



# TADB Portfolio Resilient Enhancement to Climate Change

Under the Africa Adaptation Acceleration Program (AAP), the Global Center on Adaptation (GCA), in partnership with the African Development Bank (AfDB), delivered a landmark technical assistance to the Tanzania Agricultural Development Bank (TADB) to mainstream climate resilience across its lending portfolio. This support was made possible through the Africa Adaptation Finance Accelerator (AFAC) initiative and funded by GCA's contribution to the Africa Climate Change Fund. The aim of this partnership is to assist TADB in assessing and understanding the climate-related financial risk across its portfolio and develop tools, methodologies, and the capacity to mainstream climate resilient within its current lending practices.

# The Adaptation Need

TADB, as a national development bank dedicated to agricultural financing, faces growing exposure to climate-related credit risk, especially from extreme weather events like droughts, floods, and shifting rainfall patterns that directly impact borrower productivity and repayment capacity. GCA’s technical work with TADB revealed that climate exposure is not yet systematically accounted for in the bank’s lending practices as current risk models do not account for borrower-level climate vulnerability or incorporate forward-looking climate projections – leaving the bank unable to adequately assess or manage climate-related financial risks.

## GCA’s Added Value

GCA supported TADB to integrate climate risk into institutional processes and investment decisions. This included the development of portfolio-level climate risk heatmaps, which informed a climate stress testing methodology aligned with Bank of Tanzania (BoT) regulatory requirements. The assessment covered both physical and transition risks across direct and indirect lending. Given TADB’s core business in agriculture, a Climate-Smart Agriculture (CSA) catalogue was also developed, detailing crop-specific mitigation and adaptation solutions across the value chain, along with relevant implementation partners. This catalogue will inform a climate due diligence tool to be applied at the loan origination stage. These efforts have resulted in actionable outputs by embedding climate risk into credit assessments, risk policies, staff training, TADB’s digital loan systems, and product design.

Total Investment Value Influenced

\$66M

Beneficiaries

N/A

IFI Implementation period

2024 - 2027

Program

Adaptation Finance

Partners

African Development Bank Group , African Financial Alliance on Climate Change, Tanzania Agricultural Development Bank

Status

In progress

Countries



SDG contribution



PROJECT GOALS

# Receiving our targets

## Mainstreaming Adaptation and Resilience

The technical assistance delivered a detailed climate risk assessment embedded into financial risk modelling to integrate climate risk management with internal risk management guidelines. These are designed to embed climate adaptation directly into TADB's credit risk management and lending processes. Each tool has been tailored to TADB's specific portfolio and institutional context. These outcomes mainstream A&R investments in financial institutions by systematically integrating climate-related risks and opportunities into core financial decision-making, moving beyond standalone "green" initiatives. This ensures that climate adaptation becomes an intrinsic part of credit risk management, loan appraisal, and portfolio allocation, thereby aligning financial performance with environmental resilience and influencing how capital is strategically deployed across operations.

# Expected Outcomes

Climate risk screening and assessment tools are operationalized within TADB's risk management framework, enabling systematic identification and management of climate-exposed assets.

Staff across key departments – including risk, credit, and strategy – are equipped with the knowledge and tools to apply climate risk insights in day-to-day decision-making, ensuring sustainability beyond the life of the project.

TADB's credit processes are adapted to reflect forward-looking climate risk, resulting in improved risk pricing, portfolio rebalancing, and the development of financial products aligned with climate resilience.

The bank's operations are more closely aligned with Tanzania's national climate adaptation strategies and evolving international climate finance standards, positioning TADB as a credible partner for concessional finance.

Insights from climate stress testing guide TADB's reallocation of finance toward sectors and regions with higher resilience potential, enhancing both financial performance and development impact.

## TIMELINE

# Project status

Technical Assistance Preparation

GCA Support Implementation

Monitoring

FINANCE

## Project Investment Value

Total Investment Value  
\$66M

IFI INVESTMENT VALUE

\$66M

OTHER INVESTMENT  
VALUE

N/A

# IFI Partner



African  
Development Bank  
Group  
Partners



African Financial  
Alliance on Climate  
Change



Tanzania  
Agricultural  
Development Bank

## CONTACTS

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