

September 29th - 30th, 2016
Palmeraie Golf Palace,
Marrakesh



29 - 30 septembre 2016
Palmeraie Golf Palace,
Marrakech

HIGH-LEVEL MEETING ON THE INITIATIVE FOR THE ADAPTATION OF AFRICAN AGRICULTURE TO CLIMATE CHANGE "AAA"

RENCONTRE DE HAUT NIVEAU SUR L'INITIATIVE POUR L'ADAPTATION DE L'AGRICULTURE AFRICAINE AUX CHANGEMENTS CLIMATIQUES "AAA"

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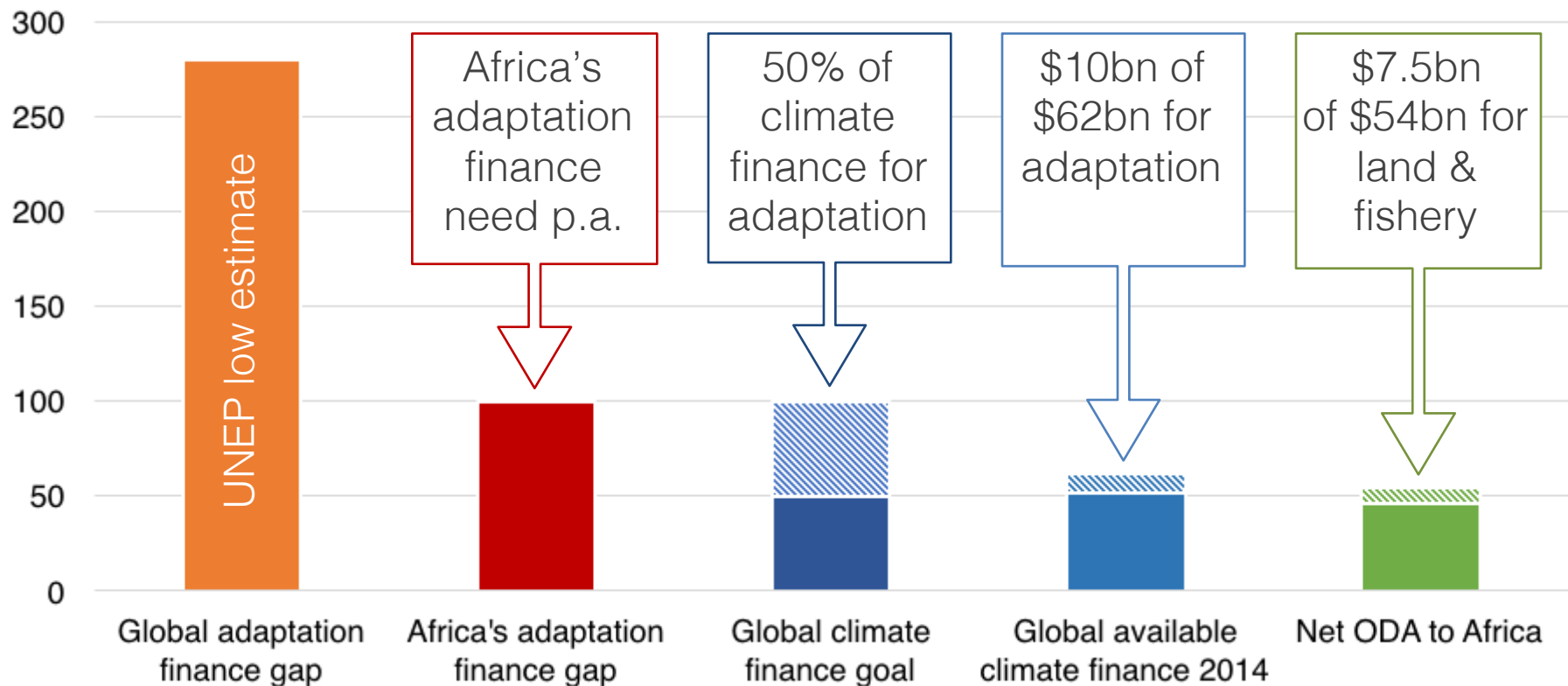


Climate Finance for Adaptation in African Agriculture Challenges & Opportunities

September 2016

Africa's adaptation finance gap

- Africa currently receives circa USD 1-2 billion p.a. for adaptation
- Most of this goes to the agricultural sectors
- But lack of clarity on need and amounts available



Where could funding come from?

Funder category	Includes	Description
Development funds	<ul style="list-style-type: none">• Overseas Development Assistance (ODA)• Climate funds• Multilateral funds	55 identified Examples: GEF, LDCF, AF, SCCF, GCF, PPCR, IFAD...
Other development funders	<ul style="list-style-type: none">• Foundations• Impact first funders including NGOs	95 identified Examples: Gates, Rockefeller, MasterCard...
Private sector financiers	<ul style="list-style-type: none">• Banks• Non Bank Financial Institutions• Asset managers inc. institutional investors• Investment companies• Corporates	105 considered Examples: Equity Bank, Global Environment Fund, Form International, Juhudi Kilimo, I&P, Investec, Vital Capital, Old Mutual...

Development funds: summary

- Challenging to get an accurate and complete picture of committed and disbursed relevant funds
- Relevance to other funding topics e.g. desertification
- Relevance to other ODA funding streams, e.g. migration
- General bureaucracy challenges (application, M&E), funding predictability and sustainability

Opportunities for AAA

- Advocacy for funding, including better understanding needs
- Promoting accountability and tracking disbursements and experiences
- Facilitating access to existing opportunities:
 - Creating awareness about opportunities
 - Supporting access, e.g. through mentoring & joint programming
 - Design and promotion of relevant ideas

Other development funders: summary

- Challenging to get clarity on interest and access modalities: range of interests and motivations
- Many US & EU based and prefer funding NGOs with relevant tax codes
- Can help to promote to donors and private funders

Opportunities for AAA

- Involve relevant examples of such funders early in design: big international funders and smaller geographically relevant / specialized funders
- Explore partnerships with US & EU-based entities to leverage funding from foundations domiciled in these jurisdictions
- Explore range of ways their funding could be used and leveraged, e.g. SME investments, sub-ordinated loans
- Dialogue to encourage learnings between government and privately funded initiatives e.g. sharing KPIs

Private sector funders: summary

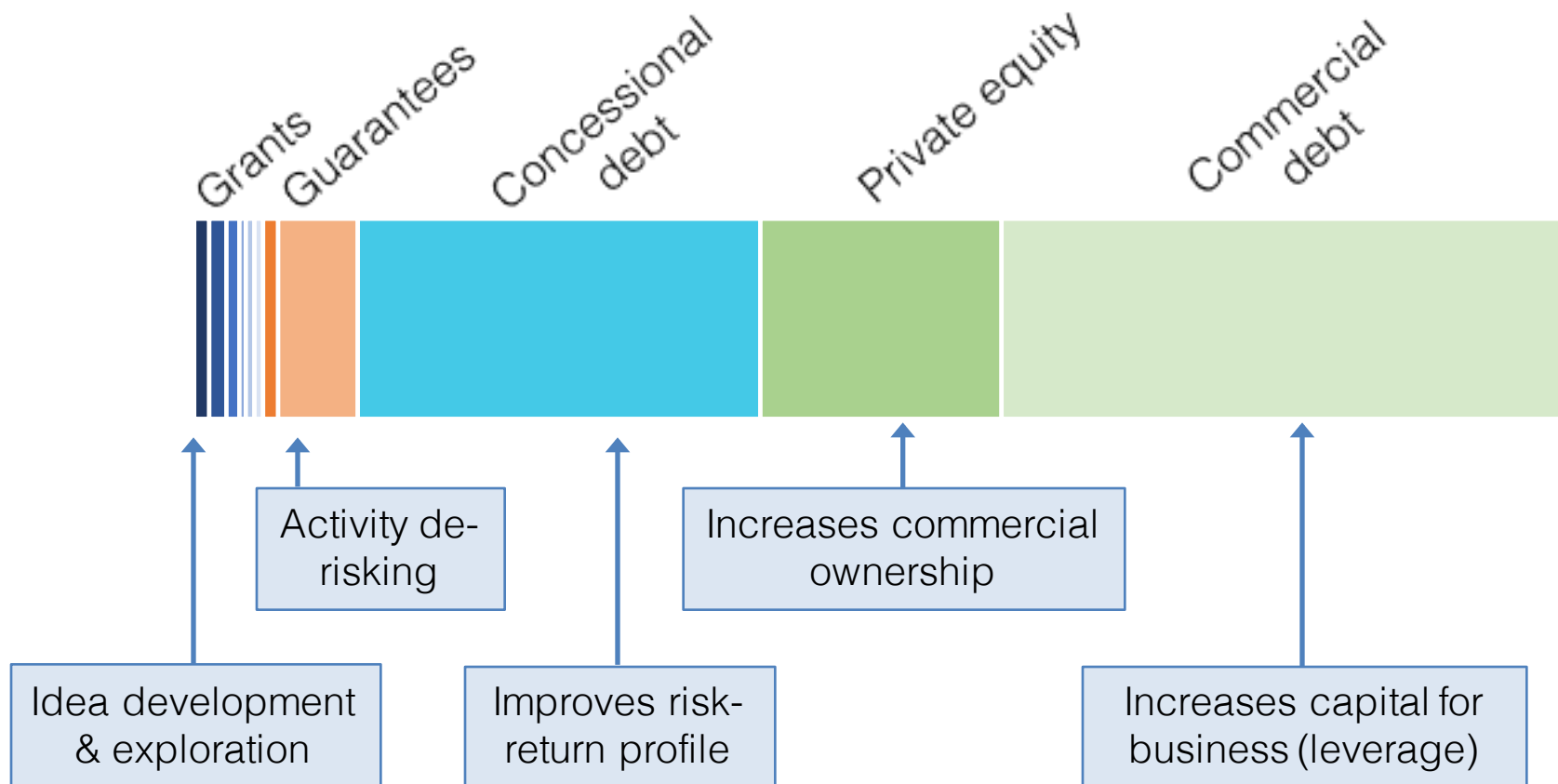
- Significant opportunity to bring in additional capital through proper engagement
- Africa & agriculture seen as exciting investment topics
- Carrots: yields, new products, ability to draw in concessional funding both in design and scaling
- Sticks: informing & enforcing investment regulation, translation of climate risks into investment decisions

Opportunities for AAA

- Engage strategic private financiers in design discussions: what do they need to increase capital flows going to adaptation activities in African agriculture?
- Consider if and how to engage other facilitators of finance, e.g. insurance & micro-insurance companies, credit bureaus
- Use their input to test M&E for adaptation

Need to unlock additional capital

- It is unlikely that development funding will be adequate
- Need to unlock additional capital



Note that this diagram does not include local currency or other types of specific de-risking facilities and liquidity facilities, nor does it include results based payments



Thank You!

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