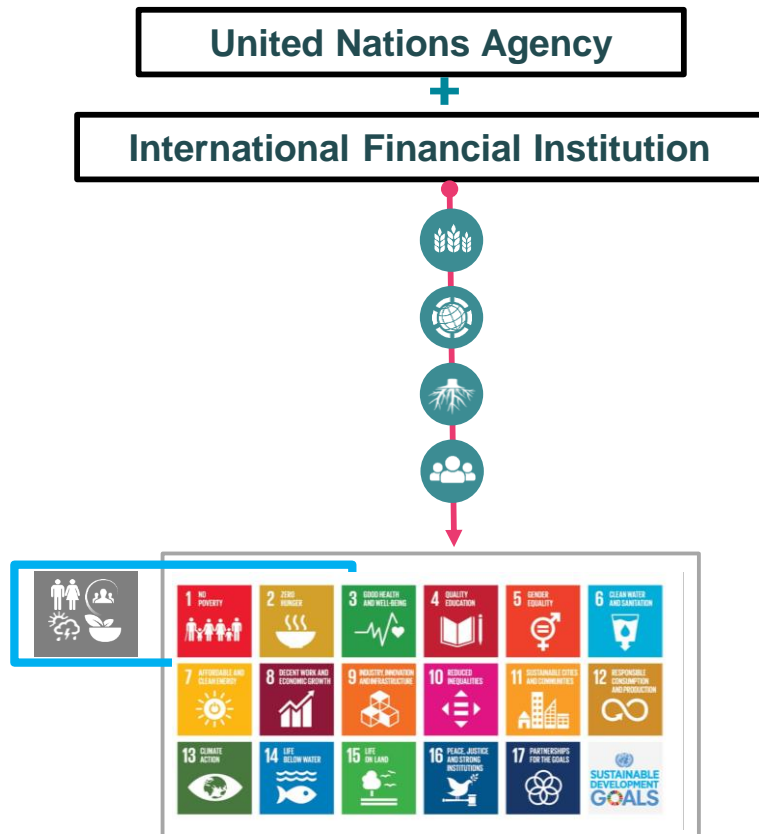




Climate Finance Workshop for EAC Partner States 17-19 April 2023

Marie- Clarisse Chanoine Dusingize
Environment and Social Safeguards Specialist

IFAD's Values Proposition



Focus on agriculture and targeting of the most vulnerable and create pathways for scaling-up



Long-term relationships with governments, and a **deep reach** into remote areas



Systematic measurement of **results** and impact - Focus on sustainable benefits for countries



Leveraging of capital base to ensure a multiplied **return** on the ground

Our current global footprint

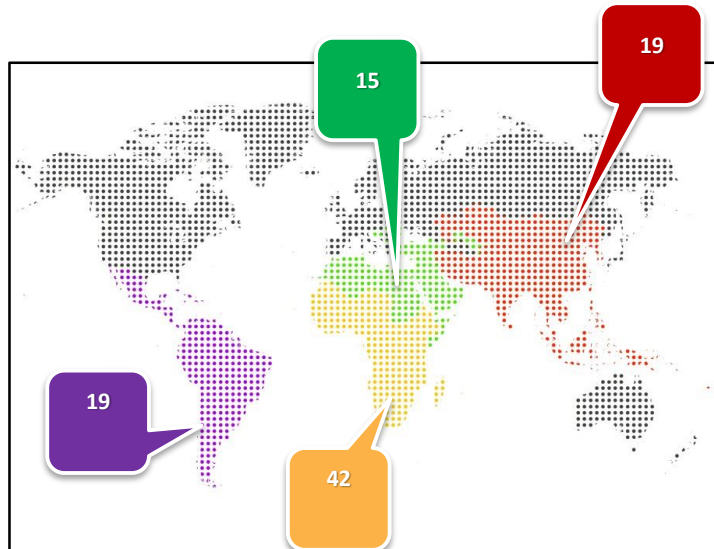


177
Member states

96
Beneficiary Countries

233
Projects

US\$8.4
Billion portfolio



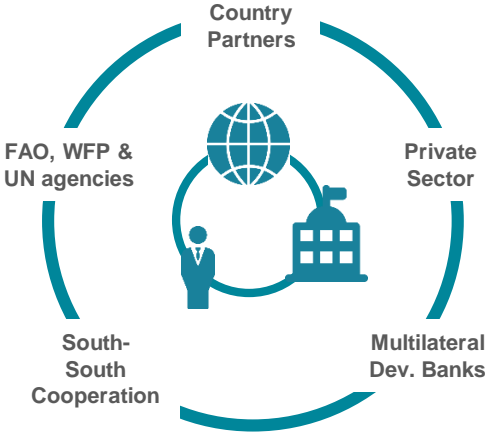
- Agriculture & rural development
- Environment and Climate
- Forestry, Livestock, Fisheries
- Access to Financial Services
- Rural Infrastructure
- Capacity development
- Research
- Rural entrepreneurship

During 2022 – 2024 (IFAD12), we will invest US\$11 billion to double our impact to reach 40 million rural people annually by 2030



ASAP+:
Adaptation to Smallholder Agriculture

PSFP:
Private Sector Financing Programme



EXPANDED IMPACT



Increased production



Increased market access and income



Greater resilience

INVESTMENTS



POLICY & KNOWLEDGE



PARTNERSHIPS

During the same period, we set high commitments for the environment and social inclusion

Targets at design

- **Gender Transformative** 35%
- **Nutrition Sensitive** 60%
- **Youth Sensitive** 60%
- **IPs** 10 projects
- **PWD** 5 projects
- **% of PoLG** 5 projects
- **Climate focused finance** 40% of
- **Build adaptive capacities** 90% of



Targets at completion

- **Gender mainstreamed** 60%
Completed projects rated 5+
- **Adaptation to climate change** 90%
Completed projects rated 4+
- **Environment and natural resources management** 90%
Completed projects rated 4+

IFAD and GEF: 21 years of partnership

1. Most IFAD GEF projects in the active portfolio are **MFA**, followed by **CCA**, **land degradation**, **biodiversity** and **CCM**: Rural development projects deliver **GEBs with strong co-benefits for rural poor people**.
2. GEF-supported projects are **embedded in IFAD-supported programmes** in a holistic manner mainstreaming social and environment considerations (**SLM**, **CSA**, **agro-ecology**, **conservation** and **sustainable use of biodiversity**, value chains, adaptation and resilience).
3. IFAD long and growing engagement with the private sector with **the entire spectrum of the rural private sector**.
4. Long-standing experience in investing on **landscape and forest restoration** related activities, though blended and innovative financial mechanisms and with the private sector.
5. The urgent need to **transform food systems** cuts across IFAD's work – Nature-based solutions.

Adaptation for Smallholder Agriculture Programme



ASAP1 (2012) – US\$300 million

Multi-donor trust fund channeling climate adaptation finance across 41 projects globally

ASAP2 (2017) – US\$16 million

Technical assistance programme supporting 33 projects to mainstream climate



Supported **6 million people** to cope with the effects of climate change



Brought more than **one million hectares of land** under climate-resilient practices



Helped sequester **over 60 million tons of carbon dioxide equivalents**





APR | ESA | LAC | NEN | WCA



300 million
people supported
to cope with the
effects of climate
change



Three million
hectares of land
under climate-
resilient practices



Helped sequester
over 60 million
tons of carbon
dioxide
equivalents

Examples of IFAD climate investments: *Introducing new elements to agricultural investments*



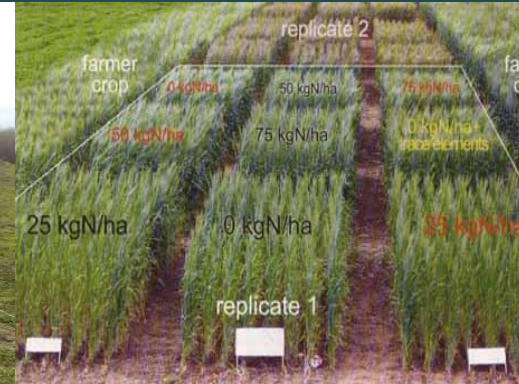
Early Warning systems



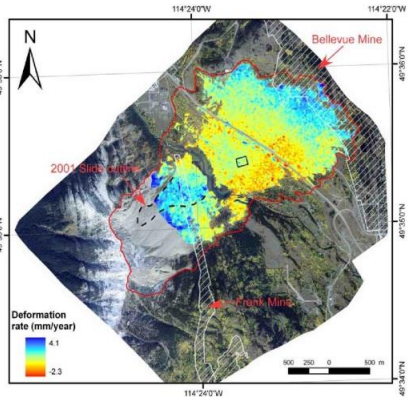
Financial services for risk management & transfer



Access to better weather information



Drought/salt/flood - tolerant crop options



Risk analysis



More robust/flexible infrastructure



Post-harvest protection



Green technologies

Examples of IFAD climate investments:

Scaling up proven solutions for climate change adaptation



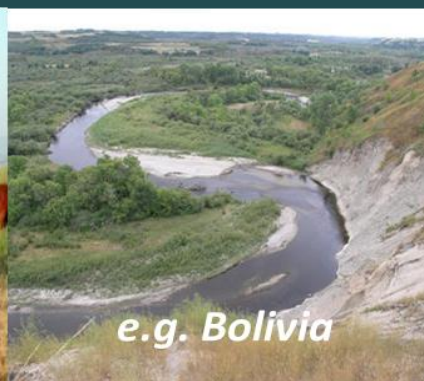
e.g. Nepal

Agroforestry



e.g. Kyrgyzstan

Rangeland
management



e.g. Bolivia

Watershed
management



e.g. Ghana

Conservation
agriculture



e.g. Nigeria

Drip irrigation



e.g. Yemen

Rainwater
harvesting



e.g. Mali

Biogas



e.g. Djibouti

Reforestation
& afforestation

Engagement opportunities

Catalyse, convey, aggregate



Promoting public-private partnerships:

- Partner in: smallholder agribusiness, carbon markets, sustainable certification/PES schemes, blockchains and product traceability, climate risk management services (insurance, credits, information, etc.)

Leveraging adoption, dissemination and innovation:

- Capacity-building and rural extension and advisory services,
- Sustainable, transformative and socially-inclusive technologies
- Applied research, peer-to-peer approaches for demonstration and technology transfer
- Incentives for the adoption of integrated measures with multiple benefits
- Focused knowledge management and sharing products

Overview of IFAD Climate Finance portfolio

- In IFAD11, the Fund committed **US\$1.2 billion in climate finance** across 85 unique operations. This represents 35 per cent of funding approved through its programme of loans and grants, exceeding the 25 per cent target set for the period. **The lion's share was directed to adaptation (US\$1.1 billion, or about 92 per cent)**, while US\$117 million was categorized as mitigation finance. For IFAD12, the target share of climate-focused finance has been increased to 40 per cent.
- This was accompanied by **US\$336.5 m mobilised from the GCF, GEF and AF.**
- In 2022 IFAD programmed **US\$247m in climate finance (of which US\$237m or 96% was directed to adaptation).**

Overview of IFAD Climate Finance portfolio (2022)

Supplementary Climate financing by project (US\$ millions) 2022

	#	Country	Short title	Loan	Grant	Amount
Adaptation Fund	1	Kyrgyzstan	RRPCP-Adapt		9	9
	2	Cote d'Ivoire	Bandama Basin		6	6
	sub-total					15
ASAP+	3	Brazil	PAGES		17	17
	sub-total					17
GCF	4	Regional (13 countries)	IGRF 1	79	32	111
	5	Regional (4 countries)	PPF		1	1
	sub-total					112
GEF (GEF, LDCF, SCCF)	6	Kenya	Eldoret-Iten		3	3
	7	Lesotho	ROLL		4	4
	8	Yemen	RAY		10	10
	9	Gambia	INLAMAG		5	5
	10	Mali	Segou Region		2	2
	11	Niger	PROSAP/COKEBIOS		3	3
	12	Sao Tome and Principe	Agro-forestry & fisheries		4	4
	sub-total					29
2022 Year Total					173	

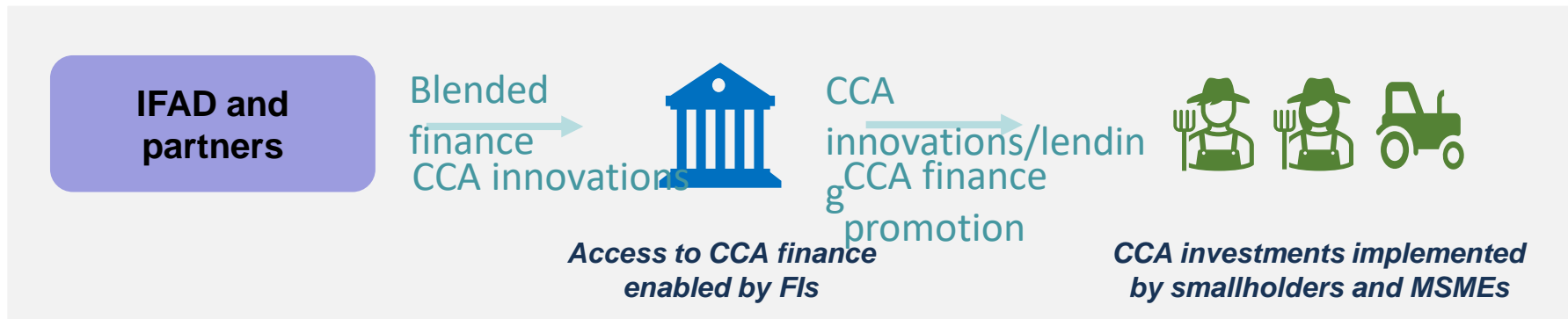
IFAD GCF Regional Proposal AFRICA RURAL CLIMATE ADAPTATION FINANCE MECHANISM (ARCAFIM)

Private Finance for Climate Change Adaptation (CCA) in Africa

Development problem: Despite urgent demand, only limited financing targets rural CCA investments in African LICs and LMICs under high climate stress. In particular, direly needed private sector financing is rarely channeled for CCA.

IFAD special position: As an IFI dedicated to rural and agriculture finance in LICs and LMICs, with a focus on CCA, IFAD is able to design and lead programs to effectively mobilize CCA innovations and financial resources to rural households.

ARCAFIM solution: IFAD convenes an international coalition for “the Africa Rural Climate Change Adaptation Mechanism” to mobilize resources and develop solutions to stimulate rural CCA finance demand and supply in African LICs and LMICs.



ARCAFIM Key Information

Climate risk analysis: At concept note and design a detailed CC risk assessment for rural and agriculture sectors carried out

Financing: ARCAFIM Eastern Africa US\$200 million (180 inv +20 TA) and Southern Africa US\$100 million (90 inv +10 TA)

Investment finance: 50% regional host banks (senior debt), 25% Green Climate Fund, 25% by IFAD through partnerships

TA finance: 50% Green Climate Fund, 50% IFAD's mobilized finance

Investment outreach: 360,000 rural households with 1.8 million people; expected to double each 4 years

Impact: Strengthened household climate change resilience due to investments into viable adaptation systems. Eligibility agreed in ARCAFIM taxonomy (see slides below). Effective loan types per IFAD's long term experience in smallholder finance:

1



Loans to smallholders for climate adaptation investments – tentatively US\$270 mil

- **Direct target group:** Low income smallholder farmers under climate change risk
- **Fund recipients:** Farmers, Farmer organizations, Cooperatives, Savings and Credit Groups
- **Purpose:** investment in farm level climate change adaptation technologies or working capital, as per eligible list of technologies
- **Investment sizes:** Average US\$1,500 ranging between US\$500-5,000

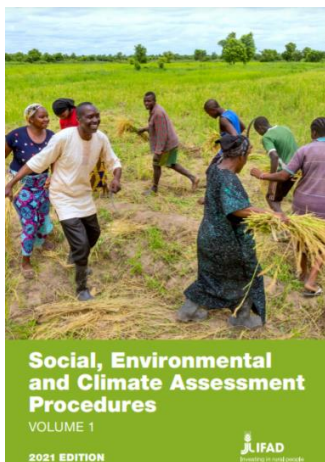
2



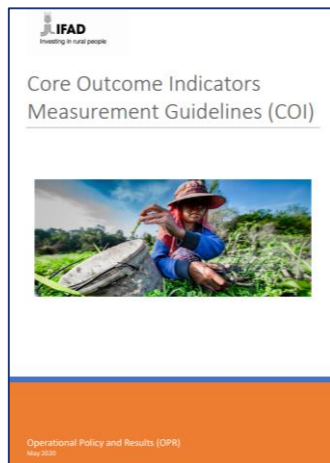
Loans to Value Chain MSMEs for sustainable smallholder adaptation – tentatively US\$270 mil

- **Indirect target group:** Low income smallholders in value chains under climate change risk
- **Fund recipients:** MSMEs and large farms that lead value chains with smallholders
- **Purpose:** investment in MSME level climate change adaptation technologies or working capital, as per eligible list of technologies
- **Investment sizes:** Average US\$50,000 ranging from US\$20,000-75,000. Average cost per indirect target household US\$1,500.

IFAD Adaptation Toolbox



SECAP



COI



Project Start
Up Kits



Climate Adaptation in
Rural Development
(CARD) Assessment
Tool

Why Social, Environmental and Climate Assessment Procedures (SECAP) ?

... Helps to identify both ESC risks and opportunities

... Covers new and emerging ESC issues

... Provides more room for informed judgement

... Offers convergence with the social, environmental and climate standards of other multilateral financial institutions and global funds

... Provides tools and guidance for risk screening, design and implementation of projects



Environmental and Climate Standards



1. Biodiversity conservation



2. Resource efficiency and pollution prevention



6. Community health and safety



9. Climate Change

Social Standards



3. Cultural heritage



4. Indigenous peoples



5. Labour and working conditions



7. Physical and economic displacement

Financial intermediaries and direct investments Standard



8. Financial intermediaries and direct investments



GRIPS ID: 2000003893

Agricultural Project. (AP) Armenia, NEN

Status
Pending

Entry into force Date
not available yet

Current Completion Date
not available yet

Total Project Financing
\$0

INFO

LOGFRAME 

IPRM

SECAP

DESIGN

IMPLEMENTATION

OVERVIEW

TEAM

Project Overview

Contributions to SDGs

Contribution to IFAD SOs
not available yet

Mainstreaming themes
not available yet

Project Type
not available yet

Target Groups

Financial instruments

Concept Approval

Design Report Endorsed

EB Approval

Entry into force

not available yet

Number of SIS Missions

Available for Disbursement

not available yet

Date of last SIS Mission

First Disbursement

not available yet

Project Area

MTR Date

not available yet

Cooperating Institution

- Available for all new POLG projects
- Additional finance upon request
- NSOs and ASAP+ currently offline

E&S screening

- Questions for Standards 1-8
- Link with project procurement
- SECAP guidance note
- Linked to IPRM

INFO LOGFRAME ⚠ IPRM **SECAP** DESIGN IMPLEMENTATION COMPLETION FINANCIALS LESSONS LEARNED MISSIONS

ENVIRONMENTAL AND SOCIAL CLIMATE GUIDANCE NOTE SECAP REVIEW NOTE SECAP FOR SPO

Environmental and Social Safeguards Screening Checklist

PDF Draft Word Draft HTML Draft Back Save

Environmental and Social Safeguards Classification: High

General data sources provide national and site specific information to support project delivery teams in identifying overall risks associated with project locations and targeted value chains.

These are:

- The Global Map of Environmental & Social Risk in Agro-commodity Production ([GMAP](#)) enables users to conduct rapid environmental and social due diligence associated with trade and short-term finance, and to make responsible and strategic sourcing, financing, and risk management decisions.
- [INFORM](#), a global, open-source risk assessment for humanitarian crises and disasters developed by a collaboration between the Inter-Agency Standing Committee Task Team for Preparedness and Resilience and the European Commission. It can support decisions about prevention, preparedness and response.
- Universal Human Rights Index ([UHRI](#)) offers an overview of national commitments to international Human Rights, as well as up-to-date observations and recommendations from international human rights bodies to improve human rights protection.

The lists of sources provided are not exhaustive and other local databases/maps/tools may be available.

Biodiversity conservation

Biodiversity is essential for the maintenance of ecosystem services, such as the provision of water and food, as well as other services that are important to both the ecosystems themselves and human life. Diversity in agroecological systems is a key element in building resilience capacities of rural families and their farming systems. 3 dataset are proposed to support the identification of risks and opportunity in the project area, these are:

- [UN Biodiversity LAB](#) - a platform for building partnerships among data providers and data users to ensure that governments have access and capacity to use cutting-edge spatial data to make key conservation and development decisions.
- [World Resource Institute](#) - Resource Watch features hundreds of data sets all in one place on the state of the planet's resources and citizens. Users can visualize challenges facing people and the planet, from climate change to poverty, water risk to state instability, air pollution to human migration, and more.
- [Global Forest Watch](#) is an online platform that provides data and tools for monitoring forests. By harnessing cutting-edge technology, this tool allows access to near real-time information about where and how forests are changing around the world.

	Yes/No/TBD	Likelihood	Consequence	Relevance for Procurement	Risk Rating
1.1 Could the project potentially involve or lead to conversion or degradation of biodiversity, habitats (including modified habitat, natural habitat and critical natural habitat) and/or ecosystems and ecosystem services?	Yes <input type="button" value="v"/>	Likely <input type="button" value="v"/> ?	Moderate <input type="button" value="v"/> ?	No <input type="button" value="v"/>	Substantial
1.2 Could the project involve or potentially lead to activities involving habitats that are legally protected, officially proposed for protection, or recognized as protected by traditional local communities and/or authoritative sources (e.g. National Park, Nature Conservancy, Indigenous Community Conserved Area, ICCA, etc.)?	TBD <input type="button" value="v"/>	Possible <input type="button" value="v"/> ?	Major <input type="button" value="v"/> ?	Yes <input type="button" value="v"/>	Substantial

Guidances for SPOs ?

Bidder qualifications: previous work experience in similar environments

Climate risk screening

4 steps:

- Hazard identification.
- Exposure assessment.
- Sensitivity assessment.
- Adaptive capacity and climate resilience.

**Climate Risk =
Hazards + Exposure + Sensitivity
– Adaptive Capacity.**

Climate Risk Screening Checklist

[PDF Draft](#)[Word Draft](#)[HTML Draft](#)[Edit](#)

Climate Risk Classification: **Low** Risk Rating: **0.0**

Step 1: Hazard identification Risk Rating: 0

Step 1 helps Project Design Team (PDT) to identify the key natural hazards, based on past and current climate observations and trends, as well as future projections, for a given location. These hazards should be considered in project design and implementation to promote disaster and climate resilience. This includes weather-related hazards that are likely to affect agricultural systems (including crops, livestock, fisheries, livestock forests, value chains and agricultural livelihoods). The identification of the hazard risks are based on the Thinkhazard tool, which ranks the likelihood of different natural hazards affecting project areas (very low, low, medium and high), and provides guidance on how to reduce the possible impacts of these hazards. Future projections on climate variability are available on the World Bank Climate Change Knowledge Portal (CCKP). Follow the guiding questions below to establish a baseline of existing and potential weather-related hazards, including projected future change compared to the current baseline. The potential impacts of the project on climate change (in terms of greenhouse gas emissions) are also addressed in this section.

What are the expected hazards in the project intervention area?	No, Yes, TBD	Data source
River flood		Thinkhazard tool
Costal Flood		Thinkhazard tool
Urban Flood		Thinkhazard tool
Landslide		Thinkhazard tool
Cyclone		Thinkhazard tool
Water Scarcity (agricultural droughts and/or dry spells)		Thinkhazard tool
Extreme Heat		Thinkhazard tool
Wildfires		Thinkhazard tool
Future climate scenarios foreseen (period 2040-2059) - Change in frequency and intensity	No, Yes, TBD	Data source
Change in temperature (increase or decrease)		In the WB CCKP , select the climate projection tab with the monthly temperature variable on the 2040-2059 option at the RCP 8.5 Scenario – If the average change is higher than 1 degree compared to the baseline mean temperature - select YES.



Thank you for your attention!
Asante Sana!