

Ministry of Foreign Affairs – The Department for Green Diplomacy and Climate (KLIMA)

Meeting in the Council for Development Policy on 10 October 2024.










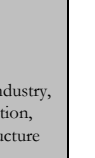







Agenda Item No. 7

- 1. Overall purpose:** For discussion and recommendation to the Minister
- 2. Title:** Support to Global Center on Adaptation (GCA) for the African Adaptation Acceleration Programme (AAAP)
- 3. Amount:** Additional DKK 15 million (2022-2026). First support of DKK 35 million was approved in December 2022.
- 4. Presentation for Programme Committee:** 18 August 2022
- 5. Previous Danish support presented to UPR:** No, this is the first presentation to UPR
- 6. Additional information:**

First part of the planned DKK 50 million support for GCA AAAP was granted in December 2022 with a DKK 35 million grant approved by the Minister for Development Cooperation and Global Climate Policy. It was not possible to present the full support to UPR in autumn 2022 due to late approval of the new Government and the finance act 2022, and consequently cancelled UPR meetings. It was decided to present the support to UPR at a later stage, including the remaining DKK 15 million adding up to a total CGA AAAP support 2022-26 of DKK 50 million.

For information, the GCA AAAP programme is linked to the Danish support for the Urban and Municipality Development Fund (UMDF) under the AfDB, presented to UPR 30 March 2023.

Scaling up the integration of adaption in climate resilient infrastructure in Africa's cities
 - support to Africa Adaptation Acceleration Programme through Global Center on Adaptation

<p>Key results:</p> <ul style="list-style-type: none"> - Transformative and inclusive adaptation programme solutions developed and scaled up in African cities- Scale up in investments in resilient infrastructure with focus on water related services and management - Scale up in number of knowledge products critical to expanding and integrating resilience into infrastructure developments in Africa - Policy agendas advanced that favor adaptation and resilience, internationally and in Africa, through effective high-level advocacy <p>Justification for support:</p> <ul style="list-style-type: none"> - Resilient infrastructure and services directly relevant for tackling the adaptation challenge of Africa's cities - Supports Danish Government's commitment for 60% of climate finance towards climate adaptation and focus on Africa, water, and urban areas - Synergies and coherence with Danish support for C40, strategic sector cooperation, World Resources Institute, and similar, and parallel proposed support for AfDB/UMDF - A strategic position for Denmark with key actors like GCA and the platform of AAAP on climate adaptation and urban development in Africa, contributing to Danish climate ambitions/diplomacy - Joint support with Sweden, Norway, UK <p>Major risks and challenges:</p> <ul style="list-style-type: none"> - Global context with conflict and economic downturn and inflation shift African priorities away from adaptation invest - Resilient investment project preparations supported are not financed and investments do not materialize - GCA's organizational and programmatic development process does not follow a path that leads to results on the ground for resilience and adaptation in Africa 	File No.	2022-1779						
	Country	Africa						
	Responsible Unit	GDK						
	Sector	43032						
	Partner	Global Center on Adaptation						
		<i>DKK million</i>	2022	2023	2024	2025	2026	Total
	Commitment	35		15				50
	Projected disbursement	-	10	20	20			50
	Duration	2022-2025						
	Previous grants	DKK 37.25 mill. to Global Commission on Adaptation administered by Global Center on Adaptation and World Resources Institute.						
	Finance Act code	06.34.01.75						
	Head of unit	Karin Poulsen						
	Desk officer	Tine Anbæk						
	Reviewed by CFO	Rasmus Tvorup Ewald						
Relevant SDGs <i>[Maximum 5 – highlight with grey]</i>								
								
								
								

Objectives

Greater resilience of Africa's cities and its urban poor to climate change through a scale up in infrastructure investments that integrate climate adaptation and resilience based on effective tools and knowledge in combination with stronger advocacy for prioritizing climate adaptation internationally and in policies and plans of Africa's cities

Environment and climate targeting - Principal objective (100%); Significant objective (50%)

	Climate adaptation	Climate mitigation	Biodiversity	Other green/environment
Indicate 0, 50% or 100%	100%			
Total green budget(DKK)	50 mil			

Justification for choice of partner:

GCA's mission is exclusively dedicated to adaptation. GCA has a co-lead role in implementing the African Acceleration Adaptation Programme, a main framework for rapidly advancing climate adaptation and resilient infrastructure investments in Africa. Complements parallel proposed contribution to AfDB/Urban and Municipal Development Fund supporting the efficient integration of adaptation and resilience into the AfDBs pipeline of urban infrastructure investment projects. GCA is a new organisation with demonstrated potential, and has the Danish Minister for Development Cooperation on its Advisory Board.

Summary:

Earmarked contribution to GCA's Business Plan 2022-2025. Primary focus on GCA's promotion of integration of resilience into investment project preparation in Africa, especially via AAAP pillar on Africa Infrastructure Resilience Accelerator. In addition, support for GCA's work on developing and disseminating knowledge and tools for integration of climate adaptation and resilience in policy, planning and projects; support for GCA's adaptation advocacy work and agenda setting. The support provides a platform for political engagement on adaptation in Africa. Includes reviews/thematic studies to enable adaptive management based on lessons, reflecting GCA is in its early development.

Budget (engagement as defined in FMI):

Engagement 1 – the development project	48,5
Engagement 2 - auxiliary activities, such as advisors, M&E and reviews	1,5
Total	50

**Scaling up the integration of adaption in investments in climate
resilient infrastructure in Africa's cities**

- **support to Africa Adaptation Acceleration Programme through
Global Center on Adaptation**

Final Project Document

25 November 2022

For the Global Center on Adaptation

For the Ministry of Foreign Affairs

Patrick Verkooijen
Chief Executive Officer

Karin Poulsen
Head of Department Green Diplomacy and Climate

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Abbreviations

AAAP	Africa Adaption Acceleration Programme
AAI	African Adaptation Initiative
AfDB	African Development Bank
AMG	Aid Management Guidelines
DKK	Danish kroner
ELK	MFA's Department for Evaluation, Learning and Quality
AFW	Africa Water Facility
AIRA	African Infrastructure Resilience Accelerator
C40	C40 Cities Climate Leadership Group
GCA	Global Center for Adaptation
GDC	MFA's Department for Green Diplomacy and Climate
HRBA	Human Rights Based Approach
GGGI	Global Green Growth Institute
IFI	International Financial Institution
IUCN	International Union for the Conservation of Nature
MDB	Multilateral Development Bank
PICU	Infrastructure and Urban Development Department (AfDB)
SDG	Sustainable Development Goals
SUDAP	Sustainable Urban Development Action Plan
UMDF	Urban and Municipal Development Fund
USD	United States Dollar
WRI	World Resources Institute

1. Introduction

This project document describes a proposed Danish support for advancing climate adaptation in Africa's cities through enhanced mobilization of action by key actors to more efficiently integrate climate adaptation and resilience into urban infrastructure. The support closely links to a parallel proposed Danish contribution to the Urban and Municipal Development Fund (UMDF), an innovative trust fund established in the African Development Bank (AfDB) to deliver a scaled-up response from AfDB to the growing climate adaptation investment needs in Africa's cities.

The proposal is for a financial contribution of DKK 50 million to the Global Center for Adaptation (GCA), specifically for work focused on Africa. GCA was established in 2017 with a mission to act as solution broker to accelerate, innovate and scale adaptation actions for a climate resilient world. While GCA's focus is global, the proposed Danish support is earmarked for GCA's activities in Africa in the context of the Africa Adaptation Acceleration Programme (AAAP) – a joint-programme co-developed and managed by GCA and AfDB. The AAAP underpins the already on-going working relationship between GCA and AfDB, which will also be the foundation for this support.

The proposed support of DKK 50 million will be provided as earmarked funding towards prioritized areas in GCA's Business Plan 2020-2025. The support's main focus is to contribute to GCA's efforts in implementing the AAAP, with special focus on climate resilient urban infrastructure. The Danish support will allow GCA to further engage in partnerships with AfDB and other international financing institutions, not least the World Bank, to pilot a more systematic and efficient approach to the integration of climate adaptation and resilience into their pipeline of infrastructure investment projects in Africa.

In addition, the proposed project will advance development and dissemination of knowledge and tools on climate adaptation – and significantly, it will support GCA's high-policy level advocacy and agenda-setting work to ensure that adaptation and resilience are maintained as priorities on international agendas as well as in national and city-level policies and plans in Africa. As such, the support also directly complements Danish climate diplomacy efforts including the Minister for Development Cooperation's seat on GCA's Advisory Board¹ and the strong Danish engagement in the Champions Group on Adaptation Finance.

The support follows a previous Danish contribution to the Global Commission on Adaptation that laid out the overall global action tracks for climate adaptation, including for GCA's work. It will enable coherence with Danish support to international organizations addressing climate change and the green transition, such as C40, African Water Facility and, World Resources Institute.

2. Context, strategic considerations, rationale, and justification

2.1 Context – Africa's climate resilience and adaptation needs

As it is well-established, Africa faces acute challenges of adaptation to climate change. The 6th Assessment Report of the Intergovernmental Panel on Climate Change (IPCC)² was clear on the impending increase in extreme weather events - especially in Africa. On the Continent, rates of temperature increase have been among the most rapid; sea level rise has been higher rate and is expected to continue; higher frequency and severity of coastal flooding in low-lying areas exposed to coastal erosion and along

¹ The Ministers for Development Cooperation from Norway and Sweden are also in this Advisory Board.

² [IPCC_AR6_WGII_SummaryForPolicymakers.pdf](#)

most sandy coasts. Moreover, the State of the Climate in Africa 2020³ report highlighted Africa's disproportionate vulnerability and showed that the potential benefits of investments in climate adaptation, weather and climate services and early warning systems far outweigh the costs. These facts underpin the urgency of an extraordinary and focused effort to tackle Africa's adaptation needs, hence the **relevance** of this contribution's focus on climate adaptation in Africa.

Africa's adaptation challenge is particularly critical in its cities. This partly reflects Africa is the fastest urbanizing continent – with its population doubling to reach 2.5 billion by 2050 of which two-thirds absorbed by urban areas⁴. That amplifies greatly many African cities' already acute struggles to meet demands from their growing populations for more basic social and economic services at a point where gaps in urban infrastructure and services are severe. Further, the situation directly impacts Africa's cities' resilience to climate change, especially with respect to water: OECD estimates that two-thirds of Africa's cities are at “extreme” risk of climate and water related shocks⁵, and water cuts across several of Africa's urban adaptation needs. For that reason, to **relevantly** tackle urban adaptation challenges in Africa and protect the urban poor from effects of climate change, investments in resilient infrastructure must speed up – not least with focus on water.

In Africa, climate change combines with climate sensitive livelihoods and economic activity to intensify already widespread and persistent poverty levels. Climate change already negatively affects the continent's progress towards the Sustainable Development Goals (SDGs) and the principle of “leaving no one behind”. As increased weather and climate variability leads to disasters and disruption of economic, ecological and social systems, it is estimated that by 2030 up to 118 million extremely poor people - i.e. living on less than US\$ 1.90/day - will be exposed to drought, floods and extreme heat in Africa if adequate response measures are not put in place.⁶ This underscores the **relevance** of accelerating climate adaptation in Africa and focusing initiatives on the urban poor to best tackle their vulnerability and strengthen their resilience.

Women and girls experience the greatest impacts of climate change - increasing existing gender inequalities and threats to their livelihoods, health, and safety⁷. This reflects that women and girls make up the majority of the poor and rely more on food and income that depends on land and natural resources. They also often are less involved in decision-making at the same time as they are main responsible for securing water, food and fuel for cooking. The proposed support will integrate gender concerns to ensure its **relevance** for addressing those typically most affected by and vulnerable to climate change. It also underlines the relevancy of integrating principles of the Human Rights Based Approach (HRBA), as there are critical human rights questions with respect to participation, accountability, transparency, and non-discrimination at stake in initiatives to decide and plan climate resilient infrastructure in Africa's cities.

There are **multiple constraints Africa must tackle to accelerate the adaptation to climate change and resilience in its cities to the benefit of the urban poor.** Among these, challenges at three levels

³ https://www.uneca.org/sites/default/files/ACPC/State-of-the-Climate-in-Africa/WMO_State%20of%20the%20Climate%20in%20Africa%202020_Report_en.pdf

⁴ https://www.oecd-ilibrary.org/development/africa-s-urbanisation-dynamics-2020_b6bccb81-en

⁵ OECD, 2021, Water Governance in Africa's Cities

⁶ State of the Climate Report 2020, World Meteorological Organization, https://library.wmo.int/index.php?lvl=notice_display&id=21973#.YrVt20bP1hE

⁷ <https://s3.amazonaws.com/oxfam-us/www/static/media/files/climatechangewomen-factsheet.pdf>

can be highlighted. To be **effective**, the proposed support through GCA will focus on addressing these three sets of challenges:

- Fundamentally, *climate adaptation and resilience is rarely integrated into investment project planning and preparation* on the ground. This partly reflects lack of knowledge, tools, and the necessary attention during needs assessments and preparation – and partly weak prioritization during project screening and planning. That underscores the need for a devoted effort to speed up integration of adaptation and resilience concerns into diagnostics and investments project preparation – and for strengthened capacity development and dissemination of knowledge and tools. It also calls for working with political levels at international, national and city levels to ensure climate adaptation and resilience are prioritised in policies and plans. Significantly, it requires catalysing investments in resilient infrastructure.
- The *knowledge and awareness* among national and city planners on needs, approaches, and tools for mainstreaming climate adaptation into policies, plans, and infrastructure project investments is weak in general – both at national and city level in Africa, but also among investors including international financial institutions and private financial institutions. The paradox is that often climate adaptation and resilience can be integrated into plans and projects at relatively little extra effort and cost, provided the knowledge and tools are known. Thus, considerable potential exists for enhanced integration of adaptation and resilience in infrastructure investment portfolios, existing as well as future. To unleash this potential, it is critically important to share pertinent innovative research and practices and to join up networks of international experts and practitioners.
- Above all, *political and policy priorities* towards climate adaptation action are increasingly under pressure from other competing concerns, both at international, national and city levels. Globally, political action on climate adaptation has lagged behind mitigation, especially for Africa. With Covid-19 recovery, and the recent combined food, energy and finance crises, national and city political leaders are under even strong pressure to favor shorter-term priorities with immediate effect rather than medium-term policies and investments to adapt to climate change. It highlights that extra efforts are needed to keep adaptation high on the global and African political agendas, such that adaptation and resilience are prioritised in national and city level plans and projects.

2.2 Key initiatives to address Africa's adaptation and resilience needs

Responding to above adaptation challenges facing the continent, the African Development Bank and Global Center on Adaptation co-developed the **African Adaptation Acceleration Programme (AAAP)**, which provides a coherent framework for Danish support to GCA (as well as to UMDF).

AAAP emerged as result of processes in which Denmark played an active part. As such, **the Global Commission on Adaptation** was among the early international initiatives on adaptation to climate change for Denmark to engage in. Denmark was among the 23 co-initiating countries of the Commission, which was launched in 2018 by then United Nations' Secretary General, Ban Ki-moon⁸. Within its mandate, the Commission elevated the political visibility of climate adaptation and catalysed major actions and commitments through the establishment of eight action tracks with each their plan of action to accelerate

⁸ The Commission was launched with a clear clause to sunset by end 2020.

transitions for change. The process was steered by 32 high-profile Commissioners⁹. Denmark supported the Commission as an effort to catalyse global leadership for accelerating climate adaptation. GCA and World Resources Institute (WRI) – also supported by Denmark - acted as co-secretariats to the Commission and managed the Danish support of DKK 32.7 million.

The work of the Commission has been taken forward in several tracks and by several actors. Since, **the Global Center on Adaptation** has been playing a significant part to scale up adaptation action, both through its programs promoting solutions to drive and scale up adaptation on the ground with a multitude of partners - and through policy development, research contributions, advocacy and communication. In addition, GCA has been maintaining a strong political platform for dialogue and action, including through the capacity of its advisory board composed of political leaders and leaders from major international organizations (including the Danish Minister for Development Cooperation and his colleagues from Norway and Sweden).

Significantly, GCA in partnership with AfDB developed **AAAP** - with an aim to respond to the Africa Adaptation Initiative (AAI) launched at the 25th African Union Summit (2015) by African Heads of State. AAAP was launched in January 2021 at the summit “Leaders’ Dialogue on the Africa Covid-Climate Emergency”, hosted by the Netherlands. AAAP is co-implemented by GCA and AfDB, each in their distinct role. AfDB has announced USD 12.5 billion to deliver its part of the initiative across the Bank’s portfolio of engagements. In parallel, GCA has established a budget of €250 million to deliver on the AAAP. GCA’s regional office in Africa is hosted by the AfDB, which has also seconded the regional director.

The AAAP now constitutes GCA’s main programmatic effort on Africa with political backing from a large number of Heads of States and other leaders from the continent. AAAP is structured in four pillars: 1) Climate-smart digital technologies for agriculture and food security; 2) Africa Infrastructure Resilience Accelerator, 3) Empowering Youth for Entrepreneurship and Job Creation in Climate Adaptation and Resilience, and 4) Innovative Finance Initiatives. AAAP aims to mobilize \$25 billion to drive adaptation in Africa – to reduce malnutrition, create jobs for youth, and integrate climate resilience into USD 7 billion infrastructure investments.

Among **AAAP’s four pillars, Pillar 2 - the Africa Infrastructure Resilience Accelerator (AIRA)**- directly targets development of resilient urban infrastructure in Africa (see Box 1) – with strong direct relevance for the proposed support’s focus on climate adaptation in Africa’s cities.

Box 1: AAAP Pillar 2, Africa Infrastructure Resilience Accelerator (AIRA) main elements:

- 1) National and urban resilient infrastructure programmes. Support to select African countries for national level assessments and planning, climate risk, PE analysis, policy analysis.
- 2) City climate adaptation accelerator. Leveraging investments for resilient infrastructure from AfDB and other sources for city-programme using climate diagnostics, resilience planning, and transformative projects.
- 3) Public-private partnerships (PPP) for climate resilient infrastructure, working with government and private sector to integrate climate adaptation concerns into PPPs.
- 4) Project preparation and pre-investment. Support pre-investment and project preparation for AfDB on-lending.

⁹ Then CEO of the large Danish pension fund, PKA, Peter Damgaard Jensen, was a Commissioner on the Global Commission on Adaptation.

Overall, AAAP – and especially the AIRA pillar - provides a **coherent** strategic framework for Danish support to tackling climate adaptation and resilience in Africa’s cities, with African political backing, and a platform for engaging with the continent’s leaders on its adaptation initiatives.

2.3 Alignment with Danish policies and priorities

The proposed **support for climate adaptation in Africa would add to several years of active Danish engagement to lift the global agenda on climate adaptation**, not only including the above initiatives. At national level, Denmark has adopted ambitious strategies for its long-term global climate and development engagement and expects from 2023 to allocate 60% of its grant based climate finance to adaptation. As a co-initiator and active member of the Champions Group for Adaptation Finance, whose core is composed of leading donor countries, Denmark continues its international engagement in raising ambition and finance for adaptation. In developing countries, particularly in Africa, Denmark continues to support concrete adaptation action delivering tangible results, not least for vulnerable communities, through its bilateral and multilateral engagement as well as through its partnerships with a multitude of international actors. That ensures the **coherence** of Danish support for adaptation through GCA with the larger set of Denmark’s climate diplomacy and and programme initiatives.

The proposed support through GCA is **relevant** for all central Danish government policies and priorities concerning climate and development. As such, it will deliver directly on the **Danish Government’s priorities** in *The World We Share* to invest heavily in climate adaptation and strive to improve nature, the environment and biodiversity as well as to strengthen resilience to climate change, with focus on poor and vulnerable countries and people, not least in Africa.

The support will align with priorities in a *Green and Sustainable World*, the Danish Government's long-term strategy for global climate action, on addressing climate change and promoting a green transition. It contributes in particular to SDGs 13 (Climate Action), with focus on adaptation, as well as SDG 11 (sustainable cities and communities), SDG 1 (end poverty), SDG 9 (industry, innovation, and resilient infrastructure) and SDG 6 (clean water and sanitation).

It will contribute to SDG 1 (poverty reduction) in line with Danish development cooperation’s **objectives of poverty reduction**. The support to scaling up adaptation of infrastructure in Africa’s cities for enhanced climate resilience will have significant direct effects on the urban poor, who are disproportionately affected by climate change. Denmark will work with GCA to ensure a focus on urban settlements, which are predominantly poor, also by ensuring inclusion of Africa’s intermediary cities. GCA has principles and guidelines to address gender concerns and human rights, and Denmark will work with GCA to ensure monitoring and integration of gender and the human rights-based approach.

The support is **relevant for contributing to Danish climate diplomacy ambitions**, partly through access to GCA’s work on knowledge and capacity development on integration of resilience into investment preparation on the ground. This will provide lessons on key needs and issues regarding resilient infrastructure, which will feed into Danish policy influence and complement initiatives like the Danish Strategic Sector Cooperation projects between Danish municipalities and partner authorities in South Africa and Ghana.

Significantly, the support also provides Danish access to key international high-policy platforms and networks on adaptation through AAAP as well as through GCA’s advocacy initiatives, and with the Danish Minister for Development Cooperation’s membership of GCA’s Advisory Board alongside other ministers and international leaders with key influence on the adaptation agendas in Africa.

Moreover, the proposed support for climate resilience in African cities **promote coherence** with key Danish support initiatives for climate action, the green transition, and water. It complements support for global framework conditions for climate adaptation through knowledge, policies, and advocacy through engagements with GGGI, WRI, IUCN, Africa Water Facility, by promoting tangible climate resilience results on the ground in African cities. Significantly, the support through GCA complements a parallel proposed support through AfDB for enhancing infrastructure resilience in Africa’s cities through investment project preparation and strengthening of cities’ governance and planning.

2.4 Justification of choice of implementing partner and aid modalities

To be effective, the Danish support strategy for advancing climate adaptation and resilient infrastructure in Africa’s cities focuses on GCA’s key programmatic efforts to promote accelerated action on resilient infrastructure, knowledge- and capacity development, international advocacy – all with a focus on Africa and cities. To reinforce overall effectiveness and coherence of the Danish support, there will be direct mutual complementarity between Denmark’s support through GCA and the parallel Danish contribution through UMDf (AfDB). Moreover, the support’s potential impact on adaptation integration into infrastructure investments will be further scaled up by GCA engaging also with other key international financing institutions, not least the World Bank, to pilot a systematic and efficient approach to integrating adaptation and resilience in their pipelines of urban infrastructure investment projects in Africa.

Further, the proposed support complements Danish political engagement in international dialogues, platforms and processes focused on climate adaptation and resilience – encompassing among other strong Danish engagement in the Champions Group for Adaptation Finance, co-chairmanship of the executive committee of the Warsaw International Mechanism for Loss and Damage, and engagement of the Danish Minister for Development Cooperation in the GCA Advisory Board.

The main element of the **proposed effective support strategy** will be a **contribution through GCA, as the effective choice of partner**, considering its mission, strategies, and organizational set-up, and the modality of Danish earmarked funding and the adaptive- and risk management focused approach to the support. (Box 2 sums up main elements of the support strategy.)

As such, with its mission exclusively focused on adaptation, GCA is a central institution in the international system of climate organizations. GCA delivers its mission by playing a role as *solutions broker* on ways to accelerate, innovate and scale adaptation action, including by bringing together and mobilising governments, international organisations and financial institutions, public and private investors, private sector, civil society, and academia for accelerated adaptation.

Box 2: Summary of key elements of the effective support strategy

- Strategic focus on action to integrate adaptation and resilience into urban water infrastructure; knowledge- and capacity development, and advocacy on adaptation and resilience in Africa’s cities
- A contribution focused on Africa with earmarkings for the three pillars in GCA’s Business Plan
- Thematic studies/reviews with focus on resilient infrastructure in Africa’s cities, especially water, to identify lessons learned for adaptive management
- An inception review in 2023 as basis for final approval of 2024 commitment
- Danish engagement to ensure that synergies from insights and networks gained through the collaboration with GCA feeds into strengthening of Danish climate diplomacy
- A joint-approach with likeminded donors for the support through GCA

GCA moreover has a substantial programmatic focus on Africa, through GCA’s own Business Plan as well as through its key role in implementing AAAP. This way support for adaptation through GCA has the potential to generate **high adaptation impact** in Africa.

GCA’s **Business Plan, 2020-2025** elaborates its main work areas and concepts and defines three pillars: 1) Programs and action; 2) knowledge acceleration; and 3) agenda setting and advocacy, and cross-cutting activities. GCA’s flagship deliveries include the annual State and Trends in Adaptation report (Africa in focus of the 2021 report and in upcoming 2022 report), under its pillar 2) and the annual GCA High-level dialogue on adaptation, under its pillar 3). Under its pillar 1), GCA delivers its important role in accelerating adaptation action on the ground by working with international financing institutions and other actors to integrate adaptation and resilience in their infrastructure investment portfolios.

The Business Plan also lays out five *bold ideas*, defining the focus themes of GCA’s work (presented in Box 4). Although articulated slightly differently, these themes are reflected in the four pillars of AAAP presented in 2.2 (and in Box 5 below).

Box 3: GCA Business Plan – 3 pillars

- 1) Programs and action: Provide unique adaptation perspective, design of programs, mobilize finance, advise on implementation
- 2) Knowledge acceleration: Facilitate and accelerate application of knowledge, knowledge as a driver of innovation
- 3) Agenda setting and advocacy: Catalyze action by influencing decision-makers within political, economic and social systems and institutions

Box 4: GCAs focus themes – the bold ideas

- i) Rural well being and food security
- ii) working with nature for more resilient infrastructure
- iii) water for urban growth and resilience
- iv) finance
- v) youth leadership
- vi) cross-cutting linkages

Box 5: AAAPs 4 pillars

1. Climate-smart digital technologies for agriculture and food security
2. Africa Infrastructure Resilience Accelerator (AIRA)
3. Empowering Youth for Entrepreneurship and Job Creation in Climate Adaptation and Resilience
4. Innovative Finance Initiatives

GCAs Business Plan is complemented by a distinct *AAAP programmatic document* (2022 draft version) which describes GCA’s activities for implementation of AAAP, including the AIRA pillar. Both documents are framework type-documents, which provide a good basis for understanding GCA’s overall intended direction, and work areas focused on Africa, while they provide insufficient programmatic details to serve as basis for unearmarked Danish funding. Consequently, the proposed Danish support will cover all three pillars of GCA’s Business Plan, but its main emphasis will be on pillar 1) Programmes and Action, and with specific focus on AIRA. The contribution will be earmarked to reflect this balance with the main share for pillar 1) Programs and action, and smaller shares for 2) and 3) (knowledge acceleration and agenda setting/advocacy respectively).

GCA also prepares an annual **work programme** and budget that support the *AAAP programmatic document*. A detailed annual work programme and budget for 2023 and onwards will be presented by GCA and discussed with donor partners. These annual planning documents will form an important basis for earmarking of the Danish support and for payment of the annual Danish contributions. As such, the annual work plans will detail the specific urban-related activities/outputs as basis for an annual rolling

approval of the Danish earmarking. Specifically, the final 2023 workplan will be assessed in an early inception review (2023) for approval of the Danish disbursement.

GCA has developed an overall **results framework** for its part in implementing AAAP (GCA AAAP Results Framework). It is a high-level results framework defining a set of intermediate outcomes and long-term outcomes linked to GCAs different work streams. Annual targets are defined in annual work programmes and budgets. GCA has also developed an AAAP Monitoring and Evaluation Framework (June 2022), including a Theory of Change, indicator outline, and plan outlining processes and roles for monitoring, evaluation, and dissemination and uptake of lessons learned (includes above-mentioned GCA AAAP Results Framework as annex).

GCAs action has a particular focus on **poverty reduction**. This is directly linked to the disproportionate exposure of the poorer population segments to the impacts of climate change. When GCA supports governments in Africa in national efforts to develop roadmaps for climate resilient infrastructure, this contributes to enhanced awareness of challenges and needs. Inclusive and locally led planning and adaptation can improve the effectiveness and sustainability of resilience building efforts. In developing adaptation solutions, GCA works with MDBs such as the AfDB and the World Bank bringing the best science and practice on adaptation and combining them with their institutional policies and guidelines on participation, accountability, non-discrimination, inclusion and transparency. The application of human rights-based approach is at the core of the safeguards and social risk policies of the MDBs GCA works with.

Furthermore, to support the scaling of **Locally Led Adaptation** and Action in its Africa program, GCA is developing, based on the experience in Mukuru (Nairobi) and in India, a toolkit for Locally Led Adaptation in Urban Informal Settlements. The toolkit is currently being tested in Monrovia (Liberia) to provide support to the design and implement of a US\$50 million urban resilience building project financed by the World Bank. Opportunities to scale up the application of the toolkit are being explored with other IFI projects as well as the United Cities and Local Governments Africa (UCLGA). In N'Djamena, the capital of Chad, for example, working with the World Bank, GCA is providing technical assistance to a US\$150 million investment through a Climate Gender Vulnerability Assessment and Investment Prioritization Analysis to ensure that investments in floods mitigation measures benefit most vulnerable groups in the city.

GCAs AAAP programmatic document presents a **financing plan** of USD 250 million for GCA's work on AAAP during 2021-2025 that is some distance from being fully funded (see Annex 3). The AIRA component is budgeted at USD 75 million during 2021-2025 (year/USD million: 2023:15; 2024:22, and 2025:25). Slightly more than half the 2022 budget is financed (Euros 15.4 of 29 million). UK is currently preparing a contribution to GCA/AAAP of £20 million over four years and France and the Netherlands have both confirmed AAAP contributions of Euros 10 million in 2023-2024. Sweden and Norway are both considering renewed funding.

GCA is led by an Executive team, and its **governance structure** includes a three-member Executive Board, a six-member Supervisory Board, and an Advisory Board with currently seventeen members. Denmark's Minister for Development Cooperation is a member of the Advisory Board (designated for the duration of current term in government). GCA's headquarters are in Rotterdam and regional offices are established for Africa (offices made available in the AfDB), South Asia (Dhaka) and China (Beijing), supplemented by a knowledge/research hub in Groningen/Netherlands. GCA has approximately 30 staff but is in process of recruiting additional 30 professional staff, to be placed across GCA's offices.

GCA is a young **organization**, established in 2018, with formal status still as a Dutch foundation (“stichting”). The intention is to transition to an international organization, though the exact type, process and timing for clarifying and implementing the shift are not yet decided. In addition, GCA has since its establishment been working on developing its systems and structures of organization, governance, and management, with considerable progress albeit some development still on-going.

In March 2022, UK’s Foreign, Commonwealth and Development Office (FCDO) completed a **due diligence assessment** (DDA) of GCA executed by the consulting firm PwC. This DDA was part of the approval process for £10 million earmarked grant support to the GCA Bangladesh Program. The report presented 120 recommendations under five pillars: Governance and Internal Controls, Ability to Deliver, Financial Stability, Downstream Delivery, and Safeguarding. GCA prepared a Management Response Action Plan to address the recommendations. The 69 recommendations that were categorized as 'critical' or 'essential' were prioritized for implementation by August 31, 2022. The other 51 were categorized as ‘desirable’ and ‘good practice’, and are considered for implementation by December 31st, 2022. The 69 actions in the GCA Management Response Action Plan included new and updated policies that were approved by the GCA Executive Board in its meeting 29 August 2022. The actions also included a set of guidance notes and instructions to GCA staff that were all approved by GCA management by August 31, 2022.

Given the young age of GCA, a more systematic in-depth assessment is not available on the **performance of GCA’s programmes**. However, a Norwegian funded mid-term review was conducted in 2022, as part of Norway’s support to the GCA’s Africa program 2020-2022, and expanded to review GCA’s overall implementation of AAAP during its first 18 months, covering all donor funding sources. The review was formative and assessed preliminary outcome, and included deep-dive case studies, focusing on one country program, one AAAP pillar (agriculture and food security), and activities in low-capacity high-need countries. The process was accompanied by a group of current and potential funding partners (Norway, Denmark, Sweden, NDF, and the UK), including comments on the work plan, presentation of preliminary results, and discussion of final draft findings. The final review report was submitted September 2022, after which a GCA Management Response Action Plan will be prepared. The Danish early inception review will assess the implications of the review for the Danish contribution, also considering the follow-up to the UK-led due-diligence report.

Overall, and despite GCA’s early development stage, **GCA has demonstrated capacity and important potential** to deliver tangible results (as illustrated in section 3 below). The proposed Danish support is based on this as well as on the recognition of GCAs exceptional role as an actor dedicated to address adaptation, and GCAs obvious potential in the landscape of climate institutions.

3. Lessons and opportunities informing the proposed Danish support

While GCA is a young organization and only provides few lessons learned so far, there are clear indications of the potential, in particular vis-à-vis the adaptation challenge in Africa.

Through its close partnership with AfDB and continued outreach to African leaders, GCA has demonstrated **considerable convening power** organizing several high-level meetings uniting African and non-African heads of state and government around the acute adaptation challenge facing African countries and the decisive need for financing to accelerate adaption action on the ground¹⁰.

¹⁰ E.g. Global Summit on Adaptation, January 2021; Leader’s Dialogue on Africa Adaptation Acceleration, September 2021; Africa Adaptation Acceleration Summit 2 November 2021 as part of the COP26 World Leaders Summit.

Engaging with international finance institutions, GCA has documented its capacity to influence project pipelines and ensuring the mainstreaming of adaptation into USD 3 billion investments approved by the Boards of Directors the AfDB and the World Bank.

As co-initiators of the AAAP, and as part of implementing the AIRA pillar, GCA and AfDB have piloted a more systematic and efficient approach to the integration of climate adaptation and resilience into AfDBs pipeline of urban infrastructure investment projects. The partners have done so through the Urban and Municipal Development Fund (UMDF), an innovative trust fund established in AfDB with the aim to ensure a better response from the Bank to the growing needs in Africa's cities. Through this partnership, GCA and AfDB have demonstrated the potential for accelerating urban adaptation and resilience by integrating adaptation into UMDF's preparation of urban linked infrastructure investment projects in a number of cities¹¹.

4. Programme objective

The objective of the Danish support is:

- Greater resilience of Africa's cities and its urban poor to climate change through a scale-up in infrastructure investments that integrate adaptation and climate resilience based on effective tools and knowledge in combination with stronger advocacy for climate adaptation internationally as well as in policies and plans of countries and cities in Africa.

The objective will be promoted through the following main outcome linked to specific results in GCA's Business Plan (and linked to the AAAP AIRA pillar): ***Transformative and inclusive adaptation programme solutions developed, brokered, implemented and scaled up in Africa's cities.***¹²

The outcome will be achieved mainly by contributing to implementation of activities and results under GCA's Business Plan's three pillars, with main weight on 1) Programmes and action, and under this, specific focus on acceleration of resilient urban infrastructure in Africa defined under AIRA. In addition, the outcome will be delivered also by contributing to GCA's work on knowledge development and advocacy on adaptation, under its Business Plan's pillars 2) and 3).

The Danish support to 1) Programmes and action will enhance GCAs engagement with international financing institutions, not least the World Bank and the African Development Bank, with a view to scaling up investment in climate resilient infrastructure through a more systematic and efficient approach to the integration of adaptation and resilience into their pipeline of urban infrastructure investment projects in Africa. This work will build on lessons learned from the pilot work done by GCA and AfDB. It will further complement the Danish contribution to the UMDF presented in a parallel project document.

For risk management and best **efficiency in expenditure**, the support **modality** will be contributions earmarked to each of the three areas in GCA's Business Plan, with the major share allocated to 1) Programs and action, specifically AIRA. Of special relevance will be AIRA's component, City Adaptation Accelerator, which focuses on water and urban adaptation and resilience, through knowledge, governance, planning, investments, and capacity building). Smaller funding shares will be earmarked to 2) knowledge acceleration and 3) advocacy and agenda setting. The Danish earmarking will be defined in detail annually based on review of GCA's upcoming annual workplan, budget, and results framework and progress and

¹¹ E.g. Antananarivo, Bizerte, Conakry, Dodoma, Libreville

¹² Based on GCA defined outcome in its ToC.

reporting on previous year’s plan, spending, and results. This level of earmarking and approach will be applied since at this stage GCA’s work programme, budget, and results framework are not adequately specified for 2023 and onwards to enable more flexible Danish funding, yet to ensure efficient spending on the Danish prioritized areas.

5. Theory of change and key assumptions

The Theory of Change below will guide the support to effectively achieve objectives on greater climate resilience of Africa’s cities and urban poor:

Theory of change – Danish support through GCA for Scaling up the integration of adaption in investments in climate resilient infrastructure in Africa’s cities

<i>Programmes and action:</i>	<i>Knowledge acceleration</i>	<i>Agenda setting and advocacy</i>
<p>If Denmark provides a contribution for GCA’s implementation of initiatives in its Business Plan that promote the AAAP AIRA pillar with a focus on urban infrastructure in key adaptation sectors like water, sanitation, flood protection, waste management, etc.</p>	<p>And if Denmark provides contributions to GCA’s initiatives in its Business Plan on development of knowledge and tools with focus on Africa’s cities</p>	<p>And if Denmark provides a contribution to GCAs initiatives in its Business Plan on advocacy and engagement for enhanced investments for urban adaptation and resilience in Africa</p>
<p>Then GCA will engage with international financial institutions, not least the World Bank, to strengthen the integration of adaptation and climate resilience into more urban infrastructure project assessments and investment preparations in their pipeline for Africa, leading to more resilient infrastructure investments for Africa</p>	<p>Then GCA will increase and disseminate more tools and knowledge development on integration of resilience and adaptation into infrastructure investments and other public social and economic initiatives in developing countries, especially in Africa</p>	<p>Then GCA will increase its efforts that promote advocacy and political engagement by political and international leaders to prioritize adaptation in policies and plans, especially in Africa</p>
<p>Then more, fundable investment proposals that effectively integrate adaptation concerns and resilience will be available for financial institutions to fund, especially the MDBs</p>	<p>Then more infrastructure policies, plans will be based on effective and methods and solutions for adaptation and strenghtning of resilience in Africa’s cities</p>	<p>Then more decision makers at city and national level in Africa will shift priorities in city planning and infrastructure investment decisions that are climate adaptive and resilient</p>
<p>Then more regulatory/institutional frameworks, policies, and national plans, and investment project proposals in Africa will integrate concerns for adaptation and climate resilience</p>		
<p>And then MDBs like the World Bank and/or others and the private sector will be able to finance more <u>investments</u> in climate-resilient urban infrastructure in adaptation critical sectors such as water, wastewater, storm water, rainwater, and water resources management</p>		
<p>And then African cities, including intermediary, will have more financed investments for resilient infrastructure in key adaptation sectors like water, sanitation, flood protection, waste management, etc.</p>		
<p>And then climate resilient infrastructure will have been scaled up and <u>resilience</u> in African cities towards climate change will have reached targets of improved conditions, including for poor urban dwellers.</p>		
<p>Then climate resilient and improved infrastructure and service provision in better-planned and governed cities will have been scaled up in Africa with focus on water, wastewater, storm water, rainwater, and water resource management</p>		
<p>Then more African cities and more urban poor will have increased their resilience to climate change</p>		

The main assumptions include: A rising demand especially from African cities, supported by national governments, for resilient infrastructure investments. GCA continues to develop its organization and effective implementation capacity in a direction that supports tangible adaptation results on the ground in Africa and good cooperate governance principles.

6. Draft results framework

The below shows the preliminary indicators and targets for monitoring the support, which draw on GCA’s Monitoring and Evaluation Framework (June 2022 with November 2022 updates). The outcome reflects GCA’s overarching ToC, and the outputs reflect each of GCA’s three main pillars of activity to deliver the ToC. The indicators have been chosen selectively from GCA’s results framework to best tally with Danish priorities for the commitment. Annual targets will be specified in GCAs annual work programme and budget. Based on these annual work programmes, the allocation of the annual Danish earmarked contribution as well as indicators and annual targets that will relate directly to the Danish earmarked funds will be decided with GCA. GCA’s financial management system enables linking of activities/outputs with individual donor funding.

The final results framework will be presented and reviewed before approval of the Danish disbursement of funds to GCA in 2023. In addition, it is agreed with GCA that an annual update of the expected results linked to the Danish earmarking will be provided as basis for the annual disbursements. Moreover, an early inception review (see section 8) will be conducted for an in-depth assessment of GCA’s monitoring and reporting system underpinning the results framework.

Results Framework

Project Title		Scaling up the integration of adaption in investments in resilient infrastructure in Africa’s cities – support to Africa Adaptation Acceleration Programme through Global Center on Adaptation	
Outcome		Transformative and inclusive adaptation programme solutions developed, brokered, implemented and scaled up in African cities	
Outcome indicator 1		#Vulnerable beneficiaries targeted through approved investment or enabling solutions informed by GCA in African municipalities	
Baseline	Year	2022	0 million
Target	Year	2025	1.2 million, of which 40% from poor and vulnerable communities
Outcome indicator 2		#of Board approved MDB or Multilateral Climate Fund Investments/projects mainstreaming GCA [adaptation] solutions for African cities	
Baseline	Year	2022	0
Target	Year	2025	16

Output		Programmes and action	
Output indicator		# of infrastructure resilience advisory packages developed for urban infrastructure assets and services <i>a: for urban resilience</i> <i>b: for climate resilient water services</i>	
Baseline	Year	2022	a: 0 b: 0
Target	Year 1	2023	a: 2 b: 2
Target	Year 2	2024	a: 5 b: 5
Target	Year 3	2025	a: 8 b: 8

Output		Knowledge acceleration	
Output indicator		#policies and development strategies promoting adaptation endorsed by government that are informed by GCA research and support	

Baseline	Year	2022	0
Target	Year 1	2023	1
Target	Year 2	2024	2
Target	Year 3	2025	3

Output		Agenda setting and advocacy	
Output indicator		# international climate adaptation agreements reached with GCA support and analysis	
Baseline	Year	2022	0
Target	Year 1	2023	1
Target	Year 2	2024	2
Target	Year 3	2025	4

NB Target numbers are cumulative.

7. Inputs/budget

The proposed support will be based on the budget below. The commitments for 2024-2025 are subject to final approval from the Danish appropriating authorities. The 2023 disbursement will be decided on the basis of GCAs 2023 Work Programme and Budget.

	2023	2024	2025	Total
	(DKK million)			
<u>Transformative and inclusive adaptation programme solutions developed, brokered, implemented and scaled up [in African cities] (through GCA):</u>	<u>10,3</u>	<u>19,1</u>	<u>19,0</u>	<u>48,5</u>
Output 1: Programmes and action	7,5	14,5	14,5	36,5
Output 2: Knowledge acceleration	1,2	1,9	1,9	5,0
Output 3: Agenda setting and advocacy	0,9	1,3	1,3	3,5
Administration (7%)	0,7	1,4	1,3	3,5
Reviews, learning, and studies (administered by MFA)	0,5	0,5	0,5	
<u>Grand total</u>	<u>10,8</u>	<u>19,6</u>	<u>19,5</u>	<u>50,0</u>

Note: The payment in year n supports and will be based on the GCA work plan (incl. AAAP) for year n+1

The main part of the contribution (DKK 48.5 million) will be allocated and disbursed to GCA, based on the indicated overall earmarking for the three pillars in GCA Business Plan's linking up to the AAAP/AIRA pillar. The detailed earmarking will be decided on a rolling basis annually by GDK, based on GCA's annual work plans and updated results framework, and be the basis for approval of the annual disbursements. The annual disbursements may vary from the indications in the budget, depending especially on progress in implementation the AAAP/AIRA pillar and financial contributions from other donors. GCA can deduct an administration fee of 7% of the total contribution it receives in line with Danish Aid Management Guidelines.

A minor share of the contribution is allocated to reviews and select thematic studies in order to meet Danish aid management requirements for approval of commitments and learning-based adaptive management (see section 8 below). This also reflects the need to follow GCA's continuing organizational and programmatic development process during the support period to ensure continued relevance of the design of the Danish support.

Denmark actively engages with GCAs donor partners - Norway, Sweden, NL, France and UK in the spirit of a coherent approach and development effectiveness. (See also information on donor contributions p. 13 and in Annex 3).

8. Institutional and Management arrangement and monitoring/evaluation

The contributions earmarked towards the three pillars in GCA's Business Plan areas will be managed through GCA's governance, management, and reporting systems.

GCA will present its upcoming annual work programme and budget each year by November, at the latest¹³, as basis for release of the annual payment. The format and content of the work programme and budget should enable clear identifications of areas of outcomes and outputs linked to the Danish earmarked funds.

GCA will submit its annual results and financial report in a format that enables results and expenditure related to the Danish earmarked funds to be reported on. GCA's budget management system enables donor-related coding of results, and GCA will provide results- and expenditure information to meet Danish reporting needs for the earmarked contribution.

GCA convenes regular donor meeting for discussion of results, lessons, and strategic questions and issues arising in which Denmark will participate.

The Danish progress monitoring will focus on the results framework (section 6) and rely primarily on GCA's monitoring system. GCA's results monitoring involves half-annual progress reporting against indicators and narrative reporting. GCA will also collect lessons with partners as basis for adapting future activities. Further, GCA will undertake mid-term and end-term evaluation of the AAAP, with AAAP 2021-2025 being mid-term evaluated in first half 2024 and end-evaluated in 2026.

Overall Denmark's approach to manage the contribution will be adaptive and learning-based, and consist of the following elements:

1. Engagement in the donor group: Here Denmark will focus particularly on: Strategic issues on promoting climate adaptation in Africa's cities; synergies with partners (especially UMDF, C40, etc.); GCA's integration of concerns for poverty reduction, HRBA, and gender. Denmark will promote that discussions in the donor group are based on GCA's reporting on progress on results and updated risks as well as assessment of lessons-learned.
2. Adaptive and accountable planning and approvals: A rolling planning and approval process, where GCA annually provides a detailed work, budget and specified results framework as basis for an annual Danish approval of the disbursement, based on GCA's Business Plan. The dialogue with GCA and approval of disbursements linked to the annual work plan and budget will consider past progress, lessons learned, updated risks and opportunities, with focus on the Danish earmarked priorities.
3. Danish MFA formal quality assurance and approval steps. This includes an early inception review (1st quarter 2023) as basis for approving the 2024-2025 commitments. The inception review will assess GCA's final results framework and monitoring system (M&E plan) linked to the Danish earmarking, work plan for 2023, and format and timing for reporting. In addition, a mid-term review will be conducted in (early) 2025 – preferably jointly with other donor partners - in accordance with Danida Aid Management Guidelines.

¹³ The model being introduced in 2023, the presentation that year will be in January.

4. Facilitation of lessons-learned: Thematic studies/reviews with preliminary envisaged focus on learning and results linked to Danish priorities on adaptation and resilience related to water in Africa's. Such studies/reviews will inform any adjustments to the Danish support as well as feed insights into other Danish initiatives linked to adaptation and to Danish climate diplomacy. May include specific thematic studies or technical reviews with purpose to harvest outcomes and/or provide in-depth assessment or analysis of results and lessons linked to the Danish earmarked priorities and poverty reduction, HRBA, and gender. If possible, all reviews will be undertaken jointly with other donors.

Given that GCA is a young organization in growth, and that its legal status might furthermore be under transformation, special attention will be given to GCA financial management capacity and regular monitoring and inspection visits should be planned, preferably in collaboration with other donor partners.

9. Risk Management

The main risks relate to (see full risk matrix in annex 5):

- Economic downturn, inflation, and conflict in Africa shift priorities at national and city levels in Africa towards short-term financial priorities and social concerns, away from longer-term investment in resilient urban infrastructure investments, reducing levels of urban infrastructure investments that integrate resilience and tackle adaptation. This risk is likely, however, the Danish support represents a response to this risk, through its focus on promoting advocacy and maintaining adaptation on the political agendas of African leaders through AAAP.
- GCA's organizational and programmatic development is delayed or does not evolve in a direction that provides adequate results in form of improved adaptation and resilience outcomes on the ground in Africa's cities. This risk is likely and relevant, considering GCA's organization is still in a development process, and with not full clarity on its future status and direction; and considering some of GCA's programme implementation and management instruments are still being developed. This will be managed by carefully following the development of GCA's organization, management, and programmes, based on reviews and thematic studies learned and adapt the support in response to developments and lessons; and through a joint approach especially with like-minded donors in the dialogue with GCA.
- GCA facilitates and support diagnostics and project preparations to integrate resilience and adaptation, which ultimately do not materialize in actual investments, since they end up not being funded. This risk is likely, and it should be expected that not every potential investment project will ultimately be funded. This risk will be reduced to maximise the number of resilient project preparations being funded by GCA's careful preview and dialogue with potential funders. The complementary Danish support through the AfDB UMDf helps to mitigate this risk.
- GCA being a new organization develops practices of work and staff conditions the public perceives as wasteful or not in line with best corporate governance principles. This risk is relevant to consider, but seems to be limited in view of the awareness and attention to this issue by GCA and its funders/donors. The risk will be managed through careful monitoring of the developments in GCA's staff and working conditions, jointly with other donors. The topic will be a regular item in the focus of reviews.

Annex 1: Context and coherence in relation to AAAP

Two projects are proposed for the implementation, by UMDf and GCA respectively, of the Africa Adaption Acceleration Program (AAAP), developed and co-lead by the African Development Bank (AfDB) and the Global Center on Adaptation (GCA) in order to scale up adaptation to climate change in Africa. More specifically, the projects will focus on the AAAP pillar “African Infrastructure Resilience Accelerator” (AIRA), which aims to rapidly scale up investments in climate resilient infrastructure in Africa’s cities.

Initially, Danish support to AAAP was envisaged as one program consisting of two projects, one with AfDB and one with GCA. The forecast total programme budget was DKK 270 million (commitments spread over 2022, 2023 and 2024) with a tentative allocation of DKK 220 million to AfDB and 50 million to GCA. While the allocations and focus of support to each partner are unchanged, it became evident in the formulation process that it would be unadvisable to implement a programme approach. The main factors for this being i) the very different nature of the two partner organisations and their governance structures, including their respective mix of donor partners, and b) the fact that the two partners have defined individual AAAP and AIRA steering mechanisms while the overarching steering mechanisms of the AAAP are still to be decided.

Delivering on The World We Share

Closely linked, the two projects are prepared jointly and specifically designed to strengthen climate change adaptation, one of the four principal objectives included in the climate pillar of *The World We Share*. More specifically, the projects aim to deliver on the strategy’s expressed intention to contribute to ensuring climate-resilient infrastructure in Africa with a focus on water supply and sanitation in rapidly growing urban centers affected by climate change.

Jointly, the two projects further aim to contribute to deliver on the strategy’s ambition for Denmark’s international leadership within climate change adaptation. This will build on determined outreach to Africa’s leaders and strong convening power demonstrated by the AfDB and the GCA in close collaboration. Support will explicitly be included in the proposed contribution to the GCA in order to support the continued high-policy level advocacy and agenda-setting work aimed at ensuring that adaptation and resilience are maintained as priorities on international agendas. On this basis, the support directly complements Danish climate diplomacy efforts, including the Minister for Development Cooperation’s seat on GCA’s Advisory Board and the strong Danish engagement in the Champions Group on Adaptation Finance.

Moreover, the proposed projects aim to complement and enhance the potential of ongoing urban engagements, in particular a) the support to C40¹⁴ with a focus on member cities in Africa, b) the strategic sector cooperation at city level in South Africa and Ghana, and c) earmarked support to WRI’s urban work in Africa (grant under preparation).

Concretely, both projects intend to scale up adaptation in Africa’s cities by integrating climate adaptation and resilience into urban infrastructure investment projects under preparation by international finance institutes and multilateral development banks. This builds on an approach piloted by AfDB and GCA in collaboration resulting in the integration of adaptation into investment ready urban infrastructure projects worth 80 million UA in 2022 (approx. 112 million) and further USD 1.2 billion in preparation. In AfDB, the work will be anchored in the Infrastructure and Urban Development Department (PICU) and the

¹⁴ C40 Cities is a global network of climate ambitious large cities.

Urban and Municipal Development Fund managed by this department. GCA will be rolling out the approach to other MDBs and IFIs and their respective pipelines of urban infrastructure investment projects. In addition, and as mentioned above, the contribution to GCA will support the center's high-policy level advocacy and agenda-setting work to ensure that adaptation and resilience are maintained as priorities on international agendas.

Annex 2: Process Action Plan

Activity	Timing/deadline	Responsible
Submission for presentation to Council for Development Policy	18 November	GDC
Presentation for the Council for Development Policy (UPR)	December 2022	GDC
Approval by the Minister	December 2022	DKMFA
Expected timing of commitment	December 2023	GDC/GCA
Discussion of Work Programme and Budget 2023	January 2022	GCA/GDC /key donors
Annual Report 2022	February 2023	GCA
Inception review	February 2023	ELQ/GDC
Joint key donor meeting	March 2023	GCA
Draft Annual Report 2023 and Work Programme and Budget 2024	November 2023	GCA
Joint key donor meeting	End November 2023	GCA/GDC /key donors
Mid-term review	Q2 2025	ELQ

Annex 3: Budget and funding information

GCA

GCA Budget to Implement AAAP, 2020-2025 (in millions Euros)

Program	2020+2021	2022	2023	2024	2025	Total	% budget
Climate Smart Digital Technologies for Agriculture & Food Security	4	8	13	19	20	64	26%
African Infrastructure Resilience Accelerator	5	9	15	22	24	75	30%
Empowering Youth for Entrepreneurship and Job Creation	1	2	3	4	4	13	5%
Innovative Financial Initiatives for Africa	2	5	9	13	14	41	16%
Advocacy & Agenda Setting	2	4	6	9	9	30	12%
Knowledge Acceleration	3	3	5	8	9	27	11%
Total Budget	16	30	50	74	80	250	100%

GCA current information on donor funding				
Donor	Currency	Amount (mil.)	Period	Comment
Sweden (*)	SEK	25	2022	Future commitment under consideration
Norway	NOK	125	3 years	
Netherlands	Euro	10	2023-24	
France	Euro	10	2023-24	
UK/FCDO	GBP	20	2023-26	

(*) Sweden has contributed with SEK 25 million/year during 2020-2022

Annex 4: Overall GCA results framework

RESULTS FRAMEWORK		INDICATOR
OUTCOMES		
	Pillar 1: Agriculture and Food Security	1.1 Mainstreaming digital agriculture solutions
		<i># of farmers / herders adopting digital climate-enabled solutions (sex disaggregated)</i>
		<i># of livestock benefiting from DCAS</i>
		<i># of hectares cultivated using digital climate-enabled solutions</i>
	Pillar 2a: Resilient infrastructure - water and urban	2.1 City Adaptation Accelerator
		<i># of people protected from the designed return period flood events (sex- disaggregated)</i>
		<i># of people provided with improved urban living/working conditions through project adaptation measures (gender-disaggregated)</i>
		<i># of jobs created</i>
		2.2. Climate resilient water services
		<i>Area under sustainable landscape management practices (# of hectares).</i>
	<i># people with safe and climate-resilient drinking water access (sex- disaggregated).</i>	
	<i>Cubic meters of water storage and retention capacity created</i>	
	2.3 Climate resilient transport - roads	
	<i>Km of resilient roads built or rehabilitated</i>	
	<i># of people served by resilient roads</i>	
	<i># of jobs created</i>	
Pillar 2b: Resilient infrastructure and NBS	2.4 Climate resilient transport - rail	
	<i>Km of resilient rail systems built or rehabilitated</i>	
	<i># of people served by resilient rail</i>	
	<i># of jobs created</i>	
	2.5 Climate resilient power	
	<i>MW of power produced by climate resilient facilities</i>	
<i># of people served by resilient power facilities</i>		
<i># of jobs created</i>		
2.6 Climate resilient infrastructure for urban services - solid waste management		
<i>Tons of waste collected and managed in climate resilient manner</i>		
<i># of people served by resilient SWM facilities</i>		
<i># of jobs created</i>		
	Pillar 3: Youth	3.1 Jobs for Youth
		<i># of adaptation jobs created for youth (disaggregated by sex)</i>
		<i># of youth-owned adaptation enterprises created or strengthened</i>
	Pillar 4: Finance	4.1 Technical Assistance Program
		<i>No. of entities directly accessing climate finance</i>
		<i>Amount of climate finance directly accessed by African institutions (EUR)</i>

INTERMEDIATE OUTCOMES		
GCA brokers solutions to drive revolutions in understanding, planning and financing adaptation action through government, MDB or private sector actors	FINANCE	H. \$ in approved investment projects reflecting adaptation solutions brokered or adaptation finance solutions
		<i>1) MDB lending (SO and NSO)</i>
		<i>2) Public sector</i>
		<i>3) Private Sector</i>
	SOLUTIONS	G. # of beneficiaries targeted through approved investment (direct) or enabling (indirect) solutions informed
		<i>a) # of countries</i>
		<i>b) # municipalities</i>
		<i>c) # private sector entities</i>
		<i>d) # of individuals</i>
		<i>e) % proportion of individuals that are women</i>
F. # jobs targeted through approved investment projects and jobs programs influenced by GCA		
<i>a) # jobs targeted through GCA-supported entrepreneurs and job programs (direct)</i>		
<i>b) # of jobs targeted by Board-approved MDB/GCF projects (indirect)</i>		
ENABLING	E. # GCA solutions and methodologies scaled, mainstreamed, or replicated by external stakeholders	
	<i>1) [All pillars] # of Board-approved MDB or Multilateral Climate Fund investments / projects mainstreaming GCA solutions</i>	
<i>2) [All pillars] # of instances where GCA solution has been brokered with evidence of being under implementation (exclude MDB)</i>		
LEADERSHIP	C. # of training participants that report experience of strengthened capacity, skills and/or empowerment for adaptation action	
	<i>a) # from GCA training (direct)</i>	
<i>b) # from partner training influenced by GCA (indirect)</i>		
CONVENING	B. # intergovernmental, institutional, organizational and association collaborations brokered by GCA.	
KNOWLEDGE	A. # international climate adaptation agreements reached with GCA support and analysis	

CONTRIBUTION - GCA SHARED ACCOUNTABILITY

ATTRIBUTION - GCA ACCOUNTABLE FOR DELIVERING

(attribution see following page)

OUTPUTS

<p>Research & Innovation Agenda setting & Advocacy Programs & Action</p>	<p>SOLUTIONS</p>	<p>10. # climate adaptation knowledge solutions brokered and finance solutions influenced</p> <p><i>p1: # studies/strategies/reports</i></p> <p><i>P2: # of climate adaptation advisory services for urban resilience</i></p> <p><i>P2: # of climate adaptation advisory services for climate resilient water services</i></p> <p><i>P2: # of infrastructure resilience advisory packages developed under PP-IRA (disaggregated by sub-sector including PPPs)</i></p> <p><i>P2 # of national infrastructure risk and resilience assessments</i></p> <p><i>P2 # of NBS investment transaction models developed</i></p> <p><i>P3: # youth adaptation solutions challenges</i></p> <p><i>P3: # studies/assessments/reports</i></p> <p><i>P4: # of climate finance reports</i></p> <p><i>P4: # GCF concept notes, funding proposals, and accreditation analyses supported to access climate finance</i></p> <p><i>P4: # adaptation metric analyses for financial instruments</i></p> <p><i>P4: # other studies</i></p> <p><i>P4: # of training courses</i></p>	
		<p>ENABLING</p>	<p>9. # GCA interventions and engagement to provide inputs to strengthen policies and development strategies</p>
		<p>LEADERSHIP</p>	<p>8. # individuals trained through in-depth GCA training</p> <p><i>a) # of women</i></p> <p><i>b) # of youth</i></p> <p><i>c) # number of students</i></p> <p><i>d) # of community leaders</i></p>
		<p>CONVENING</p>	<p>7. # of countries represented in convenings by head of state and government or ministers</p> <p>6. # of convenings for climate adaptation action</p> <p><i>a) % of convenings that are inclusive (with representation of at least 1 youth, or 50-50 gender balance, or leaders of locally led actions)</i></p> <p><i>b) # of sub-national leaders/entities (mayors, local govt reps) represented in convenings</i></p> <p><i>c) # of senior international organization or private sector actors represented in convenings</i></p>
		<p>KNOWLEDGE</p>	<p>5. # communiques and high-level statements informed by GCA data, research and project experience</p> <p>4. # media uptakes and digital engagement</p> <p><i>a) # of instances that GCA advocacy, research and innovations picked up by media (print and online, incl. op-eds)</i></p> <p><i>b) # of instances that GCA advocacy, research and innovations picked up by social media; # impressions / reach numbers</i></p> <p><i>c) # of online visits of GCA website</i></p>
			<p>3. # citations of GCA research and publications</p>
			<p>2. # organizations seeking GCA knowledge and advisory support</p>
			<p>1. # of knowledge publications and applied research products</p>

Annex 5: Risk Matrix

Risk matrix – Support for AAAP and advocacy and development of knowledge and tools on adaptation through Global Center for Adaptation

Contextual risks

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Economic downturn, inflation, and conflict in Africa shift priorities at national and city levels in Africa towards short-term financial priorities and immediate social needs, away from longer term investment in resilient urban infrastructure investments - reducing levels of urban infrastructure investments that integrate resilience and tackle adaptation.	Likely	Major	The Danish support for GCA's advocacy engagement and Denmark's wider climate diplomacy represent a response to this risk, through its focus on promoting advocacy and maintaining adaptation on the political agendas of African leaders through AAAP.	Major	Growth in Africa the coming years is expected to be lower than the average the past decade, at least the initial period, due to continued effects of Covid, unclear policies, and sharp rise in commodity prices – with effects depending on country status as net-exporter/importer. Some countries will experience high inflation. Countries with high debt-levels may face rising interest payments or reduced access to financing. The resulting tightened fiscal space and social needs may cause national and city-level political leaders to reduce their focus on development spending, and/or shift priorities away from investments with longer-term benefits such as resilience and adaptation. Such effects will be very specific to the country and city.

Programmatic risks

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
GCA's organizational and programmatic development is delayed or does not evolve in a direction that provides adequate results for adaptation and resilience on the ground in Africa's cities.	Likely	Major	This will be managed by carefully following the development of GCA's organization, management, and programmes especially during the first year of support. This will involve among other review in 2023 and thematic studies learned and adapt the support in response to developments and lessons; and through a joint approach especially with like-minded donors in the dialogue with GCA	Minor	GCA's organization is still in a development process, with not full clarity on its future status and direction. Some of GCA's programme implementation and management instruments are still in process of being developed, both with respect to content and formats/approach. GCA's mission focused on adaptation is unique but also wide and not straightforward to translate into tangible results; its three work areas involve challenging processes to implement (action, advocacy, knowledge). All this will make the

					focused management of GCA's organizational and programmatic challenging.
The national and municipal level demands and commitment in Africa candidate cities for resilient infrastructure projects is less than anticipated – and/or city administrations' institutional absorption capacity for taking new investment projects on board is lower than estimated; all causing delays in implementation	Unlikely	Major	GCA brokering role will help manage this risk through GCA's dialogue with city national and city level actors to maintain the priorities, but GCA's coordination especially with AfDB to meet and nurture any demand for resilient infrastructure investments will be important as well.	Minor	There is expected to be a high level of immediate demand from cities for support to preparation of resilient infrastructure investments, but competing other needs given the normal dynamic and shifting political and institutional contexts can always shift priorities in the end.
The linkages and collaboration between GCA and its partner institutions, such as AfDB/UMDF, WB, etc. key to GCA's networking and brokering role do not work effectively, reducing numbers of resilient investment projects prepared and reducing synergies	Unlikely	Major	Ensure that clarification of work relations between GCA and partners continues to be part of the agenda in the dialogue of donors with GCA;	Minor	The success of GCA's efforts under AAAP/AIRA require coordination and direct collaboration with other key partners, such as AfDB (UMDF), WB, and others, and the process to fully clarify the principle work relations between these institutions in regard to AAAP is still on-going. The day-to-day collaboration at operational level is working. There is senior level attention to clarify the principle work relations.
The diagnostics and project preparations to integrate resilience and adaptation supported or brokered by GCA do not materialize in actual investments funded	Likely	Minor	This risk will be reduced to maximise the number of resilient project preparations being funded by GCA's careful preview and dialogue with MDBs and potential other funders/investors. The complementary Danish support through the AfDB, in particular UMDF, African Water Facility ect, helps to mitigate this risk.	Minor	This risk is likely, and it should be expected that not every potential investment project will ultimately be funded, since such decisions are made through other mechanisms than GCA and circumstances and investor risk assessments can change with the shifting economic environment. However, this risk is less for projects linked to AfDB financing, including UMDF and AFW. The risk is higher for projects prepared for wider development institutions and especially in private sector financing.

Institutional risks

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
GCA being a new organization develops practices of work and staff conditions the public perceives as wasteful or not in line with best corporate governance principles.	Unlikely	Minor	The risk will be managed through careful monitoring of the developments in GCA's staff and working conditions, jointly with other donors. The topic will be a regular item in the focus of reviews.	Minor	This risk is relevant to consider partly because GCA as a new organization is still in the process of clarifying its levels of conditions, and there could be pressures for aiming for high levels, granted GCA's ambition to attract top level international staff and high level leaders. So far GCA signals its intentions to aim for a moderate level and GCA shows awareness and attention to this issue.

Annex 6: Plan for communication of results

What? (the message)	When? (the timing)	How? (the mechanism)	Audience(s)	Responsible
<p>1. General project information, progress, and results, aimed at public transparency and accountability:</p> <p>What overall is supported, funding committed/spent, progress and results achieved</p>	<ul style="list-style-type: none"> Annual 	<ul style="list-style-type: none"> Based on standard monitoring and results reporting received Updating of MFA's Results Framework Interface/OpenAid 	<ul style="list-style-type: none"> The Danish public at large The Danish Parliament 	<ul style="list-style-type: none"> GDI
<p>2. Selected communication initiatives towards Danish public, aimed at awareness and understanding, focused on messages, such as:</p> <p><i>Danish development assistance has resulted in real and important improvements in the resilience of poor African urban dwellers to climate change [concrete examples and cases]</i></p> <p><i>The practical ways that climate change - through effects on water - influence the daily lives of poor African urban dwellers, and how improved climate resilient infrastructure, especially water, can alleviate their challenges and reduce their vulnerability – and how Danish development assistance has contributed [focused on awareness and understanding about effects of climate change and how Danish support in practice helps tackle this, what vulnerability means in practice, role of water, and what can be done to improve it]</i></p>	<ul style="list-style-type: none"> Immediately after project start, mid-term, and by end of support period 	<ul style="list-style-type: none"> Build on and make use of communication initiatives by GCA Possible additional collection by MFA of stories of concrete lifechanging results “Translation” of relevant information from monitoring and results reporting into messages for general public consumption Social media postings, incl. MFA's activity on linkedin, facebook, twitter, etc. Presentation at relevant public events, meetings, etc. 	<p>Danish public at large, including students, interest groups, etc.</p>	<ul style="list-style-type: none"> GDI and public diplomacy team in MFA
<p>3. Lessons learned and emerging and final results at outcome level achieved from the projects, aimed at informing adaptive</p>	<ul style="list-style-type: none"> At least based on defined reviews/lessons learned initiatives in the project documents 	<ul style="list-style-type: none"> Monitoring/progress reports and relevant studies conducted by GCA Danish Mid-term reviews 	<ul style="list-style-type: none"> Danish public and Danish Parliament (through RFI/OpenAid) 	<ul style="list-style-type: none"> GDI ELQ (Other MFA units involved in climate

<p>project management, promoting synergies among relevant partners, and informing climate diplomacy and policy, including:</p> <p>Lessons learned on promoting investments in climate resilient infrastructure in African cities – focus on programme and policy implications, relevant for Danish climate diplomacy efforts</p> <p>Lessons learnt on supporting and partnering with mechanisms/institutions promoting climate adaptation investments with focus on water</p> <p>Identification of achieved and emerging outcomes related to improved climate resilience in African cities, both planned and non-planned</p>	<ul style="list-style-type: none"> • Mid-term and end of support period • Ad-hoc, based on needs and opportunities 	<ul style="list-style-type: none"> • Danish planned lessons learned and outcome harvesting and lessons learned studies under the projects 	<ul style="list-style-type: none"> • MFA units and Embassies involved in climate diplomacy and other Danish support for institutions and projects focused on climate adaptation, water, cities. • International policy and programme platforms and partners, such as COP26, C40, and other international partners supported by Denmark in the climate/environment field • Danish private sector actors and interest groups engaged in climate adaptation solutions incl. water • The Danish development community, including civil society, research-institutions and think-tanks, and private firms and professionals 	<p>diplomacy)</p>
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