

# REPAIR

## The Regional Emergency Preparedness & Access to Inclusive Recovery Program

### THE CHALLENGE:

Poverty reduction and shared prosperity in sub-Saharan Africa are threatened by interconnected crises, the impacts of which are compounded by a lack of financial and operational preparedness.



Eastern and Southern Africa (ESA) is highly vulnerable to natural and other shocks. Lack of financial preparedness in the region results in an over-reliance on *ex-post* financing instruments and ad-hoc budget reallocations to finance relief efforts, diverting funds from needed investments in health, education and social protection, and eroding precious development gains.

In the last five years, the region has been impacted by devastating floods, cyclones, droughts, a pandemic, and conflict and social unrest.

In 2023, for example, tropical cyclone Freddy resulted in considerable human casualties and displaced over 1 million people across Malawi, Madagascar, and Mozambique. The significant damage to property, including to 300 health facilities, compounded an ongoing cholera outbreak.

**THE RESPONSE:** To establish a Regional Climate Risk Fund to strengthen financial and operational preparedness of participating countries to respond quickly to climate and other shocks.

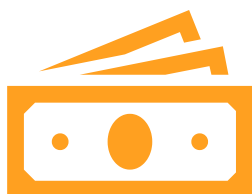
# A Regional Solution to Strengthen Financial Preparedness in Southern African Countries



The REPAIR Program establishes a USD926 million **Regional Climate Risk Fund** with the objective of strengthening financial and operational preparedness of participating countries to climate and other shocks. The solution complements and enhances national risk financing and operational approaches by:

- **Establishing pre-arranged financing instruments - Financial Preparedness**
- **Strengthening national delivery systems - Operational Preparedness**

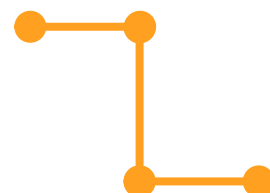
## FINANCIAL PREPAREDNESS



The RCRF is composed of three-layered financing instruments, complementing national risk financing instruments to respond to different levels of shock. These include: (i) a reserve instrument for minor recurring shocks; (ii) a contingent financing for moderate shocks; and (iii) a parametric catastrophe risk insurance for large infrequent shocks. The Fund increases the predictability of access to finance for Ministries of Finance when shocks occur.

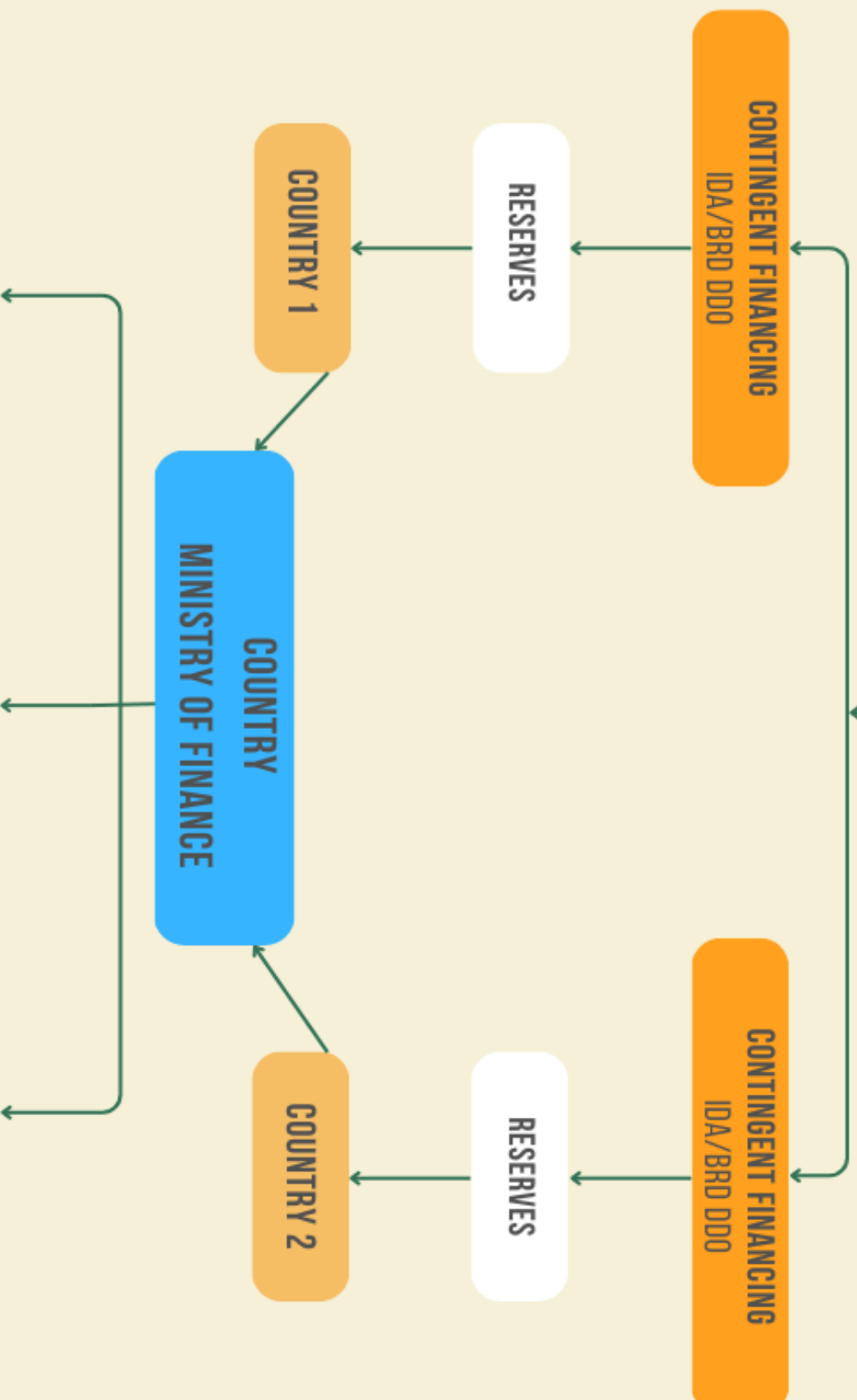
The RCRF provides resources and technical support to strengthen existing financial delivery mechanisms (national disaster management funds, credit guarantee/line for MSMEs, adaptive social protection programs, critical infrastructure relief, etc.) of participating countries to improve the efficiency and transparency of shock response. Funds from the RCRF are channeled through delivery mechanisms - depending on the type of shocks - to ensure rapid and transparent support to the affected populations.

## OPERATIONAL PREPAREDNESS



# REGIONAL CLIMATE RISK FUND

## SOVEREIGN CLIMATE PARAMETRIC INSURANCE



# The Global Shield Financing Facility supports **REPAIR**'s regional approach with a USD30 million grant

## Advantages of a regional approach:



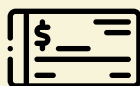
**Rapid mobilization and delivery of funds** reduces drivers of displacement



**Securing additional pre-arranged funding** for response and recovery through regional funds



**Risk pooling** enables lower pricing and/or enhanced coverage of sovereign insurance and mobilizes private capital



**Enhancing disbursement channels** for resources to flow efficiently, effectively, and transparently to vulnerable segments



Savings through **economies of scale**, increased resource mobilization, and best practices in risk management



**Provision of regional public good**, enabling capacity development activities and sharing international best practice

## Program Implementation

Approved by the World Bank in July 2024, REPAIR aims to boost financial and operational preparedness in Southern and Eastern Africa for rapid responses to climate and other shocks.

The program is implemented by ARC Ltd, a hybrid mutual insurer and financial arm of the African Risk Capacity Group. It supports strong government systems to ensure efficient, transparent, and accountable disaster-related fund flows.

Running through 2031, REPAIR will comprise 12 countries across its three phases, enhancing the resilience of over 28 million people in the region.

**For enquiries please contact:** Caroline Cerruti ([ccerruti@worldbank.org](mailto:ccerruti@worldbank.org))

Avinash Ramessur ([aramessur@arc.ltd.int](mailto:aramessur@arc.ltd.int))

Etienne Sannicolo ([esannicolo@worldbank.org](mailto:esannicolo@worldbank.org))