



GLOBAL
CENTER ON
ADAPTATION

KEYNOTE REMARKS OF THE GLOBAL CENTER ON ADAPTATION CEO AT THE FINANCE IN COMMON SUMMIT

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What's good for Africa is good for the world. This has never been more true with the climate crisis.

Excellencies, friends, my name is Patrick Verkooijen and I am the CEO of the Global Center on Adaptation (GCA).

I think if you are here today in Abidjan, it's because you know Africa is unstoppable. We all believe in it.

But Africa is also at a crossroads. And the international community itself is at a crossroads too. If COP27 – in just a few weeks – fails, all the gains of Glasgow will have been squandered. Global cooperation will suffer a massive setback that nobody can afford.

So the importance of this year's Finance in Common Summit cannot be overstated.

As a prelude to this Third Global Summit, we as GCA organized the first ever Africa Adaptation Summit last month, and I am pleased to be able to report out on its key outcomes as we start our deliberations this week and as we march towards COP27.

What was the Africa Adaptation Summit? An international, action forcing, high level dialogue chaired by President Macky Sall of Senegal in his capacity as Chair of the African Union and co-convened by the African Development Bank and the GCA, hosted at the world's largest floating office in Rotterdam. Over 70 leading figures of the international climate, development and finance community joined African Heads of State and other Leaders.

What was on the table? Africa, adaptation, finance.

What were the key messages coming out?

One: Africa is in the eye of the storm. Climate crisis, pandemic recovery, and now the fallout of Ukraine – the food and price crises. Regional debt is approaching levels last seen in the early 2000s.

Two: Africa is ground zero of the climate crisis. As climate change hits home across the globe today, there is one region which is suffering more than any other – Africa. Think about it: 9 out of the 10 countries most vulnerable to climate change are in Africa. All of us, everywhere, would feel the fallout of Africa not adapting. It cannot be contained.

Three: The doubling in adaptation finance. The Glasgow commitment of doubling finance flows for adaptation has to be delivered.

Four: Capitalizing Africa's Adaptation Acceleration Program.

And five: Delivery of the Upstream Financing Facility – the delivery belt of adaptation mainstreaming in the millions to leverage the billions of the Development Finance Institutions (DFIs) – to shift the trillions, in tandem with the full capitalization of the African Development Fund's Climate Action Window.

Simply put: the Africa Adaptation Summit was about putting the priorities on the table. And raising the political temperature.

The COP is where we need to see results come through. Now is the time to see concrete delivery: on adaptation – on finance for adaptation – for Africa. Because let us be clear: Africa is facing a massive funding crisis to adapt to a climate crisis it did not create.

Let's look at the numbers: Current annual spending on adaptation across the continent is how much? Just over \$11 billion with over 50 percent of this finance comes from the International Financial Institutions (IFIs), and around 23 percent from national governments, leaving a growing adaptation finance gap of over \$41 billion per year. But we have to address this finance gap.

African leaders reminded us last month that adaptation is a growth agenda, a jobs agenda, a prosperity agenda. And to capture these dividends, we need to do two things. We need to dramatically increase the flow of adaptation finance, and at the same time, we need to unlock new sources of financing, including from the private sector.

Well, you might ask: how can this be done?

It is obvious: Africa has a program for climate adaptation for the continent. It is the AAAP: the Africa Adaptation Acceleration Program. Africa-led, Africa owned and jointly developed by the African Development Bank (AfDB)– under the leadership of President Adesina – and the GCA.

It is by far the world's largest adaptation program with a 25 billion ambition over five years. And the good news is: it's proven to work. Since launching last year already over \$3.5 billion in projects have been delivered across 19 countries in Africa through the AAAP Upstream Financing Facility.

How? By mainstreaming the best science and solutions into downstream investments of the IFIs, by supporting African governments and finance institutions to access global climate finance, and by leveraging the capital of the private sector. And the AAAP Upstream Financing Facility is good value for money with a demonstrated leverage ratio of 1:100.

Simply put: it is the insurance policy that the \$25 billion in AAAP projects will generate truly effective climate adaptation outcomes in food security, rural livelihoods, digital solutions, nature-based infrastructure and youth employment.

In Senegal, we launched a partnership to join forces with four innovative, Senegalese finance institutions to unlock \$1 billion in global climate finance.

Here in Côte d'Ivoire, the AAAP Upstream Financing Facility is working with the Ministry of Finance to increase the share of adaptation investments financed by the country's forthcoming €2 billion Sustainable Bond Program.

But to move forward at the scale and pace that is needed, we need to reorient financial flows at a global scale. We all need to join forces to mainstream adaptation in all large-scale projects of the DFIs and bring together innovative solutions like AAAP with powerful actors like the Public Development Banks to chart the way forward.

Last month, during the Africa Adaptation Summit, building on our core partnership with the AfDB, followed by the World Bank, the European Investment Bank (EIB), and the International Fund for Agricultural Development (IFAD), we joined forces with Agence Française de Développement (AFD) to leverage AAAP as the vehicle to accelerate adaptation action in Africa. We are already working with many of you and I look forward to working more and more with every Public Development Bank and finance institution in this room, here in Africa and elsewhere.

By delivering on AAAP, we can set in motion a resilient transformation across Africa. And excellencies, it will also secure the success of the COP which is very much hinging on evidence that adaptation finance is flowing to Africa at scale now. And when this is Africa's moment, the scale has to be in the billions.

The African Development Bank already mobilized \$12.5 billion, so we are halfway there. Now the Climate Action window of the Bank must have the outstanding replenishment pledges banked by COP27. And the AAAP Upstream Financing Facility also needs another \$125 million banked by COP27.

We have one shot to deliver on this pledge.

Excellencies, colleagues and friends, as you are here this week in the vibrant city of Abidjan, charting a path towards a green and just transition for a sustainable recovery, remember that adaptation is unstoppable.

Even with the climate crisis: Africa is unstoppable.

I thank you.