiative is now working with 19 governments in Sub-Saharan Africa to develop DRF approaches that fit each country's context and meet governments' requirements.

In the course of 2017-2018, the ADRF Initiative has continued implementing activities to create the enabling data environment in order to inform and evaluate financial protection policies and instruments and to help governments understand the risks their countries and populations are facing. Multi-hazard risk profiles are currently being developed for nine countries, and this information has already been used to inform sector specific policies and projects.

Engagements for the development of country-driven DRF strategies and for exploring contingent financing options have continued to gain momentum. The ADRF Initiative is also working with Ministries of Finance to establish shock-responsive social safety nets which rapidly deliver emergency assistance to vulnerable households in the event of a disaster, as well as agriculture insurance programs which unlock critical access to credit for low-income farmers.

The ADRF Initiative has furthermore continued to organize knowledge sharing events and trainings. Even if the way the DRF agenda evolves in each country is different, there are common challenges regarding the design and implementation of DRF strategies. Knowledge sharing events and the wide range of trainings on risk assessments and financing solutions further the technical disaster risk management capacity of stakeholders.

The activities of the ADRF Initiative are well under way, but capacity development in DRF in Sub-Saharan Africa is an ongoing process which will require committed engagement in the years to come. This includes also close coordination with other actors and initiatives working on DRF in Africa. This Activity Report sets out how the ADRF Initiative has in 2017-2018 continued to help build the understanding and awareness of disaster and climate risk in Sub-Saharan Africa, provided support to Governments to develop DRF strategies, and facilitated knowledge sharing.

## 2. About the Africa Disaster Risk Financing Initiative

The EU and ACP Group of States established the Intra-ACP cooperation Program **Building Disaster Resilience in Sub-Saharan Africa**<sup>2</sup> financed under the 10<sup>th</sup> European Development Fund (EDF), which has the overall objective of **strengthening the resilience of Sub-Saharan African regions, countries and communities to the impacts of natural disasters**. These include the potential impacts of climate change to reduce poverty and promote sustainable development.

To achieve this objective, five Result Areas were identified, to be implemented by several partners, including the African Development Bank (AfDB), African Union Commission (AUC), the United Nations International Strategy for Disaster Reduction (UNISDR) and the World Bank-managed Global Facility for Disaster Reduction and Recovery (GFDRR). These are:

- 

Extended Program of Action for the implementation of the Africa regional strategy for Disaster Risk Reduction (DRR). Implemented by the AUC and the UNISDR.
- 

African Regional Economic Communities (RECs)<sup>3</sup> have DRR coordination, planning and policy advisory capacities operational to support their respective member states and regional and sub-regional programs. Implemented by GFDRR.
- 

Core capacities of the specialized national and regional climate centers are improved to meet the needs of Disaster Risk Management (DRM) agencies and socio-economic sectors for effective use of weather and climate services and community-focused and real-time early warning systems. Implemented by the AfDB.
- 

African countries have improved knowledge of risks through, the compilation of historical disaster related data to inform the assessment and modelling of future risks. Implemented by the UNISDR.
- 

**Multi-risk financing strategies are developed at regional, national and local levels to help African countries make informed decisions and to mitigate the socio-economic, fiscal and financial impacts of disasters. Implemented by GFDRR.**

As noted above, GFDRR is responsible for the implementation of R2 and R5. This report specifically focuses on R5 achievements.

<sup>2</sup> More information on the Building Disaster Resilience in Sub-Saharan Africa Program can be found at: <http://www.preventionweb.net/resilient-africa>.

<sup>3</sup> Economic Community of Central African States (ECCAS), Economic Community of West African States (ECOWAS), Intergovernmental Authority for Development (IGAD) and Southern African Development Community (SADC).

The ADRF Initiative catalyzes the uptake of innovative risk identification, assessment and financing tools within the development policy frameworks and agenda of several middle and low-income African countries.

**The ADRF overall objectives are:**

- to support the development of multi-risk financing strategies at regional, national and local levels to help African countries make informed decisions;
- to improve financial response capacity post-disaster; and
- to mitigate the socio-economic, fiscal and financial impacts of disasters in African countries.

**It achieves these objectives through three operational components:**

- Creating the enabling data environment for risk financing;
- Supporting countries in developing risk financing strategies; and
- Facilitating regional risk financing and knowledge sharing initiatives.

**The expected results of the ADRF Initiative are:**

- Strengthening capacity to generate, access and use disaster risk information to conduct risk assessments that support development of DRM strategies, such as financial protection and risk reduction investment programs;
- Strengthening capacity to incorporate disaster and climate risk information in decision making;
- Developing strategies to increase financial resilience against natural hazards; and
- Facilitating knowledge sharing and best practices on risk financing solutions relevant to the needs of African countries

Activities under the ADRF Initiative support and align with the strategic approach articulated by AUC's Program of Action (PoA),<sup>4</sup> and the Sendai Framework for Disaster Risk Reduction (SFDRR) 2015–30.<sup>5</sup> The PoA was presented and adopted during the 6<sup>th</sup> session of the Africa Regional Platform<sup>6</sup>, hosted by the government of Mauritius in November 22–25, 2016.

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<sup>4</sup> See [http://www.unisdr.org/files/13655\\_POAinEnglishadoptedinNairobi16April11.pdf](http://www.unisdr.org/files/13655_POAinEnglishadoptedinNairobi16April11.pdf)

<sup>5</sup> This includes SFDRR's predecessor at the time of launch, the Hyogo Framework for Action (HFA) 2005-15.

<sup>6</sup> The Africa Regional Platform is a biennial forum that brings together African Member States, intergovernmental organizations and development partners to review progress in the implementation of the continental and global disaster risk reduction frameworks. See <https://www.unisdr.org/conferences/2016/afpr>

## 3. Highlights

### Creating the enabling data environment for risk financing

- The ADRF Initiative has produced disaster risk profiles for nine countries (**Cabo Verde, Ethiopia, Kenya, Malawi, Mozambique, Mali, Niger, Senegal, and Uganda**). Based on these profiles, several concrete applications are being developed which translate the technical information and data into realistic actions at the country level. In **Mozambique**, the risk data on floods, cyclone, and earthquakes was used to conduct multi-hazard risk assessment for school infrastructure.
- A new methodology was developed to identify households that are likely to fall into poverty when exposed to shocks. With this information, **scalable social protection programs** can be targeted better. The methodology generated datasets identifying households in **Ethiopia, Niger, Nigeria, Tanzania and Uganda** that are vulnerable to drought exposure.

### Supporting countries in developing risk financing strategies

- Engagements for the development of disaster risk financing policies, instruments and strategies have continued to gain momentum. Activities have been undertaken in 18 countries: **Benin, Cabo Verde, Eswatini<sup>7</sup>, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritania, Mozambique, Niger, Rwanda, Senegal, Seychelles, South Africa, Uganda, Zambia, and Zimbabwe**.
- With ADRF assistance, the World Bank approved a Development Policy Loan (DPL)<sup>8</sup> with a **Catastrophe Deferred Drawdown Option (Cat-DDO)**<sup>9</sup> for Kenya in June 2018, which provides a US\$ 200 million contingent line of credit to the country. In preparation for developing this credit, the government of Kenya approved a National DRF Strategy, the first to be adopted in sub-Saharan Africa. Kenya also improved its policy framework for managing natural hazard risks in urban, land, and water management. The ADRF team is also providing support to the Governments of **Cabo Verde, Malawi and Madagascar** for the preparation of a Cat-DDO.

### Facilitating regional risk financing and knowledge sharing initiatives

- The ADRF Initiative has developed a new regional knowledge sharing activity, **Open Cities Africa**, which scales up the use of innovative data collection and mapping in 10 selected cities; builds capacity in the use of mapping tools; and create a local knowledge exchange network.
- In May 2018, the ADRF Initiative organized a knowledge sharing event on the margins of the Understanding Risk Forum in Mexico City, **bringing together over 60 participants**, including 40 Sub-Saharan African government delegates, making it the largest such gathering of African DRF practitioners to date. The event demonstrated the impact the ADRF Initiative has already had in building DRF capacity among governments in sub-Saharan Africa.
- The ADRF Initiative and the Government of **Uganda** organized a five-day training in July 2017 on open platforms for risk information that can be used to produce realistic natural hazard impact scenarios. The training was attended by 24 delegates from **Comoros, Madagascar, Malawi, Mozambique, Niger, Tanzania, Uganda, and Zanzibar**.

<sup>7</sup> The country changed its name from Swaziland to the Kingdom of Eswatini, or Eswatini, as of 19 April 2018.

<sup>8</sup> A Development Policy Loan provides budget support to governments or a political subdivision for a program of policy and institutional actions to help achieve sustainable, shared growth and poverty reduction.

<sup>9</sup> A Cat-DDO is a contingent credit line that provides immediate liquidity to countries in the aftermath of a natural disaster: <http://pubdocs.worldbank.org/en/526461507314946994/product-note-cat-ddo-ibrd-2018.pdf>

## 4. Overview of activities

From July 2017 to June 2018, the team focused on building upon activities conducted since the launch of the ADRF initiative<sup>10</sup>, as well as accelerating and deepening engagement in Sub-Saharan African countries to develop DRF policies, instruments and strategies. Activities and areas of engagement for each component of the ADRF Initiative are outlined below. In parallel to the implementation of these activities, coordination has also continued with the Program's partners, including the EU, mainly through the EU Delegation to the African Union in Addis Ababa.

### 4.1 Creating the enabling data environment for risk financing

One of the objectives of the ADRF Initiative is to create an enabling data environment for risk financing. To achieve this, specific activities have continued in selected African countries. Activities have continued to build the understanding and awareness of disaster and climate risks in Sub-Saharan Africa, providing inputs to the development of DRF policies, instruments and strategies.

### Disaster risk profiles

The validation and calibration exercise for nine national risk profiles (**Cabo Verde, Ethiopia, Kenya, Malawi, Mozambique, Mali, Niger, Senegal, and Uganda**) has been completed for the following hazards: earthquakes, volcanoes, drought and landslides. The same exercise is continuing for floods and cyclones in order to finalize the profiles, which will be delivered by the end of 2018 after a final technical review. The profiles cover updated hazard, exposure and risk computations for floods, droughts, earthquakes, landslides, and cyclones.

They will include easily-understandable visualizations of technical information, and link the modelled risk assessment results to background information on disaster risk in each of the countries.

The hazard data developed is currently available on Thinkhazard<sup>11</sup>, and will also be made accessible on the GFDRR Innovation Lab GeoNode<sup>12</sup> by December 2018, to give stakeholders the ability to explore, access, download, and use the risk results for DRM decision-making. Country-specific data will also be accessible on local data sharing platforms, such as <http://risques-niger.org> in **Niger**. The sharing of this risk information enables multiple other projects and stakeholders to benefit from this exercise and use the underlying data for DRM and DRF planning.

<sup>10</sup> For more information, please see the previous ADRF Initiative Activity Report for the period of August 2014 to June 2016 in English ([goo.gl/3UxzuM](http://goo.gl/3UxzuM)) and French ([goo.gl/VtSIT5](http://goo.gl/VtSIT5)) as well as the Activity Report for the report July 2016 to June 2017 in English (<https://goo.gl/fziz5j>) and French (<https://goo.gl/xCHCpU>).

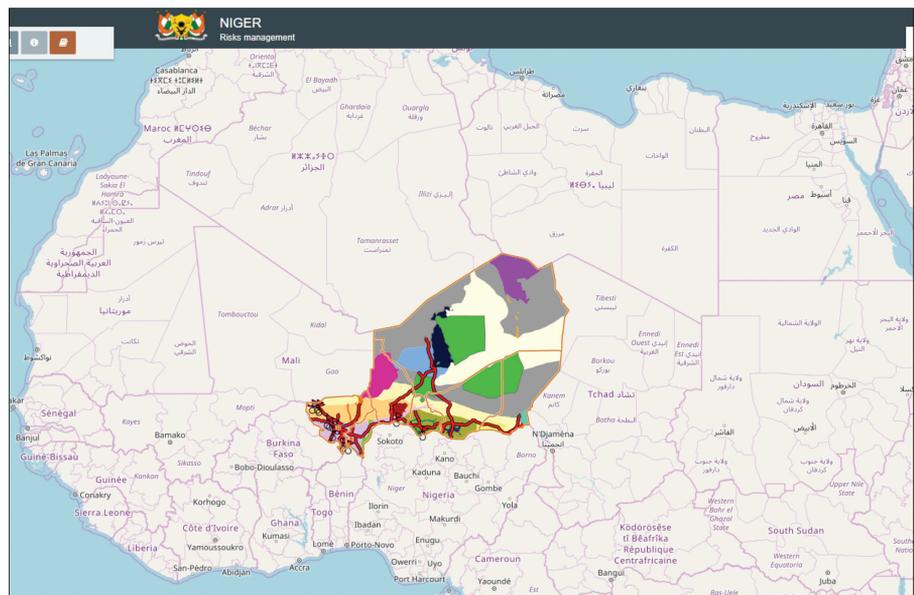
<sup>11</sup> <http://thinkhazard.org/en/>

<sup>12</sup> GeoNode is a web-based application and platform for developing geospatial information system and for deploying spatial data infrastructure. See <http://www.geonode.org>

Several applications have been found for the results from the risk profiles (see the In Focus section on page 8 for further information). The analytics serve as input to the discussions the ADRF Initiative team has with governments on risk financing strategies, as it provides quantitative data on annual average losses and impacts of disasters to people and assets. The risk profile results for **Uganda**, for example, were presented in early 2018 in the context of a dialogue on urban resilience and risk financing. In **Cabo Verde** and **Kenya**, the risk profile results are used for Disaster Risk Finance (DRF) diagnostics, and as key inputs for the design of the DPL with Cat-DDO (see Component B). Finally, coordination has been undertaken with UNISDR under Result Area 4 to inform and align results of the risk profiles<sup>13</sup>. Result Area 4 has been undertaken in coordination with UNISDR.

Online risk tool for Niger

Source: <http://risques-niger.org>



## Sharing of risk information

The ADRF Initiative supported the revitalization and institutionalization of the GeoNode in **Mozambique** and complemented it with GeoSAFE, a web-based application for natural hazard impact scenario analysis and visualization<sup>14</sup>.

The ADRF team has been working to customize the tools and fine tune data input and analysis procedures for the Mozambican context based on user feedback and requests from the Mozambique National Institute for Disaster Management (INGC). The collection, preparation, and upload of available datasets, including metadata, into GeoNode, as well as hazard layers created under the risk profiles is being completed.

GeoNode and GeoSAFE analysis may help to inform a DRF and insurance strategy that the government of Mozambique is preparing (see Component B below). The remaining work on GeoNode and GeoSAFE is planned for completion next year, and includes a launch event to make a broader audience aware of this open data resource.

<sup>13</sup> Under Result Area 4, UNISDR aims to support 20 countries in Sub-Saharan Africa to systematically account for disaster loss and to develop probabilistic estimations for future risk, with an emphasis on weather and climate change-related hazards to provide a starting point for policy dialogue.

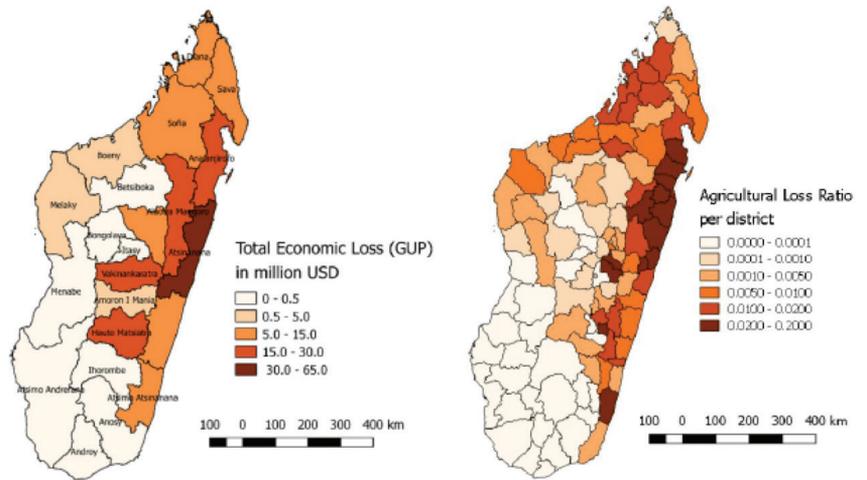
<sup>14</sup> <https://www.geosafe.com/>

## Rapid post-disaster damage assessment in Madagascar

A rapid post-disaster assessment was completed after Tropical Cyclone (TC) Ava, which hit Madagascar on 5 January 2018, causing over 50 fatalities. Using an adapted probabilistic risk modelling approach, the assessment simulated the wind and flood impacts of the cyclone, and generated estimates of economic damages for various key sectors. Total losses from TC Ava were estimated at US\$195 million corresponding to about 2 percent of annual Gross Domestic Product. The model showed estimated losses resulting from direct damage to residential buildings and infrastructure of US\$76 million and US\$47 million, respectively. Flood damage losses contributed to approximately 75 percent of the totals, with wind-related losses causing the other 25 percent. Agricultural damages, predominantly to rice paddies, were estimated at US\$50 million. The results were presented to the government and formed the basis of a discussion on financing gaps (see Component B below).

**Left:** Total economic losses per region (million USD);

**Right:** Agricultural loss ratio per district as a ratio of the full year crop output

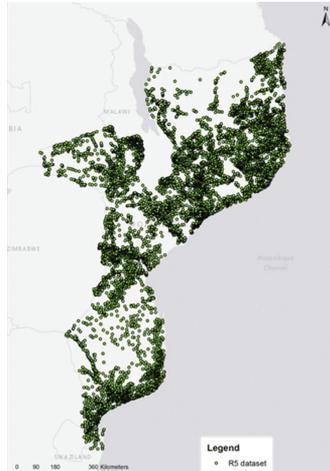


## Using data for more efficient targeting of scalable social protection systems

Under the ADRF Initiative a new methodological approach was developed to more efficiently target scalable social protection programs and better predict the likelihood of households to fall into poverty because of shock exposure. By combining nationally representative household panels and climatic geospatial data, poverty dynamics relative to exposure to climate shocks can be assessed.

The objective is to identify a set of observable household characteristics that can be used to identify (or target) households that are likely to fall below the poverty line in the event of a natural disaster shock; and to support the design of rapid, well-targeted, and efficient post-disaster response programs. So far, this methodology has generated datasets combining household and climate data in **Ethiopia, Niger, Nigeria, Tanzania, and Uganda**, focusing on vulnerability to drought exposure. In the frame of this work, climate data on rainfall has been drawn from Standard Precipitation Index and Delaware Climate Data, which was then merged with georeferenced household data. The ADRF Initiative will continue to apply a coherent approach that effectively captures and measures the impact of drought on household expenditures and generates results that are comparable across countries. The results and methodologies of this work will be summarized in a final report. The findings will enable to better support governments on how to design targeting mechanisms to cover those most likely to suffer long-term consequences when affected by drought.

## In Focus: Applications of the disaster risk profiles



Location of Educational Facilities in Mozambique

The ADRF Initiative has produced disaster risk profiles for nine countries (**Cabo Verde, Ethiopia, Kenya, Malawi, Mozambique, Mali, Niger, Senegal, and Uganda**). Based on these profiles, several applications are being developed, which translate the technical information and data into realistic actions at the country level.

For example, in **Mozambique**, the risk data on floods, cyclone, and earthquakes was used to conduct a multi-hazard risk assessment for school infrastructure. This assessment details the financial impact of disasters on school buildings and provides recommendations on investment needs for retrofitting existing schools and building more resilient new ones. The outcomes of the assessment were presented during a meeting with the Ministry of Education in March 2018, and will inform further dialogue on school safety in Mozambique. The ADRF Initiative will continue to support deeper risk assessment work based on country demand, with initial requests from governments to support operational activities in **Madagascar, the Seychelles and Uganda**.

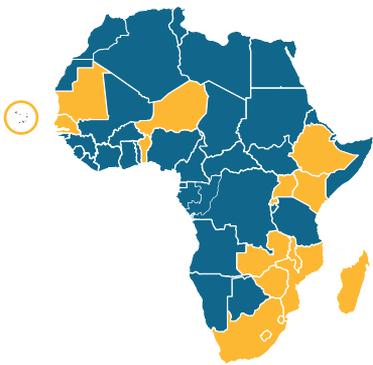
Work is also being undertaken to explore simplified risk modeling approaches at the city level using the input from the completed national risk profiles. The first pilot for a city-level risk profile has been launched for Beira, **Mozambique**, which will evaluate the risks and effectiveness of DRM interventions. Other cities in Sub-Saharan Africa are being considered for this work.

Another application stemming from national risk profiles is the creation of poverty risk profiles that are being developed for **Ethiopia** and **Malawi**. This uses a multi-country model that measures levels of socioeconomic resilience based on the approach developed in the Unbreakable Report (<https://goo.gl/CkUrVS>). The model takes into account the impact of drought, which is particularly relevant in establishing risk exposure in Africa. With the application of the approach to a few countries that have adequate data availability, a methodology will be identified that can be scaled up to the regional level. This methodology will explore the exposure and vulnerability of vulnerable people's assets and well-being to natural disasters, and will also be piloted in **Mozambique**.

## 4.2 Supporting countries in developing risk financing strategies

The key objective of the Program is to assist countries in developing financial decision-making tools and integrated national risk financing strategies to enhance their post-disaster response capacity, from resource mobilization ex-ante to resource execution post-disaster using a three-phased approach as follows:

- Phase 1** Identifying country needs and priorities.
- Phase 2** Formulating these priorities into strategies for action by building elements of disaster risk financing strategies.<sup>15</sup>
- Phase 3** Designing and implementing disaster risk financing policies, instruments and strategies.



Between July 1, 2017 and June 30, 2018, the ADRF Initiative focused on all three Phases. Activities have been implemented in 18 countries: **Benin, Cabo Verde, Eswatini, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritania, Mozambique, Niger, Rwanda, Senegal, Seychelles, South Africa, Uganda, Zambia, and Zimbabwe.**

### Depending on country demands, engagements have focused on the:

- Development and implementation of contingency funds and/or contingent loans or grants;
- Exploration and piloting of sovereign level insurance solutions;
- Development of financial risk management approaches to help build shock-responsive social protection systems;
- Development of financial risk management approaches to help build agriculture insurance markets;
- Assistance for mapping existing response mechanisms and costs (across government, humanitarian and development actors);
- Design of Ministry of Finance-led disaster risk financing strategies or instruments.

Demand from Sub-Saharan African countries for support on the DRF agenda comes from a range of sectors, varying according to the social, political, geophysical and financial needs of each country. Accordingly, the ADRF Initiative is following a demand-driven approach and has sought to understand each country's needs, developing customized solutions based on these needs. This has led to a range of activities across the DRM, agricultural and social protection sectors.

<sup>15</sup> These can include reviewing existing budget instruments and expenditure frameworks; assessing current response tools and funding sources; exploring the potential of establishing contingency funds and the use of contingent loans or grants; assessing the use of sovereign-level insurance contracts; and strengthening delivery mechanisms like social protection systems, cash transfers funded by contingency funds or insurance solutions.

The ADRF Initiative has successfully engaged Ministries of Finance in a policy dialogue on DRF, in particular through discussion on DPLs with Cat-DDO. This instrument has provided a foundation for engagements to support Ministries of Finance in the conception and design of country-driven DRF strategies. Thus far, DRF has been incorporated as an important pillar of the Cat-DDO operations under preparation in Sub-Saharan Africa; this also enables the ADRF Initiative to leverage additional financial resources from the International Development Agency (IDA) to support the DRF agenda. A concrete example of this is provided by **Kenya**, where the government approved its National DRF Strategy in June 2018, the first in Africa. This strategy is one of the areas of policy actions supported by a US\$ 200 million Cat-DDO that was also approved in June 2018, marking a major milestone for the ADRF Initiative (see the In Focus section on page 24 for further information). The impetus that started with engagements in IDA countries has continued to grow. The Governments of **Cabo Verde, Madagascar and Malawi** are exploring contingent financing options with the World Bank, and receiving technical support financed by the ADRF Initiative in the process. The Government of **Benin** recently requested the support of the World Bank for the preparation of a DPL with Cat-DDO.

Linked to the social protection agenda, the ADRF Initiative has continued to develop financial risk management strategies for shock-responsive social protection (SRSP) systems. In response to the interest shown by countries in the region, these types of engagements are being developed in **Ethiopia, Kenya, Lesotho, Malawi, Mauritania, Niger, Senegal, and Uganda. Zimbabwe, Benin and Sierra Leone** may be added to the pipeline moving forward. Thus far, the ADRF Initiative has leveraged US\$100 million in IDA resources to finance SRSP systems in **Kenya, Uganda and Niger**.

Finally, the ADRF Initiative has driven the integration of DRF planning into agricultural risk management in Sub-Saharan Africa, supporting agricultural risk assessments in **Zimbabwe and Lesotho. Namibia** may be added as a country which will receive support. The ADRF Initiative has also responded to letters of request for technical assistance from Ministries of Finance in **Uganda and Rwanda** for support in improving their national agriculture insurance programs. Finally, the ADRF Initiative has supported an agricultural finance diagnostic in **Zambia**.

The current levels of demand, country needs and priorities, and activities undertaken per country are summarized in Table, and subsequently elaborated.

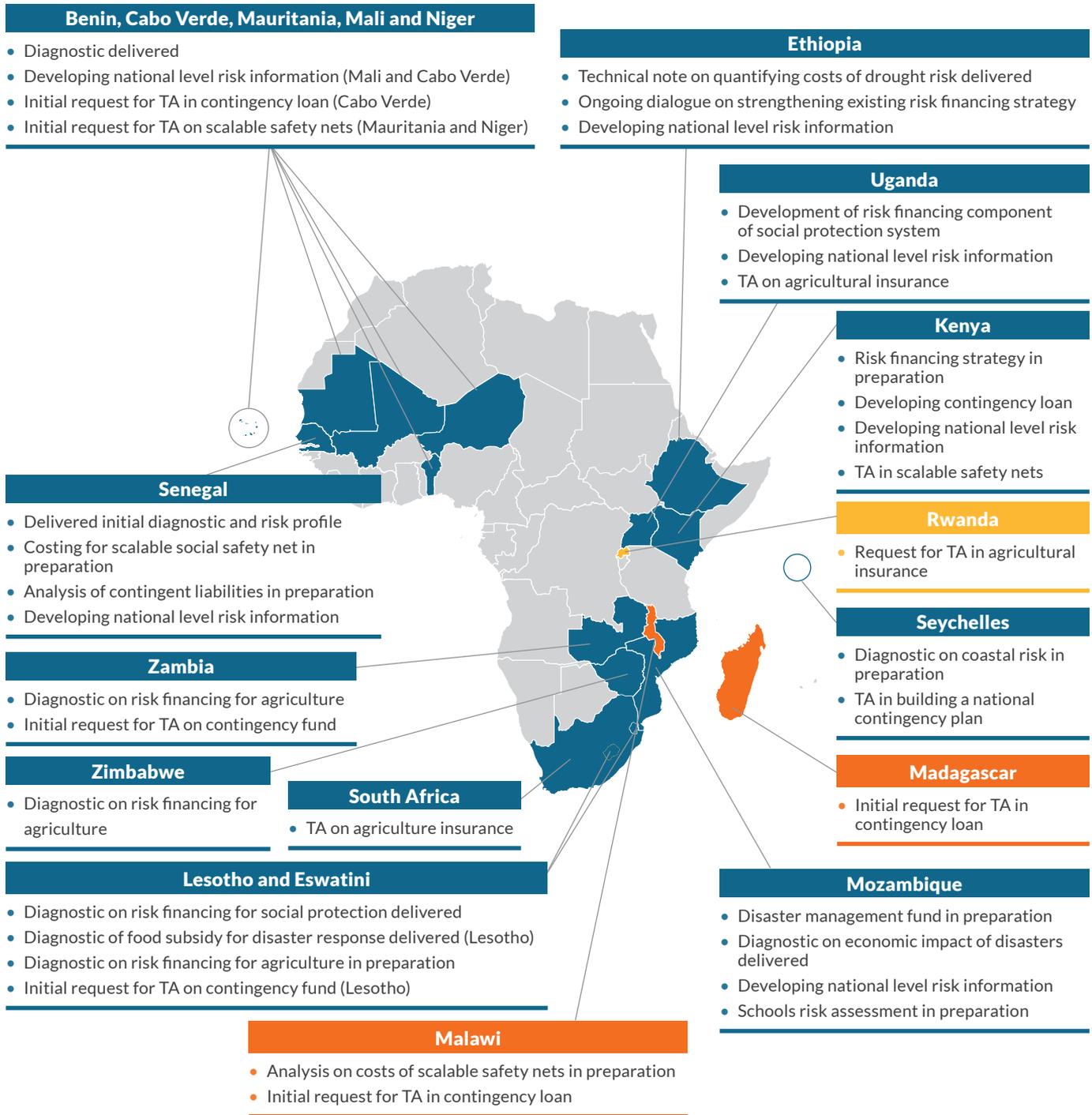


Ganvie village, Benin  
Source: iStock

**Table: Summary of priority areas of support currently requested by countries.**

Priority areas of support requested on developing disaster risk financing strategies and instruments	Benin	Cabo Verde	Eswatini	Ethiopia	Kenya	Lesotho	Madagascar	Malawi	Mali	Mauritania	Mozambique	Niger	Rwanda	Senegal	Seychelles	South Africa	Uganda	Zambia	Zimbabwe
Development of contingency funds and/or contingent loans/grants	●	●		●	●	●	●	●			●				●		●	●	
Exploration of sovereign level insurance solutions					●		●				●								
Financial risk management approaches to help build shock-responsive social protection systems			●	●	●	●		●	●	●	●	●		●				●	
Financial risk management approaches to help build agriculture insurance markets					●						●		●			●	●	●	●
Assistance mapping existing response mechanisms and costs (across government, humanitarian, and development actors)		●	●		●	●		●	●	●	●	●		●					●
Design of MOF-led Disaster risk financing strategies or instruments		●		●	●		●				●								

### Map: Technical Assistance for Disaster Risk Financing



- Active projects**
- Projects in development**
- Potential projects**

*Key activities are summarized below for each country where engagement has been undertaken.*

## Benin



### National DRF agenda:

According to historical disaster data, Benin has suffered from 50 natural disasters since 1970, with floods, droughts and epidemic the most recurrent. In view of this high exposure to a range of natural hazards, the government of Benin is interested in developing its DRF agenda. The ADRF Initiative is working with the government to tailor specific DRF solutions, including the possibility to develop a Cat-DDO. This would be a useful financial protection instrument to enable the government to quickly respond to natural shocks and which would also complement the country's ongoing efforts to build physical resilience against disasters, including the World Bank Cotonou Urban Resilience and Storm Water Management Project, currently under preparation. The ADRF Initiative will continue to work with the Ministry of Finance to design DRF solutions including the potential preparation of a Cat-DDO.

## Cabo Verde



### National DRF agenda:

A **diagnostic study of Cabo Verde's financial protection against disasters** was finalized and presented to government counterparts in March 2018. The report includes data on the human, economic, and fiscal impacts of past disasters; a register of existing financial instruments for disaster response; and a description of the institutional set-up for disaster response and post-disaster resource mobilization. The report has fed into discussions on options to strengthen financial preparedness against disasters in Cabo Verde.

The ADRF Initiative has also supported the **review of the legal framework for setting up a contingency fund for disasters** in Cabo Verde. The review considered the law establishing the Special Fund for Stabilization and Development (FEED); the 2016 law on autonomous funds; and the wider legal framework for Public Financial Management and DRM in Cabo Verde. Based on this review, a paper laying out potential options for either operationalizing the FEED (which was established in 1998 but never operationalized) or setting up a new disaster contingency fund is being elaborated. The options paper will support the decision-making process of the Technical Working Group (TWG), which the Ministry of Finance recently established to work on a disaster contingency fund. This TWG comprises the Ministry of Finance's Treasury, Budget Department, and Planning Department. Following the first meeting of the TWG in early June 2018, initial findings from the review detailed above were presented to the government, and a work plan was agreed for the establishment or operationalization of a disaster contingency fund. For this work, the ADRF team also reviewed international experiences in using contingency funds for emergency and disaster response, to draw lessons that could be applied in the Cabo Verde context.

Additionally, the ADRF team has been working with government counterparts in **implementing specific technical assistance to support the preparation of a Cat-DDO**. This assistance has a component which strengthens financial preparedness to disasters caused by natural hazards, and another component focused on increasing understanding of the impact the supported policy reforms will have on resilience. The DRF component would entail the operationalization of a contingency fund to finance emergency response and rehabilitation.

## Eswatini

**Shock-responsive safety nets:**

In May 2018 the ADRF Initiative held a one-day workshop on **Shock-Responsive Social Protection and DRF** in Mbabane, Eswatini. A total of 30 participants attended the workshop, from a range of ministries, international organizations, non-governmental organizations (NGOs), the private sector, and academia. The workshop started with a training on the Fundamentals of DRF, including the advantages of building shock-responsive social protection programs and the key steps to strengthening the financial resilience needed to implement scale-ups against disasters.

During the second part of the workshop, results from the **report** titled ***Building the role of social protection in disaster response and resilience in Eswatini***<sup>16</sup> were shared. Participants validated most of the results from the report, but also flagged some areas that needed further information. The report was shared with participants electronically for comments. During the discussion, participants committed themselves to improving the response to natural disasters, highlighting the consensus that exists on improving Eswatini's social protection system. This is also reflected in the government's development, currently underway, of a national policy on social protection. Participants emphasized the need for more in-depth information on the risks that Eswatini faces, and on the vulnerability of its population. The next steps are the development of analysis on financing options for the scaling of the safety nets in Eswatini to respond to droughts, which should also inform the ongoing policy debates.

<sup>16</sup> This report was also co-financed by other GFDRR funding sources.

## Ethiopia

**National DRF strategy:**

The ADRF Initiative is providing technical input into a publication titled *A Study on Lowland Resilience in Ethiopia-Building a more Developmental Approach to Responding to Shocks*. Against the backdrop of persistent and recurrent vulnerability to shocks, and economic under-development, the report provides the government with several **options regarding the future development of the lowlands** that would provide for the area's long term sustainable development and reduce the need for recurrent humanitarian interventions.

The ADRF Initiative is also conducting a **financial costing analysis** to develop indicative financial estimates for delivering humanitarian assistance in the lowlands through the Productive Safety Net Program. In the context of the national social protection system, the ADRF Initiative has supported a desk review of existing early warning systems and the elaboration of terms of reference for a comprehensive review of these systems. This will enable the government to explore the potential for more efficient targeting and operational processes, which are core elements of its de facto DRF system.

## Kenya

**National DRF strategy:**

In June 2018, the government of Kenya approved the National DRF strategy. As part of the strategy, a US\$ 200 million **DPL with Cat-DDO** was approved (see the In Focus section on page 24 for further information).

**Shock-responsive safety nets**

(co-financed by the Swedish International Development Agency (SIDA)):

The ADRF Initiative is **supporting the design of the Kenya Social and Economic Inclusion Project (KSEIP)**, a US\$250 million IDA loan with around US\$94 million of grant financed from the United Kingdom's Department for International Development (DFID). The aim of the project is to enhance existing social protection systems and improve their shock-responsiveness, and to achieve the self-sufficiency of the poor and vulnerable by promoting their access to social and economic inclusion services. The project has three components; the ADRF Initiative is supporting primarily the one that develops and institutionalizes a financing plan for the scalability mechanism of the Hunger Safety Net Program (HSNP) which responds to drought. This component is fully aligned with the National DRF strategy, and key activities include: (i) an institutional capacity assessment of the two implementing agencies; (ii) economic analysis of the KSEIP to justify the investment and analyze the economic benefits; (iii) support for the development of a robust Monitoring and Evaluation framework; and (iv) development of a policy note which compares the fiscal costs of two different financing plans to meet HSNP scalability costs, one with just a contingency fund and the second with a contingency fund plus insurance. Overall the insurance option was economically more efficient, as it unlocks an extra US\$20 million of project funding to be programmed in other project components by paying for the cost of major droughts. The Kenya Social and Economic Inclusion Project is under preparation, with a tentative approval decision in November 2018.

**Agriculture insurance**

(co-financed by the United States Agency for International Development (USAID)):

In support of the **Kenya Livestock Insurance Program (KLIP)**, the ADRF team attended a workshop on 17 April 2018 in Mombasa, Kenya hosted by the German Development Agency (GIZ) and the reinsurance company Swiss Re. The workshop aimed to (i) take stock of KLIP implementation; (ii) brief Kenyan parliamentarians on KLIP; and (iii) achieve agreement on actions to enhance the sustainability of the program and increase private sector participation. The workshop was attended by senior leadership in the government of Kenya, including Cabinet Secretary of Agriculture the Hon. Mwangi Kiunjuri, and 38 Members of Parliament. The Secretary confirmed the government's commitment to KLIP given its importance in supporting Kenya's food security agenda. The team provided technical contributions with a presentation on KLIP's roles within the National DRF strategy, and by chairing a discussion on the role of the private sector. More information on the workshop can be found at <https://goo.gl/nbnnWE>

## Lesotho

**National DRF agenda:**

The ADRF Initiative prepared the Lesotho Disaster Diagnostic Report in consultation with the government of Lesotho, covering: (i) disaster risk profiles; (ii) a review of DRM-related policies, including Strategies, Act, Action Plan; and (iii) identification of the needs for capacity building, which the ADRF Initiative can support.

In view of strengthening the overall DRM and climate resilience framework in Lesotho, the ADRF team and the government of Lesotho are working together to explore DRF instruments that would be suited to the country context, such as contingent financing, including the Cat-DDO instrument. Based on this engagement, the Ministry of Finance expressed its interest in receiving **technical assistance to better manage its Contingency Fund and increase financial protection against disasters**, which have been a contingent liability concern to the government. The Disaster Management Authority (DMA) also requested technical assistance for increasing the effectiveness of national disaster response. The ADRF team will work together with the Ministry of Finance to strengthen the management rules of the Contingency Fund and the Disaster Management Fund operated by the DMA.

**Agriculture insurance:**

The ADRF Initiative, in partnership with the World Bank Agriculture Global Practice, is conducting an **Agricultural Risk Assessment**, looking at climate-related risks and the economic losses they cause, and at the mechanisms that farmers and government use to respond to natural disasters. The ensuing report will analyze the possibility of introducing risk transfer solutions such as agricultural insurance. The report is expected to be finalized by the end of 2018 and results will be validated with country stakeholders.

**Shock-responsive safety nets:**

Following the 2016 drought in Lesotho, the ADRF Initiative has supported work on **strengthening shock responsive social protection systems**. In Maseru in January 2018, the ADRF team presented the *Building the role of social protection in disaster response and resilience in Lesotho* report, co-financed by the ADRF Initiative and a GFDRR Rapid Social Response grant. The presentation of results was part of a SRSP Workshop organized by the World Food Program (WFP), the DMA, The United Nations Children's Fund (UNICEF), the Ministry of Social Development, Oxford Policy Management and the World Bank. This dialogue brought together approximately 70 national and international stakeholders working on DRM and social protection, from government, development partners, and the private sector.

Based on the exchanges and discussions during the workshop, there was wide commitment from different ministries in Lesotho and development and humanitarian partners to improve the response to natural disasters. There was also a broad consensus on the key role that shock responsive social protection can play in reaching the most vulnerable populations.

As part of the workshop, the ADRF team also delivered training, attended by 41 participants, on the Fundamentals of DRF and its application to shock responsive safety nets. The training highlighted the potential costs of delayed response to disasters due to a lack of rapid finance, such as increased budget volatility, or due to negative coping strategies, which have adverse social impacts on the poor. The training also explored the advantages of building shock responsive safety nets, and identified steps to strengthen financial resilience and scale-up social safety nets in case of a crisis.

## Madagascar

**National DRF agenda:**

Cyclone Ava hit Madagascar in January 2018, causing over 50 fatalities and incurring losses estimated at nearly US\$200 million. Following the disaster, the ADRF Initiative helped **complete a rapid damage assessment** which simulated the wind and flood impacts of the cyclone, and provided estimates of economic damages for various key sectors (see Component A). The results were presented to the government and formed the basis of a discussion on financing gaps.

The government submitted an **official request to the World Bank for a US\$50 million Cat-DDO to help manage the financial impact of disasters**. The ADRF team is working closely with the government and the French Development Agency (AFD) in the preparation of this operation. The team also aims to use this opportunity to further develop risk financing strategies in Madagascar.

## Malawi

**National DRF agenda:**

In response to an official request by the government of Malawi in January 2018 for **preparing a DPL with Cat-DDO**, the ADRF Initiative has been working with the government for the preparation of this operation. This involved the discussion of prior actions to support the strengthening of the country's institutional, technical, and financial capacity to manage the impact of natural hazards, and the improvement of its fiscal resilience. A three-year policy reform program is currently being designed to strengthen the government's technical and institutional capacity for managing climate and disaster risks, while immediate liquidity for post-disaster response will be secured through the Cat-DDO. The program includes cabinet approval of a DRM Bill, which will create an enabling environment for comprehensive DRM measures.

The government has also requested **assistance for the strengthening of financial preparedness against disasters**. A diagnostic for assessing the country's existing instruments and risk financing needs is being prepared, and will be followed by the preparation of a DRF strategy. A technical working group on DRF has been set up within the Ministry of Finance; it includes representatives from the Debt and Aid, Economic Affairs, and Budget Departments.

**Shock-responsive safety nets:**

Technical assistance linked to the Cat-DDO also supports the government in establishing a mechanism to scale-up social protection programs to respond adequately and in a timely manner to disasters and other shocks. During the coming year, the team will work with the government to finalize the policy reforms supported by the program, and to design robust results indicators to track impact.

In collaboration with the World Bank Social Protection Global Practice and UNICEF, the ADRF Initiative will support the government of Malawi in **developing a shock responsive social protection system**. To inform the discussions, UNICEF is currently working on a report titled *The State of DRM and Adaptive Social Protection in Malawi*, which consolidates results from specific DRM and social protection activities, including those undertaken in the frame of the ADRF Initiative. Furthermore, upon data becoming available, the team has agreed to draft a policy note with indicative costing of a scalability mechanism for drought. Over the coming months, the team will also provide training in Malawi on the Fundamentals of DRF and the building blocks for shock-response safety nets, drawing on lessons from the region (Kenya, Uganda, and Ethiopia).

## Mauritania

**Shock-responsive safety nets:**

The ADRF Initiative initiated technical assistance in Mauritania on **risk financing solutions linked to the national safety net program** in May 2017. The engagement included the preparation of a diagnostic on the financing mechanisms used for shock-responsive social safety nets. The diagnostic provides information on the impacts of past events and the associated government response, among other outcomes. Following the finalization of this DRF diagnostic for Mauritania in January 2018, and its presentation to key counterparts within the Ministry of Economy and Finance and the Food Security Commissariat in March 2018, comments were received from the General Directory of Reforms and Monitoring and Evaluation within the Ministry of Finance and integrated into the final version of the diagnostic. The DRF diagnostic has been translated into English, and a formal internal review of the final DRF diagnostic will be conducted.

To further the analysis undertaken in the diagnostic, the ADRF team started to study the vulnerability of households' food security to drought conditions using Food Security Monitoring Survey data. Final results will be used to elaborate a food insecurity risk profile at national and departmental levels. This will allow, inter alia, to provide a probabilistic assessment of intervention costs associated with food insecurity. This analysis will also support the ongoing efforts to improve the information used in the early warning system of the Food Security Observatory, by providing a better quantitative understanding of the nexus between climate signals and the food insecurity of households.

**National DRF agenda:**

The government expressed interest in implementing a **special earmarked account for a DRM fund** to support the financing of DRR measures and emergency response. In addition, technical counterparts in the government of Mauritania also expressed their interest in the possibility of continuing to work with the ADRF team to develop a risk financing strategy for food security and nutrition, in the context of recurrent droughts in Mauritania. The ADRF team is also coordinating with the WFP and the AfDB to align efforts on the different initiatives under preparation and implementation in Mauritania.

## Mozambique

**National DRF agenda:**

From 4 to 6 December 2017, the ADRF Initiative and the government of Mozambique co-organized a flagship event titled **Dialogue on Financial Resilience to Natural Disasters in Mozambique**. The event brought together 105 national and international stakeholders working on DRF, from government, development partners, academia, and the private sector, and aimed to showcase the commitment of the government of Mozambique to mainstreaming disaster and climate risks into the country's development framework. During the event, the final version of the **diagnostic on the current state of DRF** in Mozambique was presented; this includes an economic and fiscal impact assessment of past disasters.

There were also specific discussions on the **Mozambique DRM Fund**, which was approved by the Council of Ministers in July 2017 and will be supported by an annual allocation of 0.1 percent of the national budget. Best practices and lessons learned on establishing DRM funds were shared by participants from Mexico (Mexico's Fund for Natural Disasters - FONDEN) and Kenya (Kenya National Drought Emergency Fund). The ADRF team and the government of Mozambique discussed the work undertaken over the past two years to establish the DRM Fund, and the next steps needed to create the legal and regulatory framework for its operationalization.

During the event, 18 officials from the Ministry of Economy and Finance and the Mozambique National Institute of Disaster Management received **training on the Fundamentals of Disaster Risk Financing**. Participants were trained on the purpose and role of DRF, its core principles, and the key steps in strengthening financial resilience and how they apply in the Mozambican context.

As a result of the Financial Resilience Dialogue of December 2017, the government of Mozambique submitted an official request in February 2018 for financial and technical support for their DRM and Resilience Program. In response, the World Bank has initiated the preparation of a **US\$80 million Program-for-Results**<sup>17</sup> which will aim to (i) operationalize and capitalize the Disaster Management Fund (DMF); (ii) finance risk transfer instruments; (iii) enhance the disaster preparedness and response capacity; and (iv) build the resilience of key infrastructure.<sup>18</sup> The Program's concept review was held in June 2018, and preparation has started.

The ADRF Initiative also supported the government of Mozambique in **developing regulations for its recently-established DMF**. Technical expertise was mobilized to support a team of national consultants, and a first draft of the regulation has been prepared and submitted for review by the government. Drawing on both international and in-country expertise, the team produced reports on (i) international practices relating to Disaster Contingency Funds; (ii) the Mozambican legal framework relevant for the DMF regulations; and (iii) options on the financial management of the DMF. Based on these technical inputs, the team provided close support to the technical working group, with officials from the Ministry of Economy and Finance and the INGC tasked with developing the DMF regulations. The first complete draft of the regulations is expected to be circulated for official consultations in the next year.

Finally, the ADRF Initiative also supported a nation-wide **risk assessment of the school infrastructure** in Mozambique. Two workshops were conducted on 4-5 March 2018 – one with the Minister of Education and relevant ministry staff, and one with line ministries and development partners – to present the results of the risk assessment and to discuss the topic of school safety. The analysis will trigger additional investments in school safety, with the safer schools' agenda and risk financing integral to a new World Bank DRM results-based financing project currently under preparation.

## Niger



### Shock-responsive safety nets:

The ADRF Initiative is providing **technical assistance to support the development of a DRF component** for the US\$80M IDA Niger Adaptive Safety Nets 2 project, which is currently under preparation. This project builds on the ADRF team's experience on similar mechanisms in Uganda and Kenya, demonstrating the speed at which the early lessons from engagements through the ADRF Initiative can be shared and spread to other countries. The main tool prepared for the support of this operation is the Niger Risk Information System<sup>19</sup> for anticipation of flood impacts. This involved analyzing household surveys, updating the digital elevation model, and connecting rainfall forecasts with near-real-time rainfall estimates. This technical assistance included a costing analysis for a better understanding of the cost implications of scaling-up the existing food security safety net in the event of a crisis. The tentative approval decision for the Niger Adaptive Safety Nets 2 project is in early 2019.

### National DRF agenda:

In response to Niger's vulnerability to disaster risks such as flood and drought, **an operation manual for an Immediate Response Mechanism (IRM) was prepared** with support from the ADRF Initiative within the Niger Disaster Risk Management and Urban Development project. Following the 2016 flood, the IRM had been triggered, resulting in the rapid disbursement of over US\$13 million in response to economic recovery needs in the affected regions.

<sup>17</sup> <http://www.worldbank.org/en/programs/program-for-results-financing>

<sup>18</sup> A Co-financing from the InsuResilience Initiative is being sought on this activity. The InsuResilience Global Partnership for Climate and Disaster Risk Finance and Insurance Solutions was launched at the 2017 UN Climate Conference in Bonn. It aims to strengthen the resilience of developing countries and protect the lives and livelihoods of poor and vulnerable people against the impacts of disasters. <https://www.insuresilience.org/>

<sup>19</sup> <http://risques-niger.org>

## Rwanda

**Agriculture insurance**

(co-financed by USAID):

Following the recent launch of the National Agriculture Insurance Scheme with a budget of \$500,000, Rwanda's Ministry of Finance sent a formal request to learn from the World Bank's experience in **implementing agriculture insurance programs**. The ADRF team presented experience from neighboring Kenya and Uganda, and learnings gained supporting the government of India in the implementation of a flagship agriculture insurance scheme currently insuring around 35 million farmers. Following this, a policy note, and a technical report will be developed, which will outline potential options for the government to consider for the establishment of a large scale agricultural insurance program. The documents will cover the roles of the public and private sector, covering key areas including data, outreach, reinsurance capacity, technical capacity in the public and private sectors, and a regulatory enabling environment.



Quarry in rural, Rwanda

Source: iStock

## Senegal

**National DRF agenda:**

The ADRF Initiative is undertaking an **analysis to inform the World Bank Senegal Contingent Liabilities project** by identifying, analyzing and quantifying the liabilities directly contingent to disasters. The key objectives of this analysis are to (i) analyze the legal and institutional framework for the definition of contingent liabilities associated to disasters in Senegal; and (ii) quantify disaster losses using historical information and the revised probabilistic risk profile produced under the ADRF Initiative (see Component A). This analysis builds on the results and findings of the *Diagnostic Review of Senegal Financing for Disaster Response*, finalized in March 2016 and presented to the government in June 2017. The report of the analysis will be finalized by August 2018 and subsequently presented to the government.

**Shock-responsive safety nets**

(co-financed by SIDA):

An **analysis of Senegal's institutional capacity to collect, monitor and use early warning data** is also being conducted, with the eventual objective of developing triggers for action. The ADRF Initiative is working with the World Bank's Social Protection Global Practice to draft a policy note summarizing the findings of this review and a costing analysis conducted over the past year. Upon completion, the ADRF team plans to present key findings to the government before the end of the calendar year. The ADRF Initiative is also developing a financing plan for a shock-responsive safety net; this will include a review of possible financing instruments to support scale-ups of the safety net in the event of a disaster.

## Seychelles

**National DRF agenda:**

In collaboration with line ministries and districts, the ADRF Initiative is supporting the formulation of a **national contingency planning and coordination mechanism** in the Seychelles. This entails assessing the current response capacity, and preparing the national contingency plan. Operational responsibilities with all relevant stakeholders are currently being defined.

In the context of the ongoing dialogue on risk financing and resilience in the Seychelles, the ADRF team has started a **coastal risk assessment**, which will map the major hotspots and drivers of coastal erosion. In addition, public-private financing structures will be explored, including structures for financing nature-based solutions such as coral reef restoration.

## South Africa

**Agriculture insurance:**

In 2016, the ADRF Initiative supported the government of South Africa in conducting a diagnostic report which examined the fiscal costs of three different mechanisms for potential public support to strengthen and expand commercial agricultural insurance programs. In continuation of discussions based on this diagnostic report, the government and the South Africa Insurance Association are currently working on the **implementation of an agricultural index insurance** to cover smallholder farmers. To support this effort, and following the request of the government of South Africa, the ADRF Initiative is financing a second report to quantify the demand for agricultural index insurance, and to identify potential distribution channels that could be used to distribute agricultural index insurance in agricultural value chains. This report will provide valuable information to insurance companies for the expansion of the agricultural insurance business line through index insurance products that can reach lower income farmers.

## Uganda

**Shock-responsive safety nets**

(co-financed by SIDA):

The ADRF Initiative is continuing to support the government of Uganda in the **development of a DRF mechanism that will become part of the IDA-financed Northern Uganda Social Action Fund Phase 3 (NUSAF3) project**. NUSAF3 works, among others, on making the existing Ugandan social protection system shock-responsive. ADRF Technical assistance started in 2016-2017 with a pilot in the Karamoja sub-region, and in the first year of project implementation the scale-up provision activated US\$ 4 million in additional financing to reach 33,422 households, (nearly 20 percent of the population) affected by drought in the region.

The government of Uganda has finalized an initial impact evaluation of the first scale-up of the NUSAF, with positive overall results. The evaluation found firstly that drought-affected households which received emergency assistance through NUSAF invested more in productive assets, increased consumption, were less likely to sell off livestock, and far less likely to resort to using food aid as a coping mechanism in case of a crisis. Secondly, the evaluation found that the government of Uganda saved US\$ 2.6 million compared with other crises, as the scale-up of the NUSAF led to a reduction in the amount of food relief sent to the Karamoja region. It is expected that around 20,000 households (100,000 people) will receive emergency assistance through NUSAF in the coming year, due to poor rains in the Karamoja region. In March 2018, the ADRF team reviewed the progress of this year's scale-up of NUSAF.



Lake Bunyonyi, Uganda

Source: iStock

In addition to enhancing the shock-responsiveness of the social protection system in Uganda, the ADRF Initiative is supporting the government of Uganda in better **managing the financial impact of the displacement crisis** that is unfolding with the arrival of refugees from South-Sudan and Congo. The ADRF Initiative is supporting the policy dialogue on potential additional finance for the World Bank Development Response to Displacements Impact project. This additional finance could include a Displacement Crisis Response Mechanism, which would enable the government of Uganda to better cope financially with the arrival of refugees, with a pre-financed contingency fund in place that can be rapidly mobilized. The ADRF team will assess the key drivers of vulnerability for refugee and host communities in Uganda.

## Zambia



### Agriculture insurance:

Together with the World Bank Finance, Competitive, and Innovation team, the ADRF Initiative is working to conduct an **agricultural finance diagnostic** at the request of the government of Zambia. The diagnostic focuses on assessing the feasibility of agricultural insurance, investigating for example the quality of agricultural data, the level of sophistication of the domestic insurance markets, and the financial literacy of farmers. During the 2017 season, the government included weather index insurance in the national input subsidy scheme - the Farm Input Subsidies Program - for the first time, and insurance coverage reached over 800,000 farmers. The ADRF team identified challenges associated with the fast expansion of the insurance coverage; these included delayed payouts and poor awareness of insurance among farmers. A report on the current state of agriculture insurance in Zambia will be prepared, and potentially provide further technical assistance to the government as part of broader support to the agriculture finance agenda.

### National DRF agenda:

At the government's request, the ADRF team presented the Cat-DDO instrument to key Zambian government stakeholders. Overall, interactions with government entities indicated strong interest from all key stakeholders - including the Ministry of National Development Planning and the Ministry of Finance - in further exploring the potential of a Cat-DDO. In preparation for the country dialogue, the ADRF team has conducted **preliminary diagnostic work** and produced a report that covers (i) a review of Zambia's DRM system, including its legal, institutional and operational frameworks; (ii) a list of natural hazards to which the country is exposed, using existing reports and post-disaster assessments, etc.; (iii) a stocktaking of DRF instruments currently in use in Zambia; and (iv) a review of sectoral and spatial development plans and policies that incorporate DRM considerations. Following country demand, the ADRF team will conduct the additional DRF analytical work that would be needed for the implementation of DRF solutions.

## Zimbabwe



### Agriculture insurance:

Together with the World Bank Agriculture Global Practice, the ADRF Initiative is **developing a report titled *Agriculture Sector Risk Assessment and Risk Management Strategies*** which links two analytical pieces: (i) an Agricultural Supply Chains Risk Assessment; and (ii) an Analysis of DRM and Financing Solutions. Preliminary findings were presented at the Transforming Zimbabwe's Agriculture for Development conference in June 2018, which brought together around 100 participants from government, academia, and development and humanitarian partners present in the country. The assessment is expected to be finalized in the coming months.

## In Focus: Catastrophe Deferred Draw-Down Option (Cat-DDO) Approved for Kenya

In June 2018, the World Bank approved a **US\$ 200 million DRM Development Policy Financing with a Cat-DDO for Kenya**. This innovative contingent line of credit provides immediate liquidity in the aftermath of a disaster resulting from an adverse natural event. The Cat-DDO is the first World Bank development policy operation in Kenya in the last ten years. It will be a foundation for policy dialogue and support the government of Kenya's proactive efforts for the management of disaster and climate risks with a comprehensive program of reforms.

The preparation of this instrument involved discussion between the ADRF team and the government of Kenya of prior actions necessary for the strengthening of the country's institutional, technical, and financial capacity to manage the impact of natural hazards, and to improve the country's fiscal resilience. As one of these prior actions to this operation, the government of Kenya approved its National DRF Strategy in June 2018, with the signature of the Cabinet Secretary of National Treasury. This marks the first DRF strategy to be implemented in Sub-Saharan Africa, which came about with the technical assistance provided by the ADRF Initiative. This milestone paves the way for other countries to develop similar instruments and develop risk financing strategies.

*"We are working closely with the National Treasury to support Kenya in addressing the economic losses triggered by climate-related disasters that often hamper poverty reduction efforts and threaten the numerous advances that Kenya has made in promoting shared prosperity. Extreme climatic events have long threatened development progress in Kenya, where 84 percent of the land is classified as arid or semi-arid, and where droughts and floods are estimated to cost the economy over 2 percent of Gross Domestic Product each year on average."*

**Diarietou Gaye, World Bank Country Director for Kenya.**



**REPUBLIC OF KENYA**

**THE NATIONAL TREASURY AND MINISTRY OF PLANNING**

**DISASTER RISK FINANCING STRATEGY**

**2018-2022**

### 4.3 Facilitating regional risk financing and knowledge sharing initiatives

#### Geographic Information System (GIS) training event and State of the Map Africa conference

The ADRF Initiative facilitated a number of knowledge-sharing activities on risk assessment and risk financing solutions, in collaboration with partners working in other results areas. A summary of these activities follows.

The ADRF Initiative and the government of **Uganda** co-organized **training on OpenStreetMap<sup>20</sup>, QGIS<sup>21</sup> and InaSAFE<sup>22</sup>** from 2 to 7 July 2017 at the Makerere University in Kampala, Uganda. These tools are open platforms for risk information that can be used to produce realistic natural hazard impact scenarios for better planning, preparedness and response activities. The five-day training was attended by 24 delegates with GIS and mapping skills from **Comoros, Madagascar, Malawi, Mozambique, Niger, Tanzania, Uganda, and Zanzibar**. The training aimed to further the technical DRM capacity of government counterparts, and to enable them to share their experience, knowledge and skills.

Following the software training, the delegates participated in the first **State of the Map Africa-conference**, from 8 to 10 July 2017, which brought together open-mapping experts to share their experiences and stimulate Open Street Map-growth throughout the continent. The ADRF team organized a plenary session on Women in Technology and Mapping at the conference, bringing together leading female mappers and technologists to discuss the benefits of diversity in open source technology mapping. A debate was held on what can be done to encourage female mappers, and on the barriers to their involvement and on strategies to overcome them. An article on the plenary session has been published on the Open Data for Resilience Initiative (OpenDRI) website: <https://goo.gl/X4Q2YM>

Participants at the first “State of the Map Africa” Conference

Photo credit: World Bank



<sup>20</sup> <https://www.openstreetmap.org>

<sup>21</sup> <https://qgis.org/en/site/>

<sup>22</sup> <http://inasafe.org/>

## Open Cities Africa

The ADRF Initiative has designed and prepared a new regional knowledge sharing activity, **Open Cities Africa**, which scales up the use of innovative data collection and mapping in the 10 selected cities, building capacity in using mapping tools and techniques, and creating a local knowledge exchange network to this end in Sub-Saharan Africa (see the In Focus section on page 28 for further information).

## South-South Learning Forum “Building Resilience through Adaptive Social Protection”

The World Bank organized from 19-22 February 2018 the **Social Protection and Jobs South-South Learning Forum** in Frankfurt, Germany, with a focus on building resilience through adaptive social protection. The ADRF Initiative enabled the participation at this event of 30 delegates from 13 African countries: **Comoros, Eswatini, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Sierra Leone, and Uganda**. The Forum was an opportunity to showcase the work undertaken under the ADRF Initiative. The Commissioner of Disasters from the Government of Uganda, for example, highlighted work on shock-responsive social protection.

## South-South knowledge exchange event in the Seychelles

As part of the ADRF Initiative and OpenDRI, trainers from the World Bank, Tanzania Flying Labs (part of a global network connected to WeRobotics, a US-based non-profit) and Drone Adventures (a Swiss non-profit organization working with Sensefly) **taught representatives from 34 different Seychellois government and NGO agencies how to plan a drone flight, fly the drone, and process the resulting data**. Through Seychelles-specific case studies, participants were further introduced to the many applications of the images collected. This was the first large-scale drone training conducted in the Seychelles and was extremely well received. Data produced was shared with line ministries, and will inform several activities, including engagements in coastal risk management. The high-resolution images are used as input for a risk model to improve the understanding of coastal flood and erosion risk, and the data outputs, which are expected by July 2018, will feed into the ongoing development of a coastal management strategy and the identification of nature-based solutions for risk reduction. An article related to this activity can be accessed here: <https://goo.gl/LkqaXm>

## GeoNode Training in Mozambique

**14 government technical staff in Mozambique attended tailor-made training sessions and on-the-job support on GeoNode. Attendees included representatives** from the INGC, the National Cartography Agency, the National Meteorology Institute and the National Directorate for Water Resources Management. These latter two prepare crucial inputs for GeoNode so that INGC can generate flood exposure maps for contingency plans. The training aimed to strengthen capacity for leveraging these geospatial tools to fulfill their core mandate. In particular, it will help attendees use available geospatial information to improve contingency planning, including planning of financial resources and emergency response.

## Focus event on the ADRF Initiative: Sharing country experiences and knowledge in disaster risk financing

On May 15, 2018, more than 60 participants attended a focus event on the ADRF Initiative, which took place on the margins of the Understanding Risk Forum in Mexico City. Among the participants were 40 delegates from 14 Sub-Saharan African governments (**Cabo Verde, Eswatini, Ethiopia, Ghana, Kenya, Lesotho, Madagascar, Malawi, Mozambique, Nigeria, Seychelles, Sierra Leone, Tanzania, and Uganda**). In addition, representatives attended from African Regional Economic Communities, including from the Economic Community of Central African States (ECCAS), the Economic Community of West African States (ECOWAS), the Intergovernmental Authority on Development (IGAD), and the Southern African Development Community (SADC), as well as representatives from the AfDB, the AUC and the World Bank/GFDRR. This event was the largest such gathering of African DRF practitioners to date, highlighting the impact the ADRF Initiative has already had in building capacity among governments in Sub-Saharan Africa on DRF.

The core objective of the event was to bring together government officials and practitioners involved in the ADRF Initiative, enabling them to share experiences, knowledge and lessons learned on activities implemented in DRF in an African context. The event focused on the themes of risk information within the DRM and DRF agendas.

It was clear from the interactions between African countries during the event that the DRF agenda evolves differently in each country, driven by the context, the needs of the government, and the political support provided. It was also clear that capacity development in the area of DRF in Sub-Saharan Africa is an on-going process which will require committed engagement from development partners in the years to come. Countries wishing to engage on this topic could learn from the successes of other countries where ADRF engagements have been implemented, which further emphasizes the importance of knowledge-sharing activities. As trailblazers for the DRF agenda in their respective countries, participants left the event with good practices to be disseminated at home. For more information on the event, please see the article at <https://goo.gl/tx3CRt>

Participants during the focus event on the ADRF Initiative on 15 May 2018 in Mexico City, Mexico

*Photo credit: World Bank*



## In Focus: Open Cities Africa



Open Cities Africa is a new regional knowledge sharing activity launched under the ADRF Initiative, aiming to **scale up the use of innovative, open, and dynamic data collection and mapping** to support the management of disaster risk and urban growth, and to create an enabling environment for risk financing.

Open Cities Africa is supporting projects in 10 cities in Sub-Saharan Africa (Ngaoundere, **Cameroon**; Kinshasa, **DRC**; Accra, **Ghana**; Monrovia, **Liberia**; Antananarivo, **Madagascar**; Pointe-Noire, **Republic of Congo**; Saint-Louis, **Senegal**; Victoria, **Seychelles**; Kampala, **Uganda**; Stone Town, **Zanzibar**) to introduce innovative, open, and participatory data collection and mapping processes that support the management of urban growth and disaster risk. Its objectives include (i) the collection and creation of up-to-date, high quality, accessible data; (ii) the development of targeted information tools to support the use of risk data by local government and partners in planning; and (iii) the development of skills of local institutions and implementing organizations in data collection, mapping, and tool development.

The ADRF Initiative held the kick-off event of the Open Cities Africa from 11 to 15 June 2018 in Kampala, Uganda, convening 45 participants from the 10 African cities, including local implementers and government counterparts, with facilitators from the GFDRR Innovation Lab, Humanitarian OpenStreetMap team, the Tanzania Ramani Huria team, the Zanzibar Mapping Initiative, and Mapillary, a machine learning start-up. Participants learnt about understanding risk, digital mapping approaches and tools, open collaboration, and other innovations related to open geospatial technology.

The event provided a valuable opportunity for knowledge exchange between city teams and exposure to international experts working at the intersection of DRM and technology development (<https://opendri.org/open-cities-africa-kickoff-2018/>). An online platform has been launched to continue the learning and capacity building process (<https://opencitiesafrica.course.tc>). Another workshop convened delegates on the margins of the Understanding Risk Tanzania event in August 2018 to check in on the progress of the teams, share lessons learned across cities, and benefit from targeted advice from experts, and to learn about user-centered design and prototyping to ensure that data can be used in the most effective ways by all stakeholders.



Victoria falls, Zambia

Source: iStock

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## 5. Governance

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### ADRF team:

A dedicated GFDRR team in Brussels works on managing the ADRF Initiative, ensuring day-to-day coordination with the European Commission (EC) (mainly through the EU Delegation to the AUC), the ACP Secretariat, implementing partners of the ACP-EU Program Building Disaster Resilience in Sub-Saharan Africa, and other relevant stakeholders. The GFDRR Brussels team also ensures effective program visibility and coordination of the ADRF work plan and activities, which are jointly-implemented by three teams within the World Bank:

- The World Bank Africa Disaster Risk Management team, which is part of the World Bank Social, Urban, Rural and Resilience (GSURR) Global Practice, and leads the dialogue on Disaster Risk Management with African countries;
- The GFDRR Innovation Lab, which leads the work on creating the enabling environment for risk financing and on facilitating regional risk sharing and knowledge sharing initiatives; and
- The Disaster Risk Financing and Insurance Program (DRFIP), a joint partnership of the World Bank Group's Finance and Markets Global Practice and the GFDRR, which leads the dialogue on DRF with government stakeholders.

## Coordination:

To ensure efficiency and avoid overlaps, ADRF activities are closely coordinated with ongoing programs developed by the EU (through EU delegations), UN agencies, WB/GFDRR and other development partners. Particular attention is given to the coordination between the different result areas of the Building Disaster Resilience in Sub-Saharan Africa Program through bi-annual Program Steering Committee (PSC) meetings, and the proactive coordination by GFDRR with the implementation partners of R1 (AUC and UNISDR), R2 (World Bank-GFDRR), R3 (AfDB), and R4 (UNISDR). Specific attention has been given to R4 and R5 coordination to ensure the complementarity of activities in improving access to risk information. Coordination among GFDRR/World Bank, AUC and UNISDR has been undertaken to ensure monitoring and reporting on progress for the overall Program.

Coordination across the different activities implemented by partners was strengthened at the 11<sup>th</sup> session of the African Working Group on DRR, which took place on 26-27 September 2017, in Mombasa, Kenya. The meeting was chaired by the AUC, with the IGAD Secretariat as Vice Chair, and was attended by 60 representatives from the African Union Commission, African Regional Economic Communities, Member States<sup>23</sup>, and other member organisations, including the African Development Bank, the EU Delegation to the African Union, UNISDR, and World Bank/GFDRR. The meeting identified priority activities for the acceleration of the implementation the Sendai Framework for DRR in Africa at the continental, regional, national, and sub-national level. The 12<sup>th</sup> session of the Africa Working Group on DRR took place on 13-14 March 2018 in Bahir Dar, Ethiopia, where progress was reviewed of the implementation of the priority activities identified by the 11<sup>th</sup> Africa Working Group on DRR.

## Steering Committee:

As part of the Program Building Disaster Resilience to Natural Hazards in Sub-Saharan African Regions, Countries and Communities, the ADRF Initiative reports to the PSC meeting to ensure that all result areas follow the strategy as guided by the Financing Agreement and subsequent agreements and amendments. The PSC oversees and validates the overall strategic direction and policy guidance of the Program. Two Steering Committee meetings were held between 1 July 2017 and 30 June 2018:

- The 4<sup>th</sup> Steering Committee meeting of the Building Disaster Resilience in Sub-Saharan Africa Program took place on 28 September 2017 in Mombasa, Kenya, on the margins of the 11<sup>th</sup> Africa Working Group on DRR (26-27 September).
- The 5<sup>th</sup> Steering Committee meeting took place on 15 March 2018 in Bahir Dar, Ethiopia, on the margins of the 12<sup>th</sup> Africa Working Group on DRR (13-14 March).

<sup>23</sup> Gabon, Gambia, South Africa, Sudan, and Uganda



Publications & Reports



Better Data, Better Resilience: Lessons in Disaster Risk Finance from Uganda

*Better Data, Better Resilience: Lessons in Disaster Risk Finance from Uganda* highlights the ADRF Initiative's support for the government of Uganda in developing disaster risk financing under the NUSAF3 project. This project includes a shock-responsive, scalable component of the existing Ugandan national program. The report is accessible at <https://goo.gl/dAWfZw>

Uganda Country Snapshot

The Uganda Country Snapshot highlights the ADRF Initiative's support for the government of Uganda in developing a disaster risk financing under the NUSAF3 project. The document is accessible at <https://goo.gl/gXtekv>

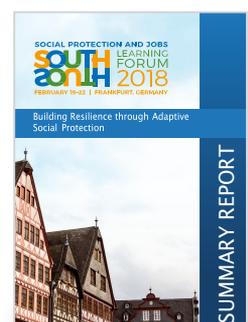


Kenya Country Snapshot

The Kenya Country Snapshot highlights the ADRF Initiative's support for the government of Kenya in establishing a crop and livestock insurance pro-gram to insure vulnerable pastoral households just above the social safety net threshold, helping them to avoid the necessity of accessing benefits from different programs. The Country Snapshot is accessible at <https://goo.gl/fr3Wen>, and the Country Profile at <https://goo.gl/u5ww9t>

Summary report of the South-South Learning Forum "Building Resilience through Adaptive Social Protection"

The World Bank organized the 2018 Social Protection and Jobs South-South Learning Forum (SSLF) from 19 to 22 February 2018, in Frankfurt, Germany, with a focus on Building Resilience through Adaptive Social Protection. The ADRF Initiative enabled the participation of 30 delegates from 13 African countries: **Comoros, Eswatini, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Sierra Leone and Uganda**. The report is accessible at <https://goo.gl/qHgFZa>





Mountain road, Lesotho  
Source: iStock

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## About the Global Facility for Disaster Reduction and Recovery

The Global Facility for Disaster Reduction and Recovery (GFDRR) is a global partnership established in 2006 to support developing countries in understanding, managing, and ultimately reducing risks stemming from natural hazards and climate change. Hosted by the World Bank, GFDRR is supported by 37 countries and 11 international organizations, and works with over 400 sub-national, national, regional, and international partners. GFDRR's mission is to facilitate implementation of the Sendai Framework for Disaster Risk Reduction and to contribute to the achievement of the Sustainable Development Goals and the Paris Agreement by ensuring that development policies, plans, and investments—including post-disaster reconstruction—are designed to minimize disaster risks and build the resilience of people and economies to climate change. GFDRR provides grant financing, technical assistance, training and knowledge sharing activities to mainstream disaster and climate risk management in policies and strategies. For more information, please visit <http://www.gfdr.org/>.

The GFDRR Innovation Lab supports the use of science, technology and open data to promote new ideas and develop original tools that empower decision makers in vulnerable countries and strengthen their resilience.

See <http://www.gfdr.org/innovation-lab>

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## The World Bank's Africa Disaster Risk Management Program

The World Bank Africa Disaster Risk Management Program (AFR DRM) supports countries and communities in Sub-Saharan Africa in building climate and disaster resilience for sustainable development. It is currently served by 58 focal points spread over 48 countries. Its portfolio of \$5.4 billion makes up approximately 10 percent of the World Bank's overall Africa portfolio. This includes a core DRM investment portfolio of over \$1 billion and \$50 million in technical assistance grants to over 28 countries. Through its investment and technical assistance operations, the AFR DRM team develops effective synergies with other initiatives such as the various Result Areas of the ACP-EU Building Disaster Resilience in Sub-Saharan Africa Program and other ACP-EU initiatives.

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## The Disaster Risk Financing and Insurance Program

The Disaster Risk Financing and Insurance Program (DRFIP) is a joint partnership of the World Bank Group's Finance and Markets Global Practice and GFDRR. It was established in 2010 to improve the financial resilience of governments, businesses, and households against natural disasters. See <http://www.worldbank.org/en/programs/disaster-risk-financing-and-insurance-program>.



Langata, Kenya

Source: iStock

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## Building Disaster Resilience in Sub-Saharan Africa Program—Result Area 5

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