



## **Focus event on the Africa Disaster Risk Financing Initiative: Sharing country experiences and knowledge in disaster risk financing**

On 15 May 2018, more than 60 participants attended a focus event on the Africa Disaster Risk Financing (ADRF) Initiative, which took place in the margins of the 14-18 May Understanding Risk Forum in Mexico City. Among the participants were 40 delegates from 14 Sub-Saharan African governments (Cabo Verde, Ethiopia, Ghana, Kenya, Lesotho, Madagascar, Malawi, Mozambique, Nigeria, Seychelles, Sierra Leone, Swaziland, Tanzania, and Uganda). In addition, there were representatives from African Regional Economic Communities, including from the Economic Community of Central African States, the Economic Community of West African States, the Intergovernmental Authority on Development, and the Southern African Development Community, as well as representatives from the African Development Bank, the African Union and the World Bank/Global Facility for Disaster Reduction and Recovery (GFDRR). This event was the largest such gathering of African practitioners to date, confirming the impact the ADRF Initiative has already had in building capacity among governments in Sub-Saharan Africa on Disaster Risk Financing (DRF).

The core objective of the event was to bring together government officials and practitioners involved in the ADRF Initiative, and to enable them to share experiences, knowledge and lessons learned on activities implemented in the realm of the Initiative. The event focused on the themes of risk information within the Disaster Risk Management (DRM) and DRF agendas.

As one of the principal areas of activities developed under the ADRF Initiative, the importance of data gathering and analysis was brought forward by many participants, including by Madagascar following its experience with Cyclone Enawo in 2017, and by East African countries that experience recurrent droughts. This topic is crucial to better understand the risks that countries face, which geographic areas are prone to disasters, and how analysis can be improved and speeded up in case of a disaster for a better coordinated response. In addition to building awareness of disaster and climate risks, risk information data is used for multiple concrete purposes, such as helping countries to assess urban risks, conducting specific sector analysis for safer infrastructure, and conducting rapid assessments following a disaster. Participants widely agreed that risk information is a fundamental prerequisite for developing informed DRF strategies, and that it can feed into governments' decisions for the development of contingent mechanisms and other DRM decisions. Delegates from various Sub-Saharan countries such as Kenya, Tanzania and Madagascar highlighted that ownership of the data collection and management is key, and insisted that building governments' capacity was essential in this matter.

Social safety net programs capable of scaling up during disaster shocks have proven to be effective in reaching the most vulnerable people in times of crisis. During the 2015 drought, Kenya's cash transfer program, the Hunger Safety Net Program, provided support to more than 100,000 households in a period of two weeks. The rapid and inclusive response required an operational and flexible safety net system, in addition to coordinated government structures both at the national and local levels. The rapid cash transfers to vulnerable households impacted by the drought were possible in Kenya thanks to the use of satellite data to trigger the scale up of the program, clear and pre-determined rules for when to trigger a response, the pre-registration of all households in the covered counties, and the provision of bank accounts to all potential beneficiaries. In Ethiopia, the Productive Safety Net Program (PSNP) is also expanded to respond to disaster shocks. The scale up of the PSNP is supported by an early warning system and incorporates innovative features to automatically scale up social protection and enroll additional



beneficiaries when the country experiences a food crisis. A delegate from Uganda also presented the Northern Uganda Social Action Fund (NUSAF) 3, which provides effective income support to build the resilience of about 700,000 poor and vulnerable households in Uganda, through strengthening institutions and the accountability of public service delivery. The NUSAF 3 project includes a DRF component, which enables the safety net to rapidly expand financial assistance to vulnerable households in the event of drought in Karamoja, the poorest region of the country. To date, the DRF component has reached over 50,000 of the poorest households (c. 250,000 people) in Uganda, providing them with income during the El Niño drought of 2016 and 2017. The audience was also able to hear from several other Sub-Saharan African countries that benefitted from technical assistance to develop shock responsive safety nets from the ADRF Initiative, such as Lesotho and Malawi.

The ADRF Initiative has as its key objective to contribute to the development of DRF strategies. Participants shared their experiences, which sparked lively discussions on the steps needed to set-up DRF instruments and mechanisms, including the need for multi-sectoral coordination, or the way in which funds are mobilized to resolve emergency situations in the aftermath of a disaster. A delegate from Mozambique shared how the country activated an Immediate Response Mechanism in 2016, established a DRM Fund in July 2017 to finance disaster preparedness, response, recovery and reconstruction, and recently started discussions on sovereign insurance. As one of Sub-Saharan Africa's most advanced countries on the matter and the first to have a DRF strategy in place, a delegate from Kenya highlighted the government's instruments to strengthen financial preparedness to natural catastrophes. This includes contingent financing and the proposed Catastrophe Deferred Draw-Down Option (Cat DDO) instrument which will be presented for the World Bank's approval in June 2018. Such examples and the ensuing discussions reiterated the importance of developing DRF strategies and of starting ex ante preparations, which help manage the financial pressure on governments following a disaster and enable them to swiftly start the recovery process.

It was clear from the interactions between African countries during the ADRF event that how the DRF agenda evolves in each country is very different, driven by the needs of the government, the context and the political support for the agenda. 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 over the years to come. Countries now wishing to engage on this topic can learn from, and indeed leapfrog the initial success of others which have been implemented through the support of the ADRF Initiative, showing that further progress is expected. To this end, the ADRF event was another reminder of the importance of knowledge-sharing activities. As trailblazers for the DRF agenda in their respective countries, participants were able to reflect, take stock and take away important messages and good practices to be shared and disseminated at home.

*The ADRF Initiative is one of five Result Areas of the European Union (EU) - Africa, Caribbean and Pacific (ACP) cooperation program Building Disaster Resilience in Sub-Saharan Africa, which is 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 (WB)-managed Global Facility for Disaster Reduction and Recovery (GFDRR). The Program's overall objective is to strengthen the resilience of Sub-Saharan African regions, countries and communities to the impacts of natural disasters, including the potential impact of climate change, to reduce poverty and promote sustainable development. The ADRF Initiative, launched in 2015 and implemented by GFDRR and the World Bank, supports the development of risk financing strategies at regional, national and local levels to help African countries make informed decisions to improve post-disaster financial response capacity in order to mitigate the socio-economic, fiscal and financial impacts of disasters.*