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Climate Adaptation in Africa

TICAD 9 Partner Project Africa-Japan Partnership for Climate Resilient and Decarbonized Africa

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Climate Adaptation in Africa: Status of Play

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Africa is the most climate vulnerable region in the World, yet it receives < 4% of global climate finance

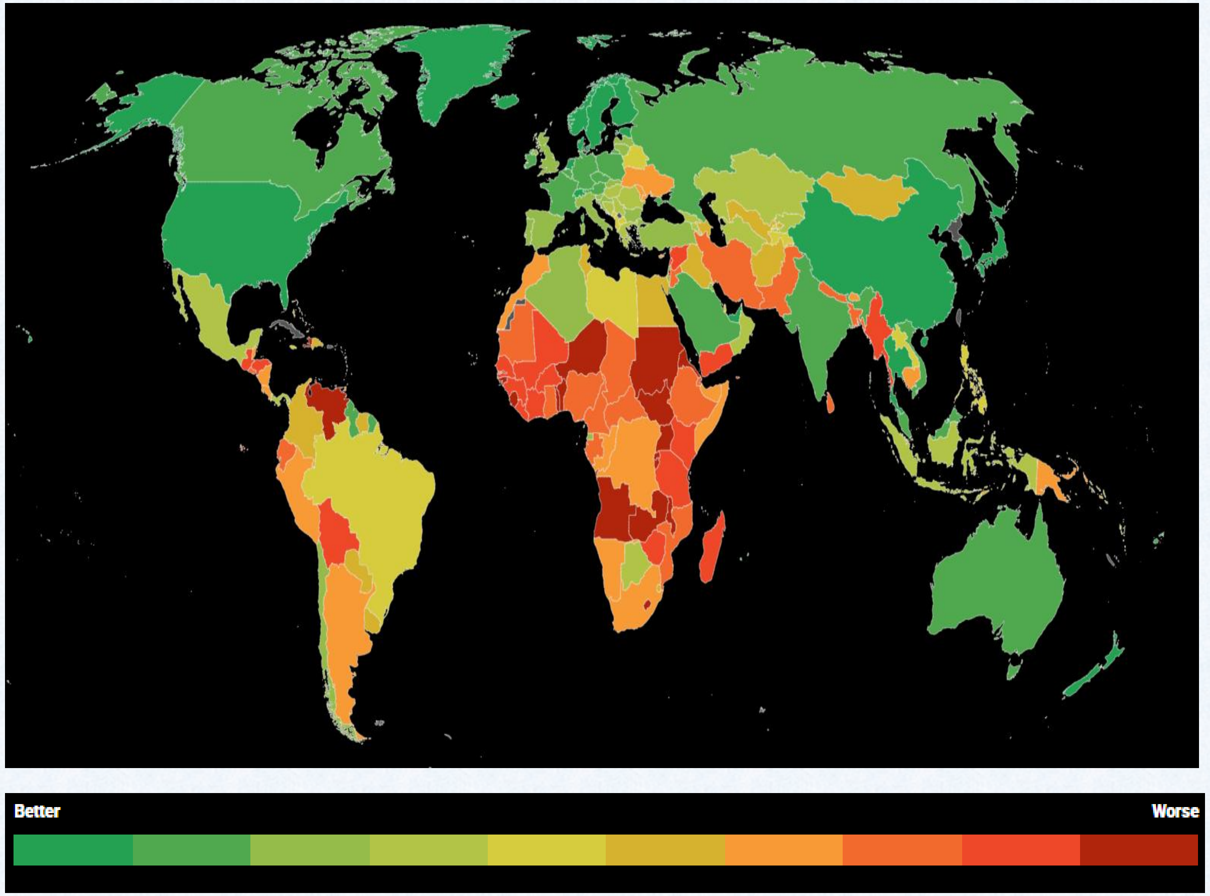
Adaptation needs in Sub-Saharan Africa: USD 30-50 billion per year over the next decade

Climate impacts cost African economies up to 5% of the Gross Domestic Product

Acute financial vulnerability (e.g. limited fiscal space, higher cost of capital) compounds climate vulnerability

[Sources: AfDB sources, Reuters and Columbia Climate School National Center for Disaster Preparedness]

Figure I: Climate Finance Vulnerability Index



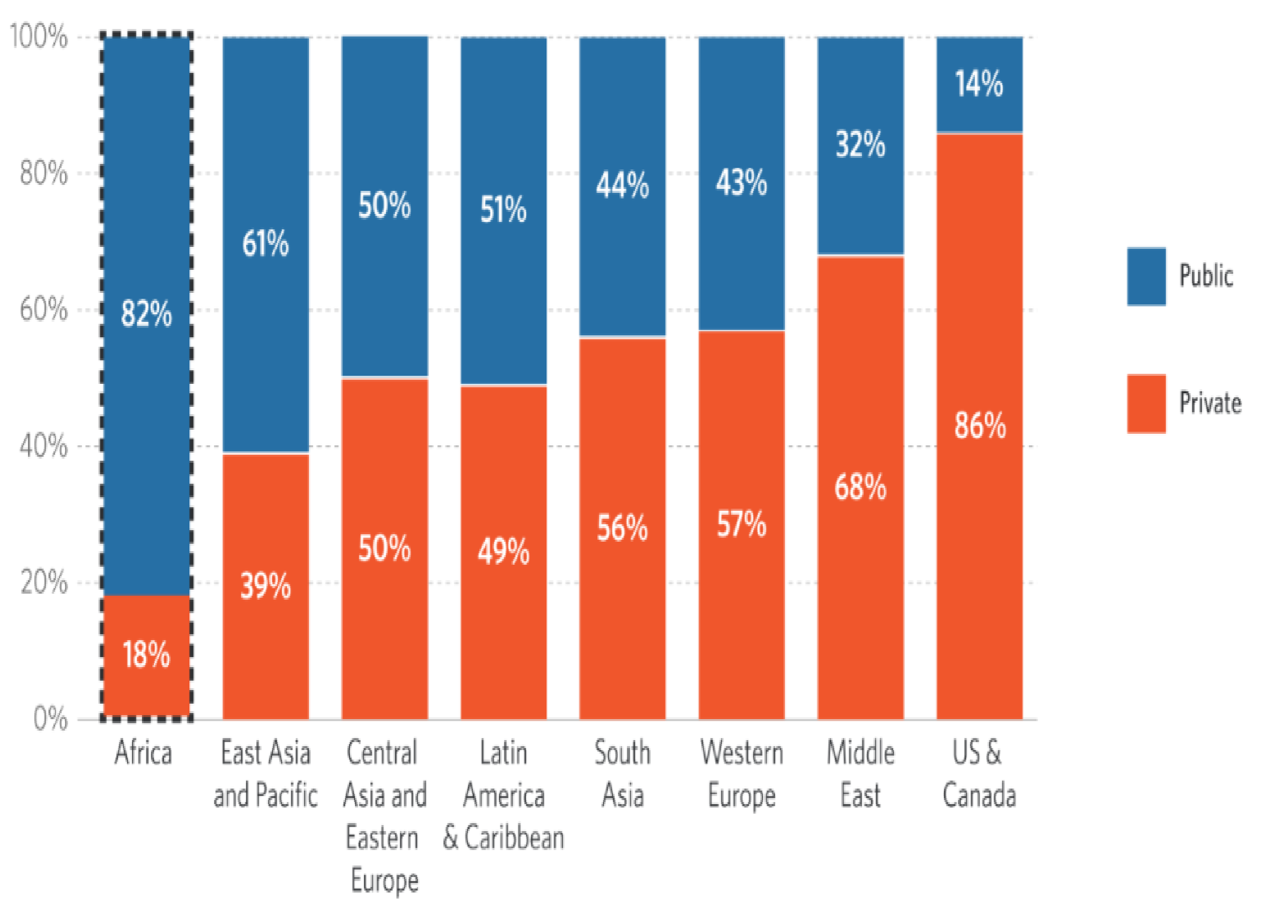
Climate Adaptation Financial Flows

Current adaptation flows to Africa: Around USD 11 billion / year.

82% coming from Public Sources – Private Sector role remains minimal.

Barriers: High perceived risk, lack of bankable projects, limited concessional resources

Figure II: Public vs Private Climate Finance Flows per Region



[Sources: AfDB, Climate Policy Initiative, Joint MDB Report on Climate Finance 2023, Climate Policy Initiative]

AfDB’s Leadership in Adaptation Finance

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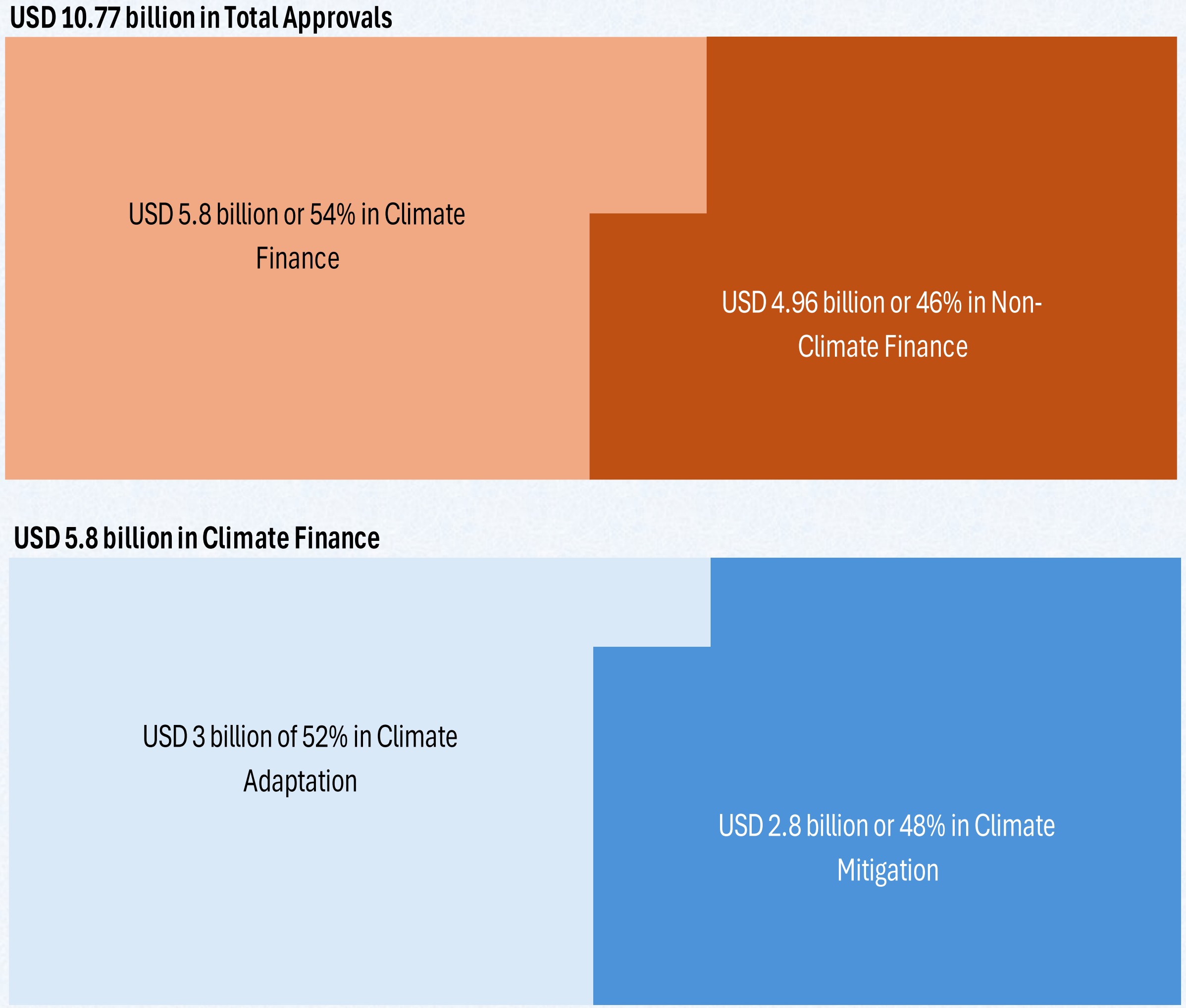
1. **63% of total approvals** allocated to climate adaptation in 2023 – highest amongst MDBs.

2. **Flagship Programs:** (i) Climate Action Window (CAW), (ii) Adaptation Benefits Mechanism, (iii) Africa Adaptation Acceleration Program (AAAP).

3. **Strong partnerships** with Green Climate Fund (GCF), Climate Investment Funds (CIF), and Bilateral Donors.

[Sources: AfDB, Joint MDB Report on Climate Finance]

Figure III: AfDB Total Approvals in 2023



The Climate Action Window (CAW)

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Operationalised under the African Development Fund 16th replenishment cycle (ADF-16) to bridge the enormous USD 50 - 60 billion annual climate finance gap.

- **75% of CAW funding is dedicated to adaptation,** 15% to mitigation, and 10% to technical assistance — a transformative shift given that Africa currently receives only 20% of global adaptation finance.
- **Seed financing of USD 446.5 million** has been committed by partners including the UK, Germany, Norway, Switzerland, and the Netherlands.

Early performance:

- Attracted **359 proposals worth over USD 4 billion.**
- **41 adaptation projects were approved**, receiving USD 322 million and leveraging USD 1.6 billion in co-financing at a 1:5 ratio
- The mitigation window allocated USD 64 million to 18 projects, expected to attract USD 202.7 million in additional funding .
- The technical assistance window received 624 proposals and is supporting countries in project design, readiness, and capacity building.

Beyond direct financing:

CAW is strengthening Africa's ability to access global climate funds by:

- **Supporting Paris alignment**, by helping countries revise NDCs, NAPs, and Long-Term Strategies .
- **Enhancing project bankability** across six key sectors: agriculture, water, energy, early warning systems, disaster risk management, and climate information systems .
- **Building strategic partnerships** with global institutions including the Green Climate Fund, the Adaptation Fund, and the Systematic Observations Financing Facility (SOFF).

The Adaptation Benefit Mechanism (ABM)

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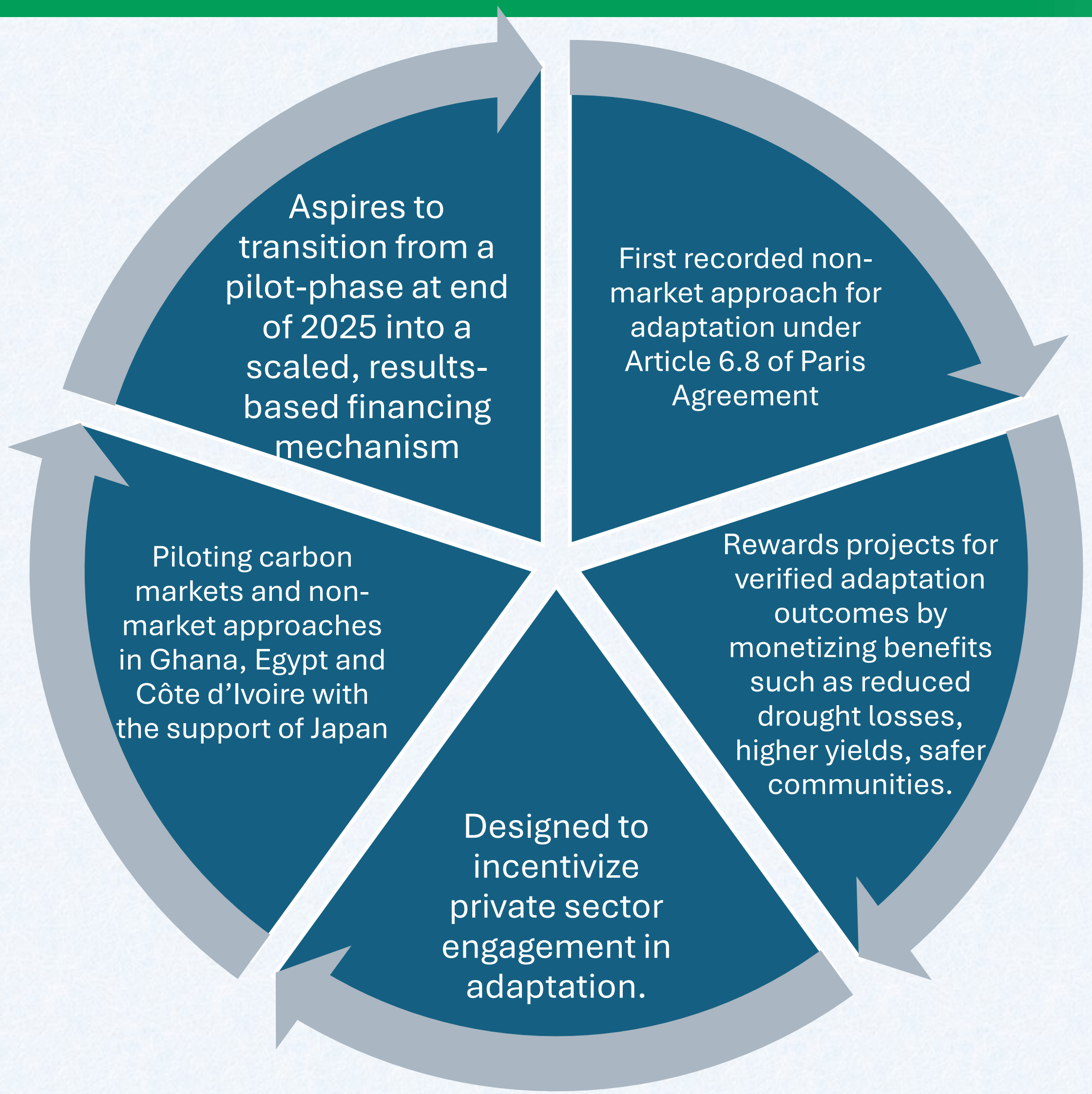
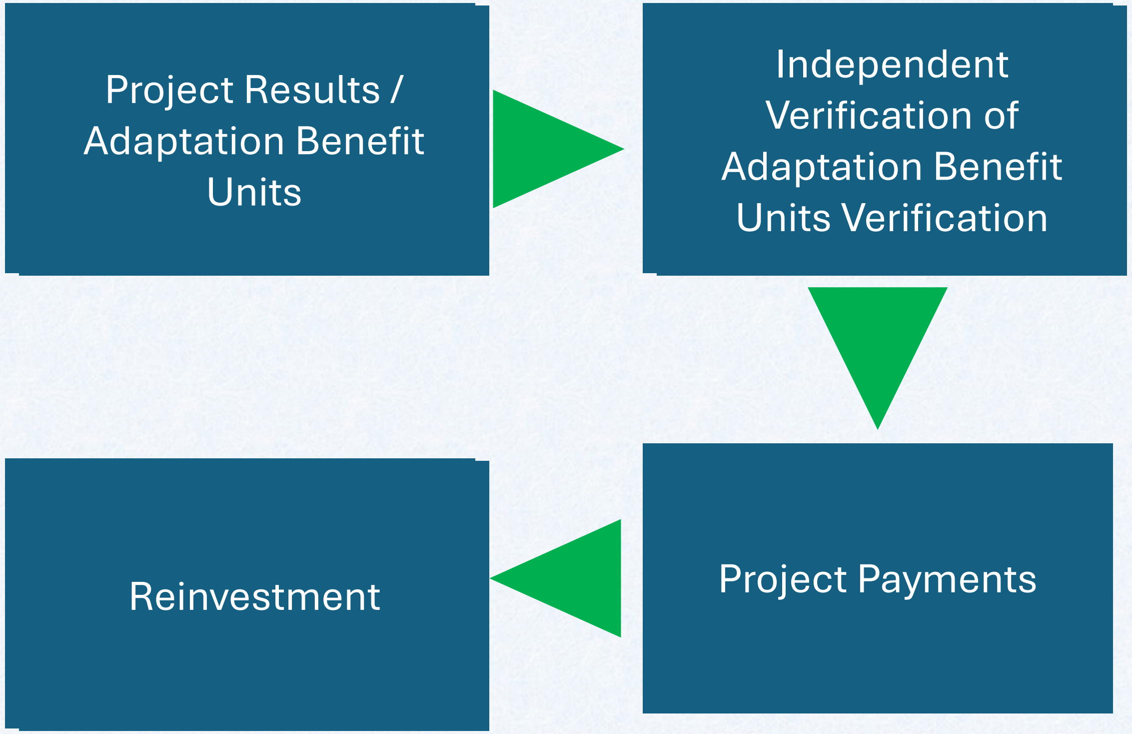


Figure IV: ABM Flow Diagram



Shared Vision for Climate-Resilient Africa

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Japan’s enduring partnership: Through TICAD, Japan has consistently championed Africa’s sustainable growth, resilience and innovation.

Deepening collaboration at TICAD 9: Opportunity to scale up adaptation finance. **Adaptation Benefits Mechanism?**

Expanding private sector engagements: Harness Japanese technology, innovation and investment to build climate-resilience infrastructure and communities. **Is there a role for repayable contributions in support of private sector-led climate adaptation?** AfDB substantial experience in deploying this instrument with other partners (e.g. Canada)

Strong Japan – AfDB partnership: Co-create solutions that advance Africa’s adaptation agenda while strengthening global climate action

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Arigato Gozaimasu