

ACRIFA Capacity Development Platform (ACDP)

The Context

Africa is bearing the brunt of the climate crisis. Even though 95% of African agriculture is rainfed and therefore very vulnerable to climate change risks, the continent still has a 97% insurance protection gap, limiting access to financial safety nets for smallholder farmers and agribusinesses. The cost of adaptation to climate change is estimated to be between \$30-50 billion annually over the next decade, or 2-3 percent of the region's GDP. Compounding the financial shortfall, the continent's ability to adapt is limited by human, technical and institutional capacity gaps.

Climate risk insurance is recognised as a critical component of Africa's adaptation strategy. Taking up the challenge, the **African Development Bank Group** is leading the Africa Climate Risk Insurance Framework for Adaptation (ACRIFA), a \$1 billion initiative to scale up climate insurance solutions by empowering the African private sector.

ACRIFA is mandated to invest in capacity development of a skilled workforce, data and digital solutions and a conducive policy framework to drive innovation and expansion of climate insurance solutions in Africa. This aligns to the Bank's Ten Year Strategy (2024-2033) which commits to advancing innovative climate risk management solutions to secure the resilience of African economies.

Capacity Gaps in Agri-Climate Insurance

The climate insurance ecosystem in Africa is severely lacking in human, technical, and institutional capabilities. Some of the main gaps include:



Human Capacity Challenges: There is a shortage of qualified insurance professionals with actionable knowledge of both climate risk management and agri-food systems. This limits the development of locally tailored, scalable insurance solutions for smallholder farmers.



Technical Capacity Challenges: Targeted climate risk insurance solutions call for advanced data analytics, risk modeling, and pricing capabilities, which are in short supply. The continent needs to strengthen the technical ability to link climate data to various models of adaptation and ultimately to insurance solutions and risk-transfer processes.



Regulatory and Institutional Challenges: Many African regulators and policy makers lack the resources, networks and technical expertise to stay up to date with climate insurance innovations, develop appropriate quality checks and establish responsive enabling environment frameworks.

Introducing the ACRIFA Capacity Development Platform

To address these pressing capacity gaps, the African Development Bank is spearheading the establishment of the **ACRIFA Capacity Development Platform (ACDP)** - a comprehensive and coordinated solutions platform that will invest in building local expertise, empowering African institutions to create digitally powered, regionally responsive yet context-specific solutions and fostering collaboration among key stakeholders across the continent.



The goal of the Platform is to close the skills gap, spur innovation, and catalyze the institutional capacities required to enhance insurance coverage against climate risks for African farmers and agri-businesses.



ACRIFA Capacity Development Platform Objectives

The Platform's objectives are focused on:



Focus Areas

The Platform will prioritize three main areas to accelerate the adoption of climate insurance in Africa.

Training and Capacity Building

Curriculum development:

- Advanced technologies for climate risk management e.g., Data and meteorological sciences, AI, remote sensing, machine learning etc.
- Cross-disciplinary upskilling training veterinarians, agronomists, rangeland experts and other specialists in agri-climate insurance design and implementation.
- Technical training in agriculture and climate risk underwriting: index insurance, parametric insurance and the development of standards in climate insurance.
- Value chain engagement and farmer outreach.
- Contemporary issues and trends in climate risk insurance markets.

Upskilling: training-of-trainers courses, offering various certificate, diploma courses and graduate study scholarships; availing technical assistance, market development and capacity building opportunities.

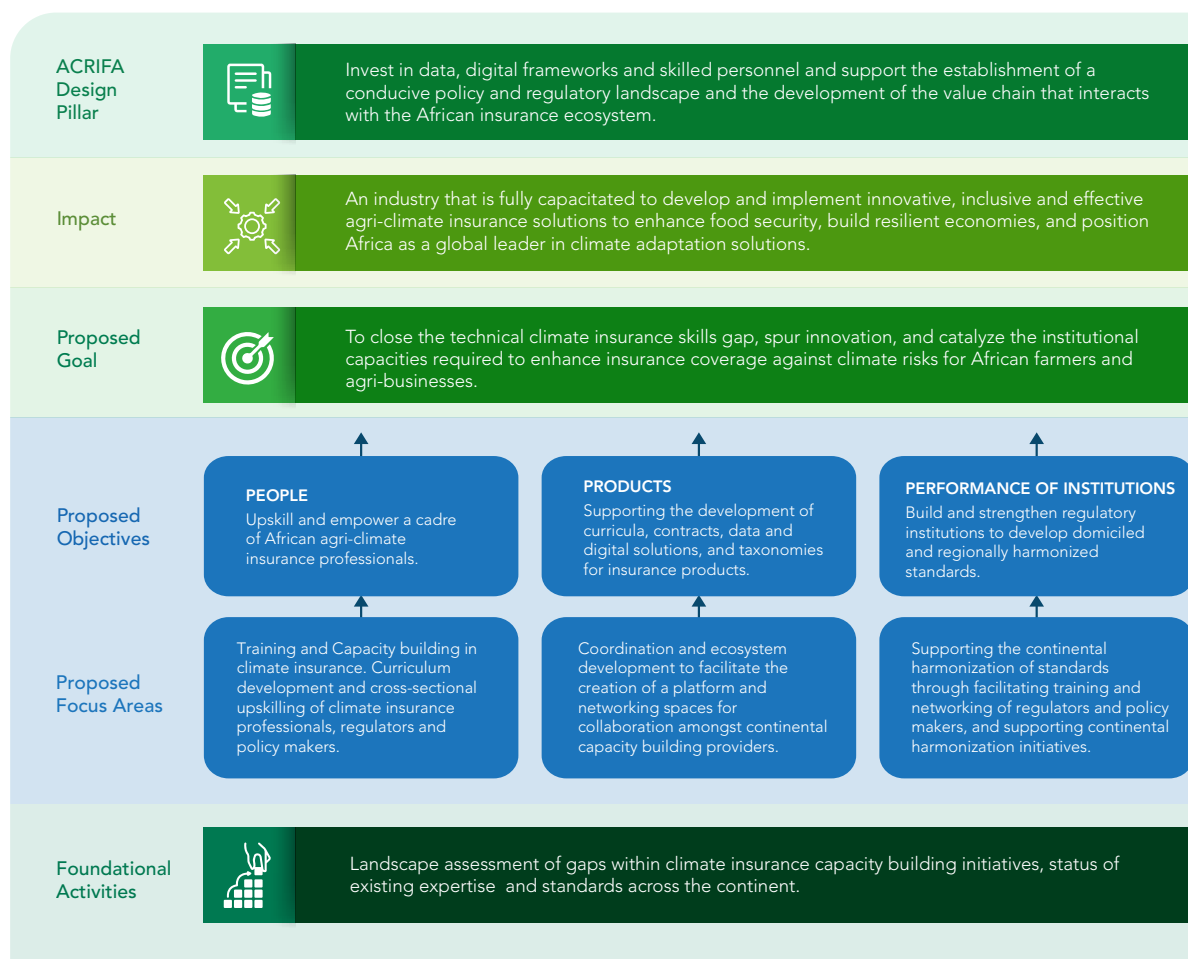
Coordination and Ecosystem Development

- Creation of a platform for collaboration and partnership among continental insurance, capacity building providers, policy makers and regulators.
- Facilitate and standardize the exchange of best practices and information.

Supporting the Continental Harmonization of Standards

- Facilitate the training of and networking among regulators, policy makers etc.
- Collaborate with continental regional harmonization initiatives, policymakers and relevant line ministries to advance the development of standards that improve the continental climate insurance ecosystem.
- Provide technical assistance to help policy makers and regulators better integrate climate insurance priorities into their budgets, investment and expenditure plans.

Summary of ACRIFA Capacity Development Platform's proposed design



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