

AFRICAN DEVELOPMENT FUND



PROGRAMME : AFRICA DISASTER RISK FINANCING PROGRAMME IN MAURITANIA

COUNTRY : ISLAMIC REPUBLIC OF MAURITANIA

APPRAISAL REPORT

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AFRICAN DEVELOPMENT FUND



MAURITANIA

AFRICA DISASTER RISK FINANCING PROGRAMME

RDGN/AHFR/PECG

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Translated document

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Currency Equivalents

July 2020

Currency : Mauritanian Ouguiya
unit (MRU)

UA 1 = USD 1.36

UA 1 = EUR 1.24

UA 1 = MRU 51.02

Fiscal Year

[1 January – 31 December]

Acronyms and Abbreviations

ADF	African Development Fund
ADRFi	Africa Disaster Risks Financing Programme
AFD	French Development Agency
AfDB	African Development Bank
ARC	African Risk Capacity
ARC Ltd	African Risk Capacity Insurance Company
ARV	Africa Risk View
CMP	Public Procurement Code
CSA	Food Security Commission
CSP	Country Strategy Paper
DRM	Disaster risk management
EU	European Union
FIP	Final Implementation Plan
GDP	gross domestic product
GIZ	German Development Cooperation Agency
IFAD	International Fund for Agricultural Development
IPC	Integrated Food Security Phase Classification
IsDB	Islamic Development Bank
NRP	National Response Plan
ONM	National Meteorological Office
OSA	Food Security Observatory
PATAM	Agricultural Transformation Support Project in Mauritania
PMU	Project Management Unit
PS	Procurement Specialist
RMCs	Bank Group Regional Member Country
SCAPP	Accelerated Growth and Shared Prosperity Strategy
SNLC	National Anti-Corruption Strategy
SNPS	National Social Protection Strategy
TFP	Technical and financial partner
TWG	Technical Working Group
TYS	African Development Bank's Ten-Year Strategy
UA	Unit of Account
USD	United States Dollar
WFP	World Food Programme

Programme Information Sheet

BENEFICIARY: Islamic Republic of Mauritania

PROGRAMME EXECUTING AGENCY: Food Security Commission (CSA)

Financing Plan (2020–2023)

Sources of Financing	Amount (UA million)	Instrument
ADF	1.5	Grant
Government	2.18	Counterpart contribution
African Risk Capacity (ARC)	0.645	Contribution (in kind)

TOTAL COST	4.325
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ADF Key Financing Information

Grant Currency	Units of Account
Interest Type*	Not Applicable
Interest Rate Margin*	Not Applicable
Commitment Fee*	Not Applicable
Other Fees*	Not Applicable
Tenor	Not Applicable
Grace Period	Not Applicable
Financial Rate of Return (FRR), Net Present Value (NPV) (baseline scenario)	Not Applicable
Economic Rate of Return (ERR) (baseline scenario)	Not Applicable

Time Frame – Main Milestones (expected)

ADRFi Framework Document Approval*	October 2018
Pre-Appraisal Missions	March 2018
Appraisal Report Update	March 2020
Project Approval	September 2020
Effectiveness	September 2020
First Disbursement	October 2020
Completion	December 2022
Last Disbursement	June 2023

* The ADRFi Programme Framework Document serves as a concept note for this programme which derives from it.

Programme Executive Summary

Programme Overview: The main objective of the Africa Disaster Risks Financing (ADRFi) Programme in Mauritania is to provide technical and institutional support for the prevention and management of climate-related disaster risks, especially droughts. As such, ADRFi seeks to boost resilience and combat food insecurity in Mauritania which could worsen within the context of COVID-19. To this end, ADRFi will promote the adoption of a sovereign risk transfer mechanism in Mauritania by supporting the country to take out a drought risk index-based insurance policy with the African Risk Capacity (ARC).¹ The adoption of such a risk transfer mechanism will help to protect Mauritania's economy against the impacts of any severe drought-related shocks.

The programme is in line with Mauritania's Accelerated Growth and Shared Prosperity Strategy (SCAPP 2016 - 2030) and the Bank's Country Strategy Paper (CSP 2016-2020) for Mauritania which aims to enhance the country's resilience to various shocks. It is also consistent with the Bank's COVID-19 response strategy as it will help to safeguard the country's food security in the event of severe drought and, hence, limit its impact on Mauritania's post-COVID-19 economic recovery. ADRFi also complements the Agricultural Transformation Support Project in Mauritania (PATAM) which seeks to enhance the development of risk-sharing and guarantee mechanisms as well as the agricultural insurance and micro-insurance system.

ADRFi Mauritania will be implemented over a three-year period (2020-2022) and cost a total of UA 4.20 million. It will consist of three components, namely: (i) Developing Climate Risk Management Solutions; (ii) Supporting Access to Disaster Risk Transfer Mechanisms; and (iii) Programme Management and Coordination. The direct programme beneficiaries are the Government of Mauritania which will receive institutional support for the transfer of its drought-related sovereign disaster risk and the sector entities (Food Security Commission – CSA, National Meteorological Office – ONM, Food Security Observatory – OSA, and the Ministry of Rural Development) involved in disaster risk and food security management activities in Mauritania. The indirect programme beneficiaries will be the smallholder farmers and the vulnerable population in rural communities throughout the country facing severe or acute food insecurity, that is about 750,000 people. Gender will be a cross-cutting theme under all programme components.

Needs Assessment: In 2012, Mauritania, like other Sahelian countries, was severely affected by episodes of drought that led to poor harvests and upsurge in food prices and loss of livestock. This resulted in: (i) a high incidence of food insecurity which affected about 32% of the population (that is about 1.4 million people); (ii) unforeseen expenditure representing 10% of the State budget for that year; and (iii) a 41% gap between the authorized and projected expenditure provided for in the initial Finance Law. In 2017, the country suffered a severe drought and endured an unusually long pre-harvest or lean period which compromised vulnerable communities' survival mechanisms and plunged more than 550,000 people into a food crisis during the 2018 lean period. In addition, the COVID-19 crisis is aggravating this already critical situation as some 200,000 people may face a serious food crisis, according to World Food Programme (WFP) assessments based on the Integrated Food Security Phase Classification Framework (i.e. they could move from IPC 2 to IPC 3).

This difficult situation constitutes a permanent challenge for the Government to mobilize more resources in order to provide adequate assistance to vulnerable and food-insecure populations. Against this backdrop, Mauritania has adopted the risk transfer mechanism provided by the African Risk Capacity (ARC), since taking out a sovereign insurance cover with ARC will help to protect the country from severe drought-related macroeconomic impacts and to guarantee the availability of additional financial resources to provide prompt assistance to affected populations. However, though Mauritania is a signatory to the ARC Treaty, it is facing challenges in the payment of its ARC sovereign

¹ African Risk Capacity.

insurance premium due to budget deficits and competing priorities, which jeopardizes the adoption of this important food crisis prevention and management tool.

Bank's Value-Added: The Bank's value-added will consist in building technical and institutional capacity in the prevention and management of the impacts of drought on food security in Mauritania. In so doing, the Bank will enable the country to adopt a risk transfer mechanism that can protect the State budget and development gains from external shocks such as droughts and, consequently, guarantee economic, fiscal and social stability. ADRiFi will also enable the Bank to strengthen the country's resilience to climatic hazards as these could jeopardize post-COVID-19 economic recovery. Lastly, the experience acquired in the implementation of the ADRiFi programme in other countries will enable the Bank to successfully implement this operation in Mauritania².

Knowledge Management: Implementation of the ADRiFi programme will enable the Food Security Commission (CSA) to access updated agro-climatic data, thus helping to better understand the potential impacts of climate risks. In addition, ADRiFi will contribute to strengthening the early warning system concerning the impacts of climate shocks on the country's food security, as well as the identification of options for financing food crises prevention and management. This knowledge will help to build Mauritania's climate shocks emergency response capacity. The lessons learned will be shared with other development partners operating in the risk management and food and nutrition security sectors in Mauritania. These lessons will also be posted on the websites of the Bank and the Food Security Commission – CSA (the proposed implementing agency) for wider dissemination. At the regional level, the experiences gained should be shared with similar Bank-funded projects (case of the Agricultural Insurance and Micro-insurance Promotion Technical Support Project in Tunisia) through, for example, regional workshops on agric-insurance.

² ADRiFi Mauritania is the Bank's fifth country programme under the ADRiFi Programme Framework, after The Gambia, Madagascar, Zimbabwe and Niger.

Results-based Logical Framework

PROGRAMME NAME: Africa Disaster Risks Financing Programme (ADRFi): Case of Mauritania

PROGRAMME GOAL: To enhance resilience and response to climate shocks in Mauritania by improving natural disaster risk management and adaptation to climate change.

RESULTS CHAIN		PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS AND MITIGATION MEASURES
		Indicator	Baseline Situation	2023 Target		
IMPACT	Enhanced the country's resilience to disasters, particularly those related to climate change.	Adoption of sovereign risk insurance as a viable tool for managing the risks of climate-related disasters.	Lack of sustained participation in annual ARC Risk Pool	Sustained participation in the annual ARC Risk Pool (three years in a row)	Reports by the PMU and government agencies involved in programme implementation	
	Mauritania's capacity to assess disaster risks, costs and response measures is built.	<ul style="list-style-type: none"> - Number of risk profiles prepared independently by the country every year. - Reduction in the time between the declaration of disaster and the provision of assistance to the affected beneficiaries. 	<p>2</p> <p>12 months (on average)</p>	<p>5</p> <p>3 months</p>	<ul style="list-style-type: none"> - Reports by the PMU and government agencies involved in programme implementation - ARC report on the duration of assistance and number of beneficiaries assisted 	<p><u>Risks:</u></p> <ul style="list-style-type: none"> • Policy shift and external shocks that could affect the Government's capacity to pay its counterpart contribution for the financing of the programme; • Basis risk or risk that the insurance index may not be accurately calibrated. <p><u>Mitigation measures</u></p> <ul style="list-style-type: none"> • Setting up of a steering committee to ensure policy advocacy and inclusion of the country's counterpart contribution into the Finance Law to ensure that the Government's commitment is honoured. • The update of agro-climatic data will enhance calibration of the index and, thus, reduce the probability of basis risk.

OUTPUTS	Component 1: Developing climate risk management solutions					
	Contingency Plan	- Risk profiles prepared	2	5	ARC report	<u>Risk</u> Risk of failure to mobilize ARC co-financing
		- Design of a unique participatory drought contingency plan (with a gender dimension).	0	2	A contingency plan is prepared and updated every two years.	<u>Mitigation measure</u> ARC will sign a co-financing agreement with the Government as a condition precedent to first disbursement.
	Component 2: Supporting access to disaster risk transfer mechanisms					
	Output 2.1: Payment of insurance premiums	- Number of insurance policies taken out and paid for to the ARC.	2	5	ARC report	<u>Risk</u> Risk of failure to mobilize the Government's counterpart contribution for the payment of the insurance premium.
		- Number of vulnerable people covered by the sovereign risk insurance contract including gender disaggregation).	0	750 thousand people (with 50% women)		<u>Mitigation measure</u> Inclusion of the national counterpart contribution for the payment of the insurance premium in the Finance Law.
	Output 2.2: Disaster Risk Financing Strategy	Legal, financial and institutional strategic study on disaster risk management (DRM) financing.	0	1	Study report	
	Component 3: Programme management and coordination					
	Output 3.1: Programme management and coordination	- Programme implementation rate	0	100% by the end of the project	Implementation reports	
		- Programme Procedures Manual	0		Programme Procedures Manual	
Output 3.2: Programme audit and regular monitoring and evaluation	-Programme financial audit reports	0	3	Monitoring and evaluation reports and international audit report		
	- Annual programme implementation reports	0	4			
	- “Mid-term” report	0	1			
	- Programme completion report	0	1	Programme completion report		
KEY ACTIVITIES	COMPONENTS				CONTRIBUTIONS	
	Component 1 (UA 869 000): Developing climate risk management solutions Component 2 (UA 3 270 000): Supporting access to disaster risk transfer mechanisms Component 3 (UA 186 000): Programme management and coordination: <ul style="list-style-type: none">- Procurement in accordance with relevant standards and procedures- Financial management and auditing in accordance with relevant standards and procedures- Monitoring and evaluation of programme activities.				Contributions: Sources of Financing (UA million): ADF Grant: UA 1.50 (35%) Government: UA 2.18 (50%) Co-financing (ARC): UA 0.635 (15%) Total Programme Cost: UA 4.325 (100%)	

Project Implementation Schedule

Programme Implementation Schedule											
Activities	Years										
	2020			2021				2022			
	T2	T3	T4	T1	T2	T3	T4	T1	T2	T3	T4
1. ADF Grant approval	↓										
2. Intallation of programme staff	↓										
3. ADF Grant effectiveness		↓									
4. Contract preparation/launching/signing											
5. Procurement of farm rain gauges				↓				↓			
6. Manufacture of rain gauge stands				↓				↓			
7. Installation of farm rain gauges											
8. Transmission of agro-meteorological data						↓					
9. Conduct of a vulnerability survey						↓					
10. Workshop on the validation of collected data											
11. Conduct of a land use survey at the start of the crop year											
12. Conduct of a land use survey at mid-crop year							↓				↓
13. Workshop on the validation of collected data							↓				↓
14. Meetings of ARC TWGs on the monitoring of the crop year											
15. Customization of the ARV software											
16. Development of a risk profile					↓				↓		
17. Design of the Contingency Plan					↓				↓		
18. Payment of the insurance premium (ARC)					↓				↓		
19. Design of the financing strategy with the WB											
20. Programme financial and procurement audit											
21. Programme management											
23. Mid-term review											
24. Completion report											

REPORT AND RECOMMENDATION OF MANAGEMENT TO THE BOARD OF DIRECTORS CONCERNING A PROPOSAL TO AWARD AN ADF GRANT TO THE ISLAMIC REPUBLIC OF MAURITANIA FOR THE IMPLEMENTATION OF THE AFRICA DISASTER RISK FINANCING (ADRFi) PROGRAMME

This proposal submitted for Board approval concerns the award of an African Development Fund (ADF) grant of UA 1.5 million for the implementation of Africa Disaster Risk Financing (ADRFi) Programme in the Islamic Republic of Mauritania. It is a technical and institutional support operation aimed at strengthening the country's resilience in a context of COVID-19-related fragility, in view of the country's vulnerability to the adverse effects of climate change. ADRFi Mauritania will be co-financed by the ADF, ARC (in-kind contribution estimated at UA 0.52 million) and the Government of Mauritania (counterpart contribution totalling UA 2.18 million).

I. STRATEGIC THRUST AND RATIONALE

1.1. Programme Linkages with Country Strategy and Objectives

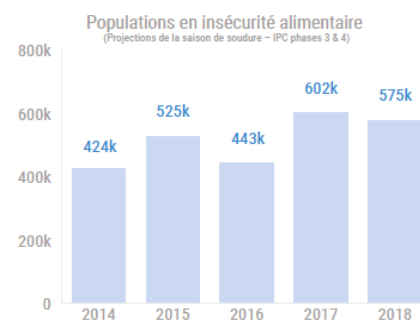
1.1.1 Mauritania is a Saharan-Saharan country with a generally dry climate and low as well as irregular rainfall pattern. The country experiences repeated drought cycles with the consequent degradation of its natural resources which has a profound effect on the productive capacity and revenue sources of the population. The country has an inherent food deficit and the national production in a good year covers only 30% of its food needs. The country is prone to chronic food insecurity which is becoming a major development challenge (CSP 2016-2020). In addition, over the past two decades, Mauritania has experienced various drought episodes that have contributed to worsening food insecurity and malnutrition in rural areas which varies from 19% after harvests to 26% during the lean periods. In August 2017, 28% of the total population, that is 31% of female-headed households (compared with 26% of male-headed households) were food insecure, while 60% of the food-insecure population lived in rural areas.

1.1.2 For several years now, Mauritania has recognized the challenges posed by climate change-related disaster risks, particularly drought, and their impacts on the country's food security and the State budget regarding assistance to vulnerable persons. Accordingly, the country has adopted a number of policies and strategies to better prevent and manage food crises. These include: (i) the National Food Security Strategy for Mauritania Vision 2020 whose objective is to "enable vulnerable populations, at all times, to have physical and economic access to sufficient, safe and nutritious food"; (ii) the National Social Protection Strategy in Mauritania which underscores the need to strengthen the early warning system and build capacity in emergency and crisis management and response; and, of course, (iii) Mauritania's Accelerated Growth and Shared Prosperity Strategy (SCAPP, 2016-2020), of which one priority action is aimed at enhancing the resilience of the most vulnerable population of the country. Other measures include the establishment of the Food Security Commission and the country's membership in the ARC Risk Pool.

1.1.3 ADRFi Mauritania is in line with the above-mentioned policies and strategies as it seeks to strengthen the country's efforts regarding climate disaster risk management and to improve the country's food security. It is also aligned with the Bank's CSP (2016-2020) which aims to support the efforts of national authorities to promote strong and sustainable growth and improve the living conditions of Mauritians. ADRFi is further aligned with two of the Bank's top five strategic priorities ("High 5s"), namely: "Feed Africa" and "Improve quality of life for the people of Africa", since it will contribute to mitigating the negative impacts of extreme weather events on the livelihoods of vulnerable populations. Lastly, the programme is aligned with the Bank's COVID-19 Pandemic Response Strategy insofar as it will help to shield the national budget from any additional drought-induced shocks that could affect the country's economy which is already weakened by the adverse effects of COVID-19.

1.2. Rationale for the Bank's Involvement

1.2.1. Due to Mauritania's deep-rooted vulnerability to drought, food insecurity has become a major development challenge for the country. Though historical data show that high levels of food insecurity occur every year, there are exceptional years with peak humanitarian needs. Such was the case in 2017 and 2018 when the country experienced severe droughts with a large number of food-insecure people in need of assistance.



1.2.2. Recurrent episodes of drought have a significant impact on the national budget resulting, for example, in unforeseen expenditure³ related to the implementation of special programmes to provide assistance to drought-affected vulnerable populations such as the “Emel” programme⁴ which costed about USD 300 million during the period 2012-2015 and was funded by the Government and donors. To address the need for resources required to provide emergency assistance to vulnerable populations in the event of a disaster, Mauritania joined the ARC in 2014 with the aim of taking out a sovereign insurance policy and transferring its disaster risk in the event of a severe drought. Participation in such a mechanism would ensure the availability of financial resources in the event of a disaster, thus facilitating timely assistance to vulnerable population. However, payment of the premium has been a challenge for the country in light of fiscal constraints and competing priorities. The country has not been able to pay its premium for 2018 and 2019 season.⁵

1.2.3. In the light of the foregoing, the Bank's value added will consist in building Mauritania's technical and institutional capacity to prevent and manage the impacts of drought on food security in the country. In so doing, the Bank will enable the country to adopt a risk transfer mechanism that can protect the national budget and development gains from external shocks such as droughts and, hence, ensure economic, fiscal and social stability. In addition, through ADRiFi the Bank will enable the country to strengthen its resilience to climatic hazards that could jeopardize post-COVID-19 economic recovery. Lastly, the experience acquired in the implementation of the ADRiFi programme in other will enable the Bank to successfully implement this operation in Mauritania.

1.3. Coordination with the Activities of Development Partners

1.3.1. As a cross-cutting programme spanning the agricultural, social protection and food security sectors, ADRiFi Mauritania will complement the activities implemented by the Government and donors in these sectors. Specifically, the programme will complement and will be implemented in synergy with the activities of the World Bank (WB), particularly those implemented under its project to improve the effectiveness of social safety nets in Mauritania, as well as with the World Food Programme (WFP) as part of the support it provides to the Government to set up a permanent mechanism to respond to food shocks in Mauritania, and its role as the country's technical and financial partner for the adoption of the ARC sovereign insurance. In addition,

³ Following the 2012 droughts, the Government of Mauritania incurred unanticipated expenditure of nearly 10% of the State budget, which widened the budget deficit to 4% of GDP in that same year.

⁴ Following the severe drought that hit the country in 2012, the Government launched the “Emel” programme to provide assistance to the most vulnerable and rescue the country's livestock.

⁵ ARC data show that Mauritania could have benefited from an insurance payout following the 2018 and 2019 droughts, which would have helped to provide timely assistance to vulnerable populations.

coordination between various donors is carried out through the food security thematic group chaired by the WFP in which the Bank will be invited to participate through ADRiFi.

- 1.3.2. The ADRiFi programme also complements the Bank's activities in the agricultural sector, particularly the Agricultural Transformation Support Project in Mauritania (PATAM) which also aims to strengthen complementary solutions such as: risk sharing and guarantee mechanisms, the promotion of agricultural insurance and micro-insurance, and the agricultural sector financing system (with a study to be conducted and technical support provided to the country with the assistance of the Ministry of the Economy and Finance, the Central Bank, etc.).

II. PROGRAMME DESCRIPTION

2.1. Programme Components

2.1.1. The overall goal of ADRiFi in Mauritania is to enhance the resilience and response to climate shocks in the country by improving the management of climate disaster risks. The Programme's specific objectives are:

- (i) To strengthen the capacity of Mauritania to evaluate climate-related risks and costs, and elaborate subsequent adaptation measures at both national and sub-national levels;
- (ii) To promote initial financing for disaster risk transfer solutions;

2.1.2. Proposed impacts of ADRiFi include: (i) efficient and timely first-response delivery to targeted beneficiaries affected by disasters; and (ii) strengthened resilience to drought-linked disasters in Mauritania. These impacts will be achieved through a comprehensive capacity building programme, designed to assist the country to quantify and manage their climate risk, and to make informed decisions regarding transferring risk to the market through insurance, as part of a holistic national risk management strategy.

2.1.3 The ADRiFi programme comprises three components, namely: (i) developing climate risk management solutions; (ii) supporting access to disaster risk transfer mechanisms; and (iii) programme management and coordination. Gender will be a cross-cutting theme in all the components.

Component 1: Developing Climate Risk Management Solutions

2.1.4 This component has two sub-components: (i) building the country's capacity in understanding its drought risk and developing contingency plans; and (ii) strengthening the collection of agro-climatic data to ensure greater precision in the calibration of index-based insurance. This component will be financed and implemented by the ARC agency as part of its contribution to implementing the ADRiFi programme. It is worth noting that by approving the ADRiFi Programme Framework Document, the Bank endorsed the ARC agency⁶ as a partner for the implementation of ADRiFi. The second sub-component will be financed with ADF resources and implemented by the programme management unit of the Executing Agency.

2.1.5 The capacity of technical staff and policymakers in risk profiling will be built to help the country in modelling its drought-related disaster risk and assessing the corresponding cost to be borne by the national budget. Risk profiling activities will involve the customization of the Africa Risk View (ARV) software application developed by the ARC Agency which underpins the drought insurance product offered by ARC Ltd. The ARV enables the regular monitoring of the crop year and early detection of the situation and intensity of drought in a country. It also helps to determine

⁶ The ARC comprises two entities: the specialized agency (ARC Agency) and its financial and insurance affiliate (ARC Insurance Company Limited – ARCLtd). The ARC Agency oversees country capacity building, approves contingency plans and monitors their implementation. The ARC Insurance Company Limited maintains purely commercial relationships with countries that take out index-based insurance policies against severe rainfall deficits and their impact on crop yields during the crop year concerned.

the number of affected or potential food-insecure persons during lean periods and the budgetary implications of assistance. The customization of the ARV will therefore consist in inputting Mauritania's agro-meteorological data into the software to generate a risk profile that will be used by the country to select risk transfer parameters. Additionally, ARV monitoring throughout the agricultural season will serve as an early warning on the threat of a drought and the impact therefrom on the most vulnerable, particularly during the lean season.

2.1.6 Besides risk profiling, Mauritania will receive support in the design of contingency plans to enable it to act swiftly in the event of a disaster. A contingency plan is necessary because it lays down the basis and defines the assistance conditions and mechanisms to be put in place when the insurer has to disburse funds. The contingency plan will be followed, where necessary, by a final implementation plan which is expected to ensure the timely deployment of assistance based on the principle that the first beneficiary should be reached within the shortest time possible as soon as funds are received.

2.1.7 The second sub-component seeks to reinforce the collection and provision of updated agro-climatic data for better ARV software configuration. These activities will involve: (i) the procurement and installation of additional rainfall stations all over the country; (ii) the monitoring of the agricultural season by conducting additional surveys so as to improve the accuracy of early warning messages; (iii) the conduct of a vulnerability and food security survey. These activities are presented in detail in Annex B3 of Volume II of this appraisal report.

Component 2: Supporting Access to Disaster Risk Transfer Mechanisms

2.1.8 This component aims to provide support for payment of the premium of the parametric insurance policy offered by the ARC Insurance Company Ltd and, thus, transfer Mauritania's sovereign disaster risk. ARC Ltd was selected as Mauritania's insurer based on its endorsement at the highest level of the African Union as a pan-African disaster risk management solution (following the food crises triggered by severe droughts in the Sahel in 2012) and the comparative advantage that the insurance company provides to the country. ARC Ltd has the advantage that it pools risks at the continental level, which enables each country policyholder to share its risks with all African countries and, therefore, obtain better insurance pricing conditions than it would if it were to insure itself alone on the insurance market.

2.1.9 Payment of the insurance premium: The ADRiFi programme will provide support by paying 50% of the total ARC sovereign insurance premium for Mauritania during the first two years of the programme (2020 and 2021) so as to create fiscal space for the remaining payments by the Government which is grappling with financial difficulties and competing priorities amid the COVID-19 pandemic. However, the country is committed to mobilizing domestic resources to pay the premium (50% for the first two years and 100% for the third year). These payments will be considered as the Government's counterpart contribution to the ADRiFi programme. This guarantees the Government's willingness to raise domestic resources to pay the premium.

2.1.10 In addition to supporting the payment of the sovereign risk transfer premium, ADRiFi will contribute to the development of a comprehensive national strategy for mobilizing resources to establish a food crisis response mechanism and fund disaster risk management. This activity will be implemented in conjunction with the World Bank under the "Mauritania Social Safety Net System Project II" which seeks to enhance the effectiveness and efficiency of the nationwide adaptive social safety net system. Box 1 below presents an excerpt from the project that was approved by the World Bank in March 2020.

Box 1: Design of a financing strategy to respond to shocks that cause food and nutrition insecurity (USD 0.7 million) financed by the World Bank under the Mauritania Social Safety Net System Project II

The proposed project will support the Government in designing a financing strategy for shocks that affect food and nutrition security. This activity will start with an 18-month participatory process involving the main governmental stakeholders and the relevant partners, to guarantee alignment with other donors' efforts in particular, (a) the African Development Bank which leads the implementation of the Africa Disaster Risk

Financing Programme in Mauritania; and (b) the WFP which is the Government's main partner in financing food and nutrition security in the country. The adoption of this strategy will be a prerequisite for the establishment of a financial mechanism which would address shocks caused by climate events.

Component 3: Programme Management and Coordination

2.1.11 This component concerns the general coordination of activities with necessary support and monitoring to ensure effective programme implementation. The Programme Management Unit (PMU) will ensure the day-to-day management of the programme under the supervision of the Food Security Commission (CSA). Annex B4 provides detailed information on proposed programme implementation arrangements. Table 1 below presents the programme cost and detailed activities by component.

Table 1: Programme Components

	Component	Cost in UA million	Activities												
1.	Developing Climate Risk Management Solutions	0.869	<ul style="list-style-type: none"> Development of risk profiles; Customization and incorporation of the ARV software application into the national early warning system; Design of a three-year national contingency plan; Update of the contingency plan annually; Collection of agro-climatic data. 												
2.	Supporting Access to Disaster Risk Transfer Mechanisms	3.27	<ul style="list-style-type: none"> Financing of the annual insurance premium* (in UA million) <table border="1"> <thead> <tr> <th></th><th>2020</th><th>2021</th><th>2022</th></tr> </thead> <tbody> <tr> <td>ADF</td><td>0.545 (50%)</td><td>0.545 (50%)</td><td>0</td></tr> <tr> <td>Gov't</td><td>0.545 (50%)</td><td>0.545 (50%)</td><td>1.090 (100%)</td></tr> </tbody> </table> Strategic study on the financing of food and nutrition shocks management in Mauritania. 		2020	2021	2022	ADF	0.545 (50%)	0.545 (50%)	0	Gov't	0.545 (50%)	0.545 (50%)	1.090 (100%)
	2020	2021	2022												
ADF	0.545 (50%)	0.545 (50%)	0												
Gov't	0.545 (50%)	0.545 (50%)	1.090 (100%)												
3.	Programme Management and Coordination	0.186	<ul style="list-style-type: none"> Administrative costs (administrative support and operating costs); Programme audit; Programme monitoring and evaluation. 												
	TOTAL (UA million)	4.325													

*The annual premium amount of USD 1 500 000 was calculated based on the following risk transfer parameters: (i) attachment point: USD 31 000 000; (ii) exhaustion point: USD 60 018 480; (iii) percentage of risk transferred: 22.23%; and (iv) coverage limit: USD 6 451 139.

2.2. Technical Solutions Adopted and Alternatives Considered

Two other options for financing disaster risk management in Mauritania were considered. These are the establishment of a line of credit that the country can activate in the event of a disaster or the setting up of a contingency fund. However, given the importance of a rapid response, the risk transfer option guarantees the availability of funds in a timely manner and, therefore, rapid deployment of assistance to vulnerable populations in the event of drought. Table 2 below presents the alternative solutions considered and reasons for their rejection.

Table 2: Technical Solutions Adopted and Alternatives Considered

Intervention	Description	Reason for Rejection
Setting up of a line of credit that the Government could use in case of disaster - an option similar to the World	Loan disbursed to the Government based on a pre-approved drought intensity	The country's debt is already very high, at 97.1% of GDP in 2019,

Intervention	Description	Reason for Rejection
Bank's Catastrophe Deferred Drawdown Option (CAT-DDO)	threshold and the declaration of a disaster situation by the Government.	according to International Monetary Fund reports.
Establishment of a Contingency Fund	Allocation of financial resources in a Contingency Fund to be used to provide immediate and rapid assistance once a disaster situation is declared.	The time between establishing and operationalizing the National Climate Fund would be well beyond the programme timeframe. However, this option will be considered when analyzing the Disaster Risk Financing Strategy.
Disaster risk transfer support	The transfer of drought-related risks through the ARC mechanism helps to determine if and the extent to which a country is slipping into a crisis situation during the agricultural season. This allows for the immediate release of funds to the country to facilitate rapid response if the ARV is triggered.	Solution adopted. This option allows for greater ownership of the solution by the country as it will have to finance the premiums through the State budget and could include such expenditure therein, thus contributing to building the country's climate-related disaster risk management capacity.

2.3. Programme Type

This programme has been designed as part of the ADRiFi Multinational Programme which aims to build Mauritania's resilience to climate change impacts (especially drought) as it pose a threat to agriculture, the livelihoods of vulnerable populations and the country's food security. It is an institutional support operation co-financed by an ADF grant, an in-kind contribution by the ARC and a counterpart contribution by the Government of Mauritania.

2.4. Programme Cost and Financing Arrangements

The estimated programme cost is UA 4.325 million, excluding physical contingencies and price escalation. Table 3 presents the sources of financing of the programme. Table 4 summarizes the programme components and their estimated costs. Tables 5 and 6 summarize the programme cost by expenditure category and the expenditure schedule by component. Details of the programme sources of financing are presented in Annex B2.

Table 3: Financing Sources

	(UA)			(MRU)			%
	F.E.	L.C.	Total	F.E.	L.C.	Total	
Gov't	1,312,285	867,715	2,180,000	66,755,948	44,658,630	111,414,578	50 %
ADF	847,450	642,550	1,500,000	4,309,757	32,677,264	75,787,022	35 %
ARC	426,628	208,372	635,000	21,766,560	10,599,859	32,397,700	15%
	2,586,363	1,728,637	4,325 000	125,718,246	87,935,754	219,599,300	100%

Table 4: Estimated Programme Cost by Component

A. Developing Climate Risk Management Solutions	(MRU)			(UA)		
	L.C.	F.E.	Total	L.C.	F.E.	Total
1. Agro-climatic data collection	4,468,339	6,399,283	10,867,622	87,838	125,797	213,635
2. Risk profiles / Contingency plans	10,135,940	15,203,910	25,339,850	199,252	298,878	498,130
	14,604,279	21,603,193	36,207,472	287,090	424,675	711,765
B. Supporting Access to Disaster Risk Transfer Mechanisms	63,738,324	95,607,487	159,345,811	1,252,965	1,879,447	3,132,412
C. Programme Management and Coordination	5,799,854	3,346,164	9,146,018	114,013	65,779	179,792
Sub-total	84,142,457	120,556,843	204,699,301	1,654,068	2,369,901	4,023,969

Provisions for physical contingencies and price escalation	3,793,296	5,161,403	8,954,699	74,569	101,462	176,031
Total	87,935,754	125,718,246	213,654,000	1,728,637	2,471,363	4,325,000

Table 5: ADF Financing by Expenditure Category

	(MRU)			(UA)		
	L.C	F.E.	Total	L.C.	F.E.	Total
A. SERVICES	14,986,941	22,663,578	37,650,519	294,613	445,520	740,132
B. EQUIPMENT	666,837	1,238,412	1,905,250	13,109	24,345	37,453
C. PREMIUM	63,738,324	95,607,487	159,345,811	1,252,965	1,879,447	3,132,412
D. OVERHEAD COSTS	4,750,354	1,047,367	5,797,721	93,382	20,589	113,971
Sub-total	84,142,457	120,556,843	204,699,301	1,654,068	2,369,901	4,023,969
Provisions for physical contingencies and price escalation	3,793,296	5,161,403	8,954,699	74,569	101,462	176,031
Total	87 935 754	125 718 246	213 654 000	1,728,637	2,471,363	4,325,000

Table 6: Expenditure Schedule by Component (in UA million)

Components	(MRU,000)				(UA,000)			Total
	2020	2021	2022	Total	2020	2021	2022	
A. Developing Climate Risk Management Solutions	9,060	15,884	12,903	37,847	178	312	254	744
1. Agro-climatic data collection	398	7,059	3,938	11,395	8	139	77	224
2. Risk profiles / Contingency plans	8,662	8,825	8,965	26,452	170	173	176	645
B. Supporting Access to Disaster Risk Transfer Mechanisms	54,419	55,442	56,484	166,345	1,070	1,090	1,110	3,270
C. Programme Management and Coordination	3,217	3,360	2,885	9,462	63	66	57	186
Grand Total	66,696	74,686	72,273	213, 654	1,311	1,468	1,421	4,325

2.5. Programme Target Areas and Beneficiaries

2.5.1 ADRiFi's direct beneficiaries are the Government of Mauritania, through the CSA, and the government agencies involved in food crisis risk management, including the National Meteorological Office (ONM), the Directorate of Statistics at the Ministry of Rural Development and the Food Security Observatory (OSA).

2.5.2 The indirect programme beneficiaries will be drought-related risk prone communities in Mauritania. The beneficiaries will be targeted based on the conditions set out in the National Response Plan (PNR) for the 2020 lean period, namely:

- Targeting households based on the Social Register and using harmonized sector targeting criteria;
- Applying the principle of geographical continuity between villages located within targeted municipalities;
- Providing unconditional harmonized assistance (food or cash transfers) and systematic quest for complementarity regarding positioning between partners and with the Government, as well as with the Emel programme, livestock assistance, El Maouna and food distribution programmes; and
- Implementing the principle of cash transfer modulation depending on household size.

2.5.3 According to the PNR for the 2020 lean period, 23% of the Moughata are at IPC index food insecurity levels 3-5 (severe to acute food insecurity), while 12% of the Moughata are at food insecurity level 2 (moderate food insecurity), and 5% at level 1 (low food insecurity). The 23% of the Moughata classified at food insecurity levels 3-5 are found in the Wilayas of Assaba, Brakna, Gorgola, Hodh El Chargui, Guidimakha and Tagant.

2.6. Participatory Approach to Programme Identification, Design and Implementation

The appraisal and design of the ADRiFi programme in Mauritania benefited from significant Government involvement, demonstrating the country's commitment to the adoption of sovereign risk transfer mechanisms as a viable option for the prevention and management of food crises in Mauritania. The key stakeholders consulted during preparation of the ADRiFi programme included the Ministry of Economy and Industry, the Ministry of Finance, the Ministry of Environment and Sustainable Development, the Ministry of Rural Development, the NMO and the CSA. The UN agencies and international organizations involved in food crisis management, namely: the WFP, the WB, and the United Nations Development Programme (UNDP) were also consulted.

2.7. Bank Group Experience and Lessons Reflected in Programme Design

The lessons learned from the review of the Bank's portfolio in Mauritania were reflected in the ADRiFi Mauritania programme design. Table 7 below shows how the lessons were considered in the design of the ADRiFi programme. In addition, the appraisal of the ADRiFi Mauritania programme also built on lessons learned from ongoing ADRiFi projects, particularly in The Gambia, Madagascar and Zimbabwe, which were approved in February 2019, May 2019 and January 2020, respectively. These three projects indicate that there could be delays in meeting conditions precedent to first disbursement due to lack of satisfactory supporting documents. The Government was adequately sensitized on this issue during programme appraisal.

Table 7: Consideration of Portfolio Weaknesses in the ADRiFi Programme Appraisal

Lessons Learned from the Portfolio	Mitigation Measures
Start-up delays due to lack of programme ownership by Mauritania.	Mauritania's commitment during programme preparation demonstrates the country's ownership of the programme. In addition, the authorities have been sensitized on the need to speed up programme commencement in order to guarantee the country's participation in the ARC mechanism.
Procurement delays	A procurement consultant will be recruited to back up the Programme Executing Agency and enable the rapid deployment of the Procurement Plan, in keeping with Bank procedures.
Weak programme implementation capacity	The Programme Executing Agency will be reinforced with local experts. In addition, Programme Management Unit staff will be trained in Bank procedures during the launching of the programme.

2.8. Key Performance Indicators

The identified performance indicators and expected outcomes at completion of ADRiFi Mauritania are presented in the Results-based Logical Framework and in Table 8 below. The indicators will be monitored using the monitoring/evaluation system set up to facilitate programme implementation. Programme monitoring/evaluation will be the subject of quarterly and half-yearly reports, the mid-term review report and the completion report. The reports will focus on the implementation of planned activities.

Table 8: Key Performance Indicators

Indicator	Baseline Situation	Target
Rapidity of response in the event of severe drought	Eight to twelve months before the first intervention	No more than 4 months for the first assistance
Sustained access to the ARC mechanism	Lack of sustained payment of premiums to the ARC	Sustained payment of insurance premiums
Monitoring of the agropastoral season	Ad-hoc monitoring of the agricultural situation with outdated data	At least two end-of-agropastoral season surveys conducted across the country
Monitoring of the food situation	Outdated data on the food situation	A vulnerability and food security survey
Design of a strategy to finance the management of food and nutrition security shocks	Absence of such a strategy to enable the Government to mobilize needed resources.	The strategy is developed in collaboration with the World Bank.

III. PROGRAMME FEASIBILITY

3.1. Economic and Financial Performance

3.1.1 The cost-benefit analysis of the ex-ante drought-related disaster risk management measures adopted in Mauritania helps to determine the viability of the country's participation in the ARC sovereign insurance mechanism and, hence, the viability of the ADRiFi programme in the country. Mauritania became a signatory to the ARC Treaty in 2014 and has invested a total of USD 6.4 million in the procurement of its sovereign drought insurance policy. In return, it has received a disbursement (payout) of USD 8.78 million in response to episodes of drought, that is a ratio of about 72%.

3.1.2 Furthermore, investment in the procurement of the ARC insurance policy offers many economic benefits to the country such as the reduction of its financial vulnerability to drought episodes. This is the result of timely and immediate availability of relief funds for affected persons, as well as the relatively low cost of the ARC insurance premium for the country because of its participation in the ARC insurance pool, compared with a situation where the country had to procure coverage on a standalone basis.

3.1.3 In the long term, given that USD 1 invested in the payment of the ARC insurance premium generates a saving of USD 4.4 in terms of assistance to affected persons, it is expected that the reduction of drought-related costs will lead to a stable GDP growth through the reallocation of resources to growth programmes in other sectors such as infrastructure, education and health.

3.2. Environmental and Social Impacts

3.2.1 *Environment:* The ADRiFi Programme in Mauritania was classified under Category 3 on 6 May 2020, in accordance with the Environmental and Social Assessment Procedures for AfDB Public Sector Operations. The programme has no activities that require an environmental and social impact assessment (ESIA). An aim of the ADRiFi programme is to mitigate the effects of extreme weather events aggravated by climate variations, insofar as the events affect agricultural productivity and food security. It is unlikely that the ADRiFi programme will have adverse and negative environmental and social impacts because it focuses on capacity building, risk modelling and risk transfer solutions. Environmental and climate capacity-building measures have already been included in activities under Component 1: "Developing Climate Risk Management Solutions". Potential environmental and social impacts will be mitigated and managed during programme implementation, in accordance with national and international procedures. In this respect, besides its participation in the Programme Steering Committee, the Mauritanian Ministry of Environment and Sustainable Development should: (i) ensure strict compliance with environmental and social safeguard standards during programme

implementation, in accordance with national and Bank policies and procedures, and manage any negative environmental and/or social risk/impact that may occur during programme implementation; (ii) ensure the environmental and social monitoring of programme implementation and prepare an environmental and social impact monitoring report at programme completion. Financing will be provided under Component 3: “Programme Management and Coordination”.

3.2.2 *Climate*: The ADRiFi programme has been classified under Category 3, in accordance with AfDB’s Climate Risk Assessment Procedures and, therefore, does not require the implementation of specific climate risk management actions due to the scope of planned activities, given that one of the expected programme outcomes will be to help Mauritania to respond effectively to climate shocks and, thus, mitigate their negative impacts on the livelihoods of vulnerable communities. Since the programme will also help to reduce some of the climate-related risks to which agricultural activities are exposed, smallholder farmers are expected to benefit from risk transfer solutions that reflect a better sector profile.

3.2.3 Mauritania is highly vulnerable to climatic conditions due to its geographical location (90% of the territory is part of the Sahara Desert) and the dependency of its population and economy on livestock production and rain-fed agriculture. The country is currently facing a number of major climate risks including: (i) rising temperatures; (ii) decreasing total rainfall; (iii) heavy rains and floods; (iv) high spatial and temporal rainfall variability; (v) drought; and (vi) hot winds. Climate risks have adverse effects on natural resources (forest, soil, water, etc.), the livelihoods of the population and the national budget. They also cause food insecurity and persistent poverty in rural areas.

3.2.4 The fight against climate change is a major development challenge to Mauritania. Besides desert encroachment, the country faces the threat of rising sea levels due to the fragility of the dune ridge along the coast and the high concentration of economic potential in the zone. The Government has adopted a series of policies and strategies to combat climate change impacts such as the National Climate Change Adaptation Action Plan (PANA), 2004), the National Environment and Sustainable Development Strategy (SNEDD) and the Nationally Determined Contribution (CDN) under the Paris Climate Agreement. The ADRiFi programme will contribute to implementation of the CDN and these various strategic plans.

3.2.5 *Gender impact*: Mauritania is a largely arid lower-middle income country with a fast-growing population of 4.4 million (2018) inhabitants: 50.4% of them men and 49.6% women, and 57% under 20 years of age. Half of the population of Mauritania live in urban areas, while less than 2% continue to lead a nomadic life. In the country, 32% of households are headed by a woman. Inequalities are most strongly manifested in terms of food security which varies from 19% after harvests to 26% during pre-harvest periods. In August 2017, however, 28% of the total population or 31% of female-headed households (compared with 26% of male-headed households) were food insecure. Sixty per cent of the food-insecure population lived in rural areas. Rural women are disproportionately affected as they have few employment opportunities, few productive assets and limited coping options.

3.2.6 In spite of some persistent socio-cultural considerations, Mauritania has, through its legal arsenal, demonstrated a clear and steady political will to eradicate disparities experienced by women. In 2001, it adopted the Personal Status Code to promote gender equity and create conditions conducive to women’s advancement at all levels (political, economic and social). The ADRiFi programme in Mauritania will be implemented under the umbrella of the country’s Country Strategy Paper (CSP). Furthermore, in keeping with the recommendations of the Bank’s Country Gender Profile for Mauritania, a gender audit of the Programme Executing Agency and its operations will be conducted to provide guidelines for systematic gender mainstreaming within the CSA and in its responses to food crises. In the light of the foregoing, the ADRiFi programme has been classified under Category 3 of the Bank’s Gender Marker System. Consequently, a gender action plan is presented in detail in Annex B7 of Volume II of the appraisal report.

3.2.7 *Social impact*: Mauritania is ranked 157th country on the Human Development Index and there are wide gender, age and professional status disparities between the country's regions, despite the sharp reduction in the poverty and mortality rates recorded lately. As 74% of the poor – mainly farmers, herders as well as landless and unpaid women and youths – live in rural areas, poverty affects 44.1% of the population (2014)⁷ and is one of the main causes of food insecurity.

3.2.8 Other factors such as high illiteracy rates, inadequate access to health care and drinking water, poor dietary habits and poor hygiene conditions exacerbate food insecurity. Children aged 0 to 5 years and expectant and nursing mothers, particularly in rural areas, are the groups that are generally most affected by the scourge of malnutrition. In addition, the low rainfall recorded in Mauritania over the past two decades and the hike in food prices since 2007 have caused serious food insecurity that has directly affected nearly 30% of the population (almost all rural communities) and brought about social changes that contribute to drastically undermining the livelihoods of the most vulnerable populations.

3.2.9 In 2012, Mauritania adopted its National Social Protection Strategy (SNPS) based on national solidarity values, the principles of equity and social justice and citizens' rights. It seeks to contribute to reducing the vulnerability of disadvantaged groups, to help the population in addressing the main risks of life and to provide guidance for the establishment of a coherent and integrated social protection system. The SNPS focuses on five strategic thrusts, including a specific thrust on food security, nutrition, environment and climate change whose specific objectives are to: (i) promote social insurance mechanisms that protect producers and consumers; (ii) contribute to reducing poverty and household vulnerability and ensuring effective risk management; (iii) prevent malnutrition by supporting actions to protect and promote child and maternal nutrition, with emphasis on the most vulnerable groups; and (iv) strengthen and improve the management of disasters, hazards and the effects of climate change.

3.2.10 The ADRiFi programme in Mauritania will contribute to achieving the specific objectives of the SNPS by promoting disaster risk prevention and management. The payment of indemnities in the event of drought will enable the Government to provide a rapid and effective response to vulnerable populations and protect the productive assets of smallholder farmers. In so doing, the ADRiFi programme will complement efforts to set up an efficient social safety net system in Mauritania which contributes to improving the living conditions of Mauritians.

3.2.11 **Involuntary Resettlement:** There will be no population displacement under this programme.

IV. PROGRAMME IMPLEMENTATION

4.1 Programme Implementation Arrangements

4.1.1 *Institutional arrangements*: The Food Security Commission (CSA) will be the executing agency of the ADRiFi programme in Mauritania because of the role it plays in food crisis prevention and management, as well as its experience in the implementation of food crisis response programmes such as the "Emel" programme co-financed by the State and donors. The CSA will house the Programme Management Unit (PMU) comprising a National Coordinator, an Administrative and Finance Officer (AFO), a Monitoring and Evaluation Specialist (MES), a Procurement Specialist (PS) and an Accounting Officer (AO). An analysis of the CSA's institutional capacity underscores the need to recruit national consultants to fill some of these positions, including the PS and AO. A gender consultant will also be recruited for a six-month period to assist the PMU in implementing the Gender Action Plan.

⁷ Source: Poverty Profile in Mauritania in 2014, National Statistics Office.

4.1.2 The PMU will oversee the technical monitoring of implementation of programme activities. It will also: (i) ensure compliance with the Government's commitments; (ii) ensure programme monitoring and evaluation; (iii) ensure compliance with the programme implementation schedule; (iv) prepare quarterly and annual programme progress reports; (v) prepare counterpart contribution budgets and ensure their timely release; (vi) ensure the financial management of the programme (verification of accounts and transmission of requests for direct payments to the Bank); (vii) ensure the timely transmission of programme financial audit reports to the Bank; and (viii) submit mid-term review and completion reports to the Bank.

4.1.3 The PMU will work closely with the ARC Technical Working Group (TWG) composed of representatives from the relevant government technical services. The current TWGs include agro-meteorologists, agronomists, meteorologists, vulnerability specialists, statisticians, economists, financial experts, food security and natural disaster response specialists, researchers, and insurance specialists.

4.1.4 An ADRiFi Programme Steering Committee will be set up to provide strategic guidance and support policy advocacy during programme implementation. The committee will be chaired by the Food Security Commissioner and include representatives from the Ministry of the Economy and Industry, the Ministry of Finance, the Ministry in charge of Agriculture and Livestock, the Ministry of Environment and Sustainable Development, and the Ministry in charge of Women's Empowerment and Child Development. The Steering Committee will meet twice a year and will be assisted by the PMU.

4.1.5 *Financial management:* The financial implementation of the programme which is considered to have a substantial fiduciary risk will be carried out by the CSA through the Programme Management Unit set up therein and placed under the supervision of the Directorate of Development Programmes. The PMU financial management staff will include: (i) a National Coordinator; (ii) a qualified and experienced Administrative and Finance Officer (AFO) whose appointment will be subject to the Bank's approval; and (iii) an Accounting Officer recruited on a competitive basis in accordance with the terms of reference approved by the Bank. The PMU will benefit from the support of other CSA entities, notably the Directorate of Administration and Finance, the Directorate of Management Control and the General Inspectorate.

4.1.6 The programme's budgetary process will be linked to that of the CSA and centralized by the Directorate of Administration and Finance. Before the beginning of each year, the PMU will prepare and submit the Annual Work Programme and Budget (AWPB) to the Steering Committee for approval. This AWPB will clearly indicate ADF grant resources, the national counterpart contribution (Government) and the contribution of the African Risk Capacity (ARC).

4.1.7 The PMU shall carry out its financial transactions in accordance with the CSA Manual of Administrative, Financial and Accounting Procedures. This procedures manual shall be updated to ensure the separation of incompatible functions in the PMU expenditure chain. In this regard, the PMU will receive technical support from: (i) the Administrative and Finance Officer during his/her mission to ensure ex-ante control of compliance with management procedures; and (ii) the Office of the General Auditor during his/her mission to ensure ex-post control of financial transactions and proper implementation of CSA projects/programmes.

4.1.8 The PMU will keep separate accounts for programme operations and the CSA through the relevant entities of the Directorate of Administration and Finance, using the SAGE Accounting Line 100 i7 Version 8.1 information system. It will prepare quarterly financial monitoring reports on the implementation of the AWPB. These reports will be submitted to the Bank within 45 days following the end of the quarter and appended to the corresponding progress reports. The PMU will also be required to prepare annual programme financial statements to be submitted for external auditing. The standard templates for periodic financial monitoring reports and annual financial statements will be approved by the Bank.

4.1.9 *Disbursements*: Grant resources will be disbursed in accordance with the Bank's disbursement rules and procedures set forth in the 2020 Disbursement Handbook using three disbursement methods, namely: (i) direct payment for service contracts and the Bank's contribution for the payment of the insurance premium; (ii) special account to finance the operating expenses of the PMU; and (iii) reimbursement where the CSA bears the cost of an expense initially approved by the Bank that is chargeable to the ADF grant. Regarding the special account method, the Government of Mauritania will open a special account with the Central Bank of Mauritania. The conditions precedent to the disbursement of ADF grant resources will be the subject of a disbursement letter addressed to the Grant recipient.

4.1.10 *Financial reporting and external audit*: The PMU shall prepare interim financial reports (IFRs) as part of the quarterly progress reports required by the Bank, no later than 45 days after the end of each quarter. The programme financial statements will be audited annually by an audit firm recruited on a competitive basis, in accordance with terms of reference for external auditors of Bank-financed projects. The PMU shall submit project audit reports to the Bank no later than six months after the end of the financial year audited. The audit firm's fees will be paid through the direct payment method after approval of its report by the Bank.

4.1.11. The assessment of the CSA's financial management capacity and related fiduciary risks, as well as the financial management arrangements recommended for the implementation of the programme are presented in detail in the Technical Annexes of the appraisal report.

4.1.12 *Applicable procurement policy and framework*

4.1.12.1 **Applicable procurement policy and framework**: All goods, non-consultancy services and the selection of consultancy services financed with African Development Fund (ADF) resources will be procured in accordance with the Procurement Policy for Bank Group-financed Operations ("**AfDB Procurement Policy**"), October 2015 edition and in accordance with the provisions set forth in the Financing Agreement. In line with this policy and as a follow-up to the various assessments carried out, the following groups of transactions have been identified for implementation using the various systems mentioned below:

- **Mauritania's Procurement System ("SPMM")**: Some goods and related non-consultancy services available in large quantities and at very low value will be procured using Mauritania's procurement system ("**National System**") enshrined in Law No. 2010-044 of 22/7/2010 on the Public Procurement Code (CMP) using the national standard bidding documents (NSBDs).
- **Bank procurement methods and procedures (BPMPs)**: The selection of consultants, the procurement of sovereign disaster risk insurance services in the event of severe drought and the procurement of 1 000 (one thousand) farm rain gauges will be done using the Bank's procurement system ("**AfDB System**") characterized by the procurement methods and procedures (PMPs) described in the Bank Group Operations Procurement Manual, as well as the Bank's Solicitation Documents (SDs). The option to use the Bank's system for these procurements can be explained by the high cost of insurance and the weaknesses of the national system such as failure to indicate conditions for use of a consultant selection method and the absence of Incoterms in national BDs for the procurement of goods.

4.1.12.2 **Risk assessment and procurement capacity**: In order to take programme specificities into account, the Bank assessed: (i) risks at the national, sector and programme levels; and (ii) the capacity of the executing agency. The results of these assessments indicated the existence of a high procurement risk and helped to determine, subject to implementation of the mitigation measures proposed in paragraph 5.9 of Annex B.5, the group of items that can be procured using the AfDB system and those that can be procured, without any major risk, using the national system.

4.1.12.3 Special arrangements pertaining to the use of the national system: Use of the national system requires implementation of the following special measures: the Bank resources intended to finance programme activities will come from the ADF window. The eligibility rules applicable to all the contracts concluded under this programme, in accordance with the Mauritanian public procurement system, will be the national eligibility rules, including the provisions of paragraph 5.3 of the AfDB Policy. Consequently, even if the national system is used, Bank resources would not be used to finance a contract awarded to a bidder under Bank sanctions. Where, despite these provisions, a contract is concluded with a bidder debarred by the Bank, such contract will not be financed with ADF resources. The list of debarred companies can be consulted at <http://www.afdb.org/debarred>.

4.1.13 *Taxes*: taxes and the salaries of locally-recruited project staff are not eligible for Bank financing.

4.2 Monitoring and Evaluation

4.2.1 The results management framework will form the basis for programme monitoring. The main responsibility of the PMU will be to ensure monitoring and evaluation and to prepare and submit quarterly progress reports. The outcomes of the monitoring and evaluation process will be presented in the following reports:

- An inception report to be prepared by programme implementation partners including baseline data, a work plan and a detailed budget. The Bank and the PMU will agree on the format of the inception report.
- Quarterly programme implementation reports to which all programme implementation partners will contribute. These reports will be submitted to the Bank within 45 days after the end of the quarter concerned.
- A “mid-term” report focusing on the status of implementation of planned activities and presenting the “way forward” regarding the improvement of programme implementation;
- A programme completion report (PCR) including lessons learned, as well as external monitoring and evaluation.

4.3 Governance

4.3.1 Over the last five years, the Mauritanian Government has made efforts to ensure greater transparency in the management of public affairs and to adopt good governance practices and streamline public spending. Accordingly, the Government set up a Monitoring Committee to implement the National Anti-corruption Strategy (SNLC) which aims to strengthen the powers and efficacy of oversight authorities and the judiciary and to enhance the key role of Parliament as a public expenditure control body. This strategy provides an opportunity for civil society to express itself, give opinions and take action against the authorities and the judiciary. The Government has also oriented macroeconomic policy towards eliminating extra-budgetary expenditure and budget financing by the Central Bank of Mauritania, as well as reducing recurrent expenditure. Despite these efforts, however, governance reforms are still inadequate. In 2017, Mauritania was ranked 41st out of 54 African countries in the Mo Ibrahim Index of African Governance. According to the same report, the country’s ranking deteriorated over the 2012-2016 period. Mauritania’s score also deteriorated in the Corruption Perceptions Index of Transparency International from 31/100 in 2015 to 28/100 in 2019, thus losing 25 places in the world ranking (137th in 2017 as against 112th in 2015). Furthermore, the 2019 Global Competitiveness Index identified corruption as the 3rd most challenging factor in doing business in Mauritania.

4.3.2 Concerning procurement, the Mauritanian Government has, in recent years, launched a sustained reform programme with the support of technical and financial partners (TFPs) in order to improve the national public procurement system. This has led to the adoption of the Public Procurement Code 2010-040 which includes best practices in transparency and competition. With regard to reforms and in a bid to improve the public expenditure fiduciary framework and enhance procurement efficiency, Mauritania adopted a new decree (No. 126-2017) in November 2017 repealing all the implementing decrees of the Public Procurement Code (CMP) 2010-040. This new implementing instrument helps to ensure greater consistency between regulations and the Public Procurement Code. Concerning financial management, the Government has just introduced a public budget and accounting management system known as Rachad. Government project expenditure is executed by project units using the Rachad system.

4.3.3 The ADRiFi programme will strengthen the governance of disaster risk management in Mauritania. In concrete terms, ADRiFi will not only strengthen the institutional framework for disaster risk management, but will also help to ensure compliance with expenditure systems and rules, adopt measures to combat fraud and capital flight, such as transparency, accountability and proactiveness, the rule of law, and the scope and nature of participation.

4.4. Sustainability

Given the major development challenge posed by food insecurity in Mauritania, the Government's commitment and active participation in the preparation of the programme demonstrates the country's desire to build its capacity in food crises prevention and management and to systematically adopt risk transfer mechanisms as a sustainable option. The ADRiFi programme will enable decision-makers to have a mastery of ex-ante mechanisms by seeking to understand the magnitude of potential costs and underscoring the need to ensure rigorous financial management using one or more natural disaster risk financing instruments. In addition, ownership of the payment of future premiums by the country, as well as the establishment of a strategy for financing food crises in agreement with the World Bank, will strengthen the financial sustainability of the ADRiFi programme in Mauritania. Lastly, the incorporation of programme activities into CSA annual work plans (in keeping with its mandate) will help to ensure that the activities supported by ADRiFi will be pursued well beyond the programme lifecycle.

4.5. Potential Risks and Mitigation Measures

Table 9: Risks and Mitigation Measures

Description of Risk	Risk Level	Mitigation Measure
A shift in policy due to a change in leadership and government policy, which could affect the capacity of the Government to pay its counterpart contribution for the financing of the programme.	Moderate	Setting up of a programme steering committee to carry out policy advocacy and inclusion of the country's counterpart contribution in the finance laws to ensure that the Government honours its commitments.
Basis risk or the risk that the insurance index will not be properly calibrated, resulting in the non-payment of indemnities or smaller payouts relative to the magnitude of the disaster.	Moderate	The update of agro-climatic data will help to enhance calibration of the index and, thus, reduce basis risk probabilities.
Risk of failure by the ARC to mobilize co-financing.	Low	The ARC will sign a co-financing agreement with the Government as a condition precedent to first disbursement.

4.6. Knowledge Building

Through ADRiFi, the CSA will have updated agro-climatic data at its disposal, allowing for a better understanding of the potential impacts of climate risks. ADRiFi will also contribute to strengthening the early warning system regarding the impacts of climate shocks on the country's food security, as well as the country's capacity in index-based insurance and the identification of financing options for food crises prevention and management. On the strength of this knowledge, the emergency response capacity in the event of climate shocks in Mauritania will be consolidated and sustained. The lessons learned will be shared with other development partners involved in the fight against food and nutrition insecurity in Mauritania. The lessons will also be posted on the websites of the Bank and the CSA for wider dissemination. At the regional level, the experiences gained should be shared with similar Bank-funded projects (case of the Agricultural Insurance and Micro-insurance Promotion Technical Support Project in Tunisia) through for example regional workshops on agric-insurance.

V. LEGAL FRAMEWORK

5.1. Legal Instrument

The proposed financial instrument is a UA 1.5 million ADF Grant Protocol Agreement between the Islamic Republic of Mauritania (the "Recipient") and the African Development Fund.

5.2. Conditions for Bank Involvement

5.2.1 Conditions Precedent to Effectiveness

The Grant Protocol Agreement shall enter into force on the date of signature by the African Development Fund and the Recipient.

5.2.2 Conditions Precedent to First Disbursement

In addition to entry into force of the Grant Protocol Agreement, the first disbursement of the ADF grant resources shall be subject to fulfilment by the Recipient, to the satisfaction of the Fund, of the following conditions:

- (i) Signature and submission of the Contribution Agreement between the Recipient and the African Risk Capacity ("ARC") by virtue of which the ARC confirms the availability of funding for its in-kind contribution to the programme the terms and conditions of which are considered acceptable to the Fund or provision of evidence that the Recipient has secured financing from alternative sources to close the financing gap resulting from non-execution of the Contribution Agreement;
- (ii) Provision of evidence of the establishment of the Programme Management Unit (PMU) within the Executing Agency;
- (iii) Provision of evidence of appointment within the PMU of a National Coordinator, a Monitoring and Evaluation Specialist and a Finance Officer and his Assistant, and recruitment of a Procurement Specialist and Accounting Officer whose qualifications and terms of reference are considered satisfactory to the Fund;
- (iv) Provision of evidence of availability of the Government's counterpart contribution for the current year.

5.2.3 Other conditions

The Recipient undertakes to:

- (i) submit to the Fund, no later than six (6) months after the date of signature of the Grant Protocol Agreement, the Manual of Administrative, Financial and Accounting Procedures updated to the satisfaction of the Fund;
- (ii) submit, no later than 31 December of each year, a work programme and budget approved by the Steering Committee and considered satisfactory to the Fund;
- (iii) set up the Steering Committee no later than six (6) months from the date of signature of the Grant Protocol Agreement;
- (iv) recruit within the PMU, no later than six (6) months following the first disbursement of grant resources, a Gender Expert whose qualifications and terms of reference would have been deemed beforehand satisfactory to the Fund;
- (v) submit, no later than 31 March of each year, evidence of inclusion of the Recipient's counterpart contribution in the Finance Law of the relevant year, in accordance with the cash flow plan prepared based on the Programme Disbursement Schedule;
- (vi) besides its participation in the Programme Steering Committee, allow the Mauritanian Ministry of Environment and Sustainable Development to: (i) ensure strict compliance with environmental and social safeguards during programme implementation, in accordance with national and Bank policies and procedures, and manage any negative environmental and/or social risk/impact that may occur during programme implementation; (ii) ensure the environmental and social monitoring of programme implementation and prepare an environmental and social impact monitoring report at the end of the programme;
- (vii) collaborate with the ARC throughout the duration of the programme and take all necessary measures to facilitate the implementation of ARC activities.

5.3. Compliance with Bank Procedures

The programme complies with applicable Bank policies and procedures.

VI. RECOMMENDATION

Management recommends that the Board of Directors should approve the award of a UA 1.5 million ADF grant to the Islamic Republic of Mauritania to finance the Africa Disaster Risk Financing (ADRFi) Programme under the conditions set forth in this report.

Appendix 1: Economic Context and Impact of the COVID-19 Crisis on the Mauritanian Economy⁸

Prior to the outbreak of the COVID-19 pandemic, Mauritania's medium- and long-term growth prospects were bright, owing to the reform process⁹ initiated by the authorities in 2016. In 2019, the country continued to strengthen its macroeconomic balances, particularly in terms of fiscal consolidation and debt management policy. Real GDP growth was estimated at 6.7% and the fiscal position remained sustainable and estimated at -0.1% of GDP. The external public debt-to-GDP ratio dropped from 82.8% in 2018 to 77.4% in 2019 (excluding the passive debt owed to Kuwait), thanks to a primary fiscal surplus recorded in 2019 as a result of prudent fiscal and borrowing policies. However, the total public debt is still high and vulnerable to exogenous shocks, as it is almost exclusively external: 86% of the total debt.¹⁰ Mauritania's economy is also suffering from a structural current account imbalance which is also vulnerable to external shocks.

Table 1: Macroeconomic Indicator Trends (2018-2021)

			Without COVID-19		With COVID-19		With COVID-19	
			(Baseline Scenario)		(Pessimistic Scenario)		(Worst Scenario)	
	2018	2019(e)	2020(p)	2021(p)	2020 (p)	2021 (p)	2020 (p)	2021(p)
Real GDP growth (%)	3.6	6.7	5.7	5.9	0.9	3.4	-1.1	2.9
Inflation (%)	3.1	3.0	2.9	2.5	3.6	3.1	4.0	3.9
Budgetary Balance (+/-) (% GDP)	1.6	0.1	-0.7	-1.2	-3.7	-2.6	-4.0	-2.8
Current account balance (% GDP) (+/-)	-18.6	-12.3	-14.5	-13.8	-16.8	-15.0	-17.0	-15.4

Source: AfDB Statistics Department, March 2020.

Although only 7 coronavirus cases had been reported in the country as of 8 April, Mauritania is expected to suffer the economic consequences of this global health crisis. Mauritania's economic growth is volatile and dependent on the prices of minerals. Iron, gold and copper exports accounted for 50% of total exports in 2018. Investments are mainly driven by FDIs in the extractive industries sector. The declining demand for iron and copper is expected to have a negative impact on Mauritania's economic growth, exports and public revenue. The current account deficit is expected to widen to a value ranging from 16.8% of GDP (pessimistic scenario) to -17% of GDP (worst-case scenario) compared with an initial projection of -14.5% of GDP. Moreover, the global economic downturn and the limitation of trade with the outside world due to the closure of borders are also expected to lead to a decline in Mauritania's imports, which in turn should reduce national tax revenue. Internally, and in order to address the serious health risk, the Mauritanian Government has put in place a prevention system with far-reaching restrictive measures whose application has resulted in a major public financial effort that will undoubtedly widen the fiscal deficit to proportions that are still difficult to predict. Nevertheless, the initial estimates show that the fiscal deficit would stand at -3.7% of GDP (pessimistic scenario) or -4% of GDP (worst-case scenario) compared with an initial projection of -0.7%. The tertiary and fishery sectors¹¹ are also severely affected by the restrictive measures of the prevention system, which will negatively affect the GDP growth rate.

⁸ Note prepared by the ECCE Department, Mauritania's country economist.

⁹ Mauritania's Doing Business ranking has continued to improve, from 176th in 2015 to 152nd in 2020.

¹⁰ Including 20% owed Kuwait (negotiations to cancel the debt are underway).

¹¹ The value added of the tertiary sector is 44.5% of GDP. The fisheries sector accounts for 7% of GDP. Fishery products accounted for 44% of Mauritanian exports in 2018 (National Statistics Office).

The new GDP growth rate projected for 2020 following the COVID-19 shock would be between 0.9% (pessimistic scenario) and -1.1% (worst-case scenario), relative to an initial projection of 5.7%.¹²

¹² Table 3 shows key macroeconomic indicator trends before and after the COVID-19 crisis in the form of 2 scenarios.

Appendix 2: Bank Portfolio in Mauritania as at 22 April 2020

Status of the Bank's Active Portfolio in Mauritania – 20 April 2020								
Department	Project Name	Source of Financing	Approval Date	Signature	Completion Date	Approved Amount (UA)	Disbursed Amount (UA)	Disbursement Rate
NON-SOVEREIGN OPERATIONS								
Finance								
PIFD	Line of Credit to the Bank populaire de Mauritanie - SME Programme	AfDB	20 May 2016	10 Nov. 2016	9 Nov. 2021	5 031 482.71	5 031 482.71	100.00%
PIFD	Line of Credit for Mauritania's Trade and Industry Bank	AfDB	15 June 2016	7 Dec. 2016	31 Dec. 2020	7 187 832.44	7 187 832.44	100.00%
Industry and Mines								
PISD	SNIM Guelbs II Extension Project	AfDB Non-sovereign	16 Sept. 2009	1 Dec. 2009	31 Dec. 2013	125 787 067.65	125 787 067.65	100.00%
Infrastructure								
PISD	SNIM Dredging Project	AfDB Non-sovereign	22 Nov. 2017	28 June 2018	1 Jan. 2026	35 330 000.00	7 066 000.00	20.00%
4	TOTAL Private and Non-sovereign Sector					173 336 382.80	145 072 382.80	83.69%
PUBLIC SECTOR								
Infrastructure								
PICU	Senegal-Mauritania Rosso Bridge Construction Project	ADF/Multinational Loan	9 Dec. 2016	12 March 2017	30 Nov. 2022	25 000 000.00	130 000.00	0.52%
Agriculture								
RDGN2	Emergency Humanitarian Aid to the Flood Victims in the Wilaya of Guidimakha	FSU/Grant	28 Oct. 2019	22 Jan. 2020	31 Dec. 2020	671 133.55	0.00	0.00%

RDGN2	Programme to Build Resilience to Food and Nutrition Insecurity in the Sahel (P2RS)	ADF/ Multinational Loan	15 Oct. 2014	11 Dec. 2014	30 June 2020	11 500 000.00	6 736 700.00	58.58%
RDGN2	Agricultural Transformation Support Project in Mauritania (PATAM)	ADF 14/ Loan	12 Dec. 2018	25 Jan. 2019	31 Dec. 2024	7 000 000.00	663 600.00	9.48%
		NTF/ Loan	12 Dec. 2018	25 Jan. 2019	31 Dec. 2024	6 000 000.00	0.00	0.00%
Social								
RDGN2	Project to Support the Promotion of Micro-, Small- and Medium-sized Enterprises and Youth Employment (PAMPEJ)	ADF/Loan	21 Sept. 2016	4 Nov. 2016	30 June 2022	2 624 000.00	1 142 227.20	43.53%
		ADF/Grant	21Sept. 2016	4 Nov. 2016	30 June 2022	521 360.00	397 328.46	76.21%
RDGN2	Youth Training and Employment Support Project (PAFEJ)	ADF/Grant	28 Nov. 2014	11 Dec. 2014	31 Dec.2020	2 000 000.00	1 578 400.00	78.92%
Governance								
RDGN	Financial Infrastructure Modernization Support Project	ADF14 Loan	15 Dec. 2017	11 Feb. 2018	31 Dec. 2022	3 600 000.00	271 080.00	7.53%
ECGF	Governance Support Project for Inclusive Growth Promotion (PAGOCI)	ADF/Grant	17 Nov. 2014	11 Dec. 2014	30 June 2020	2 000 000.00	1 631 000.00	81.55%
Water and Sanitation								
RDGN2	National Integrated Rural Water Sector Project (PNISER)	ADF/Loan	7 Dec. 2012	12 Feb. 2013	31 Dec. 2020	3 052 000.00	2 357 975.20	77.26%
		ADF/Grant	7 Dec. 2012	12 Feb. 2013	31 Dec. 2020	2 448 000.00	2 085 940.80	85.21%
		RWSSI Grant	7 Dec. 2012	12 Feb. 2013	31 Dec. 2020	2 882 034.22	2 614 293.24	90.71%
RDGN2	Improving Climate Resilience of Water Sector Investments	Global Environment Facility (GEF)/Grant	8 July 2016	11 Oct. 2016	31 Dec. 2021	4 564 273.60	127 343.23	2.79%
10	Sub-Total					73 862 801.37	19 735 888.13	26.72%
14	GRAND TOTAL					247 199 184.17	164 808 270.93	66.67%

Appendix 3: Environmental and Social Compliance Note

ENVIRONMENTAL AND SOCIAL COMPLIANCE NOTE (ESCON)¹³

A. Basic Information

Project Title: AFRICA DISASTER RISKS FINANCING (ADRIFI) PROGRAMME - MAURITANIA		Project SAP code: P-MR-A00-033	
Country: MAURITANIA	Lending Instrument ¹⁴ : DI <input type="checkbox"/> FI <input type="checkbox"/> CL <input type="checkbox"/> BS <input checked="" type="checkbox"/> GU <input type="checkbox"/> RPA <input type="checkbox"/> EF <input type="checkbox"/> RBF <input type="checkbox"/>		
Project Managing Sector: AHFR / PEGC		Task Team Leader: Cecil NARTEY	
Appraisal date: APRIL 2020		Estimated Board Date: MAY 2020	
Environmental safeguards Officer: -		Social safeguards Officer: Pierre Hassan SANON	
Environmental and Social Category: 3		Operation type: SO <input checked="" type="checkbox"/> NSO <input type="checkbox"/> PBO	
Is this project processed under rapid responses to crises and emergencies?		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Is this project processed under a waiver to the Integrated Safeguards System?		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	

B. Disclosure and Compliance Monitoring

B.1. Mandatory disclosure

Environmental Assessment/Audit/System/Others (specify:)			
Was/Were the document (s) disclosed <i>prior to appraisal</i> ?		Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>	
Date of "in-country" disclosure by the borrower/client		[Date]	
Date of receipt, by the Bank, of the authorization to disclose		[Date]	
Date of disclosure by the Bank		[Date]	
Resettlement Action Plan/Framework/Others (specify:)			
Was/Were the document (s) disclosed <i>prior to appraisal</i> ?		Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>	
Date of "in-country" disclosure by the borrower/client		[Date]	
Date of receipt, by the Bank, of the authorization to disclose		[Date]	
Date of disclosure by the Bank		[Date]	
Vulnerable Peoples Plan/Framework/Others (specify:)			
Was the document disclosed <i>prior to appraisal</i> ?		Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>	
Date of "in-country" disclosure by the borrower/client		[Date]	
Date of receipt, by the Bank, of the authorization to disclose		[Date]	
Date of disclosure by the Bank		[Date]	
If in-country disclosure of any of the above documents is not expected, please explain why:			

B.2. Compliance monitoring indicators



Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>
Have costs related to environmental and social measures, including for the running of the grievance redress mechanism, been included in the project cost?	Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>
Is the total amount for the full implementation for the Resettlement of affected people, as integrated in the project costs, effectively mobilized and secured?	Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>

C. Clearance

Is the project compliant to the Bank's environmental and social safeguards requirements, and to be submitted to the Board? Yes ☒ No ☐

¹³ Note: This ESCON shall be appended to project appraisal reports/documents before Senior Management and/or Board approvals.

¹⁴ DI=Direct Investment; FI= Financial Intermediary; CL=Corporate Loan; BS=Budget Support; GU=Guarantee; RPA=Risk Purchase Agreement; EF=Equity Financing; RBF=Results Based Financing.

<i>Prepared by:</i>	<i>Name</i>	<i>Signature</i>	<i>Date</i>
Environmental Safeguards Officer:	-		
Social Safeguards Officer:	Pierre Hassan SANON		May 13 th 2020
Task Team Leader:	Cecil NARTEY		May 13 th 2020
<i>Submitted by:</i>			
Sector Director/Manager:	Atsuko TODA		May 15 th 2020
<i>Cleared by:</i>			
Director SNSC:	Maman-Sani ISSA		May 15 th 2020

Appendix 4: Map of Programme Area

