

# Opportunities for climate adaptation finance

9 June 2022 | Online



**evpa**  
INVESTING FOR IMPACT

# **Welcome & Introduction**

# Co-Hosts

## Anja König

Lead EVPA  
Investing4Development/  
Transformative Finance/  
DACH Region



## Denise Engels

Lead, GIZ Private Climate  
Adaptation Finance



## Frank Aswani

CEO African Venture  
Philanthropy Association  
AVPA



# Speakers

## Urs Dieterich

Managing Director,  
Landscape Resilience Fund



## Peter Onguka

Head of Lending, Africa,  
Root Capital



## Laura Würtenberger

Consultant,  
Climate Adaptation Finance



# Agenda

## Part I:

- Welcome & introduction
- Landscape Resilience & Root Capital
- Opportunities for Climate Adaptation Finance: overview & Zooming-In
- Next steps

## Part II

- Q&A

# Part I

# **Landscape Resilience Fund**

# Financing climate adaptation for people and nature



landscape  
resilience **fund**

Fund Manager



Supported by



Anchor Investor

**CHANEL**

WWF partners  
with the LRF for  
climate resilience  
and biodiversity



# Climate adaptation remains grossly underfinanced

One of the 4 goals of COP26 in Glasgow:

*"Urgently adapt to protect communities and natural habitats."*

COP27 in Sharm El-Sheikh, Egypt:

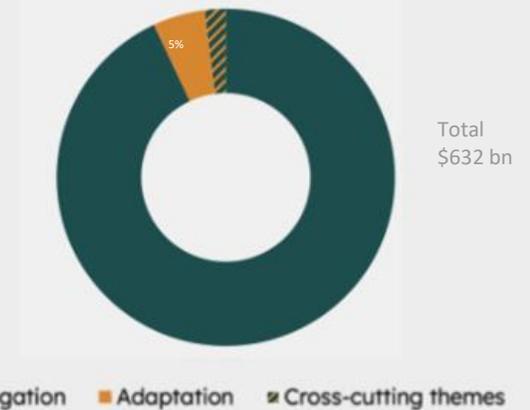
*"The adaptation COP"*

UN Secretary-General António Guterres' response to the IPCC Report:

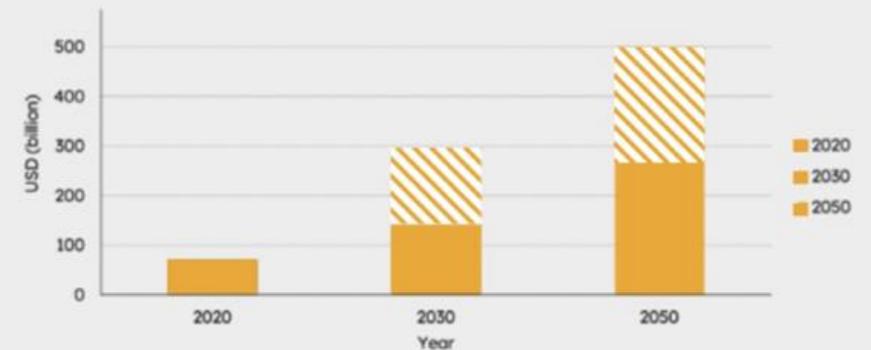
*"As climate impacts worsen – and they will – scaling up investments will be essential for survival... Delay means death."*

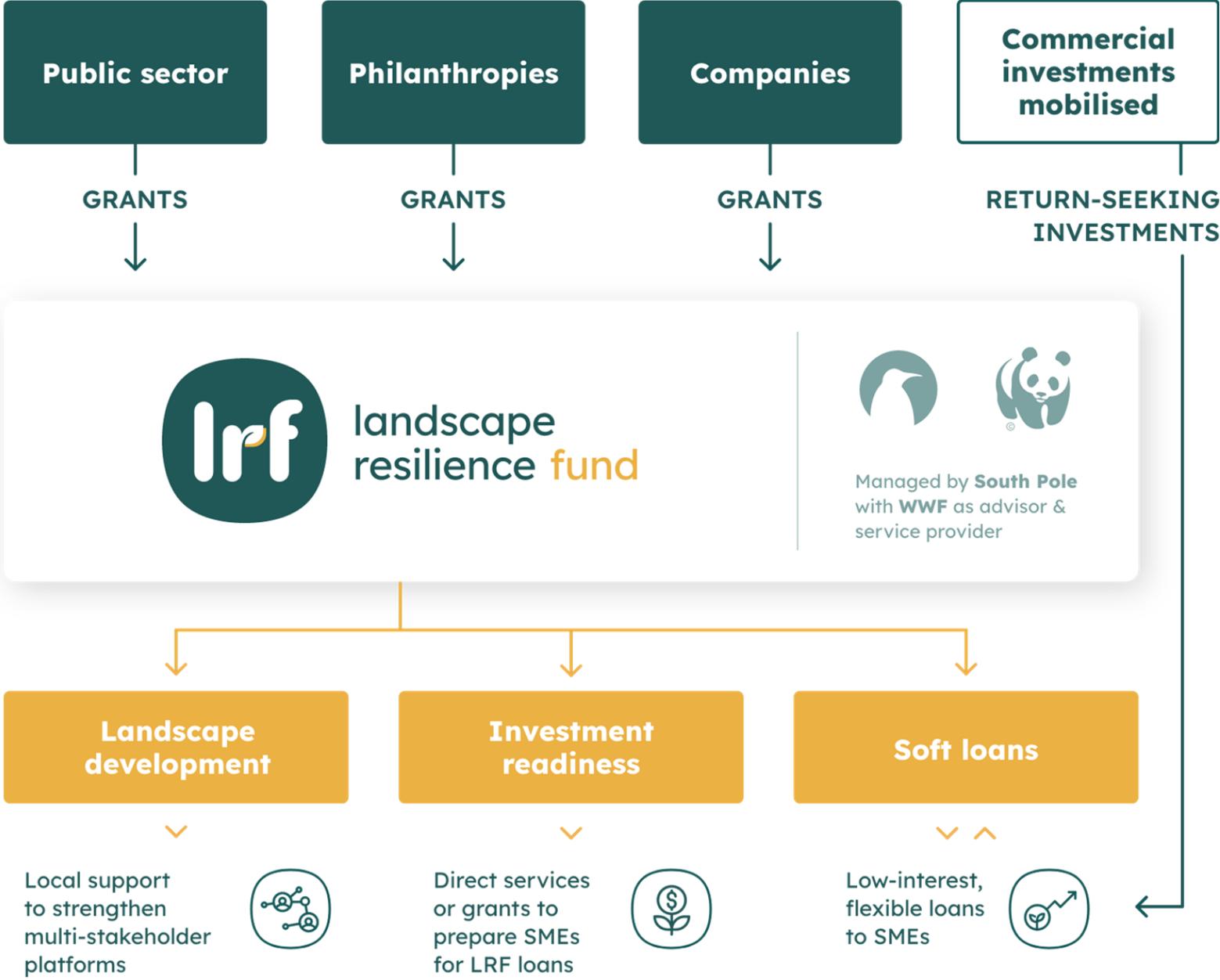
## Adaptation finance gap

2020 Climate finance



Rising cost of climate adaptation in developing countries



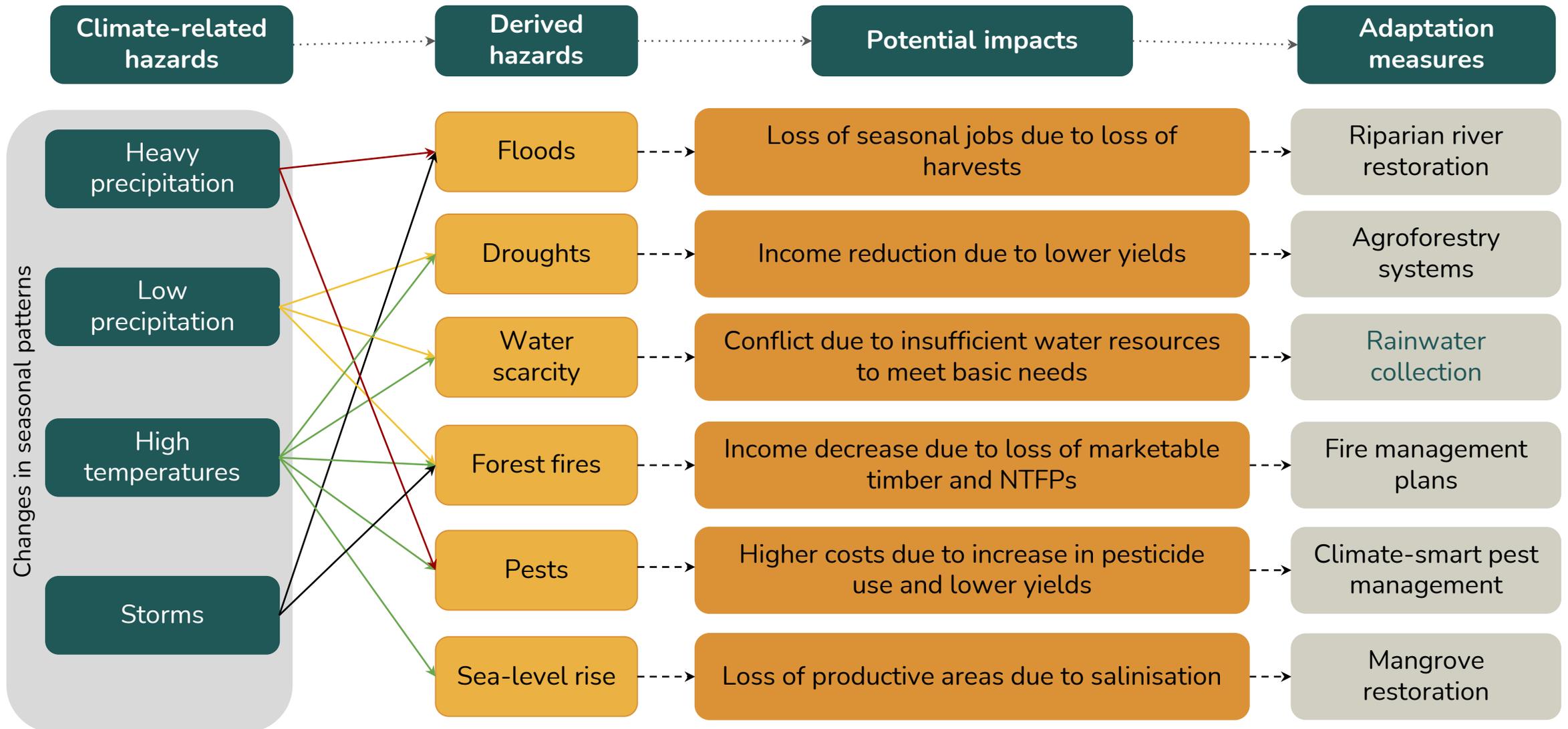


[www.landscaperesiliencefund.org](http://www.landscaperesiliencefund.org)

@LandscapeFund

[contact@landscaperesiliencefund.org](mailto:contact@landscaperesiliencefund.org)

# Adaptation practices as a response to impacts chain



# Contact us



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[u.dieterich@landscaperesiliencefund.org](mailto:u.dieterich@landscaperesiliencefund.org)

 <https://landscaperesiliencefund.org>



**Root Capital**



# About Root Capital



**OUR VISION:** A thriving agricultural sector supported by bankable AND RESILIENT rural businesses.

# 2021-2025 Organizational Impact Pathways

Core to our five-year Strategic Plan, Root Capital has developed four distinct pathways to increase our impact in the rural communities where we work.



## Access to Finance

Expand **access to financing and training** for early-stage and established businesses.



## Climate Action

Invest in **climate mitigation and adaptation** in rural communities.



## Gender Equity

Support **women-led & gender-inclusive businesses** while deepening clients' gender equity.



## Next Generation Jobs

Provide youth with **career paths in rural communities** as enterprise staff & farmers.

# Commitment to Climate Action:

Root Capital leverages our unique value proposition—our **proximity**, our **platform**, our **partnerships**, and our **inclusive approach**—to build the climate resilience of agricultural enterprises, so they can fulfill their potential as agents of climate action.



GROW

**Grow our lending** to businesses committed to climate action in rural communities.



CULTIVATE

**Cultivate enterprise and farmer capacity** to mitigate and adapt to climate change.



INNOVATE

**Innovate financial products** to unlock enterprise investments in climate action.



AMPLIFY

**Amplify successful approaches** to encourage adaptation and replication by others.



[www.rootcapital.org](http://www.rootcapital.org)

Headquarters:

245 Main Street 2<sup>nd</sup> Floor

Cambridge, MA 02142

Regional Global Offices: Costa Rica,

Kenya, Mexico, Peru

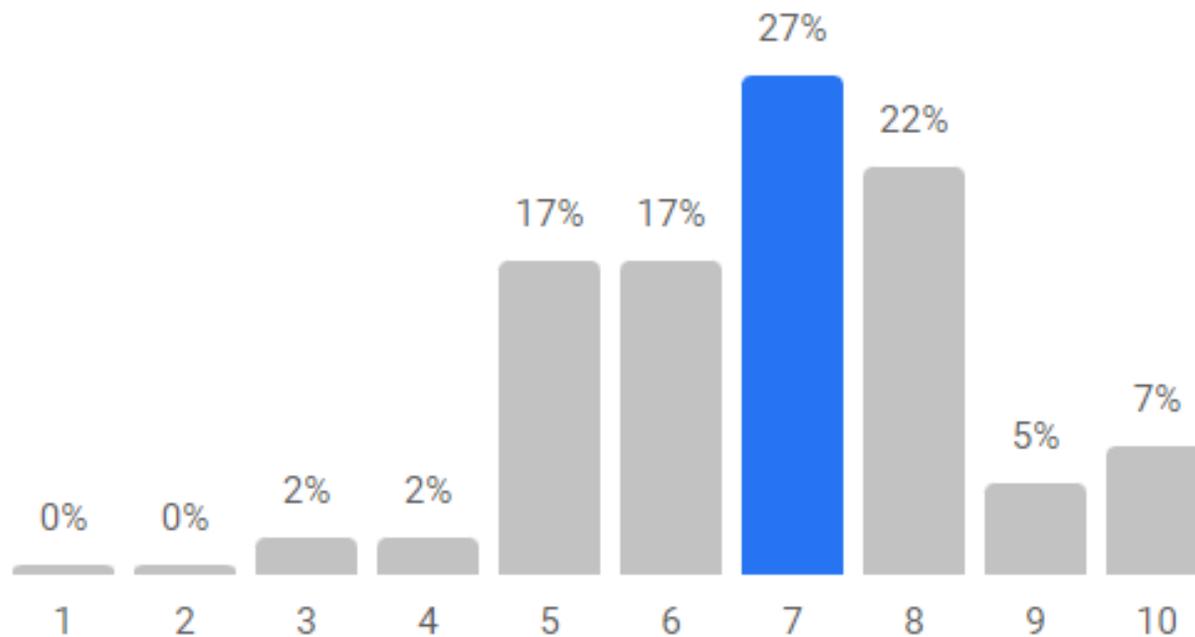


**Feedback from our  
audience**

# Feedback from our audience

To what extent do you believe that investment in climate adaptation enterprise can be profitable and even generate market rate returns? Decide on a scale from 1- 10 41 

Score: 6.9



# **Overview & Zooming in**

# Opportunities for climate adaptation finance

June 2022



Implemented by:



# Investing into climate adaptation - context

- The climate is visibly changing – and we are not doing enough
- Estimated adaptation costs in developing countries are five to ten times greater than current public adaptation finance flows<sup>1</sup>
- Growing private investment opportunities into adaptation companies in developing countries and emerging markets due to
  - Fast and severe climate change impacts
  - National climate adaptation policy
  - International support
  - Growing awareness for identifying adaptation solutions
- Increase in impact investment vehicles with adaptation focus

<sup>1</sup>UNEP (2021) Adaptation Gap Report



# Defining adaptation companies

## Companies which...

... **offer technologies, products and services** that build resilience, reduce vulnerability, and help clients adapt to climate change

... **adapt to climate change** in their production process  
AND  
contribute to climate resilience of clients / society



# Adaptation solutions

| Physical climate impacts            | Impacts on sectors          |   | Adaptation solutions   |
|-------------------------------------|-----------------------------|---|--|
| Heat<br>Drought<br>Extreme rainfall | Agricultural value chains   | <ul style="list-style-type: none"> <li>- Reduced crop yields</li> <li>- Crop losses</li> <li>- Food losses in the value chain due to heat and humidity</li> </ul> | <ul style="list-style-type: none"> <li>- Heat and drought tolerant crops</li> <li>- Precision irrigation</li> <li>- Climate compatible extension services</li> <li>- Climate monitoring &amp; forecasting</li> <li>- Crop data analytics</li> <li>- Drought monitoring tools</li> <li>- Cold chain improvements</li> </ul> |
| Sea level rise                      | Cities                      | <ul style="list-style-type: none"> <li>- Heat related deaths &amp; lower productivity</li> <li>- Damage to infrastructure</li> </ul>                              | <ul style="list-style-type: none"> <li>- Airconditioning</li> <li>- Hurricane-proof construction</li> </ul>  |
| Biodiversity loss<br>Hurricanes     | Water supply and management | <ul style="list-style-type: none"> <li>- Reduced water availability and quality</li> <li>- Saltwater intrusion</li> <li>- Increased flooding</li> </ul>           | <ul style="list-style-type: none"> <li>- Water storage and harvesting</li> <li>- Water saving technologies / water loss reduction technologies</li> <li>- Water and hydrological modeling and forecasting</li> <li>- Dams and other water management infrastructure</li> </ul>   |



# MajiAgri Solutions Ltd.

KENYA

**Sector:** Agriculture, Forestry, Water

**Website:** [www.majiagri.co.ke](http://www.majiagri.co.ke)

**Contact:** [info@majiagri.co.ke](mailto:info@majiagri.co.ke)

**In operation since:** 2016

**Number of staff:** 12



## Climate change phenomena



Land & forest degradation



Desertification



Drought



Extreme rainfall



Increasing temperatures



Loss of biodiversity

**Business Model** | MajiAgri enables farmers to collect and reserve ground run-off or roof water whenever it rains through the installation of innovative water harvesting ponds. In combination with providing efficient irrigation systems and climate-smart agronomic advisory services, farmers can cultivate crops even in the event of prolonged droughts, and increase their resilience to increasingly irregular weather patterns

**Market** | Smallholder farmers, public institutions such as schools



# Arctic Infrastructure Ltd.

**NIGERIA**

**Sector:** Urban Infrastructure

**Website:** [www.arcticil.org](http://www.arcticil.org)

**Contact:** [info@arcticil.org](mailto:info@arcticil.org)

**In operation since:** 2014

**Number of staff:** 9



## Climate change phenomena



Land & forest  
degradation



Flooding



Sea level rise



Increasing  
temperatures



Extreme  
rainfall

**Business Model** | Arctic Infrastructure provides support to public and private institutions in planning, designing, implementing, and mobilizing finance for innovative urban climate resilient infrastructure in the cities of Sub-Saharan Africa. Services include the integration of nature-based solutions into infrastructure and urban spaces to make them more resilient to climate change impacts.

**Market** | International development partners, government institutions at federal, state and local levels, private institutions and communities



# Peal Agro

**KENYA**

**Sector:** Agriculture

**Website:** <http://www.pealagro.co.ke>

**Contact:**  
[pealagro.services@gmail.com](mailto:pealagro.services@gmail.com)

**In operation since:** 2018



## Climate change phenomena



Desertification



Drought

**Business Model** | Peal Agro produces and distributes climate smart maize and soybean seeds across Kenya which are drought tolerant and high yielding. It bridges the gap for the unmet demand for improved varieties of maize & soybeans.

**Market** | Smallholder farmers



- Next steps for integrating climate change adaptation into impact investing



**Deutsche Gesellschaft für  
Internationale Zusammenarbeit (GIZ) GmbH**

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On behalf of Federal Ministry for Economic  
Cooperation and Development (BMZ)



german  
cooperation

DEUTSCHE ZUSAMMENARBEIT

Implemented by:

**giz** Deutsche Gesellschaft  
für Internationale  
Zusammenarbeit (GIZ) GmbH

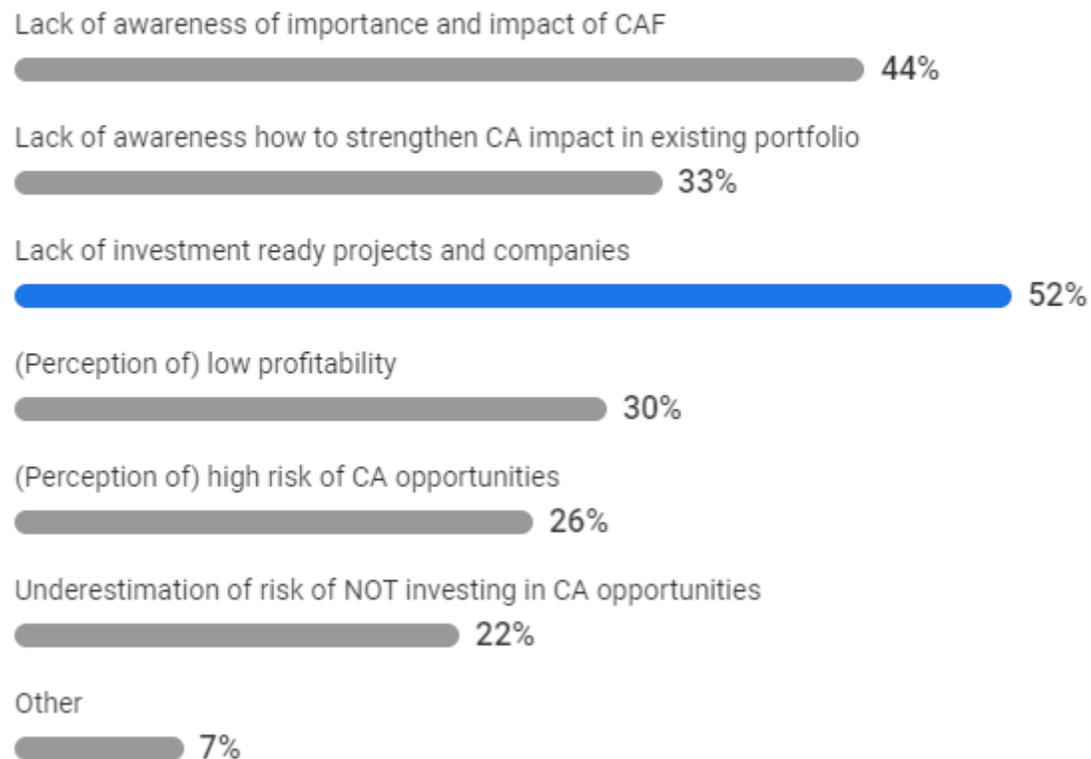


PrivABoo

**Feedback from our  
audience**

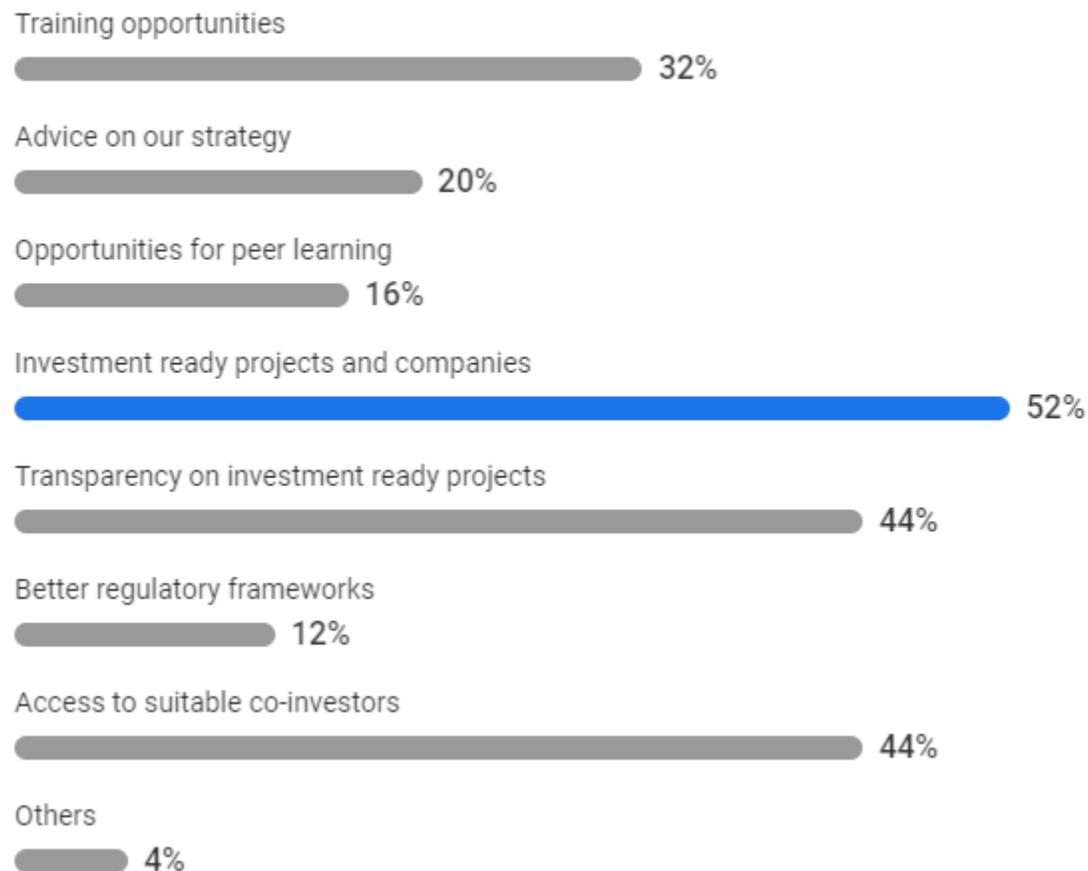
# Feedback from our audience

What do you believe are major concerns or barriers in your organization or other investors regarding investing in climate adaptation?



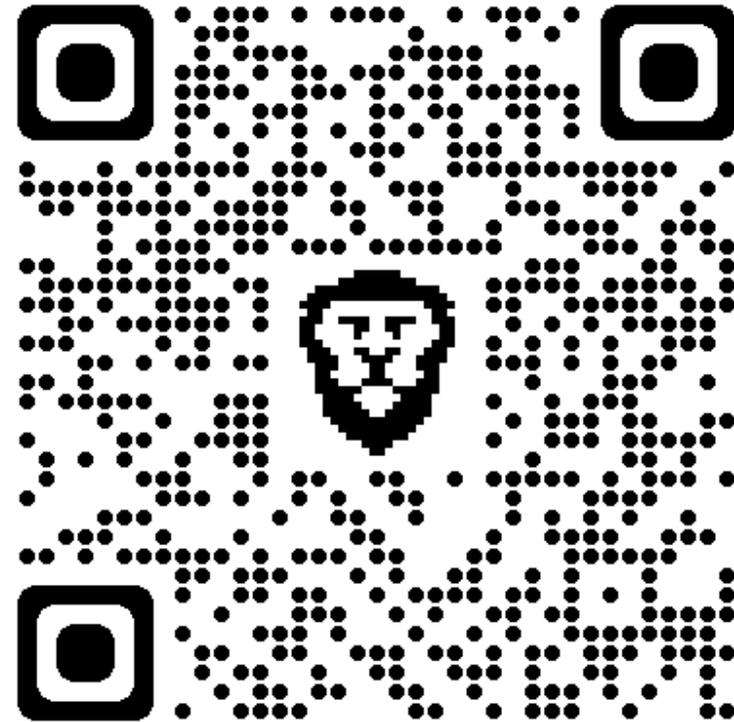
# Feedback from our audience

What support would you need to invest more in CAF (or support the eco-system)?



**Next steps**

# Opportunity to stay in touch & register your interest



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# Contact us!



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# Part II: Q&A

# Agenda

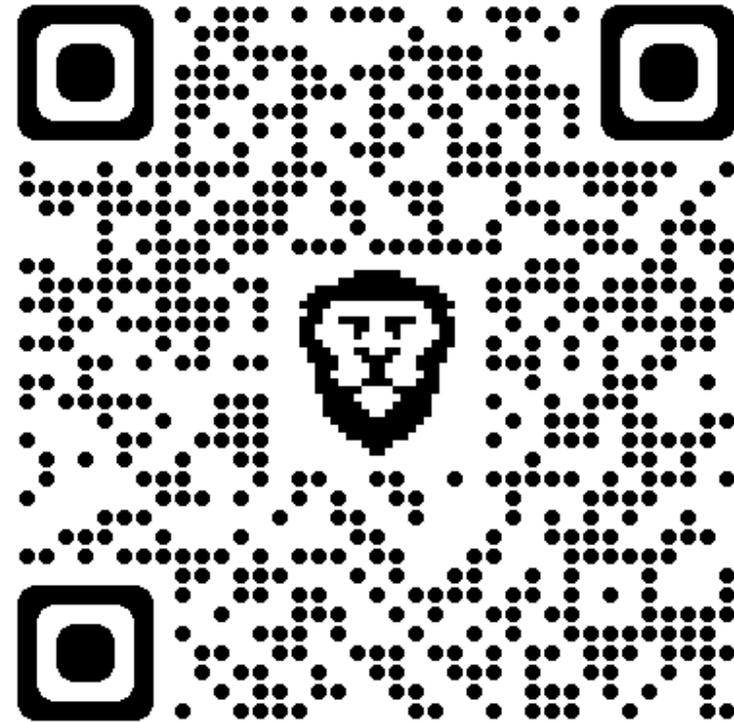
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# Thank you for your attention!



With the financial support of

