

Attachment-3

Proposed Africa Climate Risk Management and Green Growth Project

A Concept Brief

Context:

Climate risks are a significant concern for Africa's development. Africa is already vulnerable to the challenges of high historical climate variability. Floods, droughts, storms, and uncertain rainfall exact a significant toll on lives and livelihoods and undermine economic progress. Climate Change is expected to further exacerbate these challenges with cascading impacts from increasing temperatures and changing rainfall patterns.



African nations, with help from their development partners, have been trying to cope with these existing and evolving climate risks through a number of programs. Global efforts are also underway to create special financing to support climate resilience and low-carbon growth activities in Africa.

In this context, there is a need to:

- (i) Systematically build the capacity of regional and national institutions on climate risk management.
- (ii) Improve the readiness of African countries to effectively utilize climate financing to generate both development (economic/environmental/social) and climate (adaptation/mitigation) co-benefits.
- (iii) Undertake immediate enabling investments.

The Africa Region of the World Bank is preparing a project to support regional entities (e.g. African Union Commission (AUC) and the Africa Climate Policy Center (ACPC); selected Regional Economic Communities (RECs) such as EAC, SADC, ECOWAS, and ECCAS; and working with Regional Climate Centers, Basin Agencies, Power Pools, and other relevant regional bodies) and countries in undertaking such readiness activities in accordance with the eligibility criteria for IDA grants to regional institutions.

The program is proposed to be undertaken with financing and support from the Africa Regional Integration Department and several other Bank units (e.g. the World Bank Institute's Climate Change Unit). Financing support is also being explored with the Global Fund for Disaster Reduction and Recovery (GFDRR), the Government of Japan (PHRD), and other development partners, especially for country-level activities. Additional synergy is being explored with the many existing national and regional activities relating to climate risks in Africa (including with The World Bank, UNECA/ClimDev, AfDB, bilateral partners, etc.). This program is being conceived as part of a longer-term demand-driven initiative and structured in a phased manner to serve as a structured conduit for additional country requirements and for additional financing from interested partners.

Project Framework:

The project development objective is ***to improve the readiness of regional and national entities in Africa to effectively manage climate risks.*** Key components include:

A. **Capacity-building for Climate Resilience and Low-Carbon Growth**

The project seeks to roll-out a systematic capacity-building program for regional and country-level stakeholders to better manage a broad spectrum of climate-related issues and move away from *ad hoc* training events and workshops. This will consist of improved documentation of success stories across Africa, information management, training events and workshops targeted at improving technical and communication capacity, improve networking and partnerships, including South-South learning, and the capacity to provide “helpdesk” and outreach services at regional and country-levels. The aim would be to have a systematic learning platform (being developed in collaboration with the World Bank Institute Climate Change Unit) that will be organized through regional (e.g. RECs, River Basin Organizations, Power Pools, Capacity-building institutes) and national entities across Africa to build capacity for a new generation of climate-related investments. Some of the capacity-building themes proposed to be covered include:

Information: Emerging technologies (incl. satellite knowledge products and improved inter-operable hydromet and early warning systems/mobile applications), climate portals, open data and visualization platforms, decision support systems, multi-media documentation and communication, distance learning, e-learning, etc.

Institutions: Skills development on a variety of fronts, including basic climate science and processes, accessing climate financing, monitoring and verification systems, climate insurance products, stakeholder platforms, inter-agency cooperation, partnerships with academia/knowledge providers, private sector, other nations, innovation fairs, etc.

Investments: Preparation and appraisal of bankable climate-related projects, planning projects in a strategic (e.g. basin) context, managing vulnerability of infrastructure to climate risks (historical climate variability and future climate change scenarios), designing new investments to ensure both climate (low-carbon, climate resilience) and development (growth, poverty alleviation) benefits.

B. **Climate Investment Readiness Support**

a. **Preparation of potential Investments for Climate financing**

This will support the preparation of priority regional and country investment strategies and investments in targeted areas identified by early consultation during project preparation. These will include support for strategic planning in particular locations (e.g. basins, coasts, cities) and investment preparation (scoping, surveys, pre/feasibility, assessments, environmental and social assessments, economic analyses) to prepare a pipeline of investments that can be proposed by national and regional entities for emerging climate financing. The projects would be primarily national in nature but can be conceived in a regional context.

b. **Financing investments on-the-ground**

The project also expects to support a few investments on the ground in selected countries that are almost ready for implementation or can be prepared quickly. This would primarily focus on demonstrating new, innovative approaches/technologies to provide learning for scaling-up. Initially, they are expected to include hydromet/early warning investments to improve resilience and community-level investments for low-carbon and climate resilience objectives.

The project will seek to take advantage of economies of scale where appropriate (e.g. by working through regional level institutions for technical assistance to build capacity at national and regional levels) and also be responsive to individual country needs. Efforts will be made to be as inclusive as possible – with the capacity-building activities being open to countries across the Africa Region. The investment preparation and financing will be more targeted to a few countries to demonstrate innovative approaches and this will be finalized during remaining project preparation.

It is expected that this project will help Africa to demonstrate its readiness to prepare and implement scaled-up programs with development and climate co-benefits, as additional climate finance becomes more accessible. It will also help improve collaboration and cross-learning across countries in Africa and links with other regions in building technical and communication capacity to better mainstream climate considerations in sectoral information, institutional, and infrastructure activities.

Tentative Project Costs:

Currently, the project proposes \$52m of grant financing (\$35m from World Bank Regional IDA, \$15m Govt. of Japan, and \$2m GFDRR).

The project is highly scalable depending on the financing available and efforts are being made to raise additional financing to support this holistic approach to building capacity in Africa on climate risk management and low-carbon development.

Trust funds are also being sought to support enhanced Bank engagement in the management of this large program of activities to ensure adequate facilitation and quality management.

Expected Project Benefits:

The proposed project is expected to provide a number of tangible and intangible benefits. This includes:

- Systematic approach to capacity-building on climate aspects in Africa
- Improved cross-learning and professional networking on climate issues across regional and country institutions; improved south-south learning
- Improved investment climate for climate investments due to improved readiness
- Lessons from implementation of innovative approaches that provide both climate and development benefits

Country Selection Criteria for Investments:

Regional capacity-building efforts will involve countries across Africa. However, for investment preparation and implementation, a few countries will be selected based on:

- (i) **Need:** Assessment of Climate Risk Vulnerability (e.g. for droughts, floods, coastal storms) and Climate Mitigation opportunities (e.g. for REDD+, etc.) and potential for innovative approaches
- (ii) **Demand:** Request from Countries and Regional Implementing Agencies
- (iii) **Readiness:** Presence of National Adaptation Program of Action (NAPAs)/NAMAs. For example, countries in the AFR region that have submitted their NAPAs so far include: Angola , Benin , Burkina Faso , Burundi , Cape Verde , Central African Republic , Chad , Comoros , Democratic Republic of Congo , Eritrea , Ethiopia , Gambia , Guinea , Guinea-Bissau , Lesotho , Liberia , Madagascar , Malawi , Mali , Mauritania , Mozambique , Niger , Rwanda , Sao Tome and Principe , Senegal , Sierre

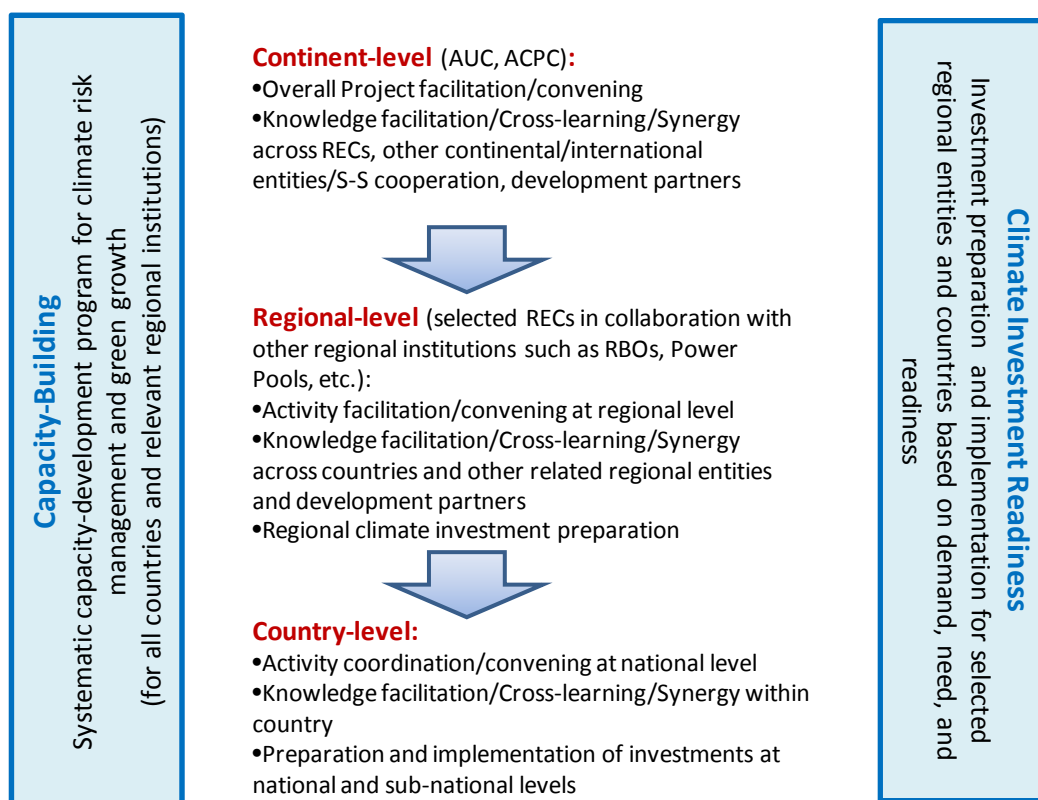
Leone , Sudan , Tanzania , Togo , Uganda , and Zambia. Several African nations are also preparing their NAMAs. Other aspects of readiness will be used to select implementation activities at country level (e.g. in financing project implementation of investments that are already ready, promoting project-financed hydromet data to be in the public domain, etc.)

The selection of countries will be finalized over the next few months after discussions at regional and national level. It is expected that about 2 countries (e.g. say with one having more adaptation opportunities and another with more mitigation opportunities) will be selected in each REC for a total of about 8 countries for the first set of investment preparation and implementation. Additional countries that show readiness can be included in further phases or as additional financing becomes available.

Implementation Arrangements:

The project is expected to involve a number of climate capacity-building and investment readiness activities at continent, regional, and national levels as shown below.

Proposed Implementation Arrangements



High-level meetings are proposed to be held annually with development partners and the implementing agencies as part of this effort, and working-level meetings semi-annually along with project supervision. Details of the project implementation arrangement are expected to be evolved during project preparation.

KEY DATES:

- Jun 2011: PCN Review completed.
- Jul-Sep 2011: Institutional/Climate Review of RECs
- Sep 2011: Discussions on project concept around AMCEN meetings.
- Sep 2011: Launched concept at Annual Meetings Climate Change Dinner Event.
- Oct 2011: Communications to RECs on project. The project was discussed as part of the first Climate Change and Development in Africa (CCDA-I) Conference by Africa Climate Policy Center (ACPC). Interest of AUC, RECs and River Basin Organizations explored. Visits to African Union Commission (AUC) in Addis Ababa, East African Community (EAC) Secretariat in Arusha, and South African Development Community (SADC) Secretariat in Gabarone to discuss project. Discussions with ECOWAS representative at CCDA-I.
- Dec 2011: Support for AUC participation at Durban.
- Mar-Apr 2012: Documentation, communication, workshop preparation.
- May 2012: Proposed Project Design Workshop at Addis Ababa.
- Jun 2012: Early Quality Enhancement Review to get feedback on evolving design.
- Aug-Dec 2012: Detailed Preparation.
- Jan 2013: Proposed Project Appraisal.
- Mar 2013: Proposed World Bank Board Presentation.