

PROPOSAL FOR FINAL CONSIDERATION
Project Fact Sheet

C107-109 REGIONAL AFRICA: West Africa Coastal Areas Program (WACA)	
Partner Agency	World Bank (WB)
Executing Agency	Ministries of Environment in Benin and Senegal, World Bank
Sector	Disaster prevention and preparedness CRS code: 74010
Region or Country	Benin, Senegal, and Regional West Africa
Budget¹ - NDF - Partner Agency - Other Funders	TOTAL approx. EUR 197.2 million (approx. USD 232.7 million) NDF total EUR 13.1 million (EUR 4.0 million loan to Benin + EUR 4.0 million loan to Senegal + EUR 5.1 million grant to West Africa region) WB/International Development Association (IDA) credit + grant USD 190.3 million (EUR 161.3) Global Environment Facility (GEF) grant USD 20.2 million (EUR 17.1) Global Fund for Disaster Risk Reduction and Recovery (GDFRR) grant USD 1 million (EUR 0.8) Six governments (in-kind contribution) USD 5.8 million (EUR 4.9)
Project Period	2018 - 2023
Mode of Finance	Concessional loans as parallel financing to Benin and Senegal; One grant as joint co-financing with WB to regional activities.
Previous Support to Country	Credits: EUR 24.2 million, SDR 41.7 million Grants: EUR 16.4 million
Rio Markers	Mitigation: 1 Adaptation: 2
Gender Marker	1=significant objective
Climate Screening	Satisfied
Environmental and Social Policy	The project has been assessed by WB and a safeguard framework exists. The risk level has been assessed "High". Qualifications: Site-specific environmental and social reviews will be concluded when relevant and has to be in compliance before advancing with physical investments. Monitoring to be assessed as part of the site-specific review process.
Processing Schedule	Pipeline - November 2017 Final - January 2018 Effective - June 2018

¹ Exchange rate of 8.12.2017: 1 EUR= 1.18 USD

PROJECT SUMMARY

NDF financing: EUR 13.1 million, consisting of EUR 4.0 million loan to Benin, EUR 4.0 million loan to Senegal and EUR 5.1 million grant to West Africa region

Project Period: 2018 – 2023

Partner Agency: World Bank

Implementing Agency: Ministries of Environment in Benin and Senegal, World Bank

Objective

The general objective of the West Africa Coastal Areas Program (WACA) is to strengthen the resilience of the targeted communities and areas in coastal West Africa.

The objective of the NDF funding is to improve climate resilience in coastal regions of Benin and Senegal. Another objective is to strengthen regional climate change cooperation through the WACA Platform to allow regional integration and joint action, test innovative financial instruments, and where relevant involve the private sector.

The following outcomes are expected of the NDF financing

In Benin:

- Feasibility studies, detailed design, tender preparations and supervision of works for the restoration of the land strip at a coastal site in West Benin
- Environmental and social impact studies to safeguard the physical investments for the site
- Measures for protection of the selected segment of the land strip in Benin.

In Senegal

- Establishment and operationalisation of a National Coastal Observatory in Senegal
- Operationalising and strengthening the geographical information system
- Upgrading and strengthening the early warning system

In the West Africa region

- Contribute to the design and launch of the WACA Platform, which has as a goal to leverage public and private financing of USD 2 billion. NDF's original small grant (NDF C77) has already leveraged more than USD 6.5 million of other financing, helped leverage the total project costs (USD 233 million) of this project and will continue to leverage even more financing for the project in the future
- Contribute to the design and piloting of new climate financing instruments
- Maintain regional and national policy engagement, scale up and prepare new projects based on field evaluation and follow-up to secure uptake of new skills. The WACA Program was showcased at the One Planet Summit in December 2017.
- Support Independent Technical and Scientific Panel of Experts to ensure that climate criteria and private sector, innovation, leveraging investments become integral parts of the solutions for coastal zone climate resilience
- Support the technical implementation of the NDF loans to Benin and Senegal.

Financing

The total project cost estimate is EUR 197.2 million. NDF is providing EUR 4.0 million in loan to Benin, EUR 4.0 million in loan to Senegal and EUR 5.1 million in grant to the West Africa region, while IDA provides approximately EUR 161.3 million.

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Map of WACA Project Area



ABBREVIATIONS

AFD	Agence Française de Développement
ANACIM	National Meteorological Authority (<i>Agence Nationale de l'Aviation Civile et de la Météorologie</i>)
CBP	Capacity Building Plan
CSE	Ecological Monitoring Centre (<i>Centre de Suivi Ecologique</i>)
DEEC	Department of Environment and Classified Establishment
DSP	Civil Protection Directorate
EIA	Environmental Impact Assessment
EU	European Union
FERC	Fund for Studies and Capacity Building
GDP	Gross domestic product
GFDRR	Global Facility for Disaster Reduction and Recovery
GIS	Geographical information system
GIZC	National Integrated Coastal Zone Management Plan (<i>Gestion Intégrée des Zones Côtières</i>)
IA	Implementing Agency
IT	Information Technology
IUCN	International Union for the Conservation of Nature
M&E	Monitoring and Evaluation
MEDD	Ministry of Environment and Sustainable Development
MOLOA	West African Coastal Regional Observatory
MSIP	Multi-Sector Investment Plans
NDF	Nordic Development Fund
NPIU	National Project Implementation Unit
NSC	National Steering Committee
O&M	Operation and Maintenance
PIU	WACA Project Implementation Unit
RRC	Disaster Risk Reduction Platform
SEIA	Social and Environmental Impact Assessment
SMS	Short Message Service
WACA	West Africa Coastal Areas Management Program
WACAResIP	West Africa Coastal Areas Resilience Investment Program
WAEMU	West Africa Economic and Monetary Union

1. INTRODUCTION AND PROJECT BACKGROUND

The present proposal seeks financing to follow up on investments identified through the successful NDF small grant West Africa Coastal Area Erosion and Adaptation Project (NDF C77). This project catalysed the creation of the West Africa Coastal Area Program (WACA) and the EUR 500,000 NDF grant leveraged more than USD 6.5 million of other financing, has helped leveraging the WACA investments of USD 233 million presented here, and will continue to leverage even more financing for the project in the future. On this basis, the World Bank prepared studies, analyses and national multi-sectoral investment plans laying out priority interventions for coastal adaptation and building climate change resilience.

The West African coast from Mauritania to Gabon includes 17 countries, and the coastal area is home to almost one third of the population of those countries. Half of those countries' GDP originates from agriculture, fisheries, industries and services produced on their coast. Almost all capital cities are located on the coast, and rapid population and economic growth along the coast present both an opportunity and a challenge for the sustainability of coastal ecosystems and manmade environments. Climate change-related events such as sea-level rise and warming, land subsidence, storm surge, and increased coastal flooding contribute to the increased vulnerability of the region. Coastlines are eroding by as much as 10 metres per year in some areas, and up to 30% of mangroves have been lost to degradation and destruction in recent decades.

In response to demand from six of the 17 countries (Benin, Ivory Coast, Mauritania, Sao Tome and Principe, Senegal, and Togo), the World Bank has developed the West Africa Coastal Areas Resilience Investment Program (WACA ResIP) to be presented to the Bank's Board in March 2018. In addition, the World Bank will establish a WACA Platform² to provide overall strategic guidance, take policy decisions, ensure the coherence of the program's priorities, and crowd in knowledge and finance that could extend resources and solutions for potential follow-up investments to other countries on the coastline between Mauritania and Gabon. The Abidjan Convention³ COP12 has requested expansion of WACA to all African Atlantic coast countries.

Based on the positive experience of NDF C77 and the needs expressed by the World Bank, Senegal and Benin, NDF proposes to scale up the activities in the two NDF target countries, and pave the way - through the Secretariat of the proposed Platform - for developing new financial instruments in the initial six target countries as well as in the rest of the countries.

NDF participated in the pre-appraisal of WACA and an NDF-recruited consultant has developed the detailed activities for Benin and Senegal. NDF's consultations with Benin and the World Bank led to replacing the originally selected NDF components with physical investments prioritised by the government of Benin; the government has decided to finance the original NDF activities with its own means.

2. RELEVANCE AND RATIONALE

2.1. Project Relevance

NDF has positive experience from collaboration with the WB from the preparatory phase and of the visibility that NDF has been given. NDF also has good experience from cooperation with relevant authorities and sectors in Senegal and Benin.

² Subject to separate approval in June 2018 for this World Bank operation linking closely to WACA ResIP.

³ The Abidjan Convention covers a marine area from Mauritania to South Africa which has a coastline of just over 14,000 km. The Convention provides an overarching legal framework for all marine-related programmes in West, Central and Southern Africa. The Convention was approved in 1981 and there is a secretariat in Abidjan.

The project is fully in line with NDF's climate mandate, strategy and business plan. The WACA Program will contribute to the countries' policies, strategies and NDCs and is aligned with the World Bank's country strategies and Africa Climate Business Plan in addition to the Maximizing Development Finance⁴ approach promoted by the World Bank. The WACA Program was showcased at the One Planet Summit in December 2017.

The project will help develop Africa's blue economy and contribute to nearly all of the SDGs: No 1 End poverty, No 2 End hunger, No 3 Good health and wellbeing, No 5 Gender equality, No 6 Water and sanitation, No 8 Decent work and economic growth, No 9 Resilient infrastructure, No 10 Reduced inequalities, No. 11 Sustainable cities and communities, No 12 Responsible consumption and production, No 13 Climate change, No. 14 Life below water, No 15 Life on land, and No 17 International partnerships.

The proposed intervention in Senegal supports NDC priorities on establishing a coastal observatory, early warning system, protection of vulnerable areas and restoration of coastal areas. Likewise, the planned intervention on coastal protection in Benin is also a priority action stipulated in the NDC.

2.2. Relevance to NDF's Mandate and Strategy

The proposal passes the NDF screening since our support will target climate-relevant interventions and it is expected that at least 50% of the budget will be used for measures helping countries adapt and build resilience to the current or expected impacts of climate change. NDF's activities in Benin and Senegal will build coastal resilience which will help the countries to adapt to climate risks. Furthermore, NDF's activities in Benin will contribute to planting vegetation, which will have mitigation benefits.

Catalytic Role and Leverage: The NDF small grant support catalysed the creation of the WACA Program and leveraged additional financing: USD 6.5 million for the preparation phase as well as USD 233 million for the WACA Program presented in this document. The World Bank expects that the WACA Program will leverage substantial follow-up investments from the World Bank and development technical and financial partners.

Project Preparatory Funding: NDF support will finance upstream planning activities and generate data that will pave the way for preparation of further investments.

Support for Innovation: The NDF financing will design and pilot new financing instruments (such as Blue Bonds). The project is designed so that similar types of financing can be proposed for replication and scaled-up to other countries along the coast.

Support for Private Sector Development: West African countries have substantial private sector investments in coastal areas, and WACA will engage with the private sector to explore opportunities to involve them in opportunities relating to coastal climate resilience.

Emerging Climate Change Issues: This is the first time the World Bank will support a project that simultaneously integrates multi-sectoral and multi-country interventions at the scale proposed. There is a growing recognition that sectors and countries must interact closely to tackle regional challenges relating to the effects of climate change which know no borders.

⁴ The WBG helps countries maximise their development resources by drawing on private financing and sustainable private sector solutions to provide value for money and meet the highest environmental, social, and fiscal responsibility standards, and reserve scarce public financing for those areas where private sector engagement is not optimal or available. See: "Maximizing Finance for Development: Leveraging the Private Sector for Growth and Sustainable Development" World Bank for the October 14, 2017 Development Committee Meeting.

3. THE PROPOSED PROJECT

3.1. Objectives

The general objective of WACA is to strengthen the resilience of targeted communities and areas in coastal West Africa. The activities are estimated to directly and indirectly benefit over 40 million people in the six beneficiary countries (Benin, Ivory Coast, Mauritania, Sao Tome and Principe, Senegal, and Togo). These people, including rural and urban women and youth, and people living in marginal lands on barrier islands and near lagoons, are at immediate risk from impacts of a changing climate that threatens livelihoods, economic activities and infrastructure. The climate change impacts are deeply interlinked with existing anthropogenic influence. Coastal geomorphology will be affected by an increased sea water level and possibly stronger and more frequent storm surges leading to coastal erosion, flooding, and salinity intrusion.

The objective of the NDF funding is to improve climate resilience in coastal regions of Benin and Senegal. Another objective is to strengthen regional climate change cooperation through the WACA Platform to allow regional integration and joint action, test innovative financial instruments, and where relevant involve the private sector.

3.2. Project Activities

The proposed financial packet from NDF will blend concessional loans with grant financing in support of the following three components:

1. NDF concessional loan for coastal protection investments identified in Benin's multi-sectoral investment plan for integrated coastal zone management and adaptation;
2. NDF concessional loan for technical assistance and equipment to Senegal's integrated coastal zone management plan;
3. NDF grant for the Bank-executed WACA Platform and regional activities.

The concessional loans will be provided as parallel co-financing to the two countries, while the grant will be joint co-financing with the World Bank. The NDF-supported activities are:

Component 1: NDF loan to Benin (EUR 4 million)

The proposed intervention is a priority action in Benin's coastal multi-sectoral investment plan and NDC. The loan to Benin will be used to protect and to preserve the physical integrity of Grand Popo lagoon and wetland in South West Benin, which is an extremely vulnerable and critical hotspot, and to avoid any potential dramatic environmental, social or economic impact on the area by:

- a. Providing technical assistance for feasibility studies, detailed design, tender preparations and supervision of works for the protection and restoration of the land strip;
- b. Carrying out environmental and social impact studies to safeguard the physical investments; and
- c. Implementation of a combination of measures identified under subcomponent a. for protection of this segment of the land strip, potentially including dredging, banks fixation, revetment, fixation with vegetation of the shores and other land development measures.

The bulk of NDF's loan will go to physical investments under subcomponent c. The government of Benin decided to finance the originally proposed NDF activities with its own means. NDF's subsequent consultations with Benin and the World Bank led to replacing the originally selected NDF components with physical investments prioritised by the government of Benin.⁵

⁵ Therefore the activities presented for Benin here differ from those presented in the pipeline document.