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# The Africa Adaptation Acceleration Program

## AAAP

CCDA, 27<sup>th</sup> October 2022



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# African countries are vulnerable to climate change



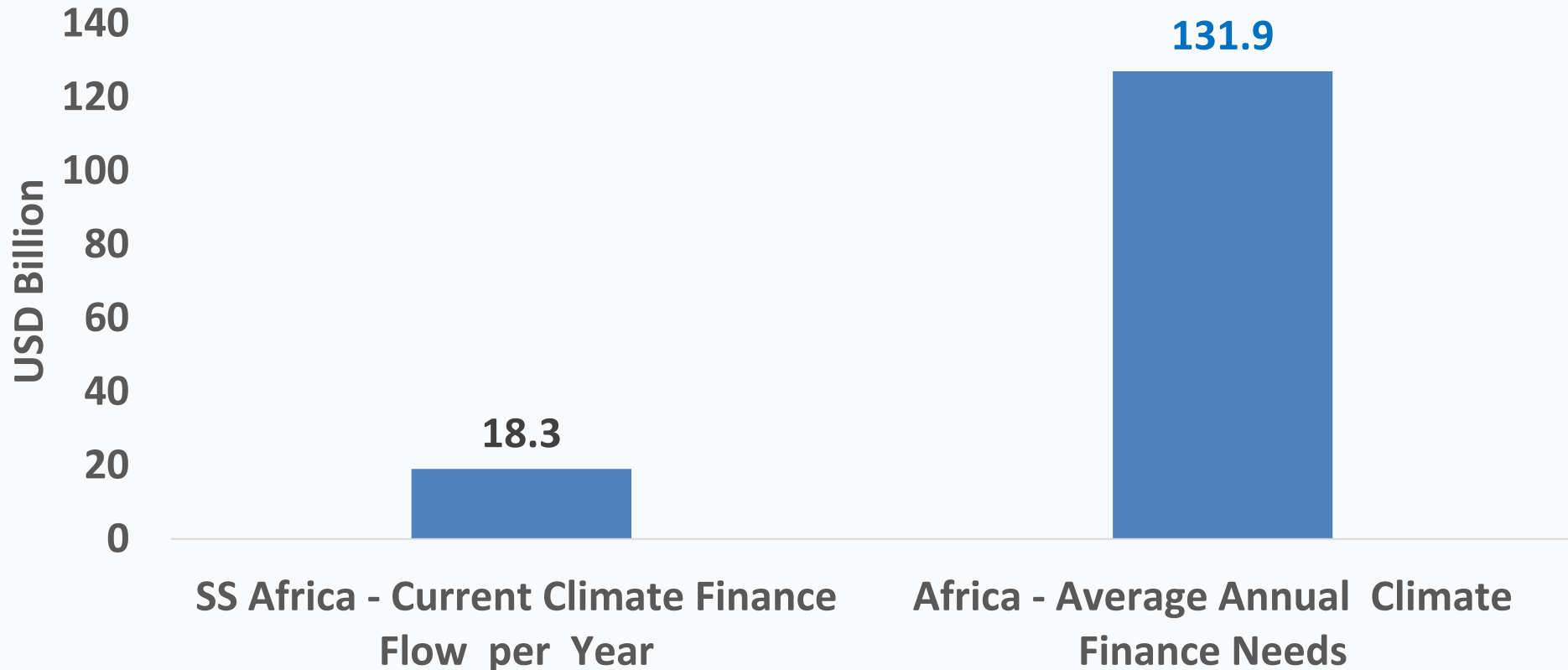
- **9 out of the 10** most climate-vulnerable countries in the world are in Africa. **All 9** are conflict-affected and considered transition states
- **US\$ 7 - US\$ 15 billion climate adaptation costs** every year in Africa since 2020 due to the devastating effects of climate change (source: IPCC)
- Predicted to rise to ~ **US\$ 50 billion per year by 2030**; almost **7% of Africa's GDP** on average (source: IPCC)
- West and East Africa are projected to be the most affected regions by climate change, seeing a **10% reduction in GDP per capita growth by 2050** in a high warming scenario (AfDB, 2022).
- A 1°C increase in temperature is associated with an **11% greater risk of conflict in Africa.** (source: Carleton/Hsiang, 2016, Social and economic impacts of climate)





# Climate Finance Flows to Africa

Only 3% of global climate finance flows to Africa (US\$ 18.3 billion on average over 2016-2019) while climate finance needs of the continent range between US \$118.2 billion to US \$145.5 billion for the period 2020-2030.



Between \$118.2 billion - \$145.5 from 2020-2030



# African Adaptation Acceleration Program: \$25 Billion

## Global Support for an African Initiative



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Africa Owned and Africa Led Program



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# AAAP Flagship Areas

**Climate Smart Digital Technologies  
for Agriculture and Food Security  
(Climate Smart DigitAg)**

**African Infrastructure Resilience  
Accelerator  
(AIRA)**

**AAAP**

**Innovative Financial Initiatives for  
Africa  
(IFI)**

**Empowering Youth for Entrepreneurship  
and Job Creation in Climate Adaptation  
and Resilience  
(Youth Adapt)**

# AAAP: Three strategic approaches



## Projects/Programs

- Design and implementation **support of investment projects/programs**
- Capacity building to expand adaptation investment finance



## Advocacy and Agenda Setting

- Political engagement at national, regional and global level
- Support youth engagement in climate policy-making



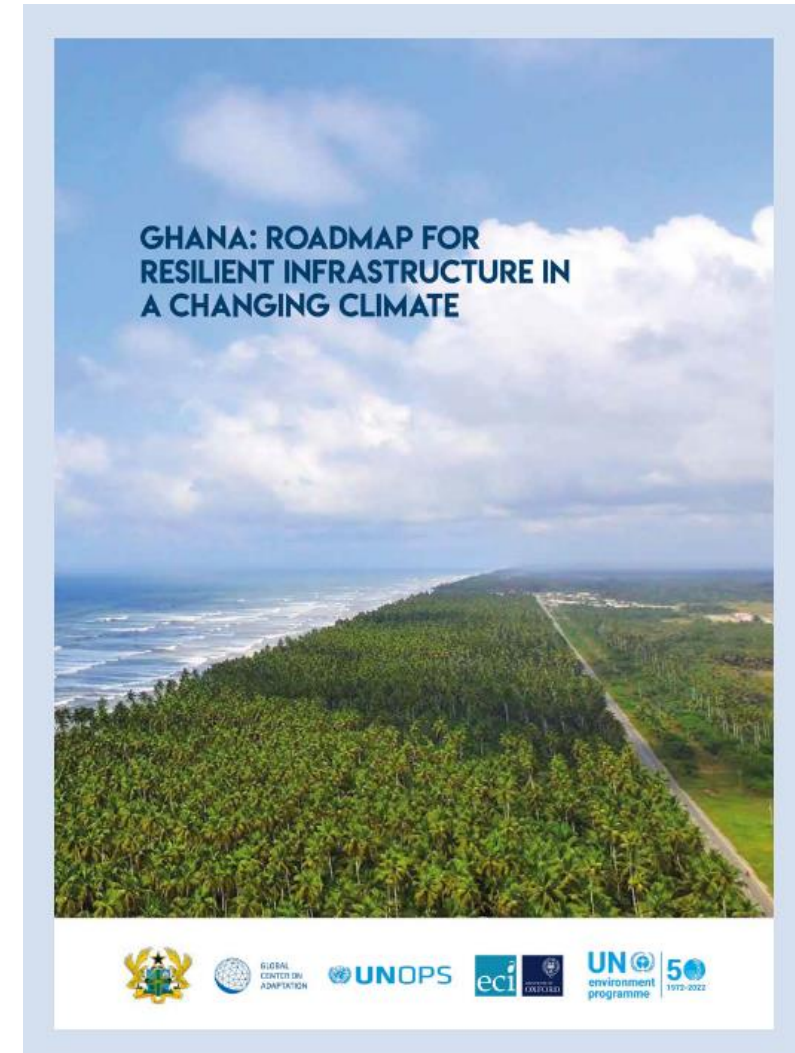
## Knowledge

Generate, disseminate and broker adaptation science and practice to support programs and advocacy



# AAAP operational model

- Work upstream to strengthen adaptation and resilience in project design
- Clear business lines to avoid a drift
- Context assessments and knowledge generation
- Partner with DFIs and MDBs to mainstream adaptation solutions in large-scale investments
- Solutions delivery through locally-grounded partners
- Implementation monitoring, coordination and documentation of lessons



# The Financing of AAAP

## UPSTREAM FACILITY

- Hosted by GCA
- Finances upstream activities: knowledge, project design and preparation, and policy work
- During first 18 months, enabled mainstreaming of Adaptation and Resilience in \$ 3 billion of Investments
- A funding need of **US\$250 million** over 5 years

## ADF16 CLIMATE ACTION WINDOW

- Hosted by AfDB
- Will receive resources from ADF donor countries and non-ADF donors as well as non-state actors.
- Contributions will count 100% towards climate finance commitments under Paris Agreement & Glasgow Climate Pact.
- Envisioned to mobilize up to \$13 billion



# AAAP investments are growing rapidly

**\$3+ billion**

AAAP downstream investments in

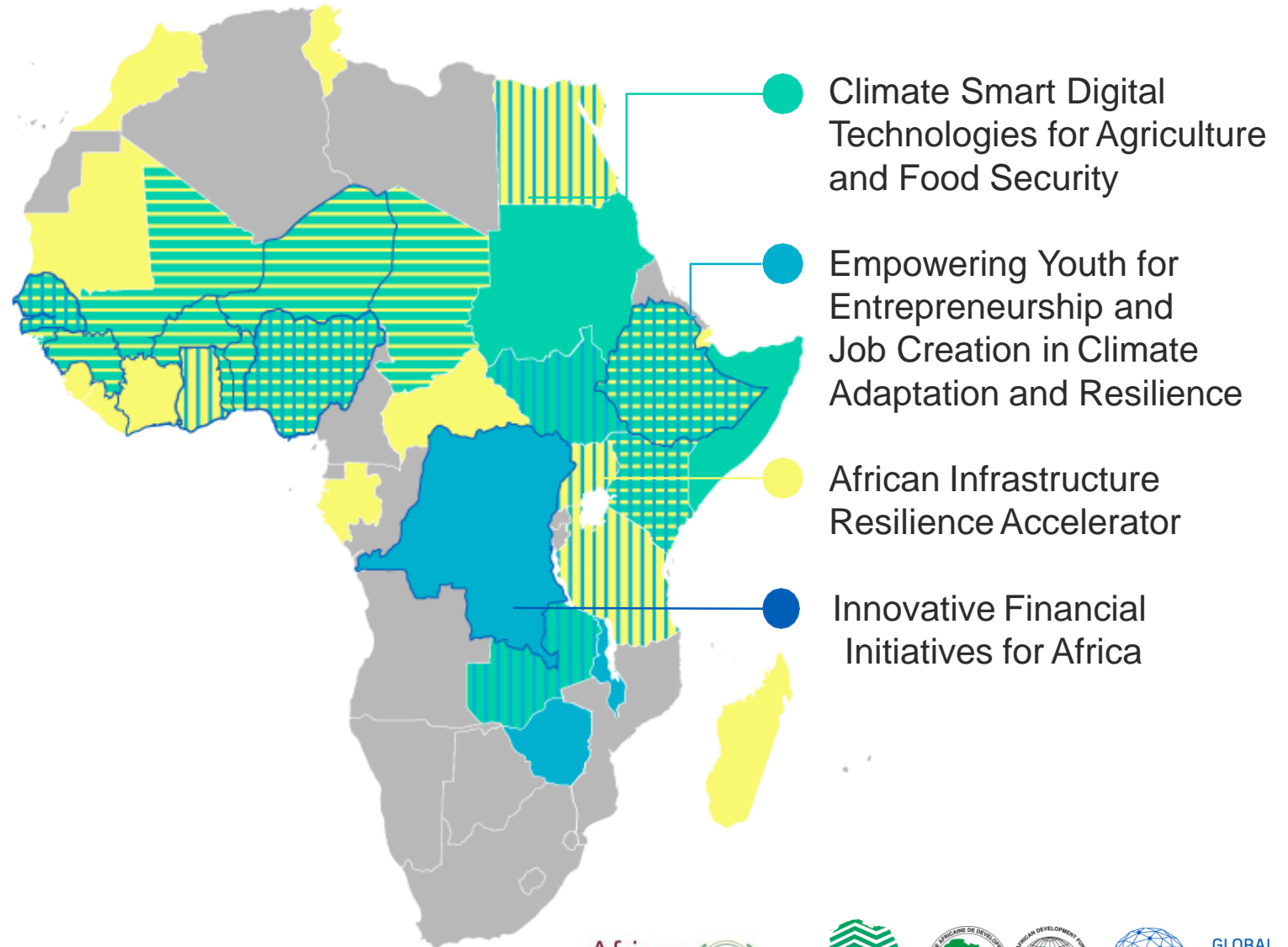
**19 countries**

Resources committed to support

**30+ MDB projects**

Climate Finance Technical Assistance Program in

**11 countries**





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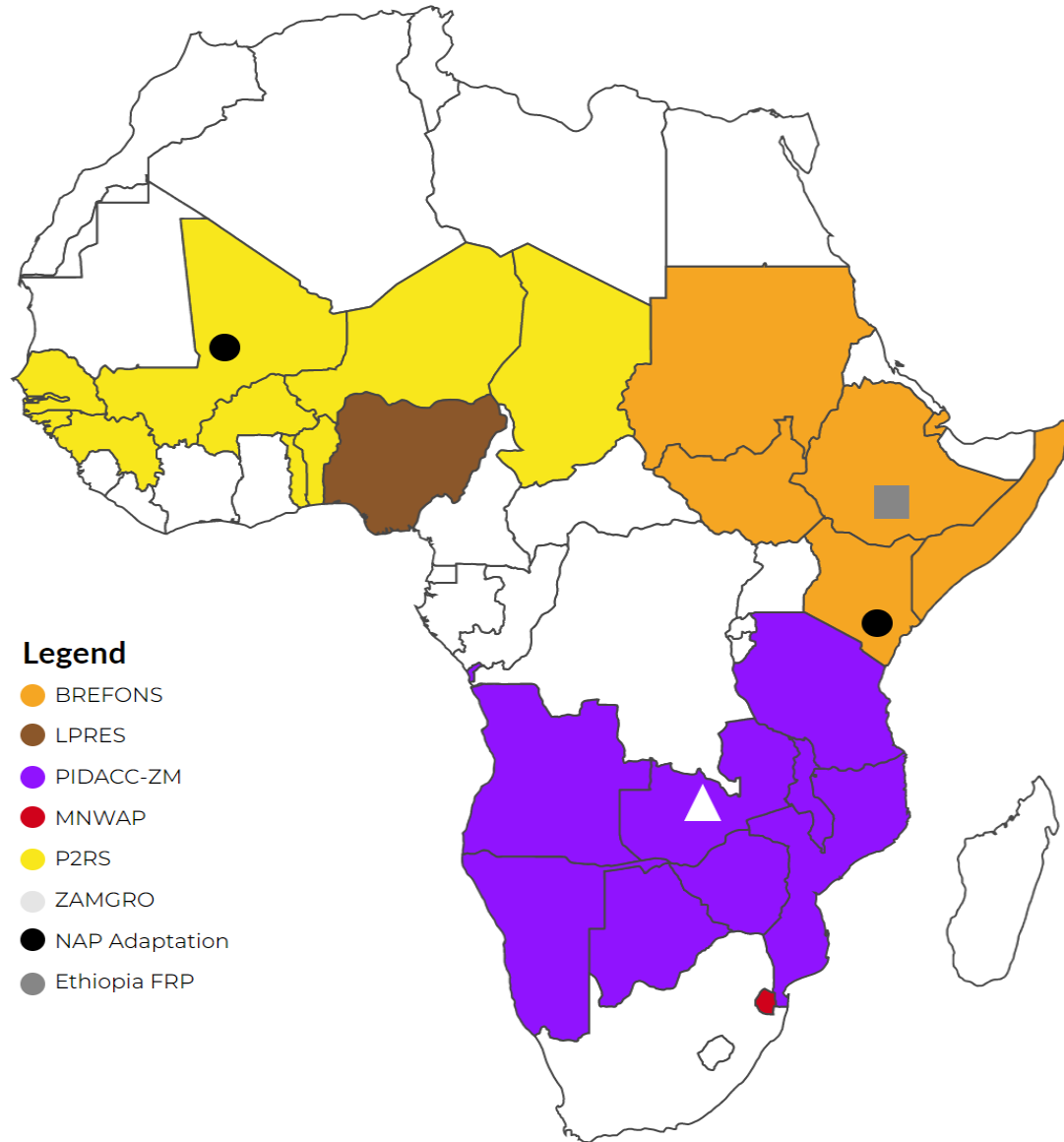
# Climate Smart Digital Agriculture Technologies Pillar of the AAAP



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# Beneficiary countries of ongoing & approved projects only: *by project*



26 countries

- Mainstreaming of adaptation into investments worth US\$1.6 billion in the past 18 months with AfDB & World Bank)
- New Projects are being implemented with the following Institutions:
- Agence Française de Développement (AFD),
- Islamic Development Bank (IsDB),
- International Fund for Agricultural Development (IFAD),
- European Investment Bank (EIB)

# Agriculture and Food Security Pillar – an example: Programme to Strengthen Resilience to Food and Nutrition Insecurity in the Sahel

## Challenges

- One of the largest semi-arid/arid sub-regions globally, highly vulnerable to climate change and uncertainties.
- Critical socio-economic consequences: poor agricultural yields, increased disasters, ecosystem degradation, insecurity



## Interventions and Targets

**Value:** USD 300 million

**Countries Covered:** 11 Sénégal, Guinée Bissau, Cape Verde,

Niger, Chad, Bénin, Togo, The Gambia, Burkina Faso, Mali and

Guinée

**MDB/Partner FI:** AfDB

**Design:** digital adaptation solutions (DCAS) for Sahel context

**AAAP Value Addition:**

• Investment readiness and infrastructure, institutional and farmer capacity needs for DCAS

- Feasibility study to integrate DCAS into agricultural extension and agrometeorological advisory to smallholder farmers and pastoralists

**Expected Outcomes :**

- 1 million rural households have access to DCAS
- 500,000 smallholders have adopted adaptation practices
- 5 million smallholders have access to climate services



# Example 1: Building Resilience for Food and Nutritional Security in the Horn of Africa (BREFONS)

## Project in brief

**MDB:** AfDB || **Status:** Board approved (2021)

**Countries covered:** Kenya, Ethiopia, Sudan, South Sudan, Djibouti, Somalia

**Investment:** \$205 million || AAAP funds: 371K

Task Manager: Mohamud Egeh

CC Officer: Olufunso Somorin

## EXPECTED OUTCOMES

- 30% increase productivity (crops and Livestock)
- 30% increase in annual income per capita
- 1.3 million farmers and pastoralists using climate services e.g., index insurance with a gender focus
- 55,000 additional jobs created- youth and women
- 750,000 farmers and pastoralists benefiting from extension on using digital advisory services

AAAP'S value addition: Provide upstream technical assistance to ensure climate smart digital technologies for adaptation and resilience are integrated in the project.

### Progress

1. Digital Adaptation Profile for Kenya & Ethiopia prepared
2. Technical Report on the Support on Agricultural Insurance in AAAP under the Horn of Africa Initiative
3. National multi-stakeholder workshops to identify key digital adaptation solutions in Kenya & Ethiopia
4. Playbook to identify and implement digital agricultural adaptations in Africa prepared



# Program for Integrated Devt. and Adaptation to Climate Change in the Zambezi Basin (PIDACC ZM)

## Project in brief

**MDB:** AfDB || **Status:** Appraisal

**Countries covered:** *Angola, Botswana, Malawi, Mozambique, Namibia, Tanzania, ZM & ZW*

**Value of project:** \$150 million

**AAAP contributions:** Euro 418K

**Task Manager:** Yappy Silungue || **CC Officer:** Constant Adeniyi

## EXPECTED OUTCOMES OF THE PROJECT

- **400,000** farmers use climate smart agriculture
- **30%** increase in adoption of DCAS
- **25** training/policy facilitation events DCAS
- **3,000** individuals participate in policy facilitation events on CSA and digital climate adaptations
- **5,000** individuals trained on digital tools to scale up CSA (at least 60% female and youth)

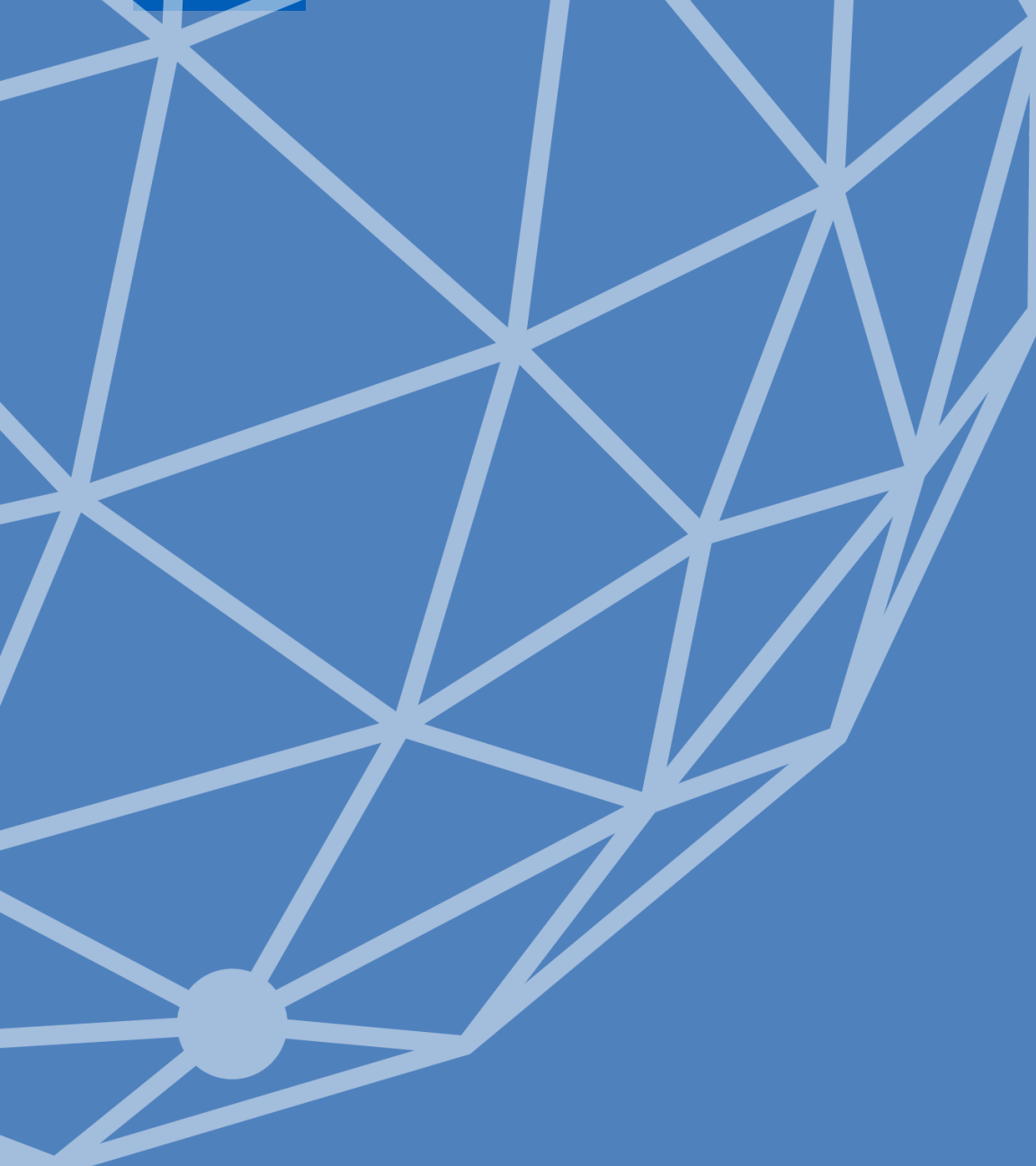
## Project objective

**Objective:** To increase resilience of productivity, incomes and capacity of households in Zambezi Basin to better adapt to climate change risks.

## PROGRESS

- Mapping of digital tools done in all project countries (multi-stakeholder stakeholder validation in 4)
- Country adaptation profiles for five countries
- Regional synthesis report on climate adaptation and digital solutions





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# Africa Infrastructure Resilience Accelerator Pillar of the AAAP

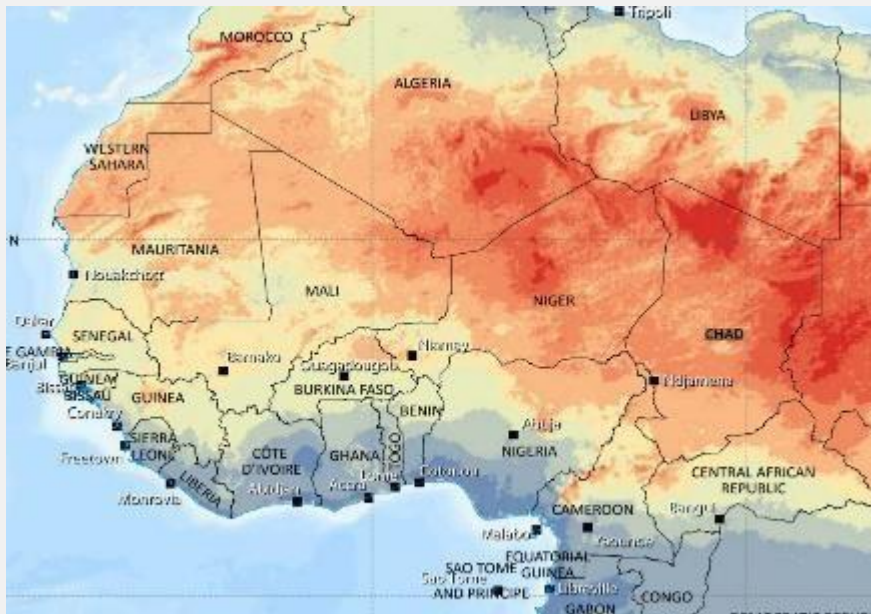


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# Infrastructure and Nature-Based Solutions Pillar – an example: AfDB Desert to Power G5 Sahel Financing Facility

- 2/3 of the population in the G5 Sahel countries lack electricity
- The Sahel conversely has a tremendous renewable energy potential



Solar energy irradiation in the G5 Sahel region.

Source: ESMAP. 2020. Global Photovoltaic Power Potential by Country.

## Interventions and Targets

**Value:** About \$1 billion

**Countries Covered:** G5 Sahel countries (Burkina Faso, Chad, Mali, Mauritania and Niger)

**MDB/Partner FI:** AfDB, Green Climate fund, Commercial Banks and the Private Sector

**GCA Value Addition:** Assessment of climate hazards to investments being made in the project

- Technical and financial analysis of adaptation investments to protect assets
- Rapid climate risk assessments of transmission systems across the G5 Sahel countries
- Regional masterclass on Climate-Resilient PPPs for the G5 Sahel countries

**Expected Benefits:** Installation of 10GW of *climate-adapted* renewable energy generation capacity for electricity to over 250million people

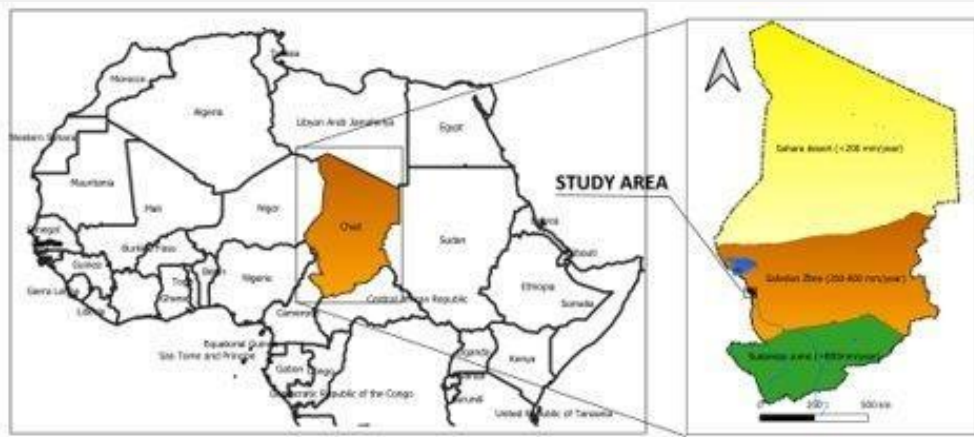
- PPP contracts that incorporate climate risks and adaptation measures



# Infrastructure and Nature-Based Solutions Pillar – an example: N'Djamena Integrated Urban Resilience Project

## Challenge

- Rapidly growing urban areas
- Low-income communities growing in locations of high climate risks
- Insufficient engagement of local communities and women in adaptation solution design and implementation



## Interventions and Targets

**Value:** US\$150 million

**Countries Covered:** Chad

**MDB/Partner FI:** World Bank

**GCA Value Addition:**

- Prioritization Study of Green Infrastructure Options for Flood Risk Reduction
- Local Community Engagement Strategy building on GCA's LLA Tool Kit Climate Adaptation Investment and Youth Jobs Strategy - job opportunities for construction, O&M of green infrastructure



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# Youth Adapt Pillar of the AAAP



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# Scaling Up Youth Innovations for Climate Action

## FLAGSHIP PROJECT: Youth Adaptation Solutions Challenge

### (YouthADAPT)

The YouthADAPT Challenge supports adaptation solutions from young entrepreneurs in Africa to scale and fully commercialise.

#### BENEFITS:

- Business and technical support through a 12-Month Accelerator
- \$100k in grant funding
- Mentorship

#### RESULTS SO FAR:

##### 2021 Cohort:

- Includes 15 young entrepreneurs selected from 10 countries (Ghana, Nigeria, Kenya, Zambia, Cameroon, Niger, CAR, Comoros, Benin, DRC)

##### 2022 Cohort:

- 20 enterprises to be unveiled at COP27

##### 2023 Cohort

- Competition to be launch early 2023





# Outcomes – YouthAdapt Winners

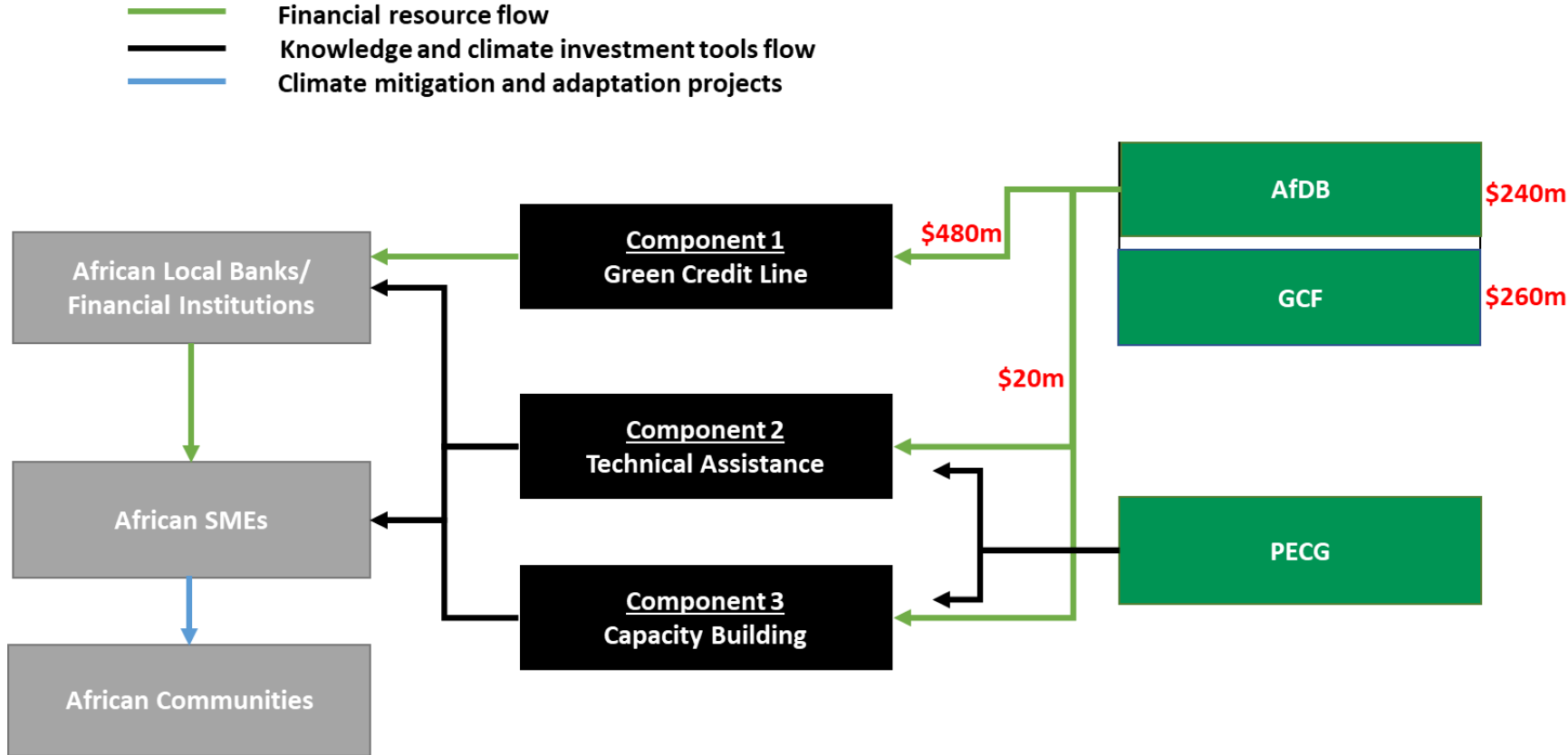
- youth capacity building training received,
- 300+ jobs created
- investor readiness and scaled-up business solutions, and
- positioning these enterprises to better access further financing to support their growth.
- revenues rise by up to 50 percent since joining the accelerator;
- some - doubled their production capacity; and
- others - entering new markets.





# Building Youth Capacity for Employability and Unlocking Access to Finance

## \$500 million credit line facility for Green Enterprises



**Component 1 - Green credit line:** extend credit line to youth-led and youth-owned climate-smart enterprises through FIs

**Component 2 - Technical assistance to FIs and SMEs:** increase access to data/information, technical study, transmission of working knowledge, and consulting services

**Component 3 - Capacity building:** skills development for FIs and SMEs on private sector climate action

# Mainstreaming Adaptation Jobs

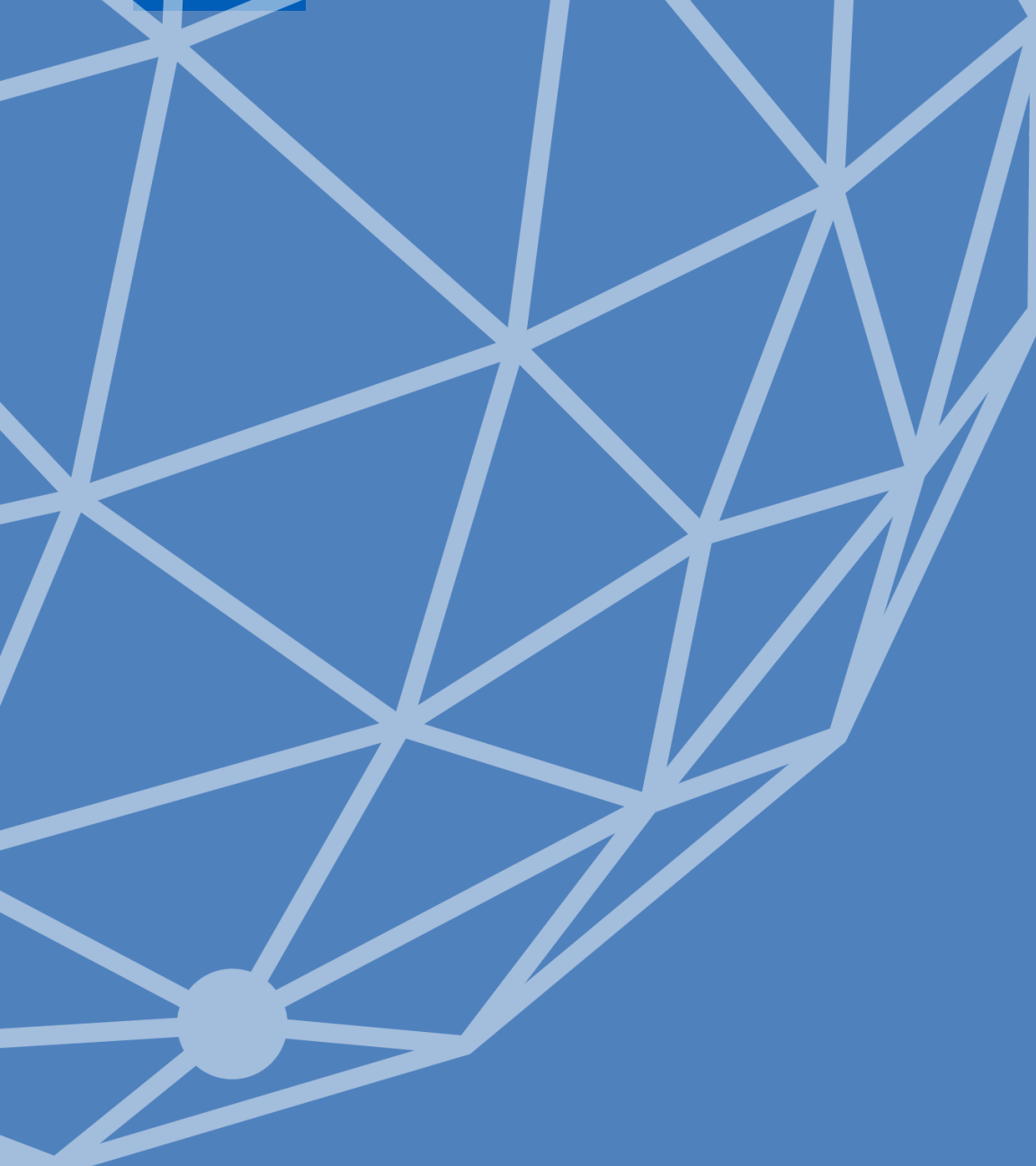
GCA is partnering with the AfDB to create adaptation jobs within the projects:

## GCA's role includes the following:

1. Provide a financial contribution to conduct the assessment of “adaptation jobs” opportunities in the selected projects.
2. Run the procurement process to contract a sub-grantee to carry out the assessment.
3. Participate the appraisal missions and review the appraisal report of each project with regards to “adaptation jobs”.
4. Support project teams at the Bank to provide clarity on climate change adaptation and resilience in the appraisal report and define the target for “adaptation jobs” in the result framework of each project.
5. Establish a partnership with ILO to identify constituents to provide a definition of “adaptation jobs”.
6. Define adaptation measures for testing during the assessment and further be recommended to the project implementation teams.

## Approved Projects:

Projects	Country	Expected Deliverables	Partners	Budget
INVESTMENT IN DIGITAL AND CREATIVE ENTERPRISES PROGRAM (I-DICE)	<b>Nigeria</b>	<ul style="list-style-type: none"> <li>• 30% of the total MSME jobs created in the climate adaptation sector (<b>up to 254,911 direct &amp; indirect jobs created</b>)</li> <li>• 30% of youth equipped with climate adaptation-related skills (<b>up to 23,313 youth trained</b>)</li> </ul>	AfDB, Federal Government of Nigeria	<b>€200,000</b>
SOUTH SUDAN YOUTH ENTERPRISE DEVELOPMENT & CAPACITY BUILDING PROGRAM (YEDCB)	<b>South Sudan</b>	<ul style="list-style-type: none"> <li>• 30% of the total MSME jobs created in the climate adaptation sector (<b>up to 1,672 direct &amp; indirect jobs created</b>)</li> <li>• 30% of youth equipped with climate adaptation-related skills (<b>up to 910 youth trained</b>)</li> </ul>	AfDB, Government of South Sudan	
NIGERIA SPECIAL AGRO-INDUSTRIAL PROCESSING ZONES (SAPZ) PROGRAM	<b>Nigeria</b>	<ul style="list-style-type: none"> <li>• 10% of the total MSME jobs created in the climate adaptation sector (<b>up to 50,000 direct &amp; indirect jobs created</b>)</li> </ul>	AfDB, Federal Government of Nigeria, Beneficiary State Governments	



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# Innovative Finance Pillar of the AAAP



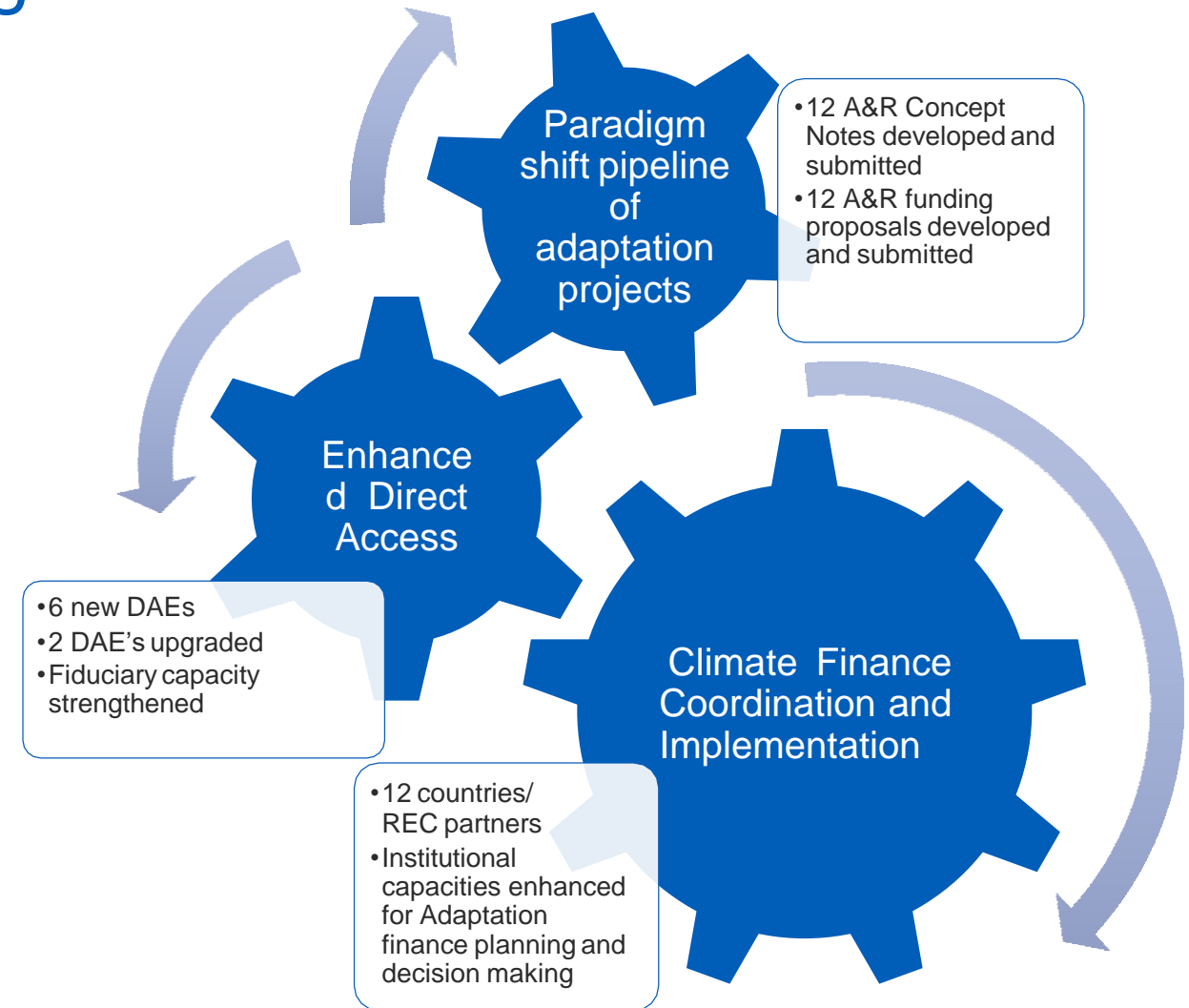
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# Innovative Finance Pillar – the Technical Assistance Program

## Three main objectives:

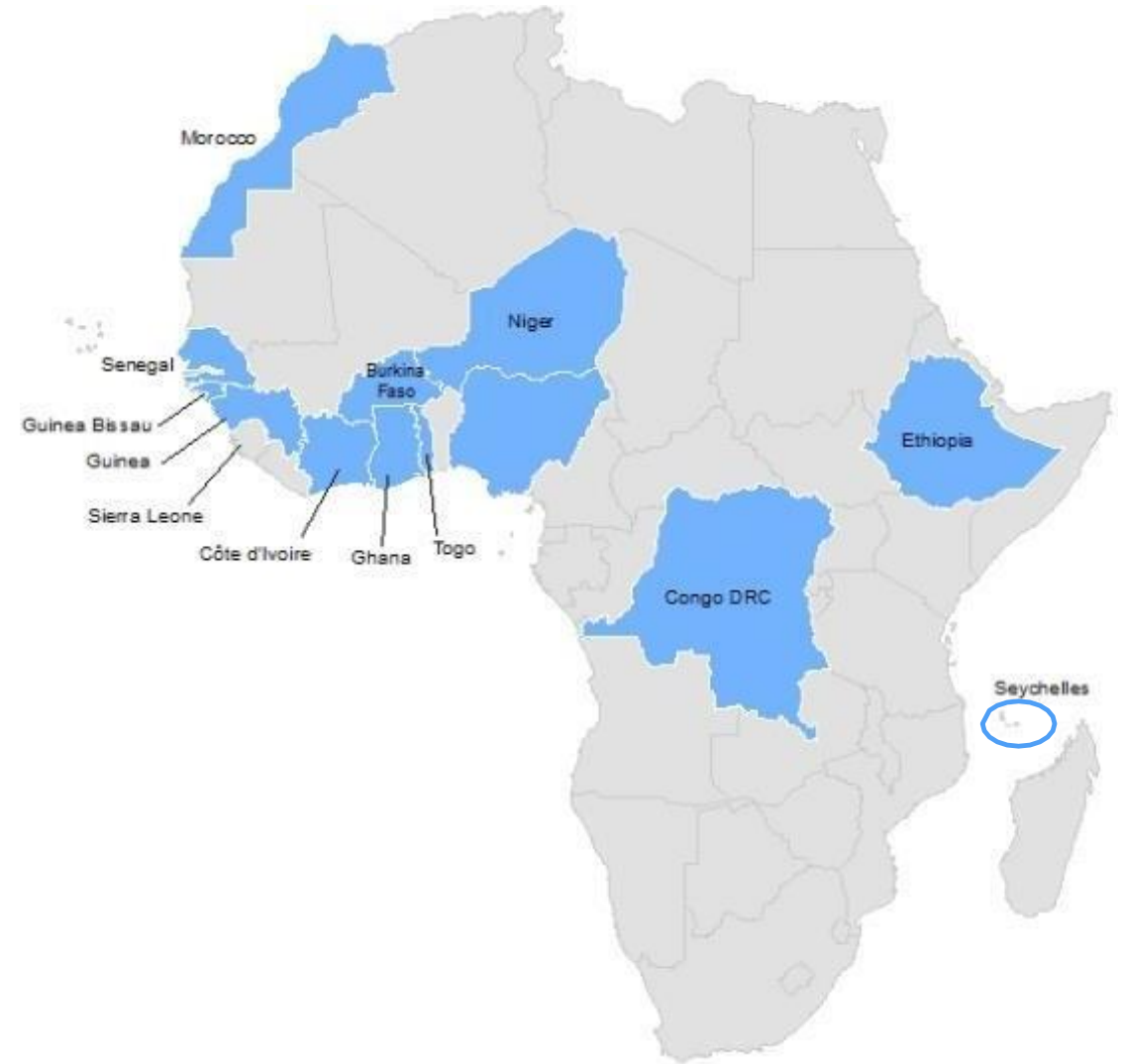
- **Building capacities** for adaptation finance planning and implementation, i.e., Climate Public Expenditure Reviews
- **Direct Access strengthening** i.e. New Accreditation and Accreditation upgrades for DAEs
- **Portfolio development support** through Concept Notes and enhancing Funding Proposals to Global Climate Funds





# TAP progress short summary

	ACTIVITY	STATUS
D.R. Congo	- DAE Accreditation - CPEIR/CBT	PLANNING
Morocco	AfDB Funding Proposal	
Senegal	- DAE Accreditation - Capacity building (FP dev. & impl.)	
Seychelles	- DAE Accreditation - Concept Note	
Guinea-Bissau	Concept Note	
Cote d'Ivoire	Budget Screening	PROCUREMENT
D.R. Congo	NDC Operationalization & Carbon Market	
Ghana	DAE Accreditation	IMPLEMENTATION
Burkina-Faso	Concept Note	
D.R. Congo	Concept Note	
Multiple (Ethiopia, Togo, Senegal and Guinea)	AfDB Funding Proposal	
Niger	Concept Note	
Nigeria	Concept Note	



# Innovative Finance Pillar – Tools, Instruments and Mechanisms

- **\$2 billion Sustainable Sovereign Bond Cote d'Ivoire:** supporting climate expenditure review and pipeline identification (adaptation investments) for bond issuance
- **\$1 billion Invesco Ltd Climate Adaptation Action Fund** - the first 100% adaptation debt impact fund that targets the most vulnerable countries.

# GCA as knowledge broker to support AAAP



BILL & MELINDA GATES foundation



Foreign, Commonwealth & Development Office



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# Outlook for 2023

- Significantly scale up projects on the ground
  - Several MOUs signed last year with some MDBs and DFI's to implement the AAAP.
  - The target is to deliver at least 30 new projects in 2023 with a total investment in excess of \$5 billion.
- Increase the number of African Partners with whom to deliver the AAAP
- Increase resource mobilization efforts



**THANK YOU!**