

MEMORANDUM OF UNDERSTANDING

BETWEEN

**THE EUROPEAN INVESTMENT
BANK**

AND

**THE GLOBAL CENTER ON
ADAPTATION**

Cooperation to accelerate action on climate change adaptation

The present Memorandum of Understanding (“MoU”) is made by and between:

European Investment Bank, having its Head Office at 100, Boulevard Konrad Adenauer, L-2950, Luxembourg (the “EIB”),

on one part, and

Global Center on Adaptation, having its Headquarters at Antoine Platekade 1006, 3072 ME Rotterdam, The Netherlands (the “GCA”)

on the other part,

together referred to as the “**Parties**”, each of them as a “**Party**”.

THE PARTIES TO THIS MEMORANDUM OF UNDERSTANDING:

CONSIDERING that EIB is the financial investment arm of the European Union (“EU”) created by the Treaty on the Functioning of the European Union. The role of the EIB is to support investments consistent with EU policy objectives. Pursuant to Article 18(7) of its Statute, as a complement to its lending activity, the EIB may provide technical assistance services in accordance with the terms and conditions set out by its Board of Governors.

CONSIDERING that GCA was established as an international organization, hosted by the Netherlands, to serve as a solutions broker to accelerate, innovate and scale adaptation action for a climate resilient world.

NOTING that as part of the EIB Group Climate Bank Roadmap 2021-2025, the EIB committed to increase substantially adaptation efforts and to ensure that all the operations it supports are adapted to current weather variability and future climate change impacts, in line with the adaptation objectives of the Paris Agreement and the EU Taxonomy.

ACKNOWLEDGING that through the EIB Climate Adaptation Plan, the EIB seeks to increase its share of climate action for adaptation and the impact of its adaptation finance. Under the plan, the EIB will strengthen its support to projects around the world that adapt to the impacts of climate change and build more resilient societies. By implementing the new plan, the EIB will support smarter, more systemic and faster adaptation, while accelerating international action on adaptation with a specific focus on Africa, Small Island Developing States, and Least Developed Countries.

RECOGNISING the existing collaboration between parties, under the Global Commission on Adaptation and its Action Track on Infrastructure in 2020, on the preparation of a Knowledge Module on PPPs for Climate-Resilient Infrastructure, as well as under the Climate Adaptation Summit in January 2021 and the Adaptation & Resilience Collaborative.

NOTING GCA’s ambition to scale up adaptation and resilience globally, with a focus on Africa under the Africa Adaptation Accelerator Program (AAP).

NOTING the exchanges at senior and working levels to identify areas of mutual interest and benefit for their future partnership.

HAVE REACHED THE FOLLOWING UNDERSTANDING:

ARTICLE I - PURPOSE

- 1.1 The purpose of this Memorandum of Understanding is to set out a framework for the envisaged cooperation between the Parties in the context of accelerating action on climate change adaptation in regions of the world that are particularly vulnerable to the impacts of climate change.
- 1.2 The entering into this MoU does not prejudice by any means the possibility or right of each Party to collaborate with other entities in the same or similar fields covered by this MoU.
- 1.3 Any existing MoU or other agreement between the Parties is not affected by this MoU. This MoU does not prevent the signature of any other MoU or agreement between the Parties.
- 1.4 The Parties are entering into this MoU having full regard to their internal governing bodies, statutes, institutional mandate and procedures as amended from time to time.

ARTICLE II – SCOPE OF COOPERATION

2.1. The parties acknowledge that the following forms of collaboration are envisaged within the context of EIB's role as the EU's Climate Bank and the GCA's mission to act as a solutions broker to accelerate, innovate and scale adaptation action for a climate-resilient world.

2.2. The Parties consider that their future collaboration may include, but is not limited to, the following activities:

a) *Supporting knowledge, tools and capacity-building on adaptation*

The Parties aspire to jointly develop, share, and disseminate knowledge, tools and capacity building on climate change adaptation and climate resilience. These efforts may centre on climate-resilient infrastructure, nature-based solutions for adaptation, and assessing and measuring climate risk, among other key themes. Under this focus area, the Parties aim to prioritise activities that can inspire and inform greater implementation of adaptation actions and the identification of projects that significantly contribute to adaptation in the regions of EIB and GCA operations.

b) *Financing adaptation solutions*

Recognising the particular vulnerability of African countries to climate change and the urgent need to mobilise action in the region, the Parties aim to establish a collaboration on the Africa Adaptation Acceleration Programme (AAP). This will be done in close coordination with the African Development Bank, World Bank Group, and other Multilateral Development Banks and International Financial Institutions active in Africa.

Efforts under the Africa Adaptation Acceleration Programme may include:

- Providing EIB co-financing or parallel financing of projects in relation to the AAP's four pillars: Climate Smart Digital Technologies for Agriculture and Food Security; Africa Infrastructure Resilience Accelerator (AIRA), Empowering Youth through Jobs and Entrepreneurship, and Innovative Financial Initiatives for Africa;
- Collaborating on pipeline development and identification of projects, including through exploring the potential for technical assistance and advisory services to clients in priority countries identified.

The Parties will aim to identify strategic opportunities for accelerating adaptation action in other regions and geographies of mutual interest, including Least Developed Countries and Small Island Developing States.

c) *Conducting engagement and outreach on adaptation*

The Parties aim to work together to scale up and ensure continued increase in adaptation finance and action, including through the engagement of public and private sector actors in developing and emerging economies.

2.3. The Parties intend to develop a detailed roadmap to elaborate on the envisaged collaboration.

- 2.4. The Parties intend to hold regular management follow-up meetings, in principle twice per year. The objective of these meetings will be to review progress and to ensure that the above objectives are being achieved.
- 2.5. The Parties intend to carry out their responsibilities under this MoU on a best effort basis and with no exchange of funds.

ARTICLE III –EXCHANGE OF INFORMATION

- 3.1. Subject to their internal rules and procedures, the Parties may share information for the purpose of achieving the aims and scope of this MoU according to the form of cooperation agreed to between the Parties.

ARTICLE IV– NON-BINDING NATURE AND PRIVILEGES AND IMMUNITIES

- 4.1. This MoU reflects the Parties' intention to cooperate, expressed in good faith. This MoU does not create any legal obligation or the incurrance of any liability on the Parties. This MoU does not represent any binding commitment with regard to funding or any form of preferential treatment on the part of either Party. Any detailed commitments shall be laid down in separate agreements that may be entered into by the Parties.
- 4.2. Nothing in this MoU shall constitute a waiver, or be construed as constituting a waiver of the immunities, privileges and exemptions enjoyed by the Parties, including their respective Directors, Alternates, Officers, Members, employees and experts.
- 4.3. It is further understood that nothing in this MoU shall be construed as allowing or compelling the Parties to exceed in any way the boundaries of their respective constituent instruments, mandates, procedures and policies, and resources.
- 4.4. The cooperation between the Parties is subject to the policies and procedures of the Parties and to such further agreements and approvals as may be required for specific proposed activities.

ARTICLE V – DATA PROTECTION, DISCLOSURE RULES AND CONFIDENTIALITY

- 5.1 This MoU may be made publicly available by the Parties in accordance with their respective rules and procedures on data protection and disclosure¹. By entering into this MoU, the Parties consent to such disclosure.
- 5.2 Unless required by law and subject to the Parties' respective rules and procedures on data protection and disclosure, the Parties agree that information and documents exchanged between the Parties pursuant to this MoU are confidential and should not be disclosed to third parties without consulting in writing with the concerned Party.

ARTICLE VI – SETTLEMENT OF DISPUTES

- 6.1 Any dispute arising out of, or in connection with, the interpretation or application of any provision of this MoU will be settled amicably through consultations or by such similar means.

ARTICLE VII - ENTRY INTO FORCE, DURATION AND TERMINATION

- 7.1 This MoU shall enter into force on the date of its signature by both Parties.

¹ In particular, as regards the EIB, Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC, as well as the EIB Group Transparency Policy

7.2 This MoU shall have a validity term from its entry into force until 31 December 2025. Such term might be extended by written agreement between the Parties.

7.3 If at any time a Party considers, at its sole discretion, that the continuation of this MoU is no longer appropriate, that Party may terminate this MoU by giving 3 months' written notice to the other Party. In this case, the Parties shall take any necessary action to ensure that such termination will not be prejudicial to any activity in progress pursuant to this MoU.

ARTICLE VIII – AMENDMENT

8.1. No amendment to this MoU shall be effective unless in writing and signed by duly authorized representatives of all Parties. The Parties may amend the provisions herein or enter into supplementary arrangements by mutual agreement between the Parties through an exchange of letters.

ARTICLE IX – REVIEW

9.1. Within 2 years of its signature, the Parties intend to review this MoU and consult each other with a view to deciding on possible revisions to the MoU and/or future courses of action.

ARTICLE X – INTERPRETATION

10.1. The section headings in this MoU are for convenience only and are not intended, and shall not be construed to alter, limit, or enlarge in any way the scope or meaning of the language contained in this MoU.

ARTICLE XI – LANGUAGE

11.1. This MoU is signed in three originals in the English language.

ARTICLE XII – ANNEXES

12.1. The following Annexes are attached hereto and are an integral part of the MoU:

Annex I: The EIB as the European Union's Climate Bank

Annex II: The Global Center on Adaptation

ARTICLE XIII – CAPACITY OF SIGNATORY

13.1. The person signing this MoU on behalf of each Party hereby states that he or she is an officer of the Party and has requisite legal power and authority to execute this MoU on behalf of the Party.

ARTICLE XIV – NOTICES AND COMMUNICATIONS

14.1. Notices and other communications given under this MoU addressed to either Party shall be made to the address as set out above, or to such other address as a Party previously notifies to the other.

IN WITNESS WHEREOF, the Parties have caused this MoU to be executed on their behalf in three (3) originals in the English language, (2) two copies for the EIB, (1) one copy for GCA.

Signed for and on behalf of
EUROPEAN INVESTMENT BANK

Signed for and on behalf of
GLOBAL CENTER ON ADAPTATION

Werner Hoyer
President

Prof. Dr. Patrick V. Verkooijen
Chief Executive Officer

Place: _____

Place: _____

Date: _____, 20__

Date: _____, 20__

Annex I. The EIB as the European Union's Climate Bank

The European Investment Bank (EIB) is the lending arm of the European Union. The EIB is the biggest multilateral financial institution in the world and one of the largest providers of climate finance.

The European Union is at the forefront of the global fight against greenhouse gas (GHG) emissions and to adapt to a changing climate. To respond to the urgency of the climate crisis, the EIB has transformed to become the EU's Climate Bank.

The EIB Group Climate Bank Roadmap 2021-2025 guides the EIB's climate ambition. The Roadmap signals the urgency of the climate and environment crisis and represents the EIB's commitment, as the EU's climate bank, to support the European Green Deal, help Europe become the first carbon-neutral continent by 2050 and contribute to the achievement of the UN Sustainable Development Goals.

In 2019, the EIB Board of Directors approved a new set of ambitious targets for climate action and environmental sustainability. Firstly, the EIB committed to increasing its level of support to climate action and environmental sustainability to exceed 50% of its overall lending activity by 2025 and beyond, and thus help to leverage €1 trillion of investment by the EIB Group over the critical decade ahead. Secondly, the EIB committed to ensuring that all of its financing activities are aligned with the Paris Agreement by the end of 2020, including the low-carbon and climate resilience goals of the Paris Agreement. The EIB Climate Bank Roadmap 2021-2025, adopted in November 2020, sets out how the EIB Group intends to meet these commitments.

EIB support to climate change adaptation and resilience

Over the period 2012-2020, the EIB has provided EUR 197 billion of finance supporting over EUR 670 billion of investment in projects that protect the environment, reduce emissions and help countries adapt to the impacts of climate change. The majority of the EIB climate action has contributed to climate mitigation.

The EIB has supported projects that address key adaptation challenges across sectors and regions. In addition to mainstreaming adaptation in all direct lending operations, the EIB has financed transformational changes in adapting infrastructure systems, from undergrounding transmission lines for more climate-resilient energy supply in Northern Europe to increasing the climate resilience of the water supply and wastewater infrastructure destroyed by cyclones in Southeast Africa. EIB investments in climate information technology have enabled better capacity to anticipate and adapt to future climate risk. The EIB also supports investment funds that are investing in innovative ventures tackling adaptation challenges.

In 2015, the EIB identified building greater resilience to climate change as a key pillar of the EIB Climate Strategy. Since then, the EIB has made significant progress in mainstreaming climate change adaptation across its operations, deepening its expertise and developing a Climate Risk Assessment (CRA) system for ensuring climate resilient operations.

In November 2020, the EIB's Board of Directors approved new commitments for climate change adaptation and resilience as part of the EIB Climate Bank Roadmap 2021-2025 (CBR). Under the CBR, the Bank recognised the need to increase substantially its efforts on adaptation and agreed to come forward with a detailed adaptation plan support of the EU's new Adaptation Strategy towards the end of 2021.

In October 2021, the EIB Board of Directors approved the new EIB Adaptation Plan, under which the EIB will significantly increase its support to adaptation in Europe and globally, by supporting smarter, more systemic and faster adaptation, and accelerating international action on adaptation.

Annex II. The Global Center on Adaptation

The Global Center on Adaptation (GCA) is the only international organization focused solely on climate adaptation and the resilience agenda. GCA works as a solutions broker to catalyze action and support for adaptation solutions, from the international to the local, in partnership with the public and private sector, to learn from each other and work together climate-resilient future. GCA's singular focus on adaptation ensures that the long-term and significant value from resilience building is integrated into more immediate priorities. GCA engages at the highest levels with government partners, allowing for the cross-governmental approach needed for effective adaptation action. Through its global, regional and country programs, knowledge, and advocacy work GCA has developed unique advantages to push forward action on the adaptation agenda globally and locally. GCA's global strategy is implemented under three pillars of Knowledge, Programs, and Advocacy.

The Africa Adaptation Acceleration Program

Based upon broad stakeholder engagements and voiced demands from Africa, GCA and the African Development Bank joined forces to launch the Africa Adaptation Acceleration Program (AAAP) at the Climate Adaptation Summit 2021. At the April 2021 Africa Leaders' Dialogue, the AAAP was endorsed by the continent as the implementation vehicle to realize the vision of the Africa Adaptation Initiative. The African Union-backed program aims to mobilize \$25 billion to drive adaptation on the African continent to reduce malnutrition for at least 10 million people, support one million youth with entrepreneurship skills and job creation, and integrate climate resilience into about \$7 billion worth of infrastructure investments, among other results. These results will be delivered through partnerships with Multilateral Development Banks and other leading implementation organizations, stakeholders, political and technical bodies.

The AAAP focuses on four action areas (pillars) that collectively address Africa's adaptation priorities:

- **Africa Infrastructure Resilience Accelerator:** Approximately 70% of Africa's infrastructure, including transportation, electricity, water, and sanitation, is yet to be built, particularly in cities. Integrating resilience into the development of infrastructure projects only adds an average of 3% to total costs. Yet every dollar spent yields four dollars of benefits and even more for nature-based solutions. The Africa Infrastructure Resilience Accelerator pillar will scale up investment in resilient infrastructure and support the use of nature-based solutions to support the Paris Alignment, the Sendai Framework, and the SDGs.
- **Climate Smart Digital Technologies for Agriculture and Food Security:** Agriculture, primarily in the hands of smallholder farmers, remains Africa's most climate-vulnerable sector. Extreme droughts are expected to result in yield reductions of over 50% by 2050 and by as much as 90% by 2100. Changing precipitation patterns and higher temperatures may lead to a 10-20% yield decrease by 2050, with staple crops hit hard. This pillar of the AAAP deploys digital technologies to smallholder farmers, emphasizing women-led farms, to drive agricultural resilience and food security.
- **Empowering Youth for Entrepreneurship and Job Creation:** With a median age of 19.7 years and an estimated 50% of active youth unemployed, discouraged, or economically inactive by 2025, Africa has both a major economic challenge and an adaptation opportunity. This pillar of the AAAP promotes sustainable job creation at scale through entrepreneurship and innovation for action on climate adaptation and resilience and supports regulatory reforms to remove structural barriers that prevent youth participation in climate adaptation businesses and jobs.
- **Innovative Finance Initiatives:** Limited availability and lack of access to finance are two of Africa's major impediments to adaptation. Adaptation funding needs to increase five- to ten-fold to meet the needs in developing countries alone, estimated at between \$140-300 billion per year by 2030. The Innovative Finance Initiatives pillar aims to transform the financial ecosystem to enable public and private capital mobilization at scale. This will be achieved through new standards to identify and monitor climate-related risks, greater capacity to access climate funds, and private-sector capital mobilization mechanisms for sovereign and subnational entities.