



# GLOBAL CENTER ON ADAPTATION

## **PRESS STATEMENT ON GCA/INVESCO MOU by Prof. Dr. Patrick Verkooijen, CEO, GCA**

Good morning/afternoon

My name is Patrick Verkooijen and I am the CEO of the Global Center on Adaptation.

Today I have signed, on behalf of GCA, a Memorandum of Understanding with Invesco Asset Management Ltd., one of the world's leading investment managers.

GCA is working with Invesco to mobilize private sector finance. Today is the first step in a very exciting journey that will see climate adaptation finally enter the mainstream of private capital. Why is this so important? First, let me briefly give you some background.

GCA was established as an international organization to scale up adaptation to climate change rapidly and massively.

Africa is the global region most vulnerable to climate change – adaptation is urgently needed here. If, as we expect, the global average temperature rises by 1.5 degrees Celsius by 2030, in large parts of Africa it will be double that.

Life will be extremely difficult, if not impossible, to sustain. But even if we make the vital progress on mitigation to prevent that happening, we must adapt to the climate change that is already happening and which is impacting lives.

Last year we launched the Africa Adaptation Acceleration Program – the AAAP for short. The AAAP is an African-own and African-led initiative prepared by GCA and the African Development Bank (AfDB), with the support of the Africa Union and African leaders.

The AAAP is an investment plan for climate adaptation at scale, focused on the priorities of agriculture, digital services, infrastructure, entrepreneurship and jobs for young people.

It aims to mobilize US\$25 billion for climate adaptation investments in Africa in the next five years and it's already showing results. AAAP has already guided over \$3 billion of investments in 19 countries with every dollar spent influencing \$100 downstream.

Total climate finance has steadily increased over the last decade, but it is still falling far short of the needs. In fact, right now we need an increase of at least 590% in annual climate finance if we want to meet the internationally agreed climate objectives by the 2030 deadline.

In spite of their large share of assets under management, institutional investors' share of total private climate finance is just one percent.

That must change. Not just because if it doesn't there will be no future. But if we dwell too much on the gloomy forecasts there is a risk of paralysis – “the problems are too great to solve, we are doomed’ is a counsel of despair that we must avoid.

And the good news is that there is a very positive side to the dilemma we face. Action on adaptation is the economically smartest thing to do.

Why? Let me give you an example, investing a dollar in climate-smart crops in most African countries can see between 2 and 14 dollars in benefits.

And every dollar invested in resilient infrastructure yields four dollars in return.

It is simply smart economics. And the adaptation solutions exist. What we need is scale. What we need is speed. We need more and smarter financing. And we need innovative financial instruments and investment vehicles to deliver this.



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Adaptation can no longer be ignored. It must be front and centre.

So I am excited by this partnership that we at GCA and Invesco are entering into today. We are beginning a new relationship, sharing knowledge and starting the dialogue on jointly developing solutions to scale up climate adaptation financing through Institutional Investors.

And stay tuned for more news on this – I look forward to be able to say more in the near future, thank you.