PROJECT EXEMPLAR

Accelerating Adaptation Job Skills, and Entrepreneurship Across Africa

GLOBAL CENTER ON ADAPTATION

KEY PROJECT INFORMATION

Country / Region

Phase 1: Algeria, Botswana, Cameroon, Central African Republic, Cote d'Ivoire, Democratic Republic of Congo, Egypt, Ghana, Kenya, Malawi, Mali, Nigeria, Rwanda, Senegal, Uganda, Zambia

Phase 2: Ghana, Kenya, Nigeria, Tanzania, Rwanda, and Tanzania

Implementation Period

Phase 1: 2021-2025
Phase 2: 2025-2026

Key Partners

African Development Bank

Beneficiaries

Phase 1: 250,000
Phase 2: On-going

THE ADAPTATION STORY

Context and adaptation challenge

Africa is home to a large and rapidly growing population, currently on a trajectory of undergirding one of the fastest expansions of the working-age population estimated at more than 1.4 billion people by 2050[1], with an estimated 830 million youth aged 15–35[2]. The current expanding young generation is one of the most educated Africa has ever known. With high economic aspirations and strong ties to their communities, young people possess immense potential to build climate resilience through innovative and entrepreneurial solutions.

Yet despite this promise, young entrepreneurs across Africa face persistent barriers to launching and scaling their businesses. An assessment conducted by the Global Center on Adaptation[3], drawing on interviews with program awardees before and after intervention, identified six main interrelated challenges that most strongly inhibit youth-led entrepreneurship.

Limited access to finance emerged as the most significant constraint. While funding is essential for developing and scaling climate adaptation innovations, many youth-led ventures—particularly those that are capital-intensive—struggle to secure the necessary financing for technologies, machinery, or inputs. Entrepreneurs reported difficulties navigating loan systems that require collateral beyond their reach, as well as high interest rates that demand continuous repayments. These financial structures infrequently account for periods of delayed or seasonal revenue, such as those experienced by agribusinesses during production and pre-sale cycles.

A second challenge is the **need for stronger business development and operational skills.** Many entrepreneurs highlighted gaps in the systems and processes required to run efficient and effective enterprises. These included project and financial management, bookkeeping, budgeting, tracking daily operations, developing and implementing company policies, and marketing. Respondents expressed a clear demand for in-house capacity building to strengthen these foundational business functions.

Knowledge gaps, particularly in climate adaptation and resilience, also limit growth. Several entrepreneurs noted the need for trained climate experts who could support product development and help disseminate adaptation knowledge to customers, smallholder farmers, local governments, and surrounding communities. However, the high cost of hiring such expertise—often compounded by limited access to finance—makes this challenge difficult to overcome.

Entrepreneurs also face growing **uncertainty about climate impacts on their businesses.** Many have already experienced direct and indirect losses linked to climate risks. Flooding has disrupted production and distribution by damaging infrastructure, including greenhouses, irrigation systems, and roads, which limits access to farms and markets. Heat stress has reduced working hours for farmers and contributed to crop losses, while rising temperatures have affected seedling storage and greenhouse productivity. Increasing rainfall variability and the growing frequency of extreme weather events have further heightened uncertainty about future business performance.

Changing customer behavior presents another hurdle. Entrepreneurs often encounter initial resistance from communities when introducing new technologies or practices. Even when adoption begins, sustaining long-term behavioral change requires sustained engagement, trust-building, and tailored strategies to maintain motivation over time.

Finally, **navigating the broader operational context** remains a persistent challenge. Entrepreneurs cited limited support from local authorities, inadequate infrastructure such as poorly maintained roads and unreliable electricity, complex certification and licensing processes, regulatory hurdles, and the absence of structured markets. Together, these constraints make it difficult for youth-led businesses to operate consistently and sustainably.

1- U.N. Department of Economic and Social Affairs, World Population Prospects 2019: Highlights (United Nations, 2019).
2- World Bank, The Next Generation Africa Climate Business Plan – Ramping Up Development-Centered Climate Action (2020).
3- Global Center on Adaptation. 2022. State and Trends in Adaptation Reports 2021 and 2022: Executive Summaries and Syntheses. Rotterdam and Abidjan.
https://gca.org/wp-content/uploads/2023/01/GCA_State-and-Trends-in-Adaptation-2022_Youth-Entrepreneurship.pdf

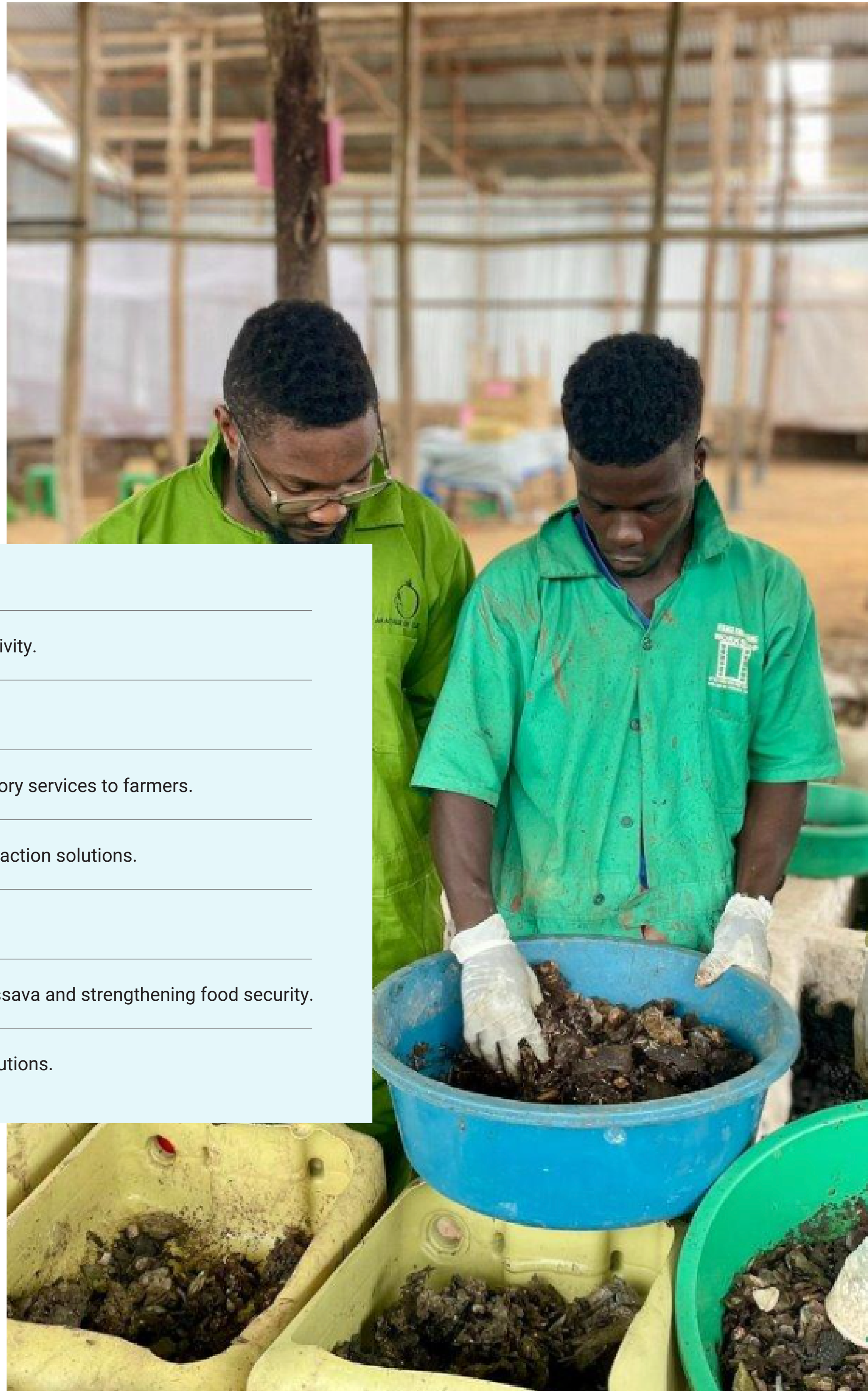
What was GCA's role?

To respond to these challenges, the YouthADAPT Challenge launched an annual competition and awards program to support youth-led enterprises across Africa. Jointly organized by the Global Center on Adaptation and the African Development Bank under the YouthADAPT pillar of the Africa Adaptation Acceleration Program framework, the initiative was designed to strengthen inclusive growth by expanding investment and economic opportunities for young people. By supporting youth-led enterprises, the program had two phases, with the first one aimed to accelerating and scaling innovative solutions that build climate adaptation and resilience across the continent, while enhancing the enabling environment to foster growth and address present and future challenges.

In the first phase, awarded enterprises were selected for their focus on critical environmental, social, and economic sectors most affected by climate change, as well as for presenting clear, scalable value propositions with the potential for high impact. In addition, these enterprises needed to demonstrate the ability to create employment opportunities across Africa. Each winning enterprise received seed funding of up to US$100,000, along with tailored business development support delivered through a 12-month incubation and acceleration program.

Over the 12 months, selected enterprises received sustained support to build institutional capacity, improve commercial viability, effectively deploy grant financing, and mobilize additional private capital. This support was delivered through practical, hands-on training workshops in entrepreneurship and climate adaptation mainstreaming, alongside professional mentorship. Together, these efforts enabled young entrepreneurs to execute their business plans, generate green jobs for adaptation, and contribute meaningfully to Africa's broader journey toward climate resilience.

YouthADAPT results and impact



The first phase of YouthADAPT supported 41 youth-led enterprises across 20 African countries, strengthening locally driven adaptation solutions in agriculture, water systems, waste management, digital climate services, and resilient infrastructure.

Independent assessments confirmed the program's strong value for money, with two external evaluations validating its results. Across the first three cohorts, supported enterprises generated more than 11,000 jobs and trained over 25,000 farmers, accelerating the growth of African-led businesses delivering tangible climate resilience at both community and national levels.

HIGH-IMPACT ENTERPRISES SUPPORTED INCLUDE:

IrriHub (Kenya), providing smart irrigation systems that help smallholder farmers optimize water use and boost productivity.

Ecobarter (Nigeria), incentivizing waste collection by tokenizing waste and transforming it into useful products.

Farmer Lifeline (Kenya), using solar-powered devices to scan farms for pests and diseases and provide real-time advisory services to farmers.

Mpatsa Engineering (Malawi), addressing water deficits through rainwater harvesting, treatment, and groundwater extraction solutions.

Salubata (Nigeria), transforming plastic waste into durable footwear while reducing environmental pollution.

CassVita (Cameroon), working with smallholder farmers to reduce post-harvest losses by extending the shelf life of cassava and strengthening food security.

Akatale on Cloud (Uganda), converting organic waste into animal feed and organic fertilizer through value-to-waste solutions.

The insights and results from these first three cohorts positioned the Global Center on Adaptation to evolve the initiative into a more targeted, sustainable, and country-aligned model: the In-Country YouthADAPT Program—designed to deepen impact, strengthen national ownership, and accelerate climate resilience at scale.

YouthADAPT Key Lessons

What we have learnt

Countries are seeking locally aligned adaptation support anchored in national priorities.

Countries are increasingly seeking adaptation support that is closely aligned with national priorities and grounded in local contexts. While the YouthADAPT Challenge focused on supporting SMEs and making them more resilient to the operational landscape, it did not necessarily support enterprises that had considered aligning their operations with the country's climate risks and needs. Therefore, anchoring adaptation efforts in national and regional development and climate priorities—while strengthening local ownership, institutional coordination, and context-specific solutions—can enhance both the relevance and impact of interventions. Such an approach also supports more efficient resource allocation, strengthens accountability, and ensures that adaptation investments contribute to long-term, resilient development pathways.

Young entrepreneurs need market access and procurement pathways, not only business acceleration.

While business acceleration programs, such as the YouthADAPT Challenge in its first iteration, played a crucial role in strengthening entrepreneurial skills for African youth, they can be insufficient on their own to ensure the growth and sustainability of SMEs. Young entrepreneurs often face structural barriers to market entry, including limited access to procurement opportunities, weak integration into value chains, and high transaction costs that constrain their ability to scale. Expanding access to markets—particularly through inclusive procurement pathways, public and private sector sourcing, and strengthened linkages to local and regional value chains—is therefore critical. Such approaches enable young entrepreneurs to translate their capacity into revenue, build a track record, and attract investment, while fostering more resilient and inclusive economic systems. Prioritizing market access alongside business acceleration will be essential to unlocking the full potential of youth-led enterprises and supporting their contribution to sustainable and climate-resilient development.

Strong local ecosystems are required to sustain adaptation enterprises beyond a single challenge cycle.

Strong and well-functioning local ecosystems are critical to sustaining adaptation enterprises beyond a single YouthADAPT challenge funding cycle. While this initial support mechanism allows de-risking and can catalyze early-stage solutions, the absence of enabling ecosystems often limits long-term viability and scale. Strengthening local networks of financiers, technical assistance providers, research institutions, and market actors is essential to provide continued access to capital, mentorship, and market opportunities. By fostering integrated and supportive ecosystems, adaptation SMEs are better positioned to mature, adapt to evolving risks, and deliver sustained climate resilience and development impact over time.

Redesign based on an iterative approach

Why the redesign?

To deepen impact, strengthen alignment with national adaptation priorities, and address persistent financing gaps for micro, small, and medium enterprises, GCA redesigned YouthADAPT into a country-specific model. The In-Country YouthADAPT approach directly links youth-led enterprises to adaptation needs identified within investments financed by Multilateral Development Banks, ensuring relevance, scalability, and sustainability.

The redesign responds to clear and growing demands:

- Countries are seeking locally aligned adaptation support anchored in national priorities.
- Less than 10 percent of global climate finance flows to adaptation, with only a fraction reaching local MSMEs.
- Young entrepreneurs need market access and procurement pathways, not only business acceleration.
- Stronger local ecosystems are required to sustain adaptation enterprises beyond a single challenge cycle.

The In-Country program launched in 2025 across five countries, Ghana, Kenya, Nigeria, Tanzania, Rwanda, and Tanzania, introducing a more targeted and country-owned approach.

Key Components of the 2025 In-Country Model

1. Country-Specific Adaptation Needs
Each national call for applications is grounded in adaptation opportunities identified through GCA's engagement with IFI-financed projects. These opportunities span priority sectors ensuring that supported enterprises respond directly to real investment pipelines and national needs.

2. Adaptation & Investor Readiness Bootcamp
Shortlisted enterprises participate in a four-week intensive bootcamp designed to improve enterprise readiness to attract climate finance, technical robustness, and bankability of their adaptation solutions. Core areas of focus include:

- Pitch refinement
- Financial projections
- Business model strengthening
- Adaptation impact storytelling
- Investor negotiation skills

3. Demo Day Events
Events called ¨Demo Days¨ were held across Nigeria, Ghana, Rwanda, Tanzania, and Kenya, where entrepreneurs pitched directly to a jury of commercial banks, private equity firms, and venture capital funds. Beyond formal presentations, enterprises engaged in one-on-one discussions with financiers, receiving practical feedback on their business models and insights into investor expectations for adaptation enterprises.

These events also convened government representatives, providing firsthand exposure to strengthen the understanding of how enabling policies and regulatory environments can unlock economic growth through adaptive entrepreneurship.

4. Strengthened Partnerships Through Local Ecosystems
The model places strong emphasis on collaboration with local accelerators, entrepreneurship hubs, government ministries, and financial institutions. These partnerships ensure that enterprises receive tailored, country-specific support while embedding YouthADAPT within existing national systems—strengthening ownership and sustainability beyond the challenge cycle.

5. Tailored Technical Assistance and Mentorship
Recognizing that MSMEs face multiple, overlapping barriers to growth, winning enterprises receive customized technical assistance and targeted mentorship based on assessed needs. This support addresses gaps in technical expertise, business management, entrepreneurship skills, and investment readiness.

6. Access to Finance
Strengthening access to finance from the supply and demand sides of adaptation finance is a pillar of the model.

On the supply side, domestic financial institutions are supported through the Adaptation Finance Masterclass and Technical Assistance Program to build capacity to evaluate adaptation investments, design climate finance instruments, and de-risk lending to MSMEs.

On the demand side, enterprises receive catalytic grants of US$30,000, with US$10,000 disbursed in front and US$20,000 provided as de-risking capital. This allows the reduction of lending barriers and unlocks private capital for adaptation enterprises.

In-Country YouthADAPT Model results and impact

56 enterprises supported across five countries with investor readiness training, adaptation storytelling, business model development, and facilitated access to local financiers.

Ten winners were selected, two from each country with each enterprise receiving $30,000 in catalytic grant funding and a commitment to 50% gender inclusion to ensure equitable participation. These enterprises are delivering high-impact adaptation solutions, including converting organic waste into organic fertilizers, producing safe nonanimal protein sources for aquaculture feed, providing clean energy alternatives for cooking, transforming landfill materials into durable shoes, and reducing post-harvest losses by extending the shelf life of groundnuts.

Targeted technical assistance and mentorship provided to winning enterprises to address identified gaps in technical capacity, business management, and entrepreneurship skills.

46 entrepreneurs awarded microgrants of $1,500, enabling them to strengthen early-stage operations and improve investment readiness.

Enhanced adaptation solutions across agriculture and infrastructure sectors, contributing to climate-resilient value chains and local economic development.

This redesigned model connects innovation to implementation and ensures youth-led enterprises can scale, access finance, and play meaningful roles in national adaptation investments.

Actionable insights for MDBs and investors

Addressing Country-Specific Adaptation Needs	Ensuring that supported enterprises and training respond directly to real investment pipelines and national needs allows them to access different types of funding that can ensure sustainability after the initial derisking grant.
Enhance adaptation and investor readiness	Tailored capacity-building programs for Micro, Small, and Medium Enterprises (MSMEs) across Africa are essential to address key barriers to resilience and growth. Such efforts should focus on improving access to diverse financing streams, strengthening business development planning and operational capabilities, and addressing critical knowledge gaps related to climate change and its impacts on business continuity.
Strengthening Innovation and operational resilience through capacity building	Targeted support should foster innovation capacities that enable MSMEs to adapt to shifting market dynamics, including influencing consumer behavior towards more sustainable practices. Equipping MSMEs with practical tools to navigate complex and evolving operational environments will further enhance their ability to respond to uncertainty.

Taken together, an integrated and context-specific approach can significantly strengthen MSME resilience and support their progression towards sustainable growth and long-term success.