



GLOBAL
CENTER ON
ADAPTATION

A Step Change for Adaptation

GCA Annual Report 2021

A STEP CHANGE FOR ADAPTATION

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ABOUT THE GLOBAL CENTER ON ADAPTATION

The Global Center on Adaptation (GCA) is a non-profit organization that acts as a solutions broker to accelerate global action for climate adaptation solutions, from the international level to the local, in partnership with the public and private sectors, to ensure we learn from each other and work together for a climate-resilient future.

Founded in 2018, GCA is headquartered at the largest floating office in the world in Rotterdam, the Netherlands, with a knowledge and innovation hub based in Groningen. GCA has a worldwide network of regional offices strategically placed in Abidjan, Côte d'Ivoire, Dhaka, Bangladesh, and Beijing, China. Through an evolving network of offices, global and regional teams, GCA engages in high-level policy activities, new research contributions, communications, technical assistance, and capacity building to governments, the private sector, national partners, and academia.





FOREWORD BY THE CEO OF GCA

"Africa is tired of waiting." ~ President Félix Tshisekedi

Congolese President Félix Tshisekedi's words at the Africa Adaptation Acceleration Summit held at COP26 in Glasgow, are at the root of GCA's work in 2021.

Despite Africa's negligible contributions to global greenhouse gas emissions, a meager 3.8%, this continent is one of the world's most climate-vulnerable regions, bearing the impacts of climate change intensified by the world's greatest carbon emitters thousands of miles away.

In 2021, African countries were not only struck by tropical cyclones, flooding, and drought – in the Horn of Africa, which experienced one of the most severe droughts in recent history, 10 million people faced food insecurity – on top of that, the COVID-19 pandemic entered its second year, and continued to upend the lives, livelihoods and the economy of an already struggling region.

New challenges have emerged for Africa and the world in 2022. The war in Ukraine has triggered a humanitarian emergency of monumental proportions, driving a global spike in food, fuel and fertilizer costs. The skyrocketing cost of living is sharpening the impacts of both conflict and climate change in Africa, where millions have already been displaced or forced into poverty. The number of asylum-seekers entering Europe has soared to levels not seen since the Second World War.

And so, this is not the time to neglect climate action. Climate change projections made by the Intergovernmental Panel on Climate Change - IPCC in 2021, revealed that unless immediate actions are taken, we will advance precipitously towards a full-blown climate disaster.

In fact, global warming is likely to reach the target of 1.5 °C set in the Paris Agreement much earlier than expected, and scientists have repeatedly warned us that exceeding this target will unleash life-threatening, irremediable consequences.

In 2021, GCA intensified its work in Africa through the Africa Adaptation Acceleration Program (AAAP), developed in partnership with the African

Development Bank (AfDB) with the support of the African Union (AU). The AAAP is proudly owned and led by Africa and it is the implementation vehicle of the Africa Adaptation Initiative (AAI). It is GCA's response to Africa's food crisis.

Through its four thematic pillars, the AAAP aims to accelerate adaptation action that builds buffers against food price hikes, undernourishment, and unemployment. In addition to programs in agriculture and food security, the resilient infrastructure pillar also focuses on strengthening critical roads, power, and water systems that connect farms and markets. The youth and jobs pillar builds skills and helps small and medium-sized enterprises grow in adaptation for agribusinesses, and the innovative adaptation finance pillar helps African organizations tap into climate funds to support adaptation programs for agriculture and food security.

In 2021, GCA ramped up support for AAAP investments in 10 countries: Ghana, Gambia, Zambia, Kenya, Nigeria, Benin, DRC, Central African Republic, Comoros Islands, and the Republic of Niger. GCA teams worked closely with Multilateral Development Banks, including AfDB and the World Bank in 2021, brokering more than \$1.5 billion dollars, including \$370 million to build resilience for food and nutrition security in the Horn of Africa and \$1.1 billion for adaptation SMEs and jobs for youth in Nigeria, both in sustainable agro-industrial and ICT industries, and separately in South Sudan.

The AAAP's Upstream Financing Facility allows GCA and its implementation partners, many of them African institutions, to design and mainstream adaptation and resilience components into the projects of multilateral development banks, other development financial institutions, and bilaterals. The Upstream Facility supports research, monitoring for rapid extraction and replication of lessons, knowledge sharing, capacity building, and policy support to steer the mainstreaming of adaptation in planning and finance.

In 2021/22, the Upstream Facility demonstrated its capacity to influence and leverage investment dollars with a ratio of 1:100. The AAAP Upstream Financing Facility is mobilizing \$250 million over five years to bring the best adaptation science and practice to the AAAP as it plans to invest \$25 billion in Africa.

However, the climate emergency knows no boundaries and GCA continues to expand its work into other regions. Our Bangladesh program is growing and our South Asia Regional Office in Dhaka doubles as a platform for general adaptation action in the region and as a Global Hub on Locally Led Adaptation. We are continuously developing the Bangladesh office through outreach and engagement with potential partners.

Through our regional office in China, GCA was designated by the Ministry of Ecology and Environment and the National Center on Climate Change Strategy and International Cooperation as the coordinating international organization to provide support to the development of China's National Climate Change Adaptation Strategy 2035. At the sub-national level, following a request from the Beijing Water Resources Planning and Design Institute, GCA has been providing support to our Chinese partners in developing the Beijing Municipal Ecological Restoration Strategy.

In 2021, GCA continued to elevate adaptation in global and regional political agendas. GCA partnered with AfDB in several high-level impact-forcing events including the historic Leaders' Dialogue on the Africa Covid-Climate Emergency, at which the AAAP was endorsed, the first-ever Friends of GCA High-level Dialogue: An Adaptation Acceleration Imperative for COP26, and the Africa Adaptation Acceleration Summit as part of COP26.

The High-Level Dialogue focused on the Adaptation Imperative for COP26 set the stage for its global amplification. The event took place in early September and brought together more than 50 global leaders to witness the inauguration of GCA's climate-resilient floating office. Headquartered in Rotterdam, this remarkable structure embodies the challenge of rising water levels that we all must face.

This helped set the stage for COP26 in Glasgow, which served as the beginning of a global reset in the balance between adaptation and mitigation – GCA chaired the flagship Ministerial event as part of the Adaptation, Loss and Damage Day. Progress can be seen in the greater spending now coming through for adaptation, with one of the most crucial outcomes of COP26 being the decision by developed countries to double adaptation finance by 2025. This will inevitably propel adaptation forward in the following years.

I also want to highlight the cross-cutting emphasis GCA is placing on youth as we move forward in all these areas. I encourage you to explore the laureates of our first round of competitive grants awarded to ten young African entrepreneurs at COP26. Empowering innovative enterprises and creating jobs for young people will be an important positive system catalyst for action beyond standard climate programs.

2021 was also the year in which GCA published cutting-edge research. The 2021 edition of GCA's State and Trends in Adaptation report, focused exclusively on Africa, is the most comprehensive analysis of climate change risks and adaptation solutions for the continent. The report, which presents the results of a detailed review of Africa-specific studies on the cost-benefit ratio of early adaptation action, shows the grave consequences of global warming at, and beyond, 1.5°C.

GCA accomplishes its work through partnerships. As a broker of adaptation action, GCA set up 123 collaborations in 2021 with a wide range of partners, from government agencies, such as the Bangladesh Ministry of Environment, Forests and Climate Change and the Ministry of Finance in Ghana, to financing and implementation institutions such as the European Investment Bank and UNOPS, to leading organizations in the climate space such as the CGIAR. Through our regional offices, we are also building partnerships with organizations possessing the latest local expertise on climate change impacts, particularly in Africa, such as the Akiba Mashinani Trust in Kenya and the University of Cape Town.

Despite GCA's many achievements in 2021, the road ahead, which leads to resilience and adaptation to our warming planet, and closing the climate inequality gap, is a long and challenging one. We are however, not alone in this journey. I want to thank our many supporters for walking with us. We hope that these pages will inspire many more to join our tireless efforts.



Prof. Dr. Patrick Verkooijen
CEO of the Global Center on Adaptation



1. ADAPTATION ACTION FOR A CLIMATE-RESILIENT WORLD

WHY ADAPTATION MATTERS

Reducing carbon emissions is not enough to stop the impacts of climate change. As global temperatures rise and transform the planet, countries are slowly grasping that the need for climate adaptation is urgent and widespread.

Adaptation entails changing behaviors and ecological, social, and economic systems in response to climate impacts that are already happening, while preparing for future ones. Yet adaptation measures can accomplish much more than simply prevent damage, they also present major opportunities to achieve a larger development agenda and place countries and regions, particularly the most vulnerable ones, on a new, green, and resilient pathway to further growth. Adaptation and development work hand in hand, creating powerful synergies along the way.

Adaptation measures have the potential to create a virtuous circle. Even as they protect people and communities from the impacts of climate change, they can also help lift people out of poverty, reduce hunger and malnutrition, raise incomes and living standards, fight diseases like cholera and dysentery, create jobs, reduce the tensions that lead to conflicts, and empower women. Those gains, in turn, will further increase resilience, enabling communities to better cope with future extreme storms, droughts, or other climate change impacts. In addition, many of these actions will help mitigate climate change by cutting emissions or pulling carbon from the atmosphere.

TRANSFORMING THE CLIMATE LANDSCAPE

By elevating adaptation as an urgent global priority, GCA plays an important role in addressing the climate crisis. Adaptation not only saves lives, protects nature, and reduces the economic toll of climate change, but also promotes opportunities, empowers communities, and reduces inequality. Without climate adaptation, it will be impossible to achieve the Sustainable Development Goals (SDGs). Time is of the utmost importance. Delaying adaptation action will result in tragic human and economic losses, widespread poverty, and suffering.

Adaptation efforts have begun, and they are promising, but recent findings from the IPCC have starkly demonstrated they remain insufficient. Adaptation action requires increased urgency, innovation, and scale. GCA is constantly working with our partners to fill the critical missing gaps.

As an international organization exclusively focused on climate adaptation and resilience, GCA combines action on the ground for the most vulnerable communities through finance mobilization and supports the implementation of innovative programs. GCA has received the support of heads of state and global leaders from Africa and other regions to drive long-lasting, transformational change in climate adaptation.

This Annual Report maps GCA's progress over 2021, highlighting the organization's main activities, achievements, and results on the way to accomplishing its mission of helping the world adapt to climate change. It also underscores the areas that demand greater dedication and financing down the line.

THREE PILLARS OF GCA'S WORK

The Global Commission on Adaptation was launched in The Hague in 2018 by the 8th Secretary-General of the United Nations Ban Ki-moon. It was established by Prime Minister Mark Rutte of the Netherlands and the leaders of 22 other convening countries to accelerate the implementation of adaptation efforts worldwide by raising the political visibility of adaptation and focusing on concrete solutions. GCA and the World Resources Institute (WRI) were the managing partners of the Commission from its inception until its conclusion in early 2021.

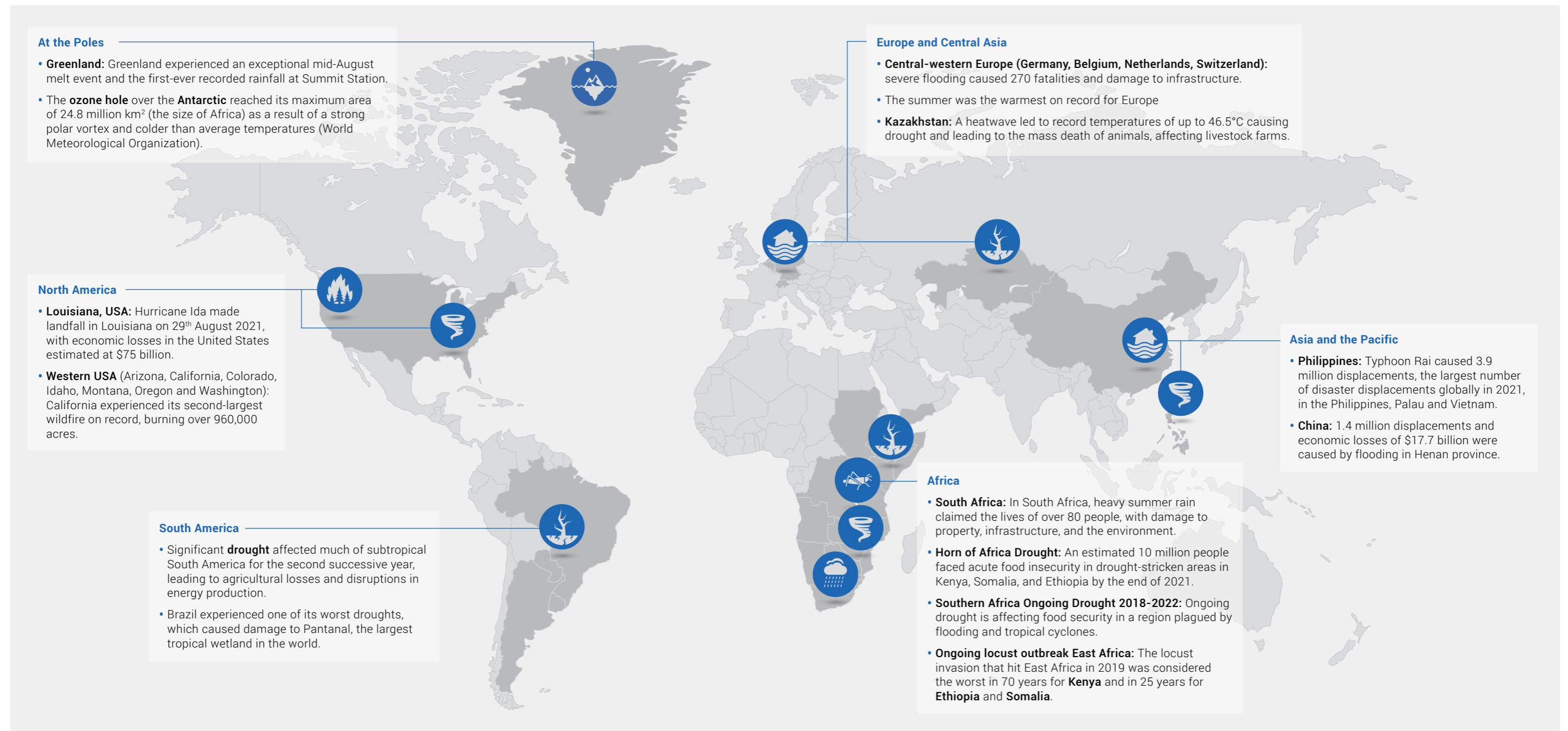
The Commission's flagship report, "[Adapt Now: A Global Call for Leadership on Climate Resilience](#)," released in 2019, made the case for climate adaptation, providing specific insights and recommendations in key sectors: food security, the natural environment, water, cities, infrastructure, disaster risk management, and finance. The report outlined three pillars of activity to kickstart "revolutions" in the understanding, planning, and finance required for transformative global climate adaptation action. Delivering on these revolutions lies at the core of GCA's work across our three strategic pillars:



2. THE ACCELERATING CLIMATE EMERGENCY IN 2021

The impacts of climate change were felt across the world in 2021, with drought, flooding, tropical cyclones, heatwaves, and other devastating climate impacts occurring and predicted to increase in frequency and intensity in the years ahead. The last seven years have been the warmest on record, with 2021 seeing records broken on key climate change indicators including increases in greenhouse gas concentrations, sea-level rise, ocean temperature and acidification.

Governments, businesses, and communities are not powerless in the face of these impacts. In parallel to tackling the causes of climate change by moving to net-zero pathways, GCA is committed to scaling and accelerating adaptation action across the world to prepare and respond to this escalating climate crisis.



3. PROGRAMS, ACHIEVEMENTS, AND IMPACT

As a solutions broker, GCA adds value to climate adaptation programs and brings it to partners by bringing together multiple parties to accelerate action, reduce risk, deploy innovative approaches at scale, and access and package finance and resources.

In its role as a catalyst for action and programs, GCA works with an extensive network of stakeholders and partners who exhibit the drive and influence to exert positive change. GCA works with multilateral development banks and other partners to identify and mobilize sources of finance for adaptation programs, applying its expertise to structure funding in the most efficient way as to reduce cost, increase leverage, and attract private finance.

Through collaborations between stakeholders who bring different perspectives, expertise, reach and resources, GCA's programs deliver concrete and sustainable results and make a positive impact at all levels of society. The following sections detail GCA's progress, accomplishments, and impact in each area of its work in 2021.

GCA's regional offices ensure close links to countries across the globe in the implementation of global initiatives. We work in countries as diverse and unique as Côte d'Ivoire, China and Bangladesh. GCA's regional offices help it customize programs and actions to meet local priorities, while developing specific knowledge initiatives, and serving as a global lead on specific topics.

Each office has different priorities depending on the needs of the region and host country, and they are located where there is a strong need for accelerated adaptation.

The overarching aim of each office is to operate as a regional center of excellence by collaborating with national and international partners and act as a solutions broker on all matters related to climate adaptation. GCA's regional offices bring together best practices, advancing research and sharing solutions relevant to the region and host countries. They leverage domestic and international expertise to support host countries and regions in responding to and continuing to prosper in an ever-warming world.



1. GCA GLOBAL OFFICE
Global Center on
Adaptation Antoine
Platekade 1006 3072 ME
Rotterdam
The Netherlands
+31 88 088 6800

GCA KNOWLEDGE & INNOVATION
c/o Energy Academy
Europe Nijenborgh 6
9747 AG Groningen
The Netherlands
+31 88 088 6800

2. GCA AFRICA
Global Center on
Adaptation c/o African
Development Bank
Avenue Lamblin
Abidjan, Ivory Coast
+225 2026 3900

3. GCA CHINA
No. 5, Houyingfang
Hutong 100035 Beijing
P. R. China
Email: GCA_China@gca.org

4. GCA SOUTH ASIA
Floor 11
Paribesh Bhaban
E/16 Agargaon
Dhaka-1207
+88-02-9540200



Africa-Owned, Africa-Led

3.1 GCA AFRICA

A. THE AFRICA ADAPTATION ACCELERATION PROGRAM

ADDRESSING AFRICA'S CLIMATE EMERGENCY

Africa is particularly vulnerable to climate extremes, or even shifts in weather norms such as the start of the monsoon, as so much food production is dependent on rainfed cropping and pastoralism. Infrastructure that supports the wider economy is also highly exposed to extreme events. Therefore, adaptation is now more urgent and challenging than ever.

From ongoing drought in Southern Africa to tropical cyclones and a locust outbreak that has devastated agricultural production and driving food insecurity across the continent, climate disasters in Africa are increasing in frequency and intensity.

However, African countries are among the world's lowest carbon emitters. The region contributes less than 5% of global greenhouse gas emissions, with the bulk of its emissions deriving from deforestation and land-use change. In fact, Africa is a victim of, rather than a contributor to, climate change.

The Covid-19 crisis plunged Africa into the worst economic recession in more than half a century. Its GDP contracted by 2.1% in 2020, as the pandemic pushed an estimated 40 million people into extreme poverty.

To halt the spread of poverty and ensure Africa's capacity to respond to ongoing and future climate impacts, the African continent urgently needs increased finance flows that meet its adaptation needs.

This is why in 2021, following the guidance of our Board, Africa continued to be the primary focus area of GCA's work. GCA strengthened and expanded its efforts to accelerate adaptation in this climate-vulnerable region through the Africa Adaptation Acceleration Program (AAP).

In 2021, based on broad stakeholder engagements and voiced demands from Africa, GCA and the African Development Bank (AfDB) joined forces to develop the AAP. The AAP was endorsed by the continent as the implementation vehicle to realize the vision of the Africa Adaptation Initiative (AAI) - an initiative launched in 2015 by African Heads of State at COP21 in Paris.

[GCA News here](#)

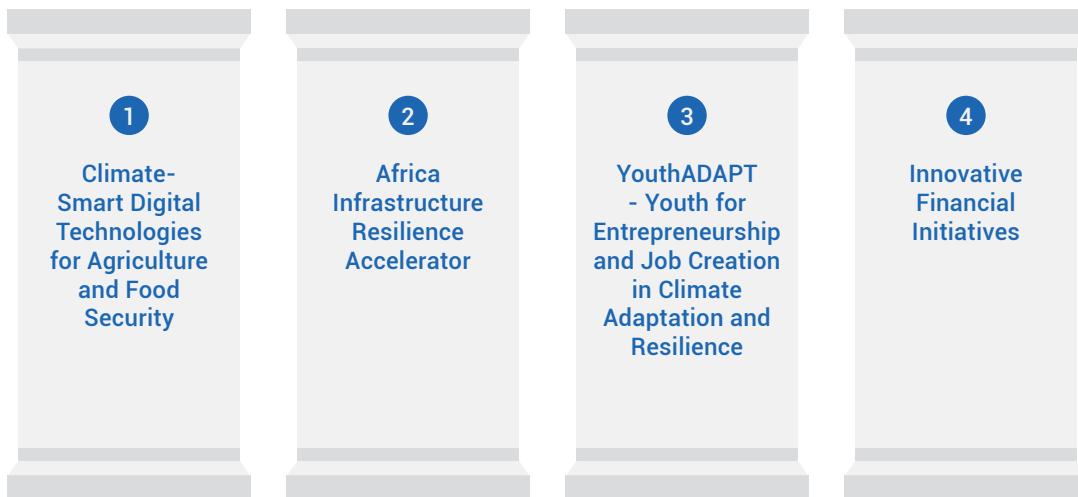
The African Union-backed AAAP is mobilizing \$25 billion to galvanize climate-resilient actions on the African continent to address the impacts of Covid-19, climate change, and the economy.

The AAAP is a joint Africa-owned and led initiative developed by the AfDB and GCA, with the support of the African Union (AU) and African leaders. The AAAP is mobilizing \$25 billion for climate adaptation investments in Africa in the next five years for a faster and stronger post-Covid-19 economic recovery based on climate-resilient development pathways.

The AAAP focuses on four action areas or pillars that collectively address Africa's adaptation priorities, and are shaped to fit identified niches that provide key opportunities to drive adaptation through transformative and innovative action.

In each of these pillars, the critical cross-sectoral themes of gender, social inclusion, environmental sustainability, governance, and institutions are mainstreamed throughout their individual projects, yet are interconnected. For example, the infrastructure pillar aims to strengthen the resilience of transport and energy infrastructure needed for agribusiness and logistics from farm to markets. The youth pillar builds the skills and the SME support for green jobs for adaptation in the agriculture and food security sector and the innovative finance pillar develops new mechanisms to provide financial support for climate adaptation in the agribusiness and food security space.

The AfDB has committed \$12.5 billion to AAAP projects. Furthermore, the AfDB is exploring, as part of the 16th replenishment of the African Development Fund (ADF), and of its set-aside climate initiatives, opportunities to unlock climate finance with innovative approaches that can mobilize as much as an additional \$13 billion for dedicated climate action.



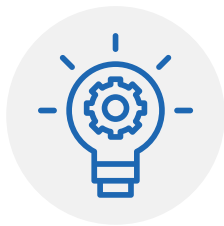
AAAP UPSTREAM FINANCING FACILITY

In 2021, GCA designed the AAAP Upstream Financing Facility to build resilience into AAAP projects. The Upstream Facility provides project design, advice on implementation, research, knowledge sharing, capacity building, and policy support to strengthen adaptation planning and finance in line with the needs and priorities of African countries.

The AAAP Upstream Financing Facility is currently mobilizing \$250 million over five years to bring the best adaptation science and practice to AAAP investments. The Upstream Facility allows GCA and its implementation partners, many of them African institutions, to design and mainstream adaptation and resilience actions of three types:

In conducting this work, GCA identifies global, regional, and national partners to bring leading-edge science and operational expertise, emphasizing on the engagement of African partners. GCA brings new tools and the combination of African adaptation solutions with localized global practices while building the capacity of African institutions in the areas of climate science, adaptation, and resilience practice.

The initial experience of the Upstream Facility in 2021 demonstrated its capacity to influence and leverage investment dollars with a ratio of 1:100.



Adding innovative adaptation components to the projects of multilateral development banks, other development financial institutions, and bilateral development projects. GCA brings the best science and practice of adaptation through its staff and partners to complement the skills of financial institutions. GCA focuses on developing frontier knowledge and practice in adaptation and preparing toolkits and guidelines that can then be mainstreamed by African institutions and financiers.



Supporting African organizations in the ability to directly access international climate finance, like the Green Climate Fund (GCF), by supporting their accreditation process and the preparation of proposals.



Assisting in the development of innovative financial instruments for adaptation, for example, the expansion of green bonds, green investment funds, or debt swaps to explicitly include adaptation and resilience investments, thereby filling a gap in the asset classes these instruments support.

In 2021, the AAAP Upstream Facility supported the upstream design to strengthen adaptation components for about \$1.5 billion of AAAP downstream investments approved by the Board of Directors of the AfDB and the World Bank in 19 countries.

GCA'S AAAP UPSTREAM FINANCING FACILITY IN ACTION

Example 1:

The World Bank's \$500 million Livestock Productivity and Resilience Support Project in Nigeria aims to improve the productivity of the livestock value chain and mitigate the main drivers of farmer-herder conflict.

Through the AAAP Upstream Financing Facility, GCA is supporting an in-depth climate risk assessment for the livestock value chain. GCA will also provide advice on the most appropriate digital and data-enabled technologies to mitigate climate risks in different segments of the livestock value chain.

Example 2:

The AfDB \$6.3 million Youth Enterprise Development and Capacity Building project in South Sudan aims to enhance employability and job creation for youth. The project will address weaknesses in entrepreneurship skills, lack of access to finance, markets and information.

In this program, GCA is mainstreaming adaptation jobs and skills within the various program value chains. As part of the AAAP Upstream Financing Facility activities, GCA will help define and identify adaptation jobs. It will also support the identification of skills required for adaptation jobs so they can be part of the skill training activities financed by the project.

Example 3:

The AfDB-financed Scaling Renewable Energy Program in Ghana will provide power to 59 communities across nine island districts through mini grids, and to more than 50 communities in 11 districts, through standalone solar PV systems. With the financial support of the AAAP Upstream Financing Facility,

GCA will help to strengthen the resilience of these systems by supporting the development of high-resolution climate hazard maps to optimize site selection. GCA will develop detailed technical design and operational guidelines to reduce climate risks and will also help identify, where technically feasible, nature-based solutions to reduce climate risks.

PARTNERS IMPLEMENTING THE AAAP

In implementing the AAAP, GCA collaborates with global, regional, national, and subnational partners to fill the gap between the supply and demand of adaptation solutions on the African continent. As the International Panel on Climate Change (IPCC) and others have identified, [technological](#), [institutional](#), and [financing](#) factors are major barriers to climate adaptation feasibility in Africa. GCA offers the platform for overcoming these barriers and working with the most relevant organizations for supplying the solutions. Some African partners GCA is partnering with include: the Committee of African Heads of States on Climate Change (CAHOSCC), the African Union Commission and its Climate Commissions, the African Ministerial Conference on Environment (AMCEN), the

African Group of Negotiators (AGN), the Adaptation of African Agriculture initiative (AAA), the African Centre of Meteorological Application for Development (ACMAD), African Risk Capacity (ARC), African Union Development Agency - New Partnership for African Development (AUDA-NEPAD), and United Cities and Local Government of Africa (UCLA).

In addition, GCA actively seeks new partners with the requisite expertise through which it can implement AAAP projects and activities. Partners in 2021 include the African Agricultural Technology Foundation, Akademiya2063, Akiba Mashinani Trust, the Africa Regional Environment Centre and Network, the Kenya Climate Innovation Centre, and the University of Cape Town.



B. CLIMATE-SMART DIGITAL TECHNOLOGIES FOR AGRICULTURE AND FOOD SECURITY

Climate change is a key limiting factor to African agriculture and is expected to negatively impact as much as 56% of all crops in sub-Saharan Africa and cause a decline of up to 50% of agricultural yields by 2050. These impacts will be devastating for African economies, where agriculture employs more than half of the population and contributes 25% of GDP on average, across the continent. Recent editions of the State of Food Security and Nutrition in the World reveal a dire situation in which 19% of the total population face hunger, which is more than twice the global average of 9%.

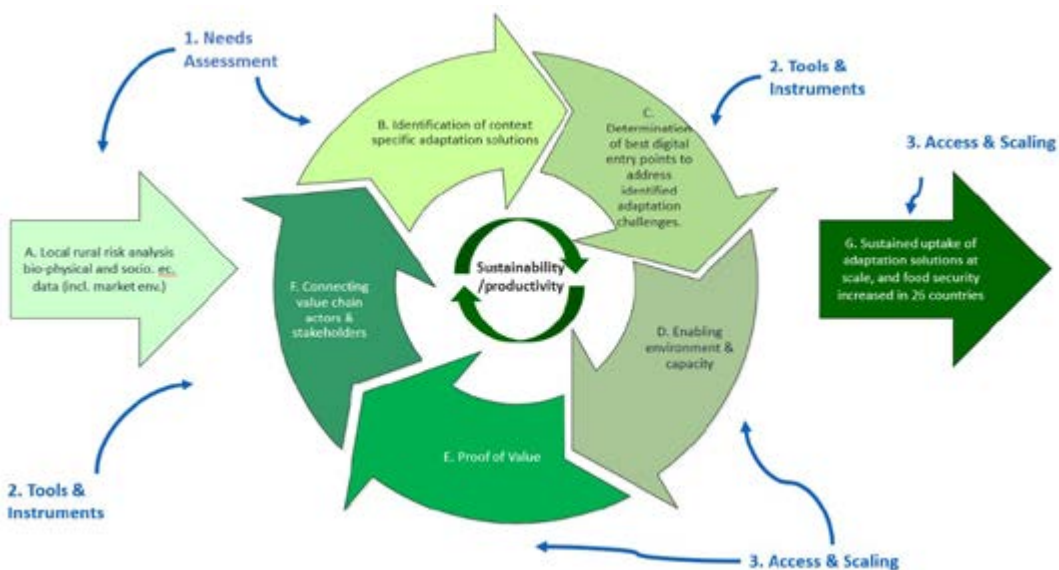
Harnessing the power of digital technology and innovation to improve agricultural productivity and strengthen climate resilience is a game-changer that can enable countries to transform agriculture in Africa and to address the pressing climate challenges that Africa faces today. Smallholder farmers record an astounding 40-70% increase in yield and income when digital solutions are used. Digital solutions can also address systemic barriers. By delivering agricultural extension services such as information dissemination and agricultural advisory services directly to smallholders, digital solutions can break the traditional divides that disadvantage women and vulnerable communities.

GCA's work on food security and rural well-being aims to scale-up access to climate-smart adaptation solutions through digital technologies and associated data-driven agricultural and financial services, for at least 30 million farmers in Africa, and expects to reduce malnutrition for at least 10 million people by supporting agriculture and food security in 26 countries.

The Climate Smart Digital Technologies for Agriculture and Food Security pillar of the AAAP aims to increase access and use of bundled digital climate advisory and financial services for smallholders. Its main objectives are to increase agriculture yields and income by 40 % and de-risk agricultural credit by 30%, through Digital Climate-informed Advisory Services (DCAS).

THE SMALLHOLDER ADAPTATION ACCELERATOR

The Smallholder Adaptation Accelerator was developed in 2021 as an implementation vehicle for the Climate Smart Digital Technologies for Agriculture and Food Security pillar of the AAAP. The Accelerator describes a series of steps required for sustained uptake of adaptation solutions by smallholders at scale.



Needs Assessment

In 2021, GCA started work on the Smallholder Adaptation Accelerator within AfDB's "Feed Africa" project portfolio. Local rural risk analyses were conducted in Niger and Ethiopia and context-specific adaptation solutions were identified for certain micro-regions.

Tools & Instruments

GCA worked jointly with the Alliance of Biodiversity International and the International Center for Tropical Agriculture (CIAT) in the context of AfDB's Building Resilience of Food and Nutrition Security in the Horn of Africa program. This program sought to produce a situational analysis describing digital tools for adaptation in agriculture that are mainstreamed in a \$370 million investment program that aims to build resilient agriculture in seven countries, with deep dives done in Ethiopia and Kenya and a solutions toolkit.

Access and Scaling

GCA engaged Frontieri, a research and advisory institution, to assess how to integrate Digital Climate Informed Advisory Services into Ethiopia's agriculture extension system and developed an investment plan stipulating the development of the agrometeorological advisory flow across the value chain so that the advice reaches end-users and can be integrated into their decision-making.

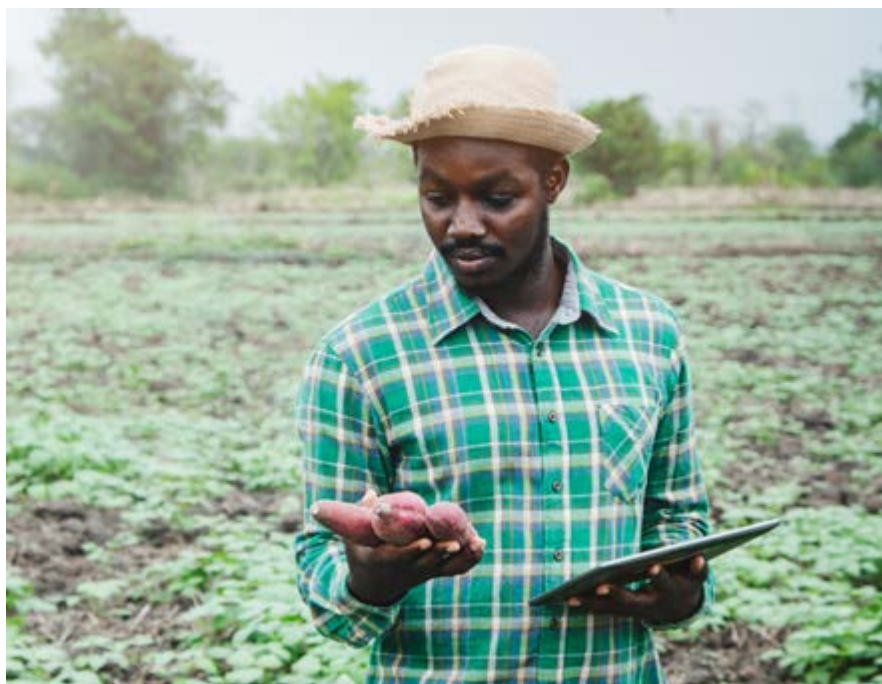
Country-level support to plan for agricultural adaptation has been initiated in Mali and Kenya. Akademiya2063, a Rwanda-based non-profit organization, is providing technical assistance to inform and facilitate the effective implementation of National Adaptation Plans in Kenya and Mali and identify adaptation pathways and related policy options.

Building Resilience for Food and Nutrition Security in the Horn of Africa (BREFONS)

The BREFONS project aims to build resilience for food and nutrition security in six countries in the Horn of Africa by

improving living conditions, food and nutrition security, and strengthening resilience to climate change. The project expects to achieve a 40% increase in yields, a 40% increase of incomes for value chain actors, a 50% increase in digital literacy for involved actors across value chains, of which 80% are women and youth. It also aims to de-risk credit by 30% through DCAS and Digital Financial Services (DFS) and increase the use of index insurance products by smallholders by 30% in the target value chains.

GCA contributed to the project by developing knowledge products to mainstream adaptation in the program and identified digital and data-enabled technologies that enhance resilience in segments of agricultural value chains in the most efficient manner for the region. In partnership with CIAT, GCA assessed the role of digital adaptation in agriculture in the Horn of Africa, commissioned insurance technical support on the opportunities for Micro-Insurance to the AAAP and supported the development of an investment plan, namely: "Identifying Climate – Smart Digital Opportunities that have potential for scaling under the Horn of Africa initiative."



Program for Integrated Development and Adaptation to Climate Change in the Zambezi Basin

This \$300 million project covers eight countries in the Zambezi basin and aims to build strong communities that are resilient to climatic and economic shocks in the Zambezi Watercourse by promoting inclusive transformative investments, job creation, and ecosystem-based solutions.

GCA is contributing to these objectives by identifying technologies that have the potential to contribute to climate adaptation. GCA is helping to identify potential digital technologies that can accelerate adaptation in the Zambezi River basin, preparing country profiles on digital adaptation in agriculture for the Zambezi basin, and listing actionable design and engagement opportunities that will be mainstreamed into the implementation of this program.

Mkondvo-Ngwavuma Water Augmentation Program (MNWAP)

The goal of the MNWAP project is to contribute to food security, poverty reduction, and resilience to climate change by supporting water and irrigation

infrastructure development in Eswatini. This will be done through increased productivity, diversification, supply of value-added agro-based products for the local and external markets, and through increased entrepreneurship and employment opportunities for women and youth.

GCA supports this AfDB project in the design and implementation of digital and data-enabled interventions for adaptation in Eswatini's vegetable sector by determining the impact of climate change on vegetable production systems in Eswatini and by ensuring that solutions to mitigate climate risk in the vegetable value chain are integrated into the project design.

Integrating DCAS into Ethiopia's National Extension System

GCA carried out studies and validation workshops to support the Government of Ethiopia's efforts to enhance the national agricultural e-extension system through integration of climate services, early warning, climate-informed digital agro-advisory, and solutions to meet the country's adaptation goals.

C. AFRICA INFRASTRUCTURE RESILIENCE ACCELERATOR

In contrast to other regions, 70% of Africa's infrastructure is yet to be built. The AfDB estimates suggest that Africa's infrastructure needs are around \$130-170 billion a year, with an investment gap of over 50-60% of that amount. The continent has around \$100 trillion in assets, but is lagging in terms of quantity, affordability, and quality of infrastructure, which limits Africa's economic growth by an estimated 2% of GDP per capita.

The Africa Infrastructure Resilience Accelerator pillar of the AAAP integrates climate resilience into about \$7 billion worth of infrastructure investment and aims to scale-up investment for climate-resilient national, urban and rural infrastructure

in key sectors such as water, transport, energy, and waste management to help the African continent close the sustainable infrastructure gap in the face of climate change, including through cost-effective nature-based solutions.

Infrastructure gaps in developing countries present a challenge for governments and communities, but they also provide an opportunity to ensure that climate change is mainstreamed through all new infrastructure planning and investments. Although financing resilient infrastructure assets is critical, it is also increasingly important for countries to ensure that these investments translate into resilient and equitable infrastructure services.

The Africa Infrastructure Resilience Accelerator pillar of the AAAP helps countries assess, plan and finance climate-resilient infrastructure investments through five subprograms and activities:

1. Public-Private Infrastructure Resilience Accelerator in Africa

In contrast to other regions, 70% of the infrastructure for Africa is yet to be built. AfDB estimates suggest that Africa's infrastructure needs are around \$130-170 billion a year, with an investment gap of over 50-60% of that amount. This infrastructure gap presents a challenge for countries and people, but it also provides an opportunity to ensure that climate change is mainstreamed through all-new infrastructure planning and investments going forward.

The Public-Private Infrastructure Resilience Accelerator in Africa addresses key barriers to integrating adaptation and innovative NbS solutions in infrastructure projects financed by multilateral development banks and other development partners. Climate risk is not currently priced and integrated adequately into project valuations and designs. Project tenders from construction companies that integrate adaptation and innovative NbS solutions are often priced out of infrastructure tenders because adaptation and NbS can cost more upfront, even though they generate higher returns in the longer term. GCA's inputs help ensure that these solutions are included in tender documents.

The Public-Private Infrastructure Resilience Accelerator achieves this by delivering three core products to integrate adaptation and resilience into investment project design: rapid climate risk assessments for the project assets and their surrounding landscape; adaptation and resilience design and investment options appraisals that price the costs of benefits of potential interventions, including NbS; and transaction advisory support to allocate climate risk within the financing plan for the project.

Projects Initiated in 2021

\$380 million Desert to Power G5 Sahel Financing Facility This flagship project launched by the AfDB will finance renewable energy investments in Burkina Faso, Chad, Mali, Mauritania, and Niger. GCA will bring cutting-edge climate analytics to strengthen adaptation and resilience measures in designing solar assets, operations, and transmission systems. GCA's support will ensure more than 500 MW of solar generation capacity is climate resilient, facilitating electricity access to some 695,000 households.

\$100 million Port of Banjul Fourth Expansion Project in the Gambia Upon request from AfDB and the Gambia Ports Authority, GCA will assess climate risk for the port assets while looking further upstream for potential hazards driven by climate change impacts in the catchment area of River Gambia. NbS interventions will be prioritized in the project design.

[GCA News here](#)



\$97.24 million Scaling Up Renewable Energy Program (SREP) In Ghana, GCA's national infrastructure risk and resilience assessment identified districts where there is a need to shift energy generation from traditional biomass, which is vulnerable to changing climate conditions, to more resilient energy systems. The analysis identified solar mini grids as a solution to help build the resilience of communities. GCA is working with the AfDB on Scaling Up Renewable Energy Program (SREP) to prioritize districts and communities that are most vulnerable, while at the same time providing technical support to ensure the physical assets are resilient.

[GCA News here](#)

2. National Infrastructure Risk and Resilience Programs

Making individual assets resilient to climate change is a critical priority, but countries also need to ensure that resilient infrastructure translates into resilient infrastructure services. This requires assessing how climate change will impact interconnected infrastructure systems at a national scale and to prioritize investments not just based on the cost of direct damages to assets but also to quantify how these damages affect people and services.

The Enhancing the resilience of Ghana's infrastructure systems project, in collaboration with the Ministry of Environment, Science, Technology and Innovation (MESTI) of Ghana, UNOPS, Oxford University and UNEP, continued its assessments in 2021. This national infrastructure risk and resilience program is helping Ghana to prioritize adaptation investments by modelling the systemic risk of climate change on infrastructure networks to quantify adaptation needs, and already influencing investments on the ground.

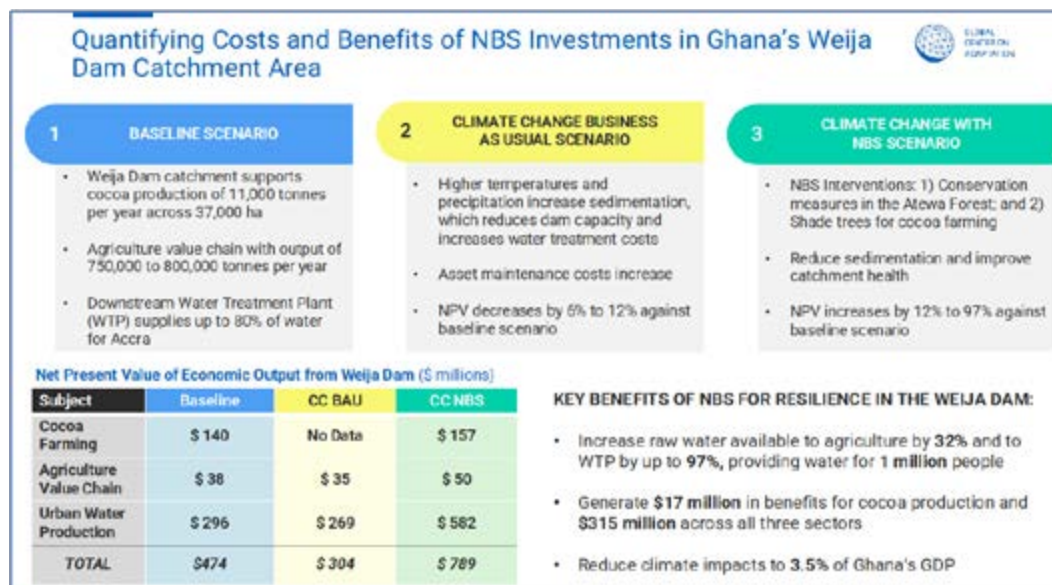
3. NBS Investment Innovation Program

Quantifying NBS in the Weija Dam catchment, Ghana. Implementing NbS at scale requires developing the investment case for public and private stakeholders by identifying potential financial and economic returns on investments and environmental co-benefits. GCA's ongoing programs are already focused on developing these investment models. In Ghana, for example, in 2021, GCA analyzed the costs and benefits of upstream NbS investments in cocoa farming in the Weija Dam catchment area, with the broad goal of developing a transaction model to drive investments in NbS at the national level.

[GCA News here](#)



Key benefits of NbS for resilience in the Weija Dam:



GCA's work on Water for Urban Growth and Resilience is crucial to accelerating adaptation and climate resilience worldwide. In 2021, work focused primarily on the Africa Infrastructure Resilience Accelerator pillar of the AAAP. Through the innovative subprograms and activities launched in 2021, this program is leading the way towards a water resilient future in Africa and around the world.

The City Adaptation Accelerator supports cities and countries in strengthening their water-urban adaptation and resilience outcomes by strategizing, prioritizing, and planning for resilience building to provide an improved understanding of key climate risks. This information is then used to mobilize investments and strengthen institutional capacity building. The City Adaptation Accelerator works to understand and provide solutions to the increasingly complex challenges faced by cities in the developing world. This new reality calls for enhanced coordination among multiple line ministries, departments, and sector colleagues, by stepping away from singular solutions. For example, disaster risk response, flood risk management, and integrated water resources management will need to be increasingly merged in their approaches.

In 2021, GCA developed and launched enhanced tools to support African cities to strengthen adaptation strategies, working both with MDB partners and municipalities in the following projects:

Rapid climate risk assessments Four city assessments were initiated in 2021 to complement urban diagnostics carried out by AfDB in Antananarivo in Madagascar, Bizerte in Tunisia, Conakry in Guinea, and Libreville in Gabon that did not previously fully address climate risks. The support provided to the four cities focuses on better understanding climate risks and will inform project identification. The rapid climate risk assessments will ensure that climate resilience building is mainstreamed into investment projects from the initial stages.

Accra Climate Hazard and Risk Assessment This climate assessment supported a risk-informed urban planning process for the Accra Metropolitan Assembly region, focusing on flood risk. The assessment was undertaken in close collaboration with the Accra Metropolitan Assembly Resilience Unit, the Department of Spatial Planning, and the Department of Physical Planning. The purpose of the assessment was to conduct a comprehensive flood risk assessment

and then formulate recommendations, guidelines, and proposals for spatial planning. Expected outcomes include a clear assessment of coastal erosion and flood risks and a framework to implement spatial planning in Accra to guide action at different levels of government.

N'Djamena Urban Resilience Project GCA is supporting a World Bank financed \$150 million project by providing technical assistance including a gender vulnerability assessment, a prioritization study of green infrastructure options for flood risk reduction, and a local community engagement strategy. Future growth scenarios for N'Djamena will be developed incorporating future flood risk, with infrastructural investments - both green and gray - being stress tested to understand flood impacts on services and people, not just on assets. The local engagement strategy will offer suggestions on integrating community involvement at key points in the project cycle, while considering other socially significant factors such as gender, youth, internal displacement and refugees.

Water Supply and Sanitation Program - Phase III (WSSP III) Uganda

- This \$80 million project will provide higher quality and safer water and sanitation services to approximately 700,000 in small towns and villages in Uganda. GCA contributions focus on building climate resilient water services through program components that were identified by the Government of Uganda. Being cognizant of the lessons learned in the previous phase of the project, catchment restoration and protection investments were identified as critical aspects for sustainability and resilience. These investments will contribute to conserving water resources, to carbon sequestration and in the mitigation of climate related hazards such as droughts, floods, and landslides. GCA's contribution will also provide technical assistance to increase the flood resilience of critical assets for the planned water services.

Locally Led Adaptation

Local communities on the frontlines of climate change are often armed with traditional knowledge and innovative



climate adaptation solutions. However, they often do not have a voice on matters that affect them the most and lack the necessary resources to take effective action. Locally led adaptation can unlock, support and leverage the enormous potential and creativity of individuals and communities to develop solutions based on their experiences with local manifestations of climate change impacts. As a result, adaptation action can be more effective, and more accountable to communities.

GCA's Locally Led Adaptation team started work in 2021 on a Toolkit for Locally Led Action in Urban Informal Settlements. The project will produce a toolkit and 10 training videos, based on the experience in Mukuru, an urban informal settlement in Nairobi, Kenya. A Special Planning Area approach was initiated

in Mukuru in 2017 to engage the residents in a community-wide, iterative planning process for the provision of basic services, while reducing the need for relocation of residents to a minimum. This approach is widely recognized as a successful locally-led model for local organization and representation in all stages of planning multisectoral interventions for resilience building.

GCA also signed a Partnership Agreement with Akiba Mashinani Trust, one of the lead organizations involved in Mukuru, to hold training workshops in three cities in Africa, and to organize exposure visits to Mukuru. The training workshops and exposure visits will be aimed at city governments and stakeholders interested in replicating the Mukuru planning approach in their cities.

D. YOUTHADAPT - YOUTH FOR ENTREPRENEURSHIP AND JOB CREATION IN CLIMATE ADAPTATION AND RESILIENCE

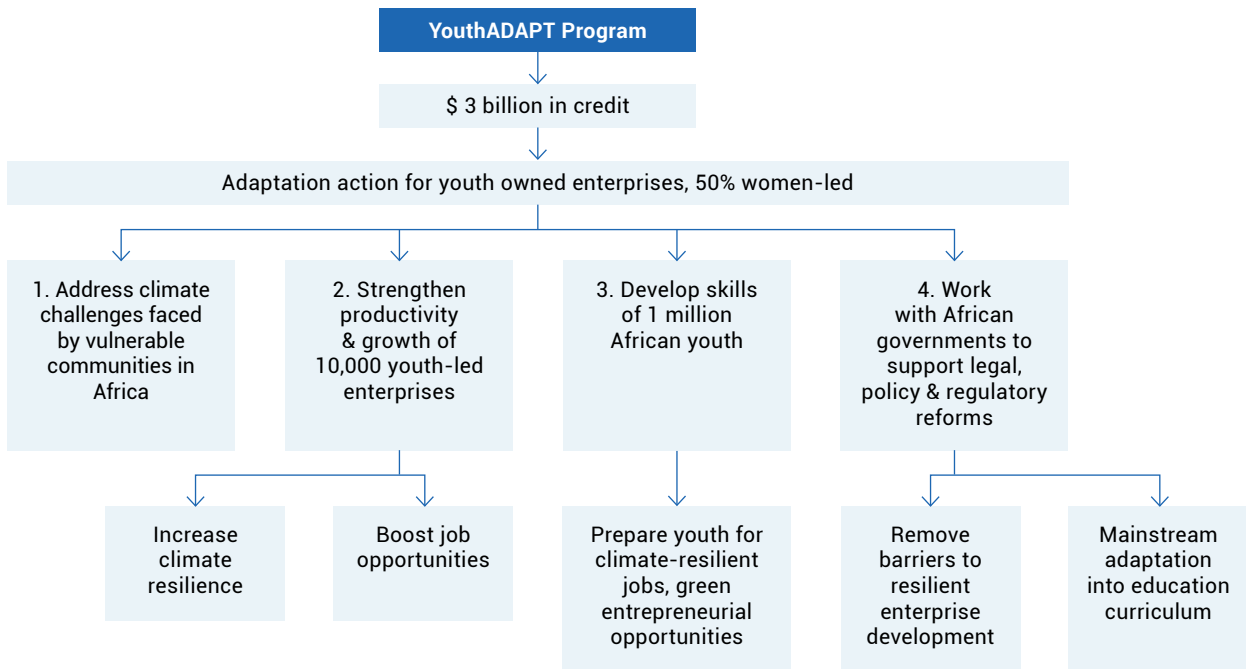
There are 1.8 billion young people living in the world today, with 90% of them living in developing countries. Youth will obviously bear the brunt of the climate emergency and no more so in Africa, a continent where 60% of the population is under 24 years of age, and a third aged between 15 and 34 years, the challenge is particularly acute.

Africa's burgeoning population, estimated at over 1,340 million in 2020, is the youngest in the world. Moreover, Africa's youth population is rapidly growing and expected to double to over 830 million by 2050. Most of those young people will join the labor market by 2030, where they will face both unemployment and underemployment, the main development challenges facing the continent. It is estimated that nearly 50% of active youth will be unemployed, discouraged, or economically inactive by 2025.

Climate change further exacerbates these dynamics through the devastating effects of the slow onset of changes upon agricultural activities, the major source of employment

on the African continent. It is estimated that around 86 million Africans will be forced to migrate within their own countries by 2050 because of changing weather patterns. However, climate adaptation presents an opportunity to equip Africa's significant youth population for new green jobs. This opportunity drives the youth pillar of GCA's work.

This AAAP pillar promotes innovation and inclusive growth for young people (aged 18-35) in climate-resilient jobs and through youth enterprise development, unlocking \$3 billion in financing for youth-led Micro, Small and Medium-sized enterprises. The program supports creating enabling environments to invest in youth, scaling up youth innovations for climate adaptation action - of which 50% are women-led, building youth capacity for employability and mainstreaming adaptation jobs into key investment projects.



Youth Adaptation Solutions Challenge

In September 2021, GCA launched the African Youth Adaption Solutions Challenge (YouthADAPT) to inspire and support youth-led adaptation solutions. The challenge aimed to harness the entrepreneurial spirit that Africa’s young people continue to demonstrate towards creating solutions that the continent urgently requires.

GCA received more than 2,000 applications from 45 African countries. 15 winners were selected during an official awards ceremony at COP26 in Glasgow. Each winner received a \$100,000 grant to further expand their solutions and business support through a 12-month accelerator program. The cohort of winners reflected a gender balance with over 50% representation of female-led businesses.

The challenge attracted the World Bank’s Climate Investment Fund (CIF) as a new AAAP partner. The CIF hired a full-time staff to support the implementation of the YouthADAPT Challenge. The winners of the challenge are currently receiving mentorship, training and up to \$100,000 each in cash grants to scale-up their adaptation solutions. The Challenge was co-funded by GCA and AfDB’s Youth Entrepreneurship and Innovation Multi-Donor Trust Fund and the GCA.

[GCA News here](#)

WINNERS OF THE 2021 YOUTH ADAPTATION SOLUTIONS CHALLENGE:



General Dealers Limited, Zambia (led by Mipulu Kabani, Miama) is currently working with 1,250 farmers to promote the production of hydroponic millet fodder for small-holder farmers to feed their livestock.



Kimplanter Seedling and Nurseries Limited, Kenya (led by Carolyne Mukuhi Mwangi) propagates drought-resistant seedlings at affordable prices and helps farmers improve productivity despite harsh climatic conditions.



Irri Hub Ke Limited, Kenya (led by Eric Bosire) supplies and installs climate-smart irrigation technology including drip irrigation options, eco-friendly water harvesting options, mulching technology, and farm planning services.



Soupah Farm-en- Market Limited, Nigeria (led by Ifeoluwa Olatayo) revolutionizes the way fresh food is grown and distributed, reducing the amount of fossil fuel used by localizing production and through rooftop farming, which also reduces the need to use excessive and harmful packaging materials.



Simkay Green Global Ventures, Nigeria (led by Rejoice Amarachi Usim) enables farmers to grow a large number of crops in a relatively small space by taking advantage of the vertical growth of plants through the innovative Vertical Sack Farming method, a low-cost technology for planting crops on the sides and tops of large sacks of soil.



Bleaglee Waste Management Limited, Cameroon (led by Juveline Ngum Ngwa) uses technology through drones to tackle the challenge of poor waste disposal that has been the major cause of clogging leading to flooding in western Cameroon.



Mumita Holdings Limited, Cameroon (led by Matiedje Nkenmayi Gislaine) produces African indigenous vegetables using greenhouse technologies and the implementation of irrigation systems to support year-round production.



Salubata Technological Innovations Limited, Nigeria (led by Fela Akinse) collects and converts plastic waste into customized shoes. The company also commits 5% of its profits to empowering women in local communities.



Sustainable Builders, Zambia (led by Weluzani Joseph Thole) supports the development of a conducive environment for farmer behavior change towards a more diverse range of production options, resulting in increased output and productivity, while addressing critical food security issues.

Vanilla Comores SARL, Comoros (led by Misbahou Abdou Ali) is involved in agricultural production, distribution and export of products intended for consumption and food flavoring, cosmetics and pharmaceuticals. They grow vanilla bourbon, ylang-ylang and clove trees for export, produce vegetable products and food crops in large quantities to help reduce hunger in the country.

INNOV Tech, Benin (led by Ezin Bienvenue) supplies organic fertilizers, natural pesticides and monitoring support advice to farmers to promote sustainable and climate resilient farming.

Initiative Noah for Africa, Central African Republic (led by Mbombate Yazouangbo Stephanie) The business focuses on improved market gardening activities as well as improved manual cultivation through semi-mechanized methods.

IPREN Smart'o, Niger (led by Sani Laouali Addoh Chafi) promotes the effective management of crop water, reducing the excess use of water in agricultural production thanks to intelligent irrigation technology and adaptation to renewable energies.

Global Farms and Trading Company Limited, Ghana (led by Tahiru Jamila) seeks to increase food security, alleviate poverty, conserve biodiversity, and safeguard ecosystem services through the practice of conservation agriculture.

Kivu Green Corporation, Congo (led by Chris Ayale) is a web-mobile and SMS-USSD platform that helps farmers decide when and how to plant crops, and how to select the best seeds for a given location using climate and weather data. It connects producers to available markets and agricultural information including market price and weather.



Mainstreaming Adaptation Jobs into MDB Projects

GCA is working with Multilateral Development Bank (MDB) partners to identify opportunities to create adaptation jobs within ongoing projects across Africa. The primary focus of this work in 2021 was as part of the AAAP's YouthADAPT Flagship Program with the AfDB. The goals of the Program are to unlock \$3 billion in credit for adaptation action for innovative youth-owned enterprises (50% women-led) that will address on-the-ground climate challenges faced by vulnerable communities in Africa; directly strengthen the productivity and growth of 10,000 youth-led enterprises to increase climate resilience and boost job opportunities; develop the skills of 1 million African youth to prepare them for climate resilient jobs and green entrepreneurial opportunities; and work with African governments to support legal, policy and regulatory reforms and remove structural barriers to create an enabling environment conducive for resilient enterprise development and mainstream adaptation into education curriculum.

For example, GCA is supporting the AfDB and Nigeria on the \$620 million Investment

in Digital and Creative Enterprise Program. The key objective of this project is job creation for youth in the technology and creative sectors. GCA supports the project through the identification of opportunities to create climate adaptation-aligned jobs. The projected target is to achieve at least 30% of total jobs identified and created, to be focused on climate adaptation. This target translates into 165,600 direct jobs and 1,674,000 indirect jobs created over a five-year period.

The scale of MDB projects provide a significant opportunity for job creation, and position them as suitable vehicles to mainstream adaptation jobs. GCA's aim is that 30% of the total jobs created through partner MDB projects will be in climate adaptation. This translates into millions of jobs for youth on the continent. This is supported by a partnership with the ILO to create a guide to provide policy and practical guidance on how MDB projects can be designed, structured, and monitored to maximize their adaptation job outcomes. The guide will include a typology and a framework for identifying and measuring adaptation jobs, better measurement of adaptation jobs in specific activities and projects, and a skills development framework for adaptation jobs.

E. INNOVATIVE FINANCIAL INITIATIVES

Adaptation finance gained momentum from 2019 to 2020, increasing by 53% to an annual average of \$46 billion from \$30 billion from 2017 to 2018. However, adaptation still accounts for just 7% of total climate finance and almost all adaptation finance is funded by public actors. The Innovative Financial Initiatives pillar of the AAAP is designed to develop and implement mechanisms and instruments that will raise finance for adaptation actions in Africa.

This pillar aims to make substantive headway toward closing the adaptation finance gap and building the capacity of African countries to access adaptation

funds. The initiative supports the design of innovative public and private financial instruments such as resilience bonds and debt-for-resilience swaps, aggregation mechanisms for adaptation investment assets, and monetization of adaptation benefits.

Climate adaptation earns higher returns than traditional investments, delivering worth between two and ten times the original cost – therefore, the smart money is in adaptation. This is because of its capacity to deliver a 'triple dividend' of avoided losses, economic growth and social and environmental benefits. Yet,

money is not flowing at the required pace or scale and there is an urgent need to change the way investment decisions are made to account for climate risks, scaling up and deploying public finance more effectively, scaling disaster risk finance and insurance, as well as harnessing private capital for resilience.

INVESTING IN ADAPTATION YIELDS

AVOIDED LOSSES



ECONOMIC BENEFITS



SOCIAL & ENVIRONMENTAL BENEFITS

= A TRIPLE DIVIDEND

Source: Adapted from ODI, GFDRR, and the World Bank

Technical Assistance Program to Access and Leverage Climate Finance

GCA's Technical Assistance Program to Access and Leverage Climate Finance (TAP) is designed to be a core implementation vehicle of the AAAP. TAP will enhance the access to climate funds allowing African governments to blend public resources through innovative financial instruments in an enabling financial ecosystem. TAP pools efforts with other GCA programs to concentrate interventions in the same countries where relevant and possible.

Guided by a core principle of enhancing country ownership and country-driven processes, TAP strengthens the role of national designated authorities (NDAs) and focal points (FPs) play. The program provides catalytic support to continuously expand and strengthen direct access and promote high-impact adaptation projects

and programs. TAP's main activities include technical assistance to develop concept notes and funding proposals for the Green Climate Fund through Direct Access Entities and International Accredited Entities; climate change expenditure reviews for project identification; developing customized financial solutions or feasibility studies; and support for Green Climate Fund accreditation processes. In 2021, the first cohort of four countries, the Democratic Republic of the Congo, Niger, Nigeria, and Burkina Faso, received support for accreditation or accreditation upgrades. At the same time, project ideas were progressively developed into Concept Notes and Funding Proposals for the Green Climate Fund.

Financial Innovation for Climate Adaptation in Africa

In 2015, climate risk was elevated on the agendas of international financial regulators and supervisors after the Bank of England outlined the connection between climate change and related impacts on economic systems, financial markets, and their stability. Matching this global increase, there has been an increased awareness of climate-related financial risk for Africa in recent years.

The climate crisis in Africa has become more alarming due to the Covid-19 pandemic. To kick-start a green and resilient recovery, African financial systems require realignment with this purpose, to ensure investment, banking, and insurance are closely aligned with national and global commitments to sustainable development, climate change, and human rights and deliver a prosperous, equitable and inclusive economy for all Africans. GCA is supporting African partners on this agenda by facilitating the development and implementation of new finance instruments and guarantees focused on climate adaptation and resilience.

3.2 GCA BANGLADESH

In 2020, GCA launched its South Asia Regional Office in Dhaka to function both as the platform for general adaptation action in the region, and as a Global Hub on Locally Led Adaptation. The regional office works with and supports South Asian governments, city mayors, business leaders, investors, communities and civil society in accelerating and scaling effective adaptation solutions to tackle the climate emergency.

During 2021, GCA engaged with potential partners to identify priority programs on which the regional office should initially focus its efforts. The office approaches its work through both supporting existing in-country programs and knowledge sharing of Bangladesh's programs with other countries in the region and around the world. GCA secured a foundational partner for the office in the United Kingdom's Foreign, Commonwealth, and Development Office. In alignment with supporting the government of Bangladesh's Presidency of the Climate Vulnerable Forum, three priority areas were identified: designing a Global Hub on Locally Led Adaptation; Nature-based Solutions for resilient infrastructure at the national and sub-national levels, including urban centers; and, expanding access to adaptation finance, particularly for Small and Medium-sized Enterprises (SMEs).

The GCA Global Hub on Locally Led Adaptation (LLA) will be a global center of excellence. The regional office was chosen to host the Global Hub because South Asia in general, and Bangladesh specifically, is already a leader among developing countries in paving the way for empowering and enabling local communities and individuals to address local challenges. Both have progressed considerably in previous decades towards developing more robust systems for local governance and devolved budgetary allocation as part of poverty reduction efforts and have very strong civil society and grassroots organizations, with a long and rich history of promoting devolved and community-based action. The Hub

will advance the knowledge and solutions agenda for locally led adaptation through knowledge acceleration, capacity building, agenda setting and advocacy efforts, and support to increase quantity and quality of climate finance available at the local level.

Lessons from GCA's experience with LLA in the informal settlement of Mukuru in Kenya are already informing GCA's activities in other countries, including a partnership with Bangladesh Rural Advancement Committee (BRAC) in Bangladesh to model and scale up efforts to build climate migrant-friendly cities in this country. Bangladesh has been described as an "internal migration pressure cooker", with catastrophic weather events speeding up the flow of migrants into urban centers. Most migrants move to Dhaka, one of the fastest-growing megacities in the world, with a population in 2021 of more than 21 million. As a result, Dhaka faces the challenge of overcrowding. Over a third of the population lives in slums, which, in addition to lacking basic services, are extremely vulnerable to both slow onset and extreme climate events. An important strategy identified to relieve the pressure on Dhaka is to make smaller towns in Bangladesh more climate migrant-friendly, by equipping them to cope with an expanding population, through the provision of jobs and public services, and at the same time making them models of disaster management, adaptation, and resilience.

Building on this initial work, GCA is designing the structure and deliverables of the Global Hub on LLA based out of the regional office in Bangladesh. In addition to scaling up LLA through existing development and climate investments by governments and international organizations, the Hub will host a high-level GCA Local Adaptation Champions Award, which aims to reward and spotlight innovative, exemplary, inspiring, scalable, and locally-led efforts that address the impacts of climate change and build effective climate resilience among the most vulnerable communities, sections of society, and individuals who are at the frontlines of climate

change. In addition, GCA is launching a two-track training media module, in partnership with Thomson Reuters Foundation, for journalists and changemakers to increase coverage of local climate impacts and solutions, and to generate material for a LLA Knowledge Platform that will be part of the Global Hub on LLA. GCA has launched a Call for Partnerships to collaborate with other organizations working on LLA, mainly in the context of knowledge sharing to scale locally-led efforts.

Nature-based Solutions (NbS) are a cost-effective adaptation solution that generate direct financial benefits, while at the same time yielding benefits for nature. However, this has traditionally been an industrialized country paradigm. Scaling up NbS in countries like Bangladesh requires sharing knowledge about NbS in a way that directly demonstrates the impact on the bottom line: quantifying and structuring the investment case for public and private stakeholders by identifying potential financial and economic returns on investments, and environmental co-benefits. Every \$1 invested in NbS has as much as a \$9 return, and GCA's NbS Program seeks to realize that benefit in developing countries where GCA works.

In July 2021, GCA started working with the Government of Bangladesh on the Climate-Resilient Infrastructure and NbS Assessment. This national infrastructure program in Bangladesh, developed in collaboration with UNOPS, Oxford University and the Center for Environmental and Geographic Information Services (CEGIS) as local partner will assess climate risks to infrastructure and inform the implementation of national strategies and plans. GCA signed an MoU with the Economic Relations Division of the Ministry of Finance of Bangladesh and is implementing this project jointly with the Ministry of Environment, Forest and Climate Change.

Adaptation Finance: Countries across the South Asia region have a strong track record in domestic financing for climate adaptation and building resilience into cross-sectoral and financial planning. GCA's emerging work program on climate finance in Bangladesh will leverage existing work

and past experiences in enhancing common objectives around adaptation finance. GCA will build on the impressive track record of the Government of Bangladesh to access climate finance at the national level to deepen the capacity at the sub-national levels, both public and private. As 90% of private enterprises in Bangladesh are SMEs, accounting for 25% of the total labor force and contributing to 25% of its GDP, they are a crucial part of Bangladesh's private sector. GCA will support the development of adaptation in SMEs to provide the breakthroughs in adaptation while ensuring the resilience of SMEs that is crucial for Bangladesh's prosperity.

Supporting the Presidency of the Climate Vulnerable Forum: In 2021, in its role as Managing Partner of the Climate Vulnerable Forum (CVF) and Vulnerable 20 Group (V20) Secretariat, GCA supported the Bangladesh presidency of the CVF, the "Troika" coordination group, and members of the CVF and its finance minister's group, the V20, through assistance, communications, research and partnership development.

Shaped by the outcomes of four CVF Regional Dialogues held at the Ministerial level in Asia, Pacific, Africa and the Middle East, and Latin America and the Caribbean in 2021, followed by the global Senior Officials Meeting held under the Chairmanship of Bangladesh, the CVF High-Level Leaders' Meeting at COP26 was held in Glasgow. The CVF Heads of State and Government who attended COP26, together with CVF leaders from Africa, Asia, the Caribbean, Latin America and the Pacific, and partner states' leaders and heads of organizations joined the meeting. The meeting considered the entire work of the Forum and delivered a "Dhaka-Glasgow Declaration of the CVF", articulating the interests, efforts and expectations of the members from COP26 and beyond. It covered the full spectrum of the CVF's fields of activity from national implementation priorities and internal CVF business.

For more information on GCA Bangladesh's support to the work of the Presidency of the Climate Vulnerable Forum please view the **Strategic Partnerships** section.

3.3 GCA CHINA

Three years after launching its regional office in Beijing, GCA has supported the government and people of China in accelerating adaptation action and learned and shared China's adaptation lessons with the world. In January 2021, the Vice Premier of China, Han Zheng, participated in the Leaders' Dialogue of the Climate Adaptation Summit and Minister Huang Runqiu of the Ministry of Ecology and Environment (MEE) of China, participated in the Ministerial Dialogue convened by GCA. The government of China restated its commitment to the adaptation agenda, when Minister Runqiu participated in the Board meeting on 17th June 2021 and in the Friends of GCA High-Level Dialogue on 6th September 2021. In his remarks, the Minister acknowledged GCA's solid progress and the China office's support to MEE China's adaptation actions.

In 2021, GCA China focused on building on this political support through the following:

Support to the development of China's National Climate Change Adaptation Strategy 2035

Since 2020, GCA has been the designated international organization providing support in the development of China's National Climate Change Adaptation Strategy 2035 through various activities including the systematic compilation and analysis of national adaptation strategies globally to serve as references, a substantive review of the initial draft and active participation in international consultations.

In 2021, foundational work was started to support the development of other national policies as part of China's 14th Five-Year Plan from 2021-2025, including the national climate risk assessment guideline and climate-resilient pilot city policies.

Support to Beijing's Water Ecological Restoration Strategy and Plan

As requested by the Beijing Water Resources Planning and Design Institute (BWSTI), in 2021 GCA's China Office started working with GCA's Water and Urban Team to support local partners BWSTI and the Beijing Academy of Urban Planning and Design (BJGHY) in developing the Beijing Municipal Ecological Restoration Strategy and plan for implementation.

With the objective of informing a fit-for-purpose restoration model and effectively sharing this experience with global cities, GCA has been conveying relevant international practices in urban restoration and urban resilience by organizing a series of ongoing technical roundtables for knowledge exchange with international experts and practitioners and documenting and developing communication products for dissemination to global audiences.



4. KNOWLEDGE ACCELERATION

Effective knowledge management and creation is a prerequisite to successfully understanding climate adaptation and taking adequate action. GCA's research approach is to strengthen the understanding of how climate adaptation can facilitate and remove impediments to sustainable development, providing practical research that can be applied by policymakers and those designing and implementing programs. GCA recognizes the importance of traditional knowledge from sources such as indigenous peoples and local knowledge systems. GCA's dedicated research and innovation team leads the work under this pillar. Linked to the University of Groningen in the Netherlands, GCA accelerates the application of knowledge to adaptation by facilitating knowledge sharing, effective knowledge management and leading academic research where gaps in knowledge exist.

4.1 STATE AND TRENDS IN ADAPTATION REPORT

The [first volume](#) in the State and Trends in Adaptation report series, 'Building Forward Better from Covid-19: Accelerating Action on Climate Adaptation' (STA20), was published as part of the Climate Adaptation Summit in January 2021. It examined in detail the intertwined effects of the Covid-19 pandemic and climate change and analyzed how these affect the prospects and ability of countries to recover. In every region analyzed in the report, strategies, processes, and solutions were identified that have the potential to be scaled up and replicated elsewhere. In particular, the report highlighted how smart adaptation strategies can contribute to better health outcomes, environmental benefits, and economic recoveries, and – at the same time - strengthen resilience against future systemic shocks.

The [second volume](#) 'How Adaptation Can Make Africa Safer, Greener and More Prosperous in a Warming World' (STA21), was launched ahead of COP26 by President Kenyatta of Kenya in October 2021 at the University of Nairobi. The report undertook a deep dive on climate change impacts in Africa and their drivers, proposing innovative adaptation and resilience ideas, solutions, and policy recommendations on the way forward. Co-directed by Ede Jorge Ijjasz-Vasquez, Jamal Saghir and Ian Noble, the STA21 was unique in two respects. First, it was the most comprehensive, in-depth review of the impacts of climate on the African continent, lessons learned, and policy recommendations. Second, it was produced by a large coalition of knowledge partners and organizations bringing their best expertise from diverse technical and policy perspectives.

STA21 offered a blueprint for how governments, individuals, institutions, and international organisations in the African and international policy space can finance, design, and implement adaptation plans to best protect the lives and livelihoods of millions of African people from such disruptive change. The main message of the STA21 report is that adaptation is not just a vital imperative, it also represents a major opportunity to solve previously intractable problems and put Africa on a more resilient path. Some of the key findings and recommendations of STA21 included:

- Even if the Paris Climate Agreement goals are achieved, the economic costs of climate change in Africa are projected to be large. It is likely that Africa will experience higher relative impacts (as a percentage of GDP) than most other world regions.
- The level of climate change in the next 20 years for Africa is already locked in, and the economic impacts it will cause can only be reduced by adaptation.
- There is a pressing need to accelerate finance for climate adaptation in Africa over the coming decade. The Nationally Determined Contributions (NDCS) of 40 African countries cumulatively show a need for an estimated \$331 billion in investment for adaptation through 2030, with about 20% of this sum coming from their annual budgets.

- Early adaptation has high benefit-to-cost ratios (BCRs). Weather and climate information services investments in Africa have a BCR varying between 4 to 1, and 25 to 1, depending on the region. Capacity-building and institutional strengthening in Africa have some of the highest BCRs around 10 to 1.
- Climate change is already stalling progress towards food security in Africa, interacting with multiple other stresses and shocks, including inequality, conflict, and the Covid-19 pandemic. A 3°C trajectory will cause catastrophic disruption to African food systems within the next 30 years. A 1.5°C trajectory provides more options for adaptation of African food systems, but still demands urgent action.
- For Sub-Saharan Africa, the cost of action on climate adaptation of agriculture and food systems is less than a tenth of the cost of inaction: \$15 billion compared to \$201 billion per annum.
- The early stages of urbanization in most Sub-Saharan African cities provide a unique opportunity. African cities can undertake a range of adaptation opportunities that require fewer financial resources and can generate immediate and significant benefits or set up the planning basis for enhanced adaptation measures as part of their post-Covid-19 recovery.
- If adaptation measures are taken now, the projected negative effects on youth in 20-30 years could be reduced. This would benefit African youth during their peak earning years and beyond.

Over half a million people accessed the STA21 report in the GCA website before the crucial discussions in Glasgow, and three million people were reached through our outreach efforts. These efforts continue through a series of technical seminars, blogs, the preparation of an e-learning course, and the engagement through the GCA's Adaptation Communities of Practice.

STA21 partners: The African Development Bank, the Agence Française de Développement, the Akiba Mashinani Trust, the Bill & Melinda Gates Foundation, Commonwealth Scientific and Industrial Research Organisation, the Consultative Group for International Agricultural Research, Climate Policy Initiative, the Food and Agriculture Organization, the Federal University of Technology, (Akure, Nigeria), the Foreign, Commonwealth and Development Office, the International Fund for Agricultural Development, the International Labour Organization, the International Union for Conservation of Nature, South South North Precision Development, Tree Adoption Uganda, Kampala, Uganda, the United Nations Development Programme, the United Nations Economic Commission for Africa, the United Nations Environment Programme, the United Nations Economic and Social Commission for West Asia, the University of Botswana, the University of Pretoria, the World Bank Group, the World Health Organization, the World Meteorological Organization, the World Trade Organization and the World Wildlife Fund.

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4.2 STATE AND TRENDS IN ADAPTATION – KNOWLEDGE EXCHANGE (STAKE)

The State and Trends in Adaptation Knowledge Exchange (STAKE) online platform makes data, information, and learnings on climate change adaptation both accessible and actionable to all. It aims to engage policymakers, experts, community leaders and all other stakeholders. The Adaptation Gateway section of the website provides data visualization, systemized solutions, analyses, and insights on the state and trends of climate change resilience and adaptation.

The State and Trends in Adaptation Knowledge Exchange Platform was launched in January 2021.

In the course of 2021, the information available on the platform has increased significantly, both in depth and variety. The interface has been further improved for a more user-friendly experience and additional feature and content added. For example, a Nationally Determined Contributions (NDCs) updates tracker has been added and country profiles available for every country. Interactive maps were added to showcase data on climate finance, in collaboration with OECD, and on climate risk, showing IMF data. More than 300 Adaptation Projects published, covering every country in Africa. Further features to facilitate this knowledge included an e-learning



environment incorporated into STAKE including several GCA-developed courses, dedicated visual presentations of the State and Trends in Adaptation

reports, and hosting an updated and improved Water Adaptation Community site.

The Water Adaptation Community (WAC) is a unique multi-stakeholder platform that brings together people and knowledge on water climate adaptation, and facilitates cross-learning, scaling up, and accelerating water adaptation. The WAC works in a strategic way to identify burning adaptation issues across geographies and builds knowledge on how to [mainstream water adaptation](#), supporting resilient water governance. The WAC is breaking new ground by exploring this innovative topic by consulting with experts and innovators around the world. A long-term aim is to be able to provide a solid offering for capacity development, serving as a one-stop shop on water adaptation for planners and decision-makers.

WAC's Web Platform From August to November 2021, WAC's [online web platform](#) – part of the STAKE platform – was redeveloped and launched to enable collaboration and knowledge building. A rapidly growing number of articles and case studies are continuously added to the web platform to continue building knowledge on water adaptation mainstreaming.

The WAC works as a broker with full flexibility to identify the best and most innovative solutions through exchanges and meetings across the network. The online platform offers free registration and brings together seven different [Communities of Practice](#) about innovative and important topics, such as Nature-based Solutions, floating development, water and culture, and the world's river deltas. These communities connect to existing networks from all over the world to add value rather than duplicate networking. Several meetings and exchanges have taken place as part of the Communities of Practice to help solve real adaptation issues and broker solutions.

A seven-minute presentation [video](#) was produced about the WAC and launched at COP26 in November 2021.

4.3 DELIVERING RESEARCH FOR IMPACT

During 2021, GCA worked with our partners to produce and publish many other research papers and reports to inform and shape the adaptation agenda:

In January 2021, GCA published the report ["A System-wide Approach for Infrastructure Resilience"](#) in collaboration with the Asian Development Bank. The report presents key findings that support a transformation in the planning, design, financing, and delivery of infrastructure needed to meet the acute needs of a warming world. It underlines the need to move climate-resilient infrastructure planning upstream, integrated at a strategic level and the need for better use of analytical tools to understand climate risk at a systems level. It also highlights the need to prioritize resources for building resilience. Nature-based solutions for adaptation should be promoted and engineering standards improved to enhance the resilience of individual assets.

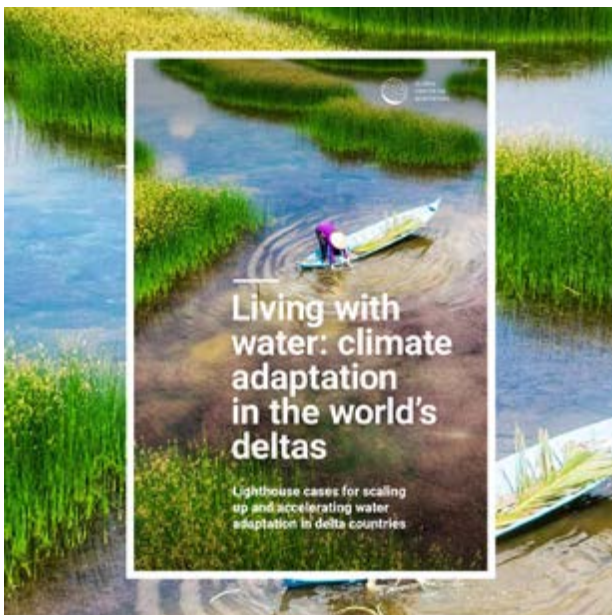
In January, GCA released ["Living with Water, Climate Adaptation in the World's Deltas,"](#) a 'lighthouse' report that brings together inspiring case studies from around the globe to galvanize governments and citizens to help the half a billion people living in delta communities who are imperiled by climate change.

To provide policymakers guidance during the developing Covid-19 crisis, ["A Green and Resilient Recovery for Latin America"](#) was published

in January 2021 in conjunction with Mexico's Presidency of the Community of Latin American and Caribbean States. The report showed that Latin America must focus on a people-centered recovery that strengthens well-being and inclusiveness. The report offered recommendations for a resilient recovery in Latin America including directing stimulus packages to focus on direct benefits to people and address infrastructure gaps to meet the Sustainable Development Goals with shovel-ready projects that mobilize investments and create jobs. It provided examples of how to improve governance and public policies aligned with strengthening resilience and addressing structural challenges, and how to leverage the financial system to mobilize private capital towards resilience. It also highlighted the importance of reducing the great inequalities that prevail in this region through initiatives such as inclusive emergency employment programs, cash transfer programs that target those who are most marginalized, and structural reforms for addressing inequality.

The technical paper ["Adaptation Finance in the Context of Covid-19,"](#) also released in January, examines the role of development finance in promoting a resilient recovery from the Covid-19 crisis.

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The [“Principles for Locally Led Adaptation Action”](#) were developed by the Global Commission on Adaptation based on a year of consultations to strengthen locally led adaptation. The Principles were published in January, and as of July 2021, over 70 organizations had endorsed them. The Principles are intended to guide the adaptation community as it moves programs, funding, and practices towards adaptation that is increasingly owned by local partners.

[“A Blueprint for Digital Climate-Informed Advisory Services: Building the Resilience of 300 Million Small-Scale Producers by 2030”](#) is a paper by the Global Commission on Adaptation published in July 2021 that discusses the role of digital climate-informed advisory services in building the resilience of small-holder producers by 2030. It puts forth key principles for good practice, an estimation of the needed investment for scaling services and preliminary ideas for targeting these investments for reaching the most vulnerable and marginalized.

In August 2021, GCA’s Youth Leadership Program published the technical paper [“Young People and Drivers and Barriers to Climate Adaptation Action”](#). This study aims to understand factors that enhance the engagement of young people in adaptation action worldwide, drawing on surveys and interviews. The study highlights perspectives of the young people in Africa who were affected by cyclones and floods to understand the impacts of extreme weather events as well as their contributions towards building resilience.

GCA’s [“Climate-Resilient Infrastructure Officer Handbook”](#) was published in September 2021 with the goal of building the upstream capacity of practitioners to integrate climate resilience into infrastructure PPPs. It identifies the key entry points across the PPP project cycle to integrate resilience and provides the necessary tools and knowledge for practitioners. The handbook was developed with the support of the Ministry of Infrastructure and Water Management of the Netherlands and in close partnership with the World Bank Group (WBG), the AfDB, Asian Development Bank, the European Bank for Reconstruction and Development, the Global Infrastructure Facility, the Inter-American Development Bank, the Islamic Development Bank, the Public-Private Infrastructure Advisory Facility (PPIAF) of the WBG, and UNOPS.

The [“Financial Innovation for Climate Adaptation in Africa”](#) report, published in October 2021, provides an overview of existing adaptation finance flows

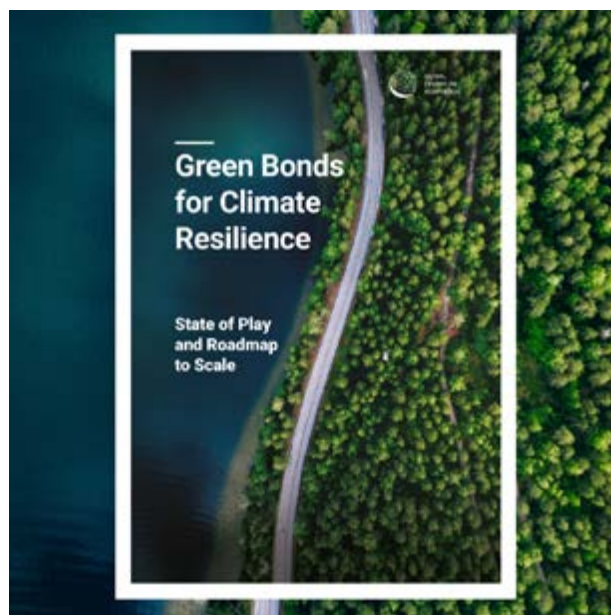
in Africa. It identifies opportunities to increase the volume and efficacy of that finance. The report assessed the state of adaptation finance and risk-finance mechanisms already available and in use in Africa and analyzed African financial market readiness for climate adaptation finance and risk finance mechanisms. In addition to identifying gaps where climate risk exists, it also proposed solutions to increase the volume and variety of capital available for Africa’s adaptation finance and risk transfer mechanisms and enable pipelines for adaptation and dual benefits projects in the region.

[“Climate risk regulation in Africa’s financial sector and related private sector initiatives”](#) was commissioned by the African Financial Alliance on Climate Change (AFAC) in partnership with GCA and the UN Environment Programme Financial Initiative (UNEP-FI), and authored by McKinsey & Company. The report, launched in November 2021, assesses the status of climate risk integration. For this purpose, 25 interviews were completed with 11 financial sector authorities covering a total of 19 countries and 14 sizeable private sector players - banks and insurers - from seven countries. Taking forward the report’s findings, AfDB will launch a capacity-building program to support financial regulators in integrating climate-related risks into policy and regulation.

[“Green Bonds for Climate Resilience – State of Play and Roadmap to Scale”](#) and its accompanying [“Guide for Issuers”](#) were launched at the Green Bonds Conference “Unlocking Trillions for a Resilient Future”



in September 2021 to deepen the understanding of the state of play of green bonds financing climate resilience-related assets, projects, and activities. The report contains an overview of the global state of green bonds with resilience-related proceeds, including highlights from Africa. The barriers to issuing resilience-related green bonds in four case study countries are identified, and recommendations on addressing them are proposed. An analytical tool, the Green Bonds for Climate Resilience Capacity Assessment Framework, has been developed to inform this analysis. Public and corporate issuers can use it to assess their internal capacity and external enablers to issue Green Bonds for Climate Resilience. A roadmap to scale up this promising tool is presented based on the research and findings. As a result of this report, GCA engaged in 2021 with the Government of Côte d'Ivoire to support them on the potential issuance of Sovereign Green Bonds in 2022, where GCA will support the adaptation components of the bond.



4.4 ONLINE COURSES AND KNOWLEDGE SHARING

Water Adaptation Community (WAC) Webinars In September 2021, the WAC launched a series of seven demand-driven online webinars that amplify key climate adaptation topics to create awareness, provide solutions, and support decision-making. In 2021, the webinars explored topics including how floating development supports climate adaptation, adaptation through large-scale NbS, and water and spirituality for adaptation. The webinars tap into programmatic work, involve relevant staff members, and inform internal discussions. As such, the Water Adaptation Community provides an important connection between GCA programs and external experts, practitioners, and the scientific community.

The Climate Resilient Infrastructure Masterclass

In 2021, GCA launched the **Knowledge Module on Public-Private Partnerships (PPPs) for Climate-Resilient Infrastructure**, a pioneering initiative to build the capacity of PPP practitioners to integrate climate adaptation and resilience into infrastructure PPP projects through a Climate-Resilient Infrastructure Handbook available as a public good. The knowledge module included a self-paced Climate-Resilient Infrastructure Officer (CRIO) Online Course, a CRIO Certification Exam accredited by APMG, and a Masterclass on Climate-Resilient PPPs.

GCA developed the module with the World Bank Group (WBG), AfDB, the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Asian Infrastructure Investment Bank (AIIB), the Asian Development Bank (ADB), the Islamic Development Bank (IsDB), the Inter-American Development Bank (IDB) and other technical partners. The first **Masterclass for Climate Resilient Infrastructure PPPs**, hosted by GCA and the World Bank in September 2021, brought together 46 global PPP practitioners from 25 countries and 15 experts on climate-resilient PPPs.

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“ As a PPP practitioner designing infrastructure PPP projects in the agro-industry sector, the Climate-Resilient Infrastructure Officer Masterclass on PPPs was very enlightening. It has enabled me to consciously integrate and incorporate climate resilience from the early stages of the infrastructure lifecycle to ensure that new and existing infrastructure is resilient and can withstand the impacts of a changing climate. In addition, this module has equipped me with the skills to identify climate change risks early on and design projects in a way that crowds in private finance as this is key to closing the infrastructure financing gap. Other key takeaways for me were understanding the difference between resilient infrastructure and infrastructure for resilience and using Nature-based Solutions for resilient infrastructure.”

- Monde Nyambe - CRIO
Principal Public Private Partnerships Investment Officer in the Agriculture Finance and Rural Infrastructure Development Department of the African Development Bank Group Headquarters in Abidjan, Cote d'Ivoire.

Capacity Building of Global PPP Practitioners

- Over 6,200 views of the webpage on the Knowledge Module on PPPs for Climate-Resilient Infrastructure
- Almost 700 downloads and over 1,000 views of the Climate-Resilient Infrastructure Officer (CRIO) Handbook
- Training of 46 global practitioners (16 women) from 25 countries in the Masterclass on Climate-Resilient PPPs
- Over 250 enrolled participants in the CRIO Online Course that took place from September to December 2021, of which 76 are women.

Open Online Course on Climate Adaptation Governance

Throughout 2020 and 2021, GCA worked with the University of Groningen - Campus Fryslân to develop two [online courses](#) in Climate Adaptation Governance. The first online course: Making Climate Adaptation Happen - Governing Transformation Strategies for Climate Change, emphasizes the implementation of adaptive governance strategies to tackle the issue of climate change, using encompassing practical examples. The second online course addresses Governing Urban Adaptation. This course aims to

give learners the necessary expertise to analyze the integrated human, ecological, and physical processes shaping climate-related risks in urban environments. The course emphasizes the governance aspects of urban infrastructure development and urban resilience. By being easily accessible, free, and tailored to specific audiences, the Massive Open Online Course provides a critical opportunity to drive awareness and build the capacity of African youth for climate adaptation. By the end of 2021, over 4,000 students had joined course one, and 1,300 students had joined course two.

Online Executive Training – Young Women Leadership on Climate Adaptation

Launched in October 2021, this virtual educational and capacity-building program aimed to respond to the climate crisis by elevating the leadership of young African women. The 20-week long comprehensive training program was tailored for young African women in influential roles leading and advocating for sustainable solutions, and building resilience to the changing climate, initially in the Democratic Republic of Congo, Egypt, Ghana, Kenya, Nigeria, and Zimbabwe. The training was organized by the Ban Ki-moon Centre for Global Citizens in partnership with CARE's Climate Change and Resilience Platform and the Diplomatic Academy of Vienna.

5. AGENDA SETTING AND ADVOCACY

GCA's role as a solutions broker is to catalyze action by influencing decision-makers within political, economic, and social systems and institutions. This includes campaigns, events, and agenda-setting research. GCA uses its convening power to bring together the most influential opinion formers and engage decision-makers at the highest levels. GCA formulates policy messages to shape and move the global, regional and local adaptation agendas forward. It builds international coalitions to promote adaptation and ensure that it is at the heart of all initiatives around climate and climate-change negotiations. GCA demonstrates that adapting to climate change is not only necessary but that it improves human well-being and leads to better and more sustainable economic development and security.

GCA's global efforts on advocacy and agenda setting have helped build the momentum for adaptation and resilience at the highest level of engagement, specifically for the AAAP flagship initiative. Working with its partners over the course of 2021, GCA organized, supported, and engaged in advocacy events that together contributed towards and culminated in high-level events advancing the adaptation agenda at COP26 at the end of the year:

CLIMATE ADAPTATION SUMMIT (CAS2021)

GCA supported the Government of the Netherlands in organizing CAS2021, the first international summit of its kind, held from 25 to 26 January 2021, where more than 30 world leaders, 50 ministers and 50 international organizations gathered with scientists, the private sector, youth leaders and almost 20,000 registered participants to drive the global adaptation agenda towards a climate resilient future.

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The Summit featured a range of 'Anchoring Events' focused on CAS 2021 Action Themes and allowed stakeholders to share best practices and coordinate actions, combining the knowledge and needs of different regions. The ten themes were:

- Accelerating African Adaptation, hosted by the Netherlands' Ministry of Foreign Affairs
- Disaster Risk Management, hosted by the International Federation of the Red Cross and the World Meteorological Organization
- Nature-based Solutions, hosted by the Governments of Canada and Mexico
- Water, hosted by the Netherlands' Ministry of Infrastructure and Water Management and GCA
- Finance and Investment, hosted by the Government of the United Kingdom and the World Resources Institute (WRI), with support from GCA
- Resilient Cities, hosted by the Cities of Rotterdam and Miami
- Locally Led Adaptation, hosted by the Government of Bangladesh
- Youth Leadership, hosted by the City of Groningen and the GCA
- Infrastructure, hosted by the Netherlands' Ministry of Infrastructure and Water Management and the Macquarie Group
- Agriculture and Food Security, hosted by the WRI and GCA

Across 27 different sessions hosted from across the globe, knowledge was shared on how to accelerate towards a climate-resilient future by 2030. Over 300 speakers shared their insights and plans, and partners from all over the world contributed 160 side events to CAS 2021.

GCA contributed to all the anchoring events with strategic guidance and coordination, while actively leading the organization of some. During the Summit GCA's work was specifically endorsed by a number of world leaders including Ali Bongo Odimba, President of Gabon, Nana Akufo-Addo, President of Ghana, Keith Mitchell, Prime Minister of Grenada, Carlos Alvarado Quesada, President of Costa Rica, Sheikh Hasina, Prime Minister of Bangladesh and Uhuru Kenyatta, President of Kenya.

Ahead of the Summit, GCA's Youth Adaptation Network consulted with upwards of a million young people from over 115 countries to collate their perspectives in the [Global Youth Call to Action](#). This call was a rallying cry to global leaders. It also sets the agenda for GCA's ongoing engagement in support of youth leadership.

GCA brought science to the global adaptation discussions. Working with our partners at Groningen University, GCA convened five Nobel Laureates and more than 3,000 scientists from over 100 countries to sign up and support the "[Groningen Science Declaration](#)". This landmark declaration presented to the world leaders at the Summit called on decision-makers and investors with specific ideas to change how we understand, plan and invest for a changing climate.

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At the political level, as part of CAS2021, GCA convened the inaugural GCA Ministerial Dialogue on Adaptation Action. Chaired by Ban Ki-moon, 8th Secretary-General of the United Nations and Chair of GCA, and featuring ministers from almost 60 countries, the Ministerial Dialogue was structured around the streams of ambition, financing and partnership. GCA Board members, including Minister Huang Runqiu and Minister Dag-Inge Ulstein, Dr. Kristalina Georgieva and Dr. Akinwumi Adesina, contributed alongside Co-Chair Feike Sijbesma and other leading global figures, including the Secretary-General of the OECD Ángel Gurría and Deputy Secretary-General of the United Nations Amina Mohamed. Seeking to build on its success, GCA was invited by the UK government to institutionalize the Dialogue as an annual platform and action-driving vehicle, with a second iteration held at COP26 in Glasgow.

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LEADERS' DIALOGUE ON THE AFRICA COVID-CLIMATE EMERGENCY

On 6th April 2021, the AfDB and GCA, in close cooperation with the office of the United Nations Secretary-General, convened the largest ever gathering of African Heads of State and Government officials focused on adaptation. At the **Leaders' Dialogue on the Africa Covid-Climate Emergency**, at which the AAAP was endorsed, more than 30 heads of state and global leaders articulated the actions needed to emerge from the Covid-19 crisis and achieve a resilient future for African citizens. With the support of the African Union Chairperson, President Félix Antoine Tshisekedi Tshilombo of the Democratic Republic of the Congo, the President of the African Union Commission, Moussa Faki, and President Ali Bongo Ondimba of Gabon, the AAAP received broad support from international partners, including UN Secretary-General António Guterres, IMF Managing Director Kristalina Georgieva, and US Treasury Secretary Janet Yellen.

'[A Global Call from African Leaders on the Covid-19-Climate Emergency and the Africa Adaptation Acceleration Program](#)' was issued following the Leaders' Dialogue. The communique issued jointly between GCA, the African Development Bank, and the Africa Adaptation Initiative, affirmed that climate resilience must be a key element of Africa's economic recovery plans by countries integrating measures to address the twin threats of climate and Covid-19. It sets out how the Africa Adaptation Acceleration Program was developed jointly by GCA and AfDB to implement the vision of the African Union's Africa Adaptation Initiative and charted a pathway to COP27 to mobilize the resources from all sources, public and private, to accelerate climate change adaptation in Africa.

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HIGH-LEVEL DIALOGUE: AN ADAPTATION ACCELERATION IMPERATIVE FOR COP26

In September, global leaders gathered in Rotterdam to participate in GCA's High Level Dialogue: "An Adaptation Acceleration Imperative for COP26". In the lead-up to delayed milestone summit on climate change, the Dialogue established that the success of COP26 would be determined by whether, for the first time, climate adaptation is elevated to an equal priority with the mitigation of carbon emissions.

With a high-level opening provided by the African Union Chairperson, President Félix Antoine Tshisekedi Tshilombo of the Democratic Republic of the Congo, over 50 leaders from the international climate and development community made it clear that COP26 needed to take decisive action to prioritize adaptation. This was laid out in a [Communique](#) from the Dialogue highlighting the urgency of balancing climate finance, of shifting the climate crisis ambition-raising exercise to a continuous process, and of investing in action-driving partnerships.

Dr. Kristalina Georgieva, Managing Director of the International Monetary Fund, Dr. Ngozi Okonjo-Iweala, Director General of the World Trade Organization, Dr. Akinwumi Adesina, President of the African Development Bank Group, Amina Mohammed, Deputy Secretary-General of the United Nations, and Mark Rutte, Prime Minister of the Netherlands, all addressed the dialogue. The issue of Africa featured prominently, not least through the participation of Mr.

Keriako Tobiko, Cabinet Secretary for the Ministry of the Environment and Forestry of Kenya, Mithika Mwenda, Executive Director of the Pan Africa Climate Justice Alliance, and Desmond Alugnao, a youth representative from Ghana drawn from GCA's Youth Adaptation Network.

Following the Dialogue, GCA's new floating office in Rotterdam moored at the Rijnhaven, a historical port on the south bank of Rotterdam's Nieuwe Maas River, was inaugurated by His Majesty King Willem-Alexander of the Netherlands.

GCA AFRICA ADAPTATION ACCELERATION DAY

In October 2021 GCA organized the "Africa Adaptation Acceleration Day", a gathering of global leaders to secure momentum for adaptation action in Africa ahead of the UN climate conference in Glasgow the following month. During the event hosted at the University of Nairobi, and inaugurated by President Uhuru Kenyatta of Kenya, GCA's flagship report State and Trends in Adaptation in Africa 2021 was officially released, and GCA CEO Prof. Dr. Patrick Verkooijen delivered his inaugural annual lecture on the state of adaptation action, which had a special focus on Africa. With a clear policy assessment of the urgent need for adaptation action in Africa, and a clear set of recommendations for action, the lecture set the scene ahead of Glasgow for why adaptation, and especially adaptation in Africa, is so important for the global climate agenda.

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The global lecture was followed by a global media event with Dr. Akinwumi Adesina, Kristalina Georgieva, Ban Ki-moon and Ngozi Okongko-Iweala, who collectively emphasized the importance of accelerating the pace of resilience-building in Africa through the AAAP.

GCA AFRICA PARTNERSHIP FORUM

GCA's annual Africa Partnership Forum also featured as a core element of the high-profile Africa Adaptation Acceleration Day in October 2021. Hosted by the Government of Kenya, the second forum of key partners involved in advancing adaptation action across the African continent, focused on the delivery of the AAAP and collaboration and partnership opportunities in AAAP implementation as Africa's roadmap for enhancing key resilience building initiatives. The forum was designed to receive input from partners to further guide the implementation of the AAAP, institutionalize GCA's role as an adaptation solutions broker in Africa, and bolster GCA's advocacy support to Africa in the global Adaptation dialogue. The Forum sought to validate African resilience-building priorities, shed light on ongoing initiatives and confirm alignment with these. Key

partners from African governments and institutions, alongside development partners, were invited to give their reflections to ensure that momentum for real and ambitious action was sustained into COP26.

BUSINESS AND YOUTH DIALOGUE WITH PRIME MINISTER TRUDEAU OF CANADA

Ahead of the G20 Summit in Rome and COP26 at its Rotterdam headquarters, GCA convened a climate innovation roundtable with The Rt. Hon. Justin Trudeau, Prime Minister of Canada, business leaders, youth representatives and other climate innovators from across the Netherlands. The State and Trends in Adaptation in Africa report was presented as part of a roundtable discussion chaired and moderated by GCA CEO Prof. Dr. Patrick Verkooijen, with innovators from across the private sector, young researchers, and other adaptation and sustainability leaders including from Africa. Participants engaged with Prime Minister Trudeau and shared their perspectives and insights into how to shift economies and societies onto more sustainable and resilient pathways, and how these solutions can be scaled internationally ensuring the most vulnerable, including in Africa, are reached.

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SHAPING THE ADAPTATION AGENDA AT COP26

COP26 delivered a clear step forward for adaptation. The awareness of the urgency and value of climate adaptation has matured significantly since COP21 in Paris. The decision for developed countries to double adaptation finance by 2025 marked recognition of the historical failure to support this agenda. Its implementation will have a transformational effect in scaling adaptation action globally. Another significant outcome of COP26 was the decision to attribute five % of proceeds from the newly established international carbon market mechanism by way of additional support for the adaptation efforts of the most vulnerable nations. This progress in adaptation reflected recent developments at the international level, including the five new governments who joined the Champions Group for Adaptation Financing. Increased funding for adaptation was announced or confirmed in Glasgow by Denmark, Japan, Norway, Sweden, UK, USA, and others.

Africa Adaptation Acceleration Summit: At COP26, the GCA-organized Africa Adaptation Acceleration Summit, held as part of the World Leaders Summit, was an unprecedented gathering of global leaders on climate adaptation and the highest profile moment for adaptation at the Glasgow summit. The AAAP served as the driving force of the event, providing a practical, functioning vehicle to drive accelerated mobilization of adaptation actions across Africa.

Presiding the Summit, H.E. President Félix Tshisekedi of the Democratic Republic of Congo, as Chairperson of the African Union, outlined the \$6 billion in financial commitments for climate adaptation African countries have put forward in their NDCs and urged the rest of the world to continue to step up and bring the additional \$27 billion a year the continent requires.

High-Level Ministerial Dialogue on Adaptation

Action: GCA's work with key partners at Glasgow echoed the ambition of developing countries and the most vulnerable, as was evident by the dozens of ministers presenting ambitious new adaptation initiatives, solutions and partnerships at the COP26 Ministerial Dialogue on Adaptation Action. In partnership with the COP26 Presidency, the co-chairing by GCA of a dedicated high-level plenary platform on accelerating adaptation action, reinforcing its value as an integral component for all future COPs.

Drawing upon GCA's global network of experts, partners and knowledge of solutions, GCA supported the COP26 Presidency in replicating the successful approach of supporting the production of CAS2021. GCA led the planning and organization of the high-level ministerial dialogue on Adaptation Action, bringing together over 30 ministers and other high-level keynote speakers from across different ministerial portfolios, including trade, water,

planning, and environment and foreign affairs, to make commitments and highlight the whole of government approach needed to respond to climate risk effectively. The event was the political anchor for COP26 Presidency's Adaptation, Loss and Damage Day to raise ambition and action on adaptation, loss and damage.

Dhaka-Glasgow Declaration: As Managing Partner of CVF, GCA also supported the preparations of the most climate threatened nations for COP26, culminating in the CVF Leaders' Dialogue at COP26, which was chaired by the Bangladesh Prime Minister, H.E. Sheikh Hasina, and resulted in the [Dhaka-Glasgow Declaration](#).

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INTEGRATING AND AMPLIFYING THE VOICES OF YOUNG PEOPLE

GCA's Youth Leadership Program aims to place young people at the heart of its mission. The program seeks to mobilize the next generation of adaptation leaders, empowering youth all over the world to make the case for adaptation on the global stage and empower them as actors to make their communities more climate-resilient.

GCA's focus on youth leadership has meant young people have played a key role in its advocacy and agenda-setting efforts. In recognition that future generations will suffer the most from the climate emergency, GCA's focus on youth leadership also emphasizes and reinforces the value of young people as agents of change to drive the necessary changes for a sustainable and resilient future.

The Youth Adaptation Network: As an umbrella platform to engage, empower and amplify the role of young people in the adaptation agenda, the Youth Adaptation Network has members in over 130 countries. By creating an environment where young people are engaged as equal stakeholders in climate adaptation actions and providing them with learning opportunities, the Youth Adaptation Network translates knowledge into action by engaging and participating in the design and implementation of local and national adaptation plans.

Youth Adaptation Dialogues: From June to December 2021, GCA's Youth Adaptation Network hosted monthly Youth Adaptation Dialogues to provide a platform for youth to lead the way in adaptation action. The Dialogues focused on topics such as the role of universities and students in locally led action, gender and climate adaptation and climate resilient cities. The multigenerational dialogues brought together various stakeholders, including youth activists and seasoned experts.

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Youth Advisory Panel to the CEO: In September 2021, CEO of GCA, Prof. Dr. Patrick Verkooijen, launched the Youth Advisory Panel to the CEO which is composed of 12 youth experts from Latin America and Caribbean, Asia, Africa, North America, Europe and Oceania. The Panel provides advice and ensures that the YAN's main goals, to engage, empower and amplify the role of youth in the adaptation agenda, are achieved. The Panel held two meetings with the CEO in 2021, the second one at COP26 in Glasgow. On this occasion, Panel members from the United Kingdom, Pakistan, China, Poland, Ghana and Brazil presented their action plan for 2022. This included organizing Regional Youth Adaptation Forums around the world to gather youth perspectives on the international adaptation agenda, culminating with a Global Youth Adaptation Summit in Rotterdam and a publication to be presented before decision-makers at the African COP27 in Sharm El-Sheikh.

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The "High-Level Dialogue with Youth: Accelerating Adaptation in a Climate Emergency" was convened by GCA and hosted by the University of Groningen in September 2021. The event brought together youth advocates for adaptation action and global climate leaders including 8th Secretary-General of the United Nations and Chair of the Board of GCA Ban Ki-moon, former President of the Maldives H.E. Mohamed Nasheed and football legend Arjen Robben.

[GCA News here](#)

6. COMMUNICATION AND OUTREACH

Expressing GCA's urgent mission and driving attention towards adaptation in the media to inform and fuel public awareness, is the crucial mission of GCA's External Affairs and Communication teams. Through targeted outreach, tailored messaging, and innovative campaigns, GCA grew its strong social media presence and delivered GCA's messages through op-eds published in international media outlets including Newsweek, the Guardian, CNN, CNBC, Fortune, and DW, among others, and through blogs and engaging content on GCA's website.

GCA published 11 high-profile op-eds in 2021:



[The 'wet bulb' warning | CNN](#)



[The climate crisis is destroying the human rights of those least responsible for it | The Guardian](#)



[More Funding is Critical for the Most Vulnerable to Survive Climate Change | Newsweek](#)



[We have a final opportunity to respond to climate change | CNBC](#)



[Young people must have a say on climate adaptation | Thomson Reuters Foundation](#)



[Supply chains: How to prepare them for the next global crisis | Fortune](#)



[Germany's floods highlight need for urgent climate action | DW](#)



[Making Good on the \\$100 Billion Climate Promise | Newsweek](#)



[African agriculture is ready for a digital revolution | Thomson Reuters Foundation](#)



[Start planning for a world with a lot less water | CNN](#)







[Climate action offers a hidden peace dividend | Thomson Reuters Foundation](#)

The total number of media mentions in 2021 was 5,750 of which 984 were in Africa.

Throughout 2021, GCA's social media following increased across all its platforms. GCA strengthens its ongoing media presence by publishing regular solutions focused coverage on its website and across its social media channels. This content can be found at: <https://gca.org/blog/>.

Key metrics for GCA's digital presence include:

-  8,820 Twitter followers, and > 6.6 million impressions
-  52,160 Facebook followers, and > 1 million impressions
-  15,927 LinkedIn followers, and > 200 thousand impressions
-  56.262 YouTube views

Africa-focused content drew a significant portion of GCA's social media impressions:

- Social media posts promoting "State and Trends in Adaptation 2021 Report: Africa" drew over 3.1 million impressions on Twitter
- The livestream of "GCA Africa Adaptation Acceleration Day" is GCA's most popular video on YouTube to date with over 18,000 views
- The livestream of the Leaders' Dialogue on the Africa Covid-Climate Emergency drew over 2,400 views on YouTube

GCA's high-quality website was critical to its advocacy and agenda setting. The [GCA website](#) was updated throughout the year. In 2021 it had 1,412,165 page-views, of which 129,705 were from Africa.

On the GCA website, Africa-focused pages are similarly the most popular content:

- The "State and Trends in Adaptation 2021 Report: Africa" is the most popular page on the website, with over 573,000 page-views last year.
- The African Youth Adaptation (YouthADAPT) Solutions Challenge is the third most popular page on the website, with over 51,000 page-views.

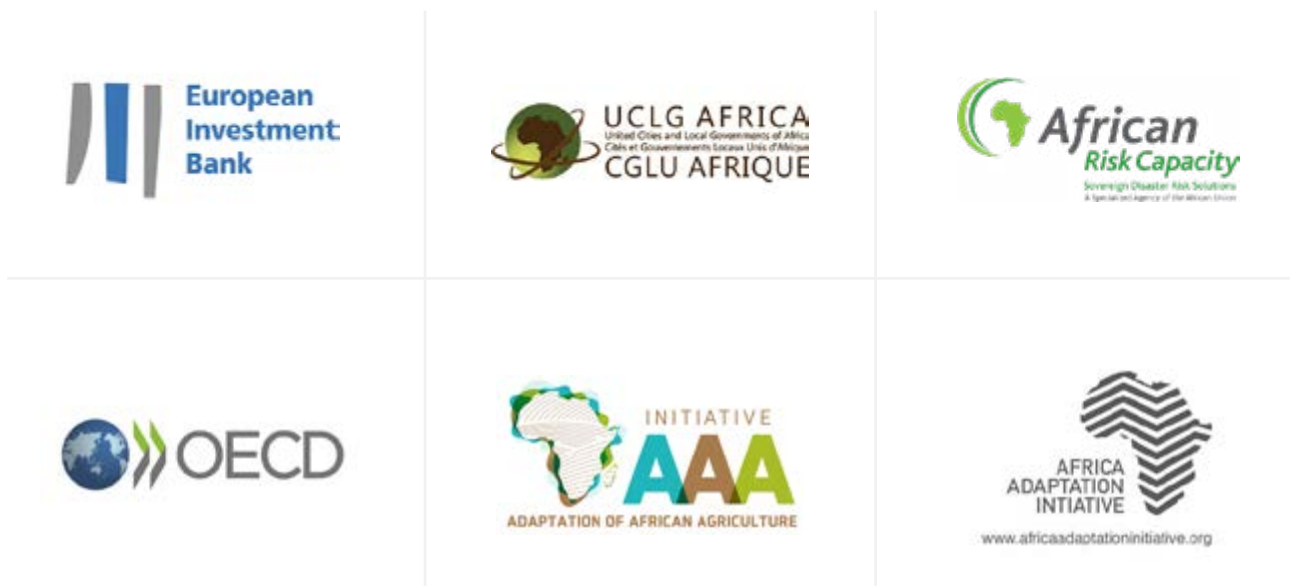
7. STRATEGIC PARTNERSHIPS

GCA is proud to work with some of the most innovative, insightful and impactful organizations from around the world who are supporting the transition to a sustainable and resilient world. These range from national to local governments, universities and research institutes, companies and social enterprises, civil society organizations and youth groups. Together they collaborate on accelerating adaptation action.

As a broker of adaptation solutions and knowledge, GCA's work depends on the expertise and support of our partners. We are currently actively working with over 60 partners, almost a third of which are Africa-based organizations. Collaborating with this network of knowledge institutes, International Financial Institutions, International NGOs, UN agencies, and other international organizations and private sector actors, lies at the heart of our approach as a solutions broker. We continue to reach out and welcome new partners who we can work together with on this

shared goal of scaling adaptation. In the 2021, open calls for partnership proposals were launched. During 2021, the preparatory work was undertaken to develop GCA's Partnership dashboard, allowing GCA management to monitor progress with each partnership, results achieved, and future deliverables and milestones. This dashboard is designed to allow GCA management to decide which partnerships to continue and deepen, and which ones to close so as to maintain a strong focus and selectivity in our partnerships work.

To further its impact and advance progress towards the objectives of its business plan, GCA signed Memoranda of Understanding with key new partners in 2021, including the European Investment Bank, the United Cities and Local Governments of Africa, African Risk Capacity, the Adaptation of African Agriculture Initiative, the Africa Adaptation Initiative and OECD. Reflecting key strategic priorities of 2021, some key partnerships are highlighted below.



GCA News- [MoUwithEIB](#), [MoUwithUCLG](#), [MoUwithARC](#), [MoUwithOECD](#), [MoUwithAAA](#), [MoUwithAAI](#)

CVF/V20 SUPPORT FOR CLIMATE VULNERABLE COUNTRIES

The Climate Vulnerable Forum (CVF) was founded in 2009 as a group of nation states represented by their respective government leaders to act together on the concerns each share as a result of human-induced global climate change. The CVF is organized as a semi-formal platform and process of intergovernmental cooperation presently comprising 55 member states, led by a rotational presidency. Together with the V20 Group of Ministers of Finance, it aims to elevate the voice of climate-vulnerable countries in the global climate-change debate. As Managing Partner, GCA supports the chair and member governments of the CVF and V20 across its workstreams.

As Managing Partner to the CVF/V20, GCA hosts the secretariat which operates as a dedicated global support program to the 55 member states of the CVF and the V20. As part of this role, GCA supported the Bangladesh presidency of the CVF, the “Troika” coordination group, and members of the CVF and the V20, through assistance, communications, research and partnership development. This included supporting the promotion of enhanced NDCs of all countries in 2020 and the South-South collaboration of the 55 members of the forum via platforms, information development, and exchanges, communications, and workshops/trainings, as well as engagement of global forums and international actors. The GCA also supported the creation in 2020 of the CVF & V20 Joint Multi-Donor Fund by developing the programmatic documents and supporting the Fund’s Board. GCA serves as the Technical Secretariat of this new fund. As a joint initiative of the CVF-V20, GCA has also contributed to the development of the first Climate Prosperity Plans of member states, commencing with the development of the Mujib Climate Prosperity Plan of Bangladesh.

CVF KEY ACTIVITIES AND EVENTS IN 2021

First V20 Climate Vulnerable Finance Summit

The Summit held on 8th July 2021 featured Prime Minister Sheikh Hasina of Bangladesh, heads of state from Climate Vulnerable Forum member countries, and V20 or the 20 most vulnerable countries’ finance ministers, to mobilize significantly more robust economic and finance responses to the spiralling dual crisis that increasingly affects the world’s most vulnerable economies. In close cooperation with the United Nations, the IMF and key development partners, the high-level dialogue shaped global cooperative responses to ensure fast-tracked resilience building efforts to overcome the new

realities of tandem climate and Covid-19 pressures through bold new actions and partnerships. After the Summit, the V20 issued a Communique highlighting expectations on the upcoming COP26 and global climate finance.

CVF Latin America and the Caribbean Regional Dialogue

The Ministers and Senior Representatives, members, and observer nations of the CVF from Latin America and the Caribbean Region attended the Regional Dialogue of the CVF for Latin America and Caribbean (LAC) held on 23 to 24 June 2021. The first in a series of regional to global cooperation activities of the CVF held in 2021 in the lead up to COP26 in Glasgow, the CVF LAC Regional Dialogue was co-hosted by Bangladesh, in its role as CVF Chair, and Costa Rica, which held the presidency of the Central American Integration System (SICA) and organized in cooperation with GCA. The 12 participating governments from LAC included: Barbados, Belize, Costa Rica, Colombia, Dominican Republic, Dominica, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, and Panama.

CVF Africa & Middle East Regional Dialogue

The Regional Dialogue of the CVF for Africa & the Middle East held on 27 to 29 July 2021 was attended by Ministers and Senior Representatives, members, and observer nations of the CVF. The CVF Africa & the Middle East Regional Dialogue was co-hosted by Bangladesh, in its role as CVF Chair, and Ethiopia, and organized in cooperation with GCA. The 25 participating governments from Africa and the Middle East included: Benin, Burundi, Chad, Democratic Republic of Congo, Djibouti, Eswatini, Ethiopia, Gambia, Ghana, Guinea, Lebanon, Lesotho, Liberia, Madagascar, Morocco, Mozambique, Niger, Palestine, Rwanda, Senegal, Sierra Leone, South Sudan, Togo, Uganda, and Yemen.

CVF Pacific Regional Dialogue The Regional Dialogue of the CVF for the Pacific held on 1 to 3 September 2021 was attended by Ministers and Senior Representatives, members, and observer nations of the CVF. The CVF Pacific Regional Dialogue was co-hosted by Bangladesh, in its role as CVF Chair, and the Marshall Islands, and organized in cooperation with GCA. The eight participating Pacific governments included: Fiji, the Republic of Kiribati, the Republic of the Marshall Islands, the Federated States of Micronesia, the Republic of Palau, Samoa, the Solomon Islands, and Vanuatu.

CVF Asia Regional Dialogue The Ministers and Senior Representatives, members, and observer nations of the CVF from Asia attended the Regional Dialogue of the CVF for Asia held on 27 to 29 September 2021. The CVF Asia Regional Dialogue was co-hosted by Bangladesh and the Philippines and organized in cooperation with GCA. The 11 participating governments included: Bangladesh, Bhutan, Cambodia, Laos, Maldives, Mongolia, Nepal, The Philippines, Tajikistan, Timor-Leste and Sri Lanka.

ADB-V20 Regional Pacific NDC Hub workshop focused on Pacific Small Island Developing States

The workshop on carbon pricing was conducted in September 2021 for key policy makers in Small Island Developing States (SIDS) in Asia and the Pacific to provide them with knowledge on the latest state and trends of carbon pricing globally and in Asia Pacific, and how carbon pricing can be an effective instrument to be a new source of public revenue and shape economy level climate actions as part of the broader climate policy toolbox to achieve climate targets articulated under their respective NDCs and raise ambition over time. The workshop was organized by the Asian Development Bank in collaboration with the V20 Ministers of Finance, and the Regional Pacific NDC Hub.

CVF launched the Global Parliamentary Group

Launched on 26th October 2021 to enable South-South cooperation to build on the work of the CVF and V20, the CVF Parliamentary Group aims to enable parliamentarians from across the CVF member states to share good practices on legislative measures in support of ambitious and urgent climate

action to safeguard communities and progress towards the CVF's goals. It also works collectively to secure greater commitments to action and a shared dynamic of urgency and motivation to overcome barriers to climate.

Dhaka Glasgow Declaration – CVF High-Level Leaders' Meeting

As Managing Partner of CVF, GCA supported the preparations of the most climate threatened nations for COP26, culminating in the CVF Leaders' Dialogue at COP26, which was chaired by the Bangladesh Prime Minister, H.E. Sheikh Hasina, and resulted in the Dhaka-Glasgow Declaration.

Mujib Plan Preliminary Report

The Mujib Climate Prosperity Plan, launched on 2nd November 2021, counteracts climate-induced damages and losses by equipping vulnerable communities, industry and the government with the Mujib vision supported by optimized financing tools and models that will be key to embracing a new risk management paradigm that would bring about resilience and stability, especially for small businesses, vulnerable populations and the economy. The Mujib Climate Prosperity Plan leverages the financing of the Eighth Five Year Plan 2021-2025 of Bangladesh, Vision 2041 and Bangladesh Delta Plan 2100 with synergies with the Bangladesh Climate Change Strategy and Action Plan, National Adaptation Plan and NDCs submitted in 2020, to unlock a pathway for a fast-tracked delivery of the Sustainable Development Goals by 2030 and GDP per capita growth commensurate to upper middle-income status.

Creation of Special Rapporteur on Climate Change and Human Rights

The CVF celebrated the creation of a dedicated role to protect and promote human rights in the context of the climate crisis at the UN Human Rights Council (HRC) in Geneva. The UN special rapporteur role was created through a resolution adopted on 8th October 2021 at the 48th Session of the UN's supreme body for human rights. A joint statement led by Bangladesh at the 46th HRC session in March 2021 calling for the creation of the special rapporteur was supported by 54 states. The resolution emphasizes the need for a continued focus on addressing the adverse consequences of climate change for all, particularly in developing countries and for the most climate vulnerable communities.

GCA AS LEAD IMPLEMENTATION PARTNER OF THE AFRICA ADAPTATION INITIATIVE

African Heads of State launched the Africa Adaptation Initiative (AAI) during the 21st Conference of the Parties (COP) in December 2015 in Paris to ensure the Continent urgently adapts to the adverse effects of climate change in the immediate, short, medium and longer terms. Working via partnerships, the Africa Adaptation Initiative (AAI) helps African nations respond to their adaptation needs, facilitating the wide exchange of knowledge, good practices, and lessons learned, and enabling high level political advocacy to meet the challenge of climate change.

To implement its vision to drive adaptation across the continent, through the AAAP, GCA was invited to become the lead implementing partner of the AAI. In May 2020, with 54 Heads of State and Government from the African Union, GCA published a Covid-related policy brief on Africa, which called for triple win programs supporting health, climate, and job creation to boost the economy's recovery.

GCA and AAI formalized their partnership with a Memorandum of Understanding signed in January 2021, that establishes GCA as the Lead Coordinating Partner of AAI. The complementary mobilization and implementation focus of GCA through the AAAP helps deliver the high-level political vision of AAI. In its role as a solutions broker, GCA supports African regional and national entities through technical expertise, knowledge, and innovative solutions in support of AAI objectives.

This role allows the GCA to fully align its work through the AAAP with the needs, priorities and demands of the continent. African Union AAI Champion, H.E. Ali Bongo Ondimba, President of the Republic of Gabon, is a GCA Board member and provides strategic oversight and guidance to the work program.

ADAPTATION AND RESILIENCE INVESTORS COLLABORATIVE

The Adaptation & Resilience Investors Collaborative (the Collaborative) was established at the 2020 Finance in Common Summit to improve collaboration and action to help overcome barriers and market failures hindering private investment in climate adaptation and resilience. GCA was a founding member of the Collaborative and has contributed to the strategic direction of the initiative during its expansion to its current membership of 18 members. The Collaborative responds to a substantial and growing global need for investment in adaptation and resilience from the private sector. To accelerate private investment in adaptation and resilience, Collaborative members are focused on both increasing the resilience of private sector investments and accelerating solutions that enable adaptation and resilience

To make progress in addressing these barriers, in May 2021, the Collaborative announced several key commitments, which were welcomed by the G7 Foreign and Development Ministers in 2021, including: pursuing a substantial increase of investments in adaptation and resilience and engage in further

joint work towards the adoption of a common methodological approach for identifying eligible investments and reporting on progress, building on the existing ones whilst ensuring their usability by private investors; working towards ensuring all investments are resilient to physical climate risks, and towards improving our collective ability, and those of our counterparties, to identify, assess, and manage physical climate risks in our investments; increasing support and collaborate to shape markets and build the pipeline of bankable adaptation and resilience investments; and supporting the public and private sector collaboration needed to assist developing countries with identifying and articulating their adaptation needs and potential private sector opportunities to address these.

These commitments formed the basis of the Collaborative's work program in 2021, laying the foundation for a strategic review of how the initiative can evolve its business plan to maximize impact in the years ahead.

A STRATEGIC ALLIANCE WITH THE AFRICAN DEVELOPMENT BANK

GCA is in a strategic alliance with the African Development Bank (AfDB) to work together and use both organizations' complementary expertise, resources and networks to develop and implement transformative adaptation action for Africa.

The AfDB hosts the African Regional Office of GCA, and in 2020 both organizations developed a joint work program launched as the AAAP in January 2021. The AfDB has committed \$12.5 billion to the AAAP, a fit-for-purpose mechanism to unlock adaptation actions at scale. GCA is working with

the AfDB to mobilize the remaining funds, support upstream policy and project preparatory work, and leverage innovative solutions for adaptation change.

In 2021, GCA partnered with AfDB in several high-level impact-forcing events including the Leaders' Dialogue on the Africa Covid-Climate Emergency, the High-level Dialogue: An Adaptation Acceleration Imperative for COP26, and the Africa Adaptation Acceleration Summit as part of COP26. GCA is collaborating closely with AfDB on advancing implementation on all four pillars of the AAAP.

8. ORGANIZATION AND GOVERNANCE

8.1 ORGANIZATION

Founded in 2018, GCA is an international non-profit organization with public benefit status (ANBI-status). GCA has rapidly expanded and evolved since 2018, when it operated as the co-managing partner of the Global Commission on Adaptation under the auspices of the Netherlands Ministry of Infrastructure and Water Management.

In October 2019, GCA was legally established as a Dutch Foundation and since then its staff, consultants, secondees, fellows, youth leaders and interns have grown in response to the demand for its services. At the end of 2020, 20 employees worked for GCA. At the end of 2021, GCA had 37 staff members.

GCA's global office is hosted by the Netherlands in Rotterdam, with a research and innovation hub in Groningen and regional offices in Abidjan, Dhaka and Beijing, that allow GCA to have a far-reaching impact in its mission of accelerating climate adaptation at scale through high-level policy development, cutting-edge research, advocacy, communications and work with GCA's partners on the ground, delivering action to the world's most climate vulnerable communities. The GCA has an active "Governing Board" consisting of an Executive, Supervisory, and Advisory Board; the Governing Board has an overall responsibility for determining the mission and strategic direction of the organization. Each Board within the Governing Board has its own tasks and duties which are set out in the laws and statutes governing GCA.

8.2 SUPERVISORY BOARD

A supervisory board governs GCA and in 2021 it had the following members:

- Ban Ki-moon, Chair
- Feike Sijbesma, Co-chair
- Mayor Francis X. Suarez, member
- Rodger Voorhies, member
- Roald Lapperre, member
- Shemara Wikramanayake, member

8.3 EXECUTIVE BOARD AND LEADERSHIP TEAM

GCA's three-member Executive Board consists of its Chair, CEO of GCA Prof. Dr. Patrick Verkooijen, former Prime Minister of the Netherlands, Jan Peter Balkenende, and additionally in 2021, former Mayor of Groningen, Peter den Oudsten.

The CEO is responsible for GCA's day-to-day management and business operations, and he chairs the Leadership Team (LT). The Leadership Team is composed of the managers of the directorates: Programs, Knowledge and Innovation, Finance and Operations, External Affairs and Communications. The LT provides guidance and leadership to the organization and advises the Supervisory Board regarding GCA's strategy and budget.

The LT meets periodically to review GCA's performance against set goals, drawing up plans of action to tackle any deviations. Regional Directors are frequently invited to LT meetings, jointly forming the Extended Leadership Team (ELT).

8.4 INTERNAL CONTROL SYSTEM

To ensure that GCA achieves its mission and safeguards its assets, resources and funds from any type of harm, GCA has implemented a solid framework of procedures and policies. These policies, which form GCA's system of internal control, play a vital role in the deterrence, prevention and detection of fraud, misconduct, corruption, waste and abuse at all levels of the organization. The framework also provides clarity on accountability, roles and responsibilities, and it stimulates efficiency and value for money.

The objective of GCA's control framework is to nurture a culture of ethics, integrity, transparency and accountability. In 2021, GCA implemented policies based on these principles and promoted awareness through onboarding of staff and continuous training.

All staff and consultants sign a Statement of Acknowledgement of having read and understood GCA's Code of Conduct and the Anti-Fraud policy,

confirming that they will follow the reporting process if witnessing or suspecting a breach of any of these policies. In 2021, no reports were submitted.

To ensure quality at entry and to support teams encountering implementation challenges, in 2021 early work began on GCA's Project Advisory Committee (PAC) quality enhancement system. Fully implemented in early 2022, the PAC reviews project proposals early in the preparation process that GCA technical teams have discussed with their counterparts in MDBs, financial organizations, or African institutions. The PAC provides advice on ways to sharpen the technical value added of GCA in the project and the quality of the proposed technical approach to mainstream adaptation in the proposed project. Projects that do not meet the expected GCA quality standards or do not fit with the AAAP Pillar business lines or GCA strategy are rejected. The PAC also reviews Terms of Reference for the most complex studies to ensure quality at entry. During project implementation, the PAC reviews progress reports from the Africa Senior Director and AAAP Pillar leads to provide advice on implementation challenges and early lessons learned. The PAC includes the GCA CEO, senior external advisors, and the Director of Finance and Operations.

NEW GLOBAL CENTER HOUSES AN EXPANDING GCA

GCA's global headquarters embodies its mission to act as a solutions broker to accelerate, innovate and scale adaptation action.

In May 2021, GCA continued to expand and recruit a growing number of highly skilled staff to work in its new, climate-resilient, floating headquarters and in its regional offices around the world. Moving into this new home reflected GCA's organizational growth this year.

GCA relocated to the world's largest floating office building in the world, moored at the Rijnhaven, a historical port in Rotterdam, the Netherlands.

The off-grid and carbon-negative building, was officially inaugurated by His Majesty King Willem-Alexander of the Netherlands in September 2021. It embodies the innovative thinking and climate-conscious design needed to tackle the impacts of our warming world. With its own energy source from

800m² of solar panels and using water from the harbor for its water-based heat-exchange system, the sustainably-designed floating office is energy self-sufficient. In addition,, it as an outstanding example of circular design, as the structure is largely built of wood, so that elements of it can be reused and recycled.

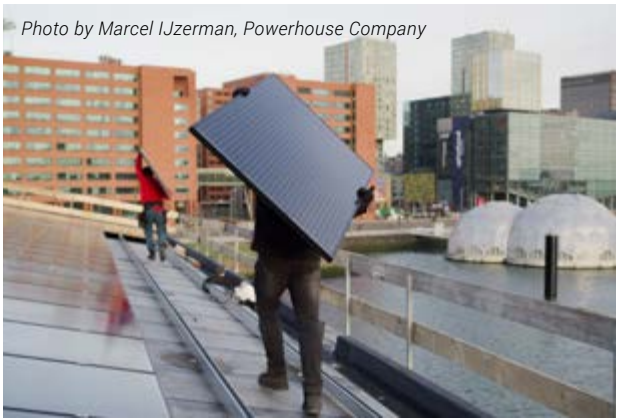
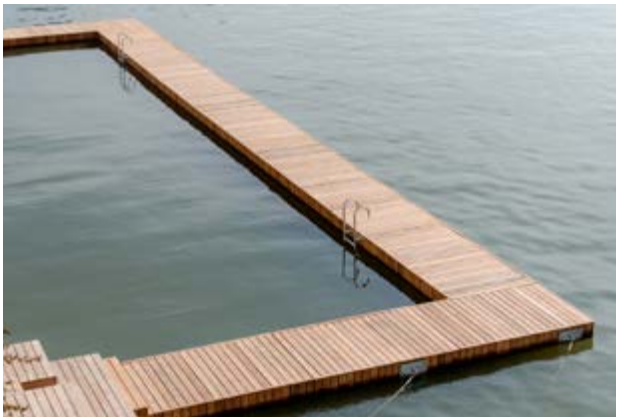
Floating Office Rotterdam (FOR), the name given to the project, was built almost entirely from sustainably sourced timber, a renewable material that significantly reduces the building's carbon footprint. In addition to its south-facing solar panels, the north-facing green roof absorbs rainwater runoff, decreasing stress on urban sewer systems.

The building was awarded an Outstanding five-star **BREEAM** sustainability certificate by the Dutch authorities, in line with the internationally recognized accreditation system for assessing, rating, and certifying the sustainability of buildings. The hosting of GCA within this landmark building is possible due to the support of the city of Rotterdam.

[GCA News here](#)



Photo by Sebastian van Damme, Powerhouse Company



9. MANAGING RISKS

9.1 RISK MANAGEMENT

Like all organizations, GCA faces the risk of unexpected, harmful events that could hamper its objectives. To mitigate the negative impact of those events, GCA maintains a risk management system in which threats are identified, assessed and controlled. The risk management system is based on the probability and consequences of identified risk incidents, resulting in an overall risk rating and mitigation strategies.

The adaptation challenges and the opportunities facing the world are vast, and GCA has taken careful steps to identify the programs that will make the most progress in the context of these challenges and opportunities. Based upon GCA's 2021 activities and further development of its work program, GCA developed a comprehensive results framework with identified strategic risks in the achievement of outcomes. The framework provides an overview of the experiences with these risks and the mitigation action taken.

GCA's greatest identified risks in 2021 were: the inability to mobilize sufficient program funding and the difficulty associated with recruiting and retaining staff at the requisite level and expertise to deliver at pace. To mitigate against the first risk, GCA has ongoing discussions with donors to ensure it receives the necessary funds to deliver upon its aims. Although the multi-year AAAP is not close to being fully funded, GCA was able to achieve progress in almost all areas of the work program in 2021, with potential to still allow for reaching its desired, targeted results by 2025. GCA continues to actively seek funding opportunities from governments, other philanthropic sources, and the private sector. Through sound internal control systems and processes, solid planning, and continually monitoring its budget and activities, GCA ensures that all the funds it receives are optimally used.

To manage the second risk, GCA continues trying to identify and recruit highly skilled staff with a solutions-broker mindset, a critical determinant of its effectiveness. The increased demand for GCA support illustrated the significantly larger staffing

capacity needed in the organization. At the end of 2021, GCA undertook a large-scale recruitment push for 30 new staff to join the organization in 2022.

GCA will continue to improve and continuously update its risk register, capturing entity-wide level risks of fraud, bribery, corruption, and financial crime.

9.2 IMPACT OF COVID-19

In 2021, GCA's mission to accelerate adaptation action had to take place amidst the disruptive context of the unpredictable nature of the Covid-19 pandemic. This led to prompt and significant operational changes to adapt to the second year of a deepening global health crisis. GCA modified policies, procedures, events and halted international travel to ensure the safety of its staff, shifting from remote to hybrid to in-office working, as required by host governments where its offices are based. Meetings, events and recruitment took place remotely, and when the prevailing conditions of the pandemic sufficiently allowed it, GCA offices opened their doors again by adhering to strict health protocols including social distancing, wearing masks, and setting up hand-sanitizing gel stations.

10. FINANCIAL OVERVIEW

10.1 INCOME

GCA's total income in 2021 was €14.1 million, representing a 52% year-on-year increase compared to the €9.2 million recorded in 2020. The increase in income is mainly attributable to a scale-up of program implementation of the AAAP and to additional secured funding. GCA received new funding from the Bill and Melinda Gates Foundation to support its core activities, from the CVF/V20 Multi Donor Fund for the CVF/V20 project and from the European Research Executive Agency to support our research activities.

GCA's income from grants increased by 59% from €8.2 million in 2020 to €13.1 million in 2021.

In 2021, GCA recognized income from the following funding partners:

- Dutch Ministry of Infrastructure and Water Management
- Norwegian Agency for Development Cooperation
- Swedish Ministry for Foreign Affairs
- Danish Ministry of Foreign Affairs
- Canadian International Development Research Centre (IDRC)
- UK Foreign, Commonwealth & Development Office (FCDO)
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
- Bill and Melinda Gates Foundation
- European Research Executive Agency
- Betty and Gordon Moore Foundation
- CVF/V20 Multi Donor Fund

In addition to the income recognized from the grants, GCA recognizes gifts in kind as income. Income from gifts in kind fell 20% to €0.7 million in 2021 due to completed secondment assignments.

In 2021 GCA received Gifts in kind from the following partners:

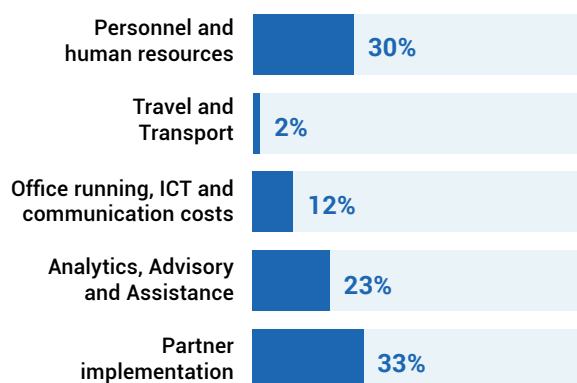
- Africa Development Bank
- Municipality of Rotterdam
- Municipality of Groningen
- University of Groningen

GCA depends on the support of its funding partners in order to fulfil its mission and achieve its objectives. GCA is grateful for their contributions and continues to have strong partnerships with them. Substantive dialogues are ongoing to broaden and deepen these relationships based on shared strategic visions and goals.

10.2 EXPENDITURE

The funding structure of GCA brings with it a responsibility to use the funds as efficiently and as effectively as possible. In order to be accountable to our donors and stakeholders, GCA ensures that expenditure along with activities are continuously tracked, monitored and reported against.

In 2021, GCA incurred expenses of €13.2 million up from €7.4 million 2020. This 78% increase is mainly related to the growth of the AAAP. Of the recognized expenses in 2021, 33% relate to partner implementation and commitments, 30% to personnel and human resources, 23% was spent on analytics, advisory and assistance, and the remaining on office running, ICT, communication costs and travel.



10.3 FINANCIAL POSITION

In 2021, the balance of income and expenditure yielded a surplus of €0.8 million. The positive result has been added to our continuity reserve. GCA's objective is to remain financially healthy in the long term and build up its reserves to cushion any potential financial impacts of risks. GCA's total reserves as at

balance sheet date amount to €2.6 million, of which €0.2 million relate to earmarked reserves for absence and end-of-service benefits for GCA staff.

The total cash position at year-end was €17.8 million. Compared to 2020, the cash position improved by €4.6 million and is mainly attributable to receipts of funds related to multi-year grants signed in 2021.

10.4 OUTLOOK

The global financial outlook for 2022 is stark. The war in Ukraine struck a global economy that was already battered by the Covid-19 crisis and the world faces growing inflation, a looming risk of recession and a food and fuel crisis that threatens the most vulnerable economies. Official Development Assistance budgets, already facing cutbacks in tightened fiscal environments, have had to be reprioritized to deal with the largest wave of refugees seen in Europe since the Second World War.

However, the world cannot hit pause on the climate crisis and these critical times will not stop GCA from doing its work. GCA continues to mobilize resources and expand funding support for its programs aimed at driving transformative adaptation action and climate resilience in Africa and around the world. In 2022, GCA's budget will increase to €26 million due to expansion of the AAAP and new grants secured and committed for our AAAP and Bangladesh programs.

In February 2022, GCA secured a multiyear grant from the Foreign, Commonwealth & Development Office of the UK government to support its program in Bangladesh, where the South Asia Regional Office in Dhaka is a platform for adaptation action in the region and functions as a Global Hub on Locally Led Adaptation. GCA expects its Bangladesh program to grow and gain momentum through increased funding in 2022.

GCA expects to vastly expand its workforce and in early 2022, GCA hired more than 40 highly qualified staff members to join its headquarters in Rotterdam and its regional offices around the world.

Through missions to Bangladesh, the Maldives, Ghana, Kenya, and Senegal, the first half of 2022 provided growing opportunities for GCA to expand and strengthen its adaptation support for the most climate-vulnerable countries and implement its flagship AAAP.

GCA is growing the number of partners it is working with, and the range of countries where it integrates adaptation solutions into programs. Through a network of 60 partners, almost a third of which are Africa-based organizations, through the AAAP for example, GCA is engaged with projects in 37 African countries. Following deep engagement with the African Development Bank, GCA is also scaling up support to World Bank projects and engaging with the European Investment Bank to support their project pipeline in Africa. The potential of the AAAP offers rapid expansion commensurate with the growth of the Upstream Financing Facility.

In response to the sharpened food crisis affecting Africa, GCA will redouble its efforts to accelerate adaptation through the AAAP with its partners and mobilize \$25 billion for adaptation investments in the African continent in the next five years.

COP27, the 'African COP', promises to provide greater access to climate finance through fit-for-purpose mechanisms such as the AAAP, which will unlock adaptation actions at scale.

10.5 BUDGET 2022

Budget 2022

in Euros

INCOME

Income from grants	24,618,328
Income from gifts in kind	1,132,331
Sum of income	<u>25,750,659</u>

EXPENSES

Personnel and human resources	8,945,766
Depreciation	72,000
Sub-grants to partners	4,644,000
Financial losses	53,564
Analytics, advisory and Assistance	11,324,713
Sum of expenses	<u>25,040,043</u>

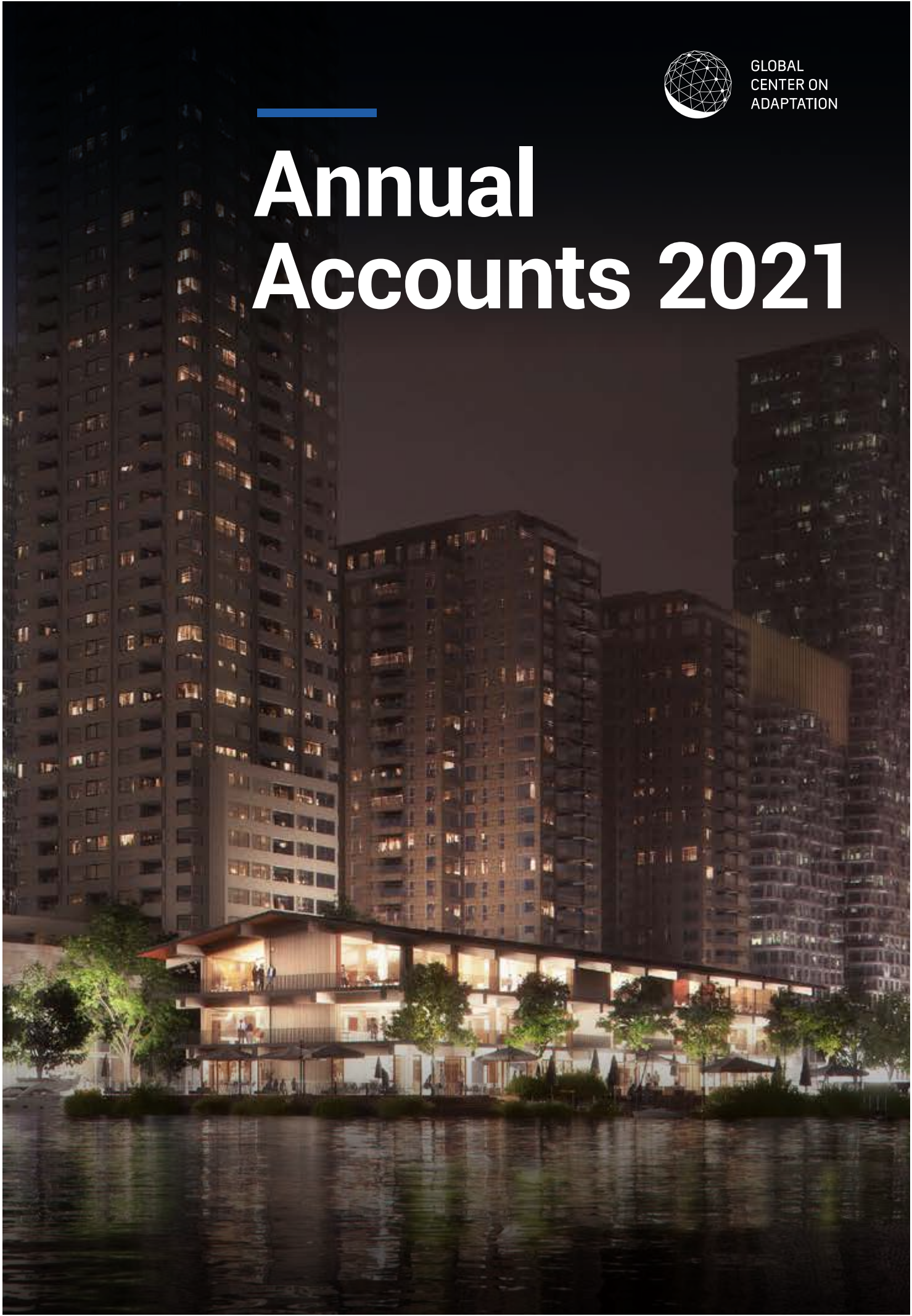
Surplus

710,616



GLOBAL
CENTER ON
ADAPTATION

Annual Accounts 2021



BALANCE SHEET AFTER APPROPRIATION OF THE RESULT

in Euros after the attribution of the sum of income and expenses

ASSETS	Note:	31/12/2021	31/12/2020
Intangible fixed assets		109,454	105,244
Tangible fixed assets		208,593	55,489
Fixed assets	(1)	318,046	160,733
Taxes receivable		-	8,197
Prepayments creditors		167,786	275,254
Receivables donors		474,200	2,424,556
Prepayments partners		1,007,487	38,711
Receivables	(2)	1,649,473	2,746,718
Cash and cash equivalents	(3)	17,789,638	13,219,185
TOTAL ASSETS		19,757,157	16,126,635
LIABILITIES			
Continuity reserve		2,402,854	1,312,905
Earmarked reserve		174,114	467,145
Reserves		2,576,968	1,780,050
Earmarked funds		-	-
Reserves and funds	(4)	2,576,968	1,780,050
Payable to creditors		377,019	248,675
Payable taxes		27,472	55,643
Grants received in advance		12,306,212	10,754,921
Payable to partners		4,111,026	2,794,107
Other liabilities		358,461	493,239
Short-term liabilities	(5)	17,180,189	14,346,585
TOTAL LIABILITIES		19,757,157	16,126,635

STATEMENT OF INCOME AND EXPENSES

In Euros

INCOME	Note:	2021	2020
Income from grants	(8)	13,103,182	8,247,171
Income from gifts in kind	(9)	654,864	821,594
Income from donations		3,320	14,314
Financial gains	(10)	289,697	154,417
Other Income		-	-
Sum of income		14,051,063	9,237,497
EXPENSES			
Personnel and human resources	(11)	4,030,118	1,768,289
Depreciation		83,709	9,861
Sub-grants to partners		4,394,935	4,563,531
Financial losses	(12)	267,523	101,894
Other expenses	(13)	4,477,860	1,013,872
Sum of expenses		13,254,146	7,457,447
SURPLUS / (DEFICIT)		796,918	1,780,050

ATTRIBUTION OF THE SURPLUS

Addition to (withdrawal from):	2021
Continuity reserve	1,089,949
Earmarked reserve	(293,031)
Total change in reserves and funds	796,918

CASH FLOW STATEMENT

In Euros

	2021	2020
Sum of income and expenses	796,918	1,780,050
Adjustments for:		
Depreciation	83,709	9,861
Interest	13,773	3,787
Realised exchange rate losses (gains)	(115,672)	-
Changes in receivables	1,097,245	(2,746,718)
Changes in short term liabilities	2,833,604	14,346,585
Cash flow from operations	3,912,659	11,613,515
Interest	(13,773)	(3,787)
Cash flow from operating activities	4,695,804	13,389,778
Investments in intangible fixed assets	(52,853)	(105,661)
Investments in tangible fixed assets	(188,170)	(64,932)
Divestments of tangible fixed assets	-	-
Cash flow from investing activities	(241,023)	(170,593)
Net Cash flow	4,454,781	13,219,185
Exchange rate gains / (losses) on cash and cash equivalents	115,672	-
Net increase / (decrease) in cash and cash equivalents	4,570,453	13,219,185
Cash and cash equivalents at the end of the financial year	13,219,185	-
Cash and cash equivalents at the beginning of the financial year	17,789,638	13,219,185
Net movement in cash and cash equivalents	4,570,453	13,219,185

NOTES TO THE ANNUAL ACCOUNTS

General

Stichting The Global Center on Adaptation (GCA) is registered as a foundation with number 76050475 at the Chamber of Commerce in The Hague, the Netherlands and is recognized as an organisation for public benefit (ANBI, "Algemeen Nut Beogende Instelling") by the Dutch tax authorities.

GCA's mission is to act as a solutions broker to accelerate, innovate and scale adaptation action for a climate-resilient world.

GCA's vision is that adaptation to our changing climate secures progress towards sustainable development, safeguarding people, the planet and our shared prosperity.

Reporting period and currency

The financial statements have been prepared for the period commencing January 1st 2021 to December 31st 2021. The financial statements are presented in Euro, which is the functional currency of GCA.

The financial statements of the previous year have been prepared for the period October 8th 2019 to December 31st 2020. The valuation principles and method of determining the result are the same as those used in the previous year, with the exception of the changes in accounting policies as set out in the relevant notes.

Applied Standards

The financial statements are prepared in accordance with the Guideline RJ640 which applies to Dutch non-profit organisations.

In deviance to the RJ640, the annual budget is not included in the financial statements, because GCA does not use this as a steering tool. GCA programs are scalable depending on availability of funding, which is not linked to financial years. Consequently, GCA uses committed multiyear funding budgets for steering, rather than annual estimates that provide little added value for the financial statements.

GCA allocates costs to funding sources that are provided to it for programs receiving the benefit of goods and services purchased. Allocation of costs is based on agreed work programs, budgets and other conditions agreed in award contracts with funding partners.

Use of Estimates

The preparation of the financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. If necessary and relevant, the nature of these estimates and judgements, including the related assumptions, is disclosed in the notes to the financial statement item. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. The amount of provisions is for GCA's financial position the most relevant item which requires estimates.

Going concern

The financial statements are prepared on the basis of the going concern assumption.

ACCOUNTING PRINCIPLES

Balance Sheet

Unless stated otherwise, assets and liabilities are shown at historical costs.

An asset is recognized in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is recognized in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

Income is recognized in the statement of income and expenses when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognized when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability.

An asset or liability that is recognized in the balance sheet, remains recognized on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a

major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken into account in this assessment.

An asset or liability is no longer recognized in the balance sheet, and thus derecognized, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability are transferred to a third party. In such cases, the results of the transaction are directly recognized in the statement of income and expenses, taking into account any provisions related to the transaction.

Income and expenses are allocated to the respective period to which they relate.

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of one or more events that occurred after the initial recognition of the asset, with negative impact on the estimated future cash flows of that asset, which can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognized in the statement of income and expenses and reflected in an allowance account against loans and receivables or investment securities held to maturity. Interest on the impaired asset continues to be recognized by using the asset's original effective interest rate. When, in a subsequent period, the amount of an impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the decrease in impairment loss is reversed (up to the amount of the original cost).

Intangible fixed assets

Intangible fixed assets are only recognized in the balance sheet when it is probable that the expected future

economic benefits that are attributable to the asset will flow to GCA and the cost of that asset can be measured reliably. Intangible fixed assets are measured at acquisition cost, less accumulated amortisation and impairment losses. The accounting principles for the determination and recognition of impairments are included under the section Impairments of fixed assets.

The following depreciation percentages are applied:

- Websites: 33%

Tangible fixed assets

Tangible fixed assets are measured at cost, less accumulated depreciation and impairment losses. The cost consists of the price of acquisition, plus other costs that are necessary to get the assets to their location and condition for their intended use. Depreciation is recognized as an expense on a straightline basis over the estimated useful lives of each item of the tangible fixed assets, taking into account the residual value of each asset. Depreciation starts as soon as the asset is available for its intended use, and ends at decommissioning or divestment.

The following depreciation percentages are applied:

- Buildings 5%
- Cars, office furniture and fittings 33%
- ICT equipment: 33%

Maintenance expenditures are only capitalised when the maintenance leads to extension of the useful life of the asset.

Impairment of fixed assets

For tangible fixed assets, an assessment is made as of the balance sheet date as to whether there are indications that the asset is subject to impairment. If indications exist that the asset item is subject to impairment, the recoverable amount of the asset is determined. An asset is subject to impairment if its carrying amount exceeds its recoverable amount; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is directly expensed in the statement of income and expenses. If it is established that a previously recognized impairment loss no longer applies or has declined, the increased carrying amount of the assets in question is not set any higher than the carrying amount that would have been determined had no asset impairment been recognized.

Disposal of fixed assets

Assets that are taken out of service are stated at the lower of book value or net realisable value.

Receivables

Receivables are carried at amortised cost on the basis of the effective interest method, less impairment losses. The effective interest and impairment losses, if any, are directly recognized in the statement of income and expenses.

Cash and cash equivalents

Cash and cash equivalents include cash-in-hand, bank balances and deposits held at call with maturities of less than 12 months. Cash and cash equivalents are stated at nominal value. If cash and cash equivalents are not readily available, this fact is taken into account in the measurement. GCA does not have any borrowings or loans. GCA does not invest its funds other than in savings accounts and deposits. Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date in euros at the exchange rate ruling at that date.

Reserves and Funds

The additions to and the withdrawals from the reserves and funds take place from the destination of results.

Continuity reserve

The continuity reserve is in place to enable GCA to meet its obligations in the long-term, in case of stagnated income or after an incident with an impact on expenses. The target level is determined by the Supervisory Board.

Earmarked reserves

The earmarked reserves are related to absence of staff due to sickness and to end of service benefits. The future expenses related to this might not be eligibly claimed from future grants and due to the fact that GCA has no unearmarked funding, a reserve for such events is deemed necessary. The amount of reserve equals the estimated future amount of sickness and end of service expenses, which is based on general statistical averages and actual historical data. The earmarked reserves are (partly) released against the statement of income and expenses in the financial period of actual absence of staff due to sickness, for the amount related to actual sickness of staff and end of service benefits paid out.

Provisions

A provision is recognized when GCA has a legal or constructive obligation, arising from a past event, the amount can be estimated reliably and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are stated at the nominal value of the expenses that are expected to be required to settle the liabilities and losses. For further explanation, see the notes to the balance sheet.

Liabilities

Liabilities and other financial commitments are measured after their initial recognition at amortised cost on the basis of the effective interest rate method. The effective interest is directly recorded in the statement of income and expenses. Liabilities related to operational obligations to funding partners and partners are presented under short term liabilities, except those that are due or expected to be due after one year, which are presented under long term liabilities.

INCOME AND EXPENSES**Income recognition**

Unrestricted donations are accounted for as income in the earliest reporting period that they were received or committed to.

Grants received with a designated purpose and a pay-back obligation for GCA in case of ineligibility of the related expenses, are accounted for as income in the same reporting period in which the subsidised eligible expenses are recognized. Instalments received related to grants are recognized in the balance sheet as liabilities.

Gifts in kind are recognized as income and expense in the period they are received. Gifts in kind are valued as income and expense at the fair value.

Financial gains / losses

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date. Currency translation differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they are realised.

Loss recognition

Losses and impairments are accounted for as soon as they are anticipated.

Interest income and expenses

Interest income and expenses are recognized in the statement of income and expenses on an accrual basis, using the effective interest rate method.

Employee benefits

Salaries, wages and social security contributions are taken to the income statement based on the terms of employment, when these are due. Employee benefits are charged to the statement of income and expenses in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the balance sheet. If the amount already paid exceeds the benefits owed, the excess is recognized as a current asset to the extent that there will be a reimbursement by the employees or a reduction in future payments by GCA.

Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of the employment. A termination benefit is recognized as a liability and an expense when GCA is demonstrably and unconditionally committed to make the payment of the benefit. If the termination is part of a restructuring, the costs of the termination benefits are part of the restructuring provision.

Cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received are included in cash from operating activities. Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognised in the cash flow statement. The value of the related assets are disclosed in the notes to the balance sheet items. Payments of finance lease

instalments qualify as repayments of borrowings under cash used in financing activities and as interest paid under cash generated from operating activities.

Subsequent events

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognized in the financial statements. Events that provide no information on the actual situation at the balance sheet date are not recognized in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

NOTES TO THE BALANCE SHEET

1. FIXED ASSETS

Fixed assets are depreciated over their estimated life time. The assets are held for use in our day to day operations.

INTANGIBLE FIXED ASSETS

	Intangible fixed assets
Acquisition value	105,661
-/- Cumulative Depreciation	(417)
Book value 1-1-2021	105,244
Acquisition value investments	52,853
-/- Acquisition value disposals	-
-/- Depreciation	(48,643)
Depreciation on disposals	-
Movements during the year	4,210
Acquisition value	158,514
-/- Cumulative Depreciation	(49,060)
Book value 31-12-2021	109,454

Intangible fixed assets relate to the development of GCA's websites.

TANGIBLE FIXED ASSETS

	Furniture	ICT Equipment	Total tangible fixed assets
Acquisition value	-	64,932	64,932
-/- Cumulative Depreciation	-	(9,444)	(9,444)
Book value 1-1-2021	-	55,489	55,489
Acquisition value investments	52,319	135,851	188,170
-/- Acquisition value disposals	-	-	-
-/- Depreciation	(1,727)	(33,339)	(35,066)
Depreciation on disposals	-	-	-
Movements during the year	50,592	102,513	153,104
Acquisition value	52,319	200,784	253,102
-/- Cumulative Depreciation	(1,727)	(42,782)	(44,510)
Book value 31-12-2021	50,592	158,001	208,593

Tangible fixed assets acquired during the year are mainly ICT equipment and furniture for GCA's floating office in Rotterdam, which it moved into in May 2021..

2. RECEIVABLES

	31/12/2021	31/12/2020
Government of the Netherlands	400,000	-
Government of Great Britain	67,966	-
Government of Germany	6,233	6,233
Government of Canada	-	1,286,579
Partner expenses to be claimed from grants	-	1,131,743
Receivables donors	474,200	2,424,556

The accounts receivable consist of grants to be received, subgrants to implementing partners committed and prepayments to creditors. Receivables from donors relate to projects that have been implemented, for which funds from donors are committed in a grant contract but not yet received as at the balance sheet date. The receivables relate to our programs and activities. The decrease of the total receivables compared to previous year relates to an amount of €1.3 million which was received from the government of Canada in 2021 and partner expenses of €1.1 million which were claimed from grants in 2021. The increase in prepayments to partners relates to an amount of €0.6 million paid to the Water Funders Initiative funded by the Gordon and Betty Moore Foundation, for which the expenses are expected to be carried out and reported in 2021. GCA also made prepayments to other partners as listed, which are required to implement projects in the coming year..

	31/12/2021	31/12/2020
Water Funders Initiative	615,655	-
United Nations Office for Project Services	249,708	33,921
Akademiya2063	78,549	-
The International Center on Tropical Agriculture	38,432	-
The Ban Ki-moon Centre for Global Citizens	17,384	-
Frontieri Consulting	5,760	-
Centre for Environment Education (CEE)	1,998	-
Climate Policy Initiative	-0	4,789
Prepayments to partners	1,007,487	38,711

All receivables originate in 2020 and 2021 and are expected to be received within one year

3. CASH AND CASH EQUIVALENTS

GCA's cash and cash equivalents balance is €17.8 million, of which €13.3 million is held in Euros and €4.5 million is held in US Dollars. The main contribution to this balance comes from grants paid in advance as specified in the notes to the balance sheet item 'Grants Received in Advance'. The full balance of cash and cash equivalents is held in bank accounts in The Netherlands. The full balance is readily available to GCA.

4. RESERVES AND FUNDS

	01/01/2021	Additions	Withdrawals/ Releases	31/12/2021
Continuity reserve	1,312,905	1,089,949	-	2,402,854
Earmarked reserve for intangible fixed assets	105,244	-	-105,244	-
Earmarked reserve for tangible fixed assets	55,489	-	-55,489	-
Earmarked reserve for secondment fee	256,681	-	-256,681	-
Earmarked reserve for absence and end of service	49,731	396,298	-271,915	174,114
Earmarked reserves	467,145	396,298	-689,329	174,114
Total reserves	1,780,050	1,486,246	-689,329	2,576,968

CONTINUITY RESERVE

The continuity reserve is intended to safeguard continuity of the operations of GCA should the organisation experience a temporary shortfall in funding. In 2021, GCA adds €1.1 million to its continuity reserve.

EARMARKED RESERVES

The earmarked reserve is related to the estimated future expenses related to absence of staff due to sickness and to future termination benefits to be paid out by GCA. GCA has an obligation, based on Dutch labour law, to compensate employees an amount of benefit (in Dutch "transitievergoeding") when GCA ends their employment contract. GCA

also has the obligation to continue to pay the employee's salary during absence due to sickness and annual leave. The estimate for the amount of such future expenses is based on the general statistical average of sickness leave of 4%, an estimate of 50% of employees leaving GCA for whom a termination benefit has to be paid and on actual historical data. The additions to the earmarked reserve relate to a fixed percentage of gross salaries that is set aside, while the withdrawals from the reserve relate to costs for actual sickness and annual leave during the financial period. In 2021 the earmarked reserves related to future depreciation of assets were fully released in accordance with accounting regulations.

5. SHORT TERM LIABILITIES

Short term liabilities consist of grants received in advance, obligations to partners, payables to creditors and other liabilities. All short term liabilities are due within one year. Grants received in advance and Payables to partners consists of 96% of the total short term liabilities and are clarified in more detail below.

GRANTS RECEIVED IN ADVANCE

Received funds related to project grants that have not been spent, are accounted for as grants received in advance.

	31/12/2021	31/12/2020
Government of Norway	4,098,261	2,385,314
Bill and Melinda Gates Foundation	3,335,090	-
Government of the Netherlands	2,595,668	3,699,052
Government of Sweden	1,491,534	-
Gordon and Betty Moore Foundation	609,512	1,107,026
European Research Executive Agency	78,685	-
CVF/V20 Multi Donor Fund	81,837	-
Government of Germany	15,627	-
Government of Denmark	-0	1,697,346
IDRC Canada	0	198,431
Total grants received in advance	12,306,212	10,754,921

OBLIGATIONS TO PARTNERS

	31/12/2021	31/12/2020
African Development Bank	1,000,000	-
Water Funders Initiative	572,597	-
United Nations Office for Project Services	474,497	283,921
International Water Management Institute	417,937	-
Aroha	371,582	-
International Livestock Research Institute	300,341	-
African Agricultural Technology Foundation	249,952	-
International Center on Tropical Agriculture	237,581	-
Akademiya2063	206,980	-
Akiba Mashinani Trust	195,176	-
The Ban Ki-moon Centre for Global Citizens	52,384	-
Horn of Africa Regional Environment Centre and Network (HoA-REC&N)	20,000	-
Centre for Environment Education	11,998	-
International Center for Tropical Agriculture	-	35,000
Climate Policy Initiative	-	20,837
Climate Bonds Initiative	-	12,952
World Resources Institute	-	2,441,396
Accrued partner expenses	4,111,026	2,794,107

Partners that have not been paid yet by GCA for the full amount of the subgrant agreement are accounted for as Obligations to partners for the part of the value of the subgrant that has not been paid by GCA yet.

6. FINANCIAL RISKS AND FINANCIAL INSTRUMENTS

During its normal operations, GCA is exposed to currency, interest, cash flow, credit and liquidity risks. To control these risks, GCA has instituted policies and procedures that are intended to limit the risks of unpredictable adverse developments in the financial markets and thus for the ability of GCA to fulfil its objectives.

GCA does not apply nor trade in financial derivatives, such as interest rate swaps, forward exchange contracts or options to control its risks. Its main risk mitigation measures are described below.

Credit risk- banks

Credit risk arises principally from GCA's substantial cash position. It holds large bank balances and the main risk is that of a bank defaulting. In 2021, its bank balance of €17.8 million was with ABN AMRO and ING. In 2022, GCA may further mitigate this risk by spreading its available funds over several high rated banks.

Credit risk- receivables

Credit risk also arises from GCA's receivables totaling €1.6 million. Of this amount, €0.4 million is to be received from the Dutch government which is unlikely to default. Another €0.6 million of receivables relates to a prepayment to the Water Funders Initiative, which is a partner funded by a grant from the Gordon and Betty Moore Foundation without risk to GCA. Therefore, the credit risk on receivables in 2021 is limited but GCA will continue to monitor its exposure to single parties with a risk of defaulting.

Foreign exchange rate risk

GCA is exposed to currency risk on project obligations that are denominated in a currency other than the contractual currency of the grant contract that relates to such a project. The currencies in which these project transactions primarily are denominated are Euro. The currencies in which GCA's donor grant contracts are denominated are Euro, Swedish Kronar, Norwegian Kronar and United

States Dollar. GCA's policy is to denominate its contractual obligations as much as possible in the same currency as the donor's currency and to hold bank balances in the currency in which it has large obligations. GCA currently does not hedge its exposure with derivative instruments.

Fair value

The fair value of the financial instruments stated on the balance sheet, including receivables, cash and cash equivalents and current liabilities, is approximately equal to their carrying amount.

7. OFF-BALANCE SHEET OBLIGATIONS AND RIGHTS

GCA does not have off-balance sheet obligations, because it did not enter into contracts such as rental or lease agreements without an opt-out condition. Grant agreements signed but not received are considered off-balance sheet rights and those amount to €9.1 million off-balance sheet rights.

NOTES TO THE STATEMENT OF INCOME AND EXPENSES

8. INCOME FROM GRANTS AND DONATIONS

Income from grants and donations is mainly attributable to earmarked grants from governments, which totals to €12.3 million and 94% of the total grants income of €13.1 million in 2021. The total grants income this year is 59% higher than previous year, which was €8.2 million. In 2020, almost 100% of grant income came from governments, meaning that the portfolio of donors was more diverse in 2021.

All grants have an incidental nature with an end date, although part of the income in 2021 is related to multiyear donor commitments. GCA strives to mobilize resources based on a longer term partnerships focused on bringing more to the table than just funding.

In the first years of GCA's existence, the managing partnership of the Global Commission on Adaptation was its focus of activities. The main funders of this work were the governments of the Netherlands, Canada, Denmark and Great Britain. In January 2021 the Commission had its last meeting during the successful Climate Adaptation Summit, which concluded GCA's work for the Commission and the grants funding it.

New grants have been signed for the continuation of GCA's work as a global solutions broker for climate adaptation. New funding partners such as the governments of Norway and Sweden will fund GCA's Africa Adaptation Acceleration Program (AAAP) and the Bill and Melinda Gates Foundation funds GCA's core costs. The government of the Netherlands remains an important partner. These new grants extend until 2022 and 2023. The government of Germany funds GCA's work for the Climate Vulnerable Forum and the V20

until at least 2023 through the multi donor fund managed by the United Nations Office for Project Services (UNOPS).

The accrued income in 2021 for an amount of minus €1.1 million is a reversal of previous year's accrued income, which was not allocated to a donor. In 2021 the amount of accrued income is allocated to specific funding sources, mainly the governments of the Netherlands and Denmark. Therefore the general line is reversed and consequently shows a negative amount in 2021.

	2021	2020
Government of the Netherlands	4,585,055	1,330,948
Government of Norway	3,217,288	-
Government of Sweden	2,613,806	819,859
Government of Denmark	1,678,336	2,773,662
CVF/V20 Multi Donor Fund	928,418	-
Gordon and Betty Moore Foundation	591,923	60,930
IDRC Canada	227,403	145,327
Bill and Melinda Gates Foundation	182,940	-
Government of Germany	140,005	360,902
Government of Great Britain	67,966	333,227
European Research Executive Agency	1,785	-
Accrued income	(1,131,743)	1,131,743
Government of Canada	-	1,290,572
Total income from grants	13,103,182	8,247,171

9. INCOME FROM GIFTS IN KIND

Income from gifts in kind relate to goods and services that are provided to GCA for free. The total income from such gifts is €0.7 million in 2021, which is €0.1 million lower than the income from gifts in kind of €0.8 million in 2020.

Most gifts have an incidental nature, although GCA's office space in Rotterdam is committed for the coming ten years until 2032 by the municipality of Rotterdam and GCA's office space in Groningen is committed until 2023 by the municipality of Groningen. The income from the Africa Development Bank relates to several members of staff that are seconded to GCA without cost to GCA.

Thanks to our good reputation that our donors recognize, they are willing to provide us with these gifts in kind, thereby contributing to a more climate resilient world.

	2021	2020
Africa Development Bank	300,848	-
Municipality of Rotterdam	231,667	100,000
Municipality of Groningen	75,600	75,600
University of Groningen	46,749	97,178
Government of the Netherlands	-	426,816
Government of Great Britain	-	122,000
Total income from gifts in kind	654,864	821,594

10. FINANCIAL GAINS

In 2021, GCA recognized financial gains of €0.3 million, compared with financial gains of €0.2 million in 2020. The attribution is presented in the below table. Revaluation gains are unrealized gains resulting from differences in foreign exchange rates at the time when assets and liabilities were originally recognized and rates at the balance sheet date.

	2021	2020
Interest received	-	-
Foreign exchange rate gains	362	9,456
Revaluation gains	289,335	144,961
Financial gains	289,697	154,417

11. EXPENSES ON PERSONNEL AND HUMAN RESOURCES

GCA's total expenses on Personnel and Human Resources in 2021 amount to €4.0 million, more than double the amount of previous year of €1.8 million. The reasons lie in growth of staff and contractors, as planned. GCA's staff grew from 9 full time equivalent employees (FTE) in 2020 to 27 FTE in 2021. As a result, GCA's salary related expenses more than tripled from to €0.6 million in 2020 to €2.4 million in 2021. Other human resources expenses grew by 150% compared to previous year, from to €1.1 million in 2020 to €1.7 million in 2021. This growth is mainly related to the increase in number of contractors. A number of staff positions at GCA are temporarily or permanently filled by contractors, for example because these contractors have exceptional expertise which is vital to GCA, but they are located in places in the world where GCA does not have an office.

	2021	2020
Gross salaries	1,837,455	485,006
Holiday allowance	134,903	38,801
Pension allowance	134,428	38,801
Social security charges	265,055	101,956
Subtotal wages, pensions and social security	2,371,841	664,563
Contractors and day workers	1,291,923	878,306
Interns, youth leaders and fellows	213,759	143,950
Addition to provision for leave	69,707	35,697
Relocation	45,048	26,765
Commuting	17,208	6,165
Recruitment	8,797	2,548
Other	11,835	10,295
Subtotal other human resources expenses	1,658,277	1,103,726
Total expenses for personnel and human resources	4,030,118	1,768,289

12. FINANCIAL LOSSES

In 2021, GCA realised a financial gain of €0.3 million which compares to €0.1 million in 2020. The attribution is presented in the table below. Interest paid is caused by the negative interest rates that are introduced by banks in the Netherlands. The increase is caused by the increase of GCA's bank balance and by the decrease of the threshold of the bank balances to which the negative interest is applied, from €0.5 million to €0.2 million.

Revaluation gains and losses primarily relate to differences in foreign exchange rates of the US Dollar and the Euro at the time when assets and liabilities originated and at the balance sheet date. The financial losses move in similar direction as the financial gains (refer to note 10), because assets and obligations denominated in foreign currencies offset each other, thus limiting the foreign exchange rate risk.

	2021	2020
Interest paid	13,773	3,787
Foreign exchange rate losses	20,388	2,980
Revaluation losses	233,362	95,126
Financial losses	267,523	101,894

13. OTHER EXPENSES

Other expenses of €4.5 million have increased significantly in 2021 from €1.0 million other expenses in 2020. These expenses relate for 67% to advisory services, which are mostly independent consultants and consultancy firms providing research, analysis and advisory services to GCA's projects. 10% is related to communication: costs for copy-editors, layout, design, production, images and prints of GCA's opinion-editorials and reports. Another €0.4 million makes up costs for housing and facilities, which are mainly the annual value of the offices in Rotterdam and Groningen, which have been provided to the GCA by the municipalities of Rotterdam and Groningen for free. Still, accounting rules prescribe that GCA recognizes these gifts in kind in its annual statements as expenses as well as income.

	2021	2020
Office	198,087	111,066
General	125,977	38,374
Travel and transport	310,963	12,258
Housing and facilities	419,538	179,215
Communication	434,584	191,213
Analytics and Advisory	2,988,712	481,747
Other expenses	4,477,860	1,013,872

FURTHER NOTES TO THE ANNUAL ACCOUNTS

Number of employees

GCA grew from an average of 9 full-time equivalent (FTE) in 2020 to 27 FTE in 2021. GCA had 37 employees as at the balance sheet date, an 85% increase from the previous year. Additionally, during the year over 55 persons actively contributed to GCA's activities as consultants, secondees, fellows, youth leaders and interns.

Pension Plan

GCA has no pension plan. It pays out a monthly pension allowance of 8% of gross salary to its employees.

Executive Board remuneration

The Dutch Remuneration Act – “Wet Normering Topinkomens” (WNT) – is applicable to GCA. In accordance with the requirements of the WNT the table below provides information about persons on top positions (“Topfunctionarissen”) in GCA. All such persons received no remuneration from GCA in 2021 and are not employed by GCA. The CEO, Mr. Patrick Verkooijen, is employed by the World Bank Group. GCA is not invoiced for Mr. Verkooijen's secondment to GCA, which is free of cost to GCA.

The Supervisory Board members are not compensated.

Loans and guarantees to employees and board members

No employees, executive board members or supervisory board members received loans, prepayments or guarantees from GCA.

Subsequent events

No subsequent events took place from the balance sheet date to the date of adoption of the financial statements, that materially change the perspective on GCA as provided in the financial statements.

Adoption of Financial Statements

The financial statements are prepared by the Executive Board of GCA. On the condition of obtaining an unqualified opinion of the independent auditor the financial statements were unanimously adopted by the Supervisory Board in its meeting on 16 June, 2022.

Supervisory Board: Ban Ki-moon (Chair), Feike Sijbesma (Co-Chair), Roald Lapperre, Mayor Francis X. Suarez, Rodger Voorhies, Shemara Wikramanayake

Executive Board: Patrick Verkooijen, Jan-Peter Balkenende and Peter den Oudsten

People in top positions, 2021	POSITION
Patrick Verkooijen	Executive Board member and CEO
Roald Lapperre	Supervisory Board member
Ban Ki-moon	Supervisory Board member (chair)
Feike Sijbesma	Supervisory Board member (co-chair)
Francis Xavier Suarez	Supervisory Board member
Rodger Voorhies	Supervisory Board member
Shemara Wikramanayake	Supervisory Board member
Jan-Peter Balkenende	Executive Board member
Peter den Oudsten	Executive Board member

OTHER INFORMATION



Orteliuslaan 1051
Postbus 8118
3503 RC Utrecht
T: 088 277 12 27
Sander.boomman@mazars.nl

INDEPENDENT AUDITOR'S REPORT

To the Supervisory Board and Board of Management of
Stichting The Global Center on

Report on the audit of the financial statements 2021 included in the annual report

Our opinion

We have audited the financial statements 2021 of Stichting The Global Center on Adaptation, based in The Hague.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting The Global Center on Adaptation as per 31 December 2021, and of its result for the period 1 January 2021 – 31 December 2021 in accordance with Dutch accounting standard RJ 640 for not-for-profit organisations.

The financial statements comprise:

1. the balance sheet as at December 31, 2021;
2. the statement of income and expenses for the period 1 January 2021 – 31 December 2021; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting The Global Center on Adaptation in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of the report of the management board and annexes.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements. The board of Directors is responsible for the preparation of the management board's report in accordance with Dutch accounting standard RJ 640 for not-for-profit organisations.

Description of responsibilities regarding the financial statements

Responsibilities of the board of management and the supervisory board for the financial statements

The board of management is responsible for the preparation and fair presentation of the financial statements in accordance with Dutch accounting standard RJ 640 for not-for-profit organisations.

Furthermore, the board is responsible for such internal control as the board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of management is responsible for assessing the organisation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board of management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the organisation or to cease operations, or has no realistic alternative but to do so.

The board of management should disclose events and circumstances that may cast significant doubt on the organisation's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the organisation's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organisation's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an organisation to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Utrecht, 29 June 2022

Mazars N.V.

drs. S. Boomman RA

ACRONYMS AND ABBREVIATIONS

AAA	Adaptation Action Agenda
AAAP	Africa Adaptation Acceleration Program
AAI	Africa Adaptation Initiative
ADF	African Development Fund
AF	Adaptation Fund
AfDB	African Development Bank
AIRA	Africa Infrastructure Resilience Accelerator
AU	African Union
BKMC	Ban Ki-moon Centre for Global Citizens
CAA	City Adaptation Accelerator
CAS	Climate Adaptation Summit
CDRI	Coalition for Disaster Resilient Infrastructure
CEGIS	Center for Environmental and Geographic Information Services
CIAT	The International Center for Tropical Agriculture
CMIP	Coupled Model Intercomparison Projects
CRIO	Climate-Resilient Infrastructure Officer
CSDAT	Climate Smart Digital Technologies for Agriculture and Food Security
COP26	26 th Conference of the Parties to the United Nations Climate Change Framework Convention (United Nations Climate Change Conference)
CVF	Climate Vulnerable Forum
DCAS	Digital Climate Informed Advisory Services
DFI	Development Financial Institution
DFS	Digital Financial Services
EBRD	European Bank for Reconstruction and Development

FOR	Floating Office Rotterdam
GCA	Global Center on Adaptation
GGA	Global Goal on Adaptation
GCF	Green Climate Fund
IMF	International Monetary Fund
IPCC	Intergovernmental Panel on Climate Change
LLA	Locally Led Adaptation
MDB	Multilateral Development Bank
MNWAP	Mkondvo-Ngwavuma Water Augmentation Program
MSME	Micro, Small and Medium Enterprise
NbS	Nature-based Solutions
NDCs	Nationally Determined Contributions
OECD	Organization for Economic Cooperation and Development
PPPs	Public-Private Partnerships
SDGs	Sustainable Development Goals
SIDS	Small Island Developing States
SREP	Scaling Up Renewable Energy Program
STA21	State and Trends in Adaptation Report 2021
STAKE	State and Trends in Adaptation Knowledge Exchange
TAP	Technical Assistance Program to Access and Leverage Climate Finance
UNEP	United Nations Environment Programme
UNOPS	United Nations Office for Project Services
V20	Vulnerable 20 Group
WAC	Water Adaptation Community
WBG	World Bank Group



**GLOBAL
CENTER ON
ADAPTATION**

**ANTOINE PLATEKADE 1006
3071 ME ROTTERDAM
THE NETHERLANDS
+31 (0) 88-088-6800
WWW.GCA.ORG**