



Building the Investment Case for Adaptation in Infrastructure, Energy and Manufacturing in 4 African countries

Under AAAP GCA launched a new initiative at Davos in January 2025 to boost private sector engagement in climate adaptation. Its objective is to strengthen financial systems in Africa to channel and deploy adaptation finance at scale. The work with the private sector has, in 2025, started with domestic financial institutions. To demonstrate that adaptation is bankable, our market

analysis will identify and build the investment case for select adaptation opportunities in Infrastructure, Energy and Manufacturing (IEM) in four countries: Tanzania, Kenya, Zambia and Democratic Republic of Congo.

Adaptation Need

East and Central Africa’s Infrastructure, Energy and Manufacturing (IEM) sectors face growing climate risks, with significant impact expected on GDP and livelihoods if no action is taken. In Kenya, for example, flood damage to transport, energy, and industrial assets—combined with heat stress on labor—is projected to reduce GDP by 3.6–7.3% by 2050. In Tanzania, intensified flooding and coastal erosion are expected to damage roads, ports, and power systems, slowing GDP growth by up to 4% by 2050. Yet, private sector engagement in adaptation across East and Central Africa remains limited relative to the scale of these risks, with current finance flows from private investors far below what is needed.

GCA’s Added Value

GCA’s added value lies in the project’s private sector investment lens for adaptation—identifying scalable, commercially viable adaptation solutions that can reduce long-term systemic risk and build resilience across select Infrastructure, Energy and Manufacturing (IEM) sub-sectors in target countries. Activities include: running rapid climate risk assessments in each country using GCA and World Bank data, quantifying the market size for identified adaptation and resilience investment opportunities, assessing potential adaptation returns and expected return on investment from the adapter’s perspective, and identifying practical key enablers for increasing private sector investment. The study will provide actionable recommendations for commercial banks in the region.

Total Investment Value Influenced	
N/A	
Beneficiaries	
N/A	
IFI Implementation period	
2025	
Program	
Adaptation Finance	
Status	

In progress

Countries



SDG contribution



PROJECT GOALS

Mainstreaming Adaptation and Resilience:

GCA aims to scale its support to financial institutions across Africa to scale adaptation finance in real economy sectors.

Once financial returns for Infrastructure, Energy and Manufacturing (IEM) adaptation investments are quantified, and financing structures and de-risking mechanisms identified, GCA will be positioned to operationalize and track these investments.

By equipping commercial banks with tools, data, and investment cases, they can assess climate risks and opportunities.

They will also be able to identify and finance bankable projects.

This will support corporate clients, independent power producers, and quasi-sovereign clients in building resilient supply chains that protect and increase revenues.

Expected Outcomes

Market analysis launched in August 2025

Convening of key stakeholders and experts from across the private sector to explore mechanisms and modalities for facilitating private capital flow into

adaptation and resilience

Change perceptions among businesses and investors that adaptation is only a public sector function focused on risk

Catalyze engagements and partnerships to unlock new market segments and spur innovation for commercially attractive adaptation products and services

Spur the development of novel financial structures and instruments targeting adaptation and resilience financing across industries

Chart new policy courses to encourage capital allocation into adaptation and the development of new adaptation goods and services ecosystems

Equip partners with better tools and capacity for climate adaptation impact tracking, measurement and quantification

TIMELINE

GCA Support Status

Technical Assistance Preparation

GCA Support Implementation

June, 2025

GCA Support Completion

September, 2025

Monitoring

FINANCE

Project Investment Value

CONTACTS

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PROJECT RESPONSIBLE

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"GENERAL MEDIA INQUIRIES

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REQUEST FOR INFORMATION

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