



ADAPTATION FUND

Innovation for Climate Change Adaptation

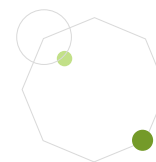
Annual NIE Seminar
3 September, 2020



STAGES OF INNOVATION



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Urgency for accelerating innovation

In context of increasing climate
change impacts & resilient COVID-
19 recovery

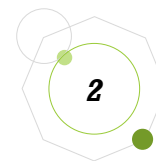
Paris Agreement Article 10.5:

“Accelerating, encouraging and enabling innovation is critical for an effective, long-term global response to climate change and [...] shall be [...] supported, including by the Technology Mechanism, [...] and the Financial Mechanism.”

Need for innovation also for COVID-19
recovery that is transformative and
involves resilience



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Mandate of the Adaptation Fund

“The Adaptation Fund shall finance concrete adaptation projects and programs” (UNFCCC Marrakech Accords)

“A concrete adaptation project/programme is defined as a set of activities aimed at addressing the adverse impacts of and risks posed by climate change. The activities **shall aim at producing visible and tangible results on the ground** by reducing vulnerability and increasing the adaptive capacity of human and natural systems to respond to the impacts of climate change, including climate variability. “



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The Adaptation Fund is delivering impacts on the ground through innovative modalities

105 concrete
adaptation projects
for total US\$745
Million

9.3 million direct
and 18 million
indirect
beneficiaries

49 Implementing
entities incl. 31
NIEs

102 countries incl.
18 SIDS and 28
LDCs

Pioneer of the
direct access
modality

Serves the Paris
Agreement since
Jan 1 2019

US\$287 Million of
active pipeline (July
2020)

US\$100 Million
portfolio in water
management
projects



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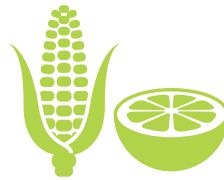
Pioneering adaptation with over US\$ 100 million invested



- Disaster Risk Reduction
19%



- Food Security
16%



- Agriculture
13%



- Water Management
13%



- Coastal management
7%



- Rural Development
12%



- Multi-sector
11%



- Ecosystem-based adaptation
4%



- Urban Development
4%



- Forests
1%

- ❑ Allocation per region: Africa (40%); Asia Pacific (26%); Latin America and Caribbean (30%) and Eastern Europe (4%)



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The Adaptation Fund supports innovative elements

	<u>Honduras</u>	<u>South Africa</u>	<u>Pakistan</u>	<u>Georgia</u>
Date	2010	2015	2010	2011
Grant Amount	5,620,300 USD	2,442,682 USD	3,906,000 USD	5,316,500 USD
Sector	Water Management	Multisector	Disaster risk reduction	Water management
Problem	Droughts and water scarcity	Vulnerability to dry and wet spells, along with increasing temperatures	Climate-related hazards	Floods and flash floods: soil erosion
Objectives	To develop and improve water resources management and capacity building and outreach	To implement a small grant finance mechanism to address financial, capacity and adaptation needs.	To reduce risks and vulnerabilities from glacial lake outburst floods and snow-melt flash floods through capacity building	To increase awareness in the community on river basins adaptive measures: introducing a floodplain development policy
Innovative elements	The Government of Honduras understands this project as a pilot experience that will generate foundational capacities and develop basic tools and information to ensure that climate risks are incorporated into planning and investment processes. The project will serve to capture and systematize lessons learned and practices.	The project is an innovative approach to respond to local climate adaptation needs. The small grant facility was a pilot in South Africa, with 3 investments in mind: 1. Climate-Smart Agriculture; 2. Climate-Resilient Livelihoods; or 3. Climate-Proof Infrastructure. The initial technical review by the AF recognized the innovative nature of the proposal of piloting enhanced direct access to adaptation finance.	The project itself was deemed innovative as non-governmental organizations and other institutions were not well established within the valley to respond effectively to such disasters. Similarly, it was a first on its kind: a two-year pilot project to help local communities adapt to the growing pressures of climatic change (downstream mitigation structures to reduce the vulnerability of exposed mountain communities to GLOF hazard). For instance, one of the innovations was the establishment of the first ever community-based Disaster Risk Management Committee (DRMC) in the area. In the process, the Project demonstrated a number of innovative approaches particularly involvement of community members in EWS establishment and management that could be expanded within the region or be replicated elsewhere in the country.	The project has been described as quite innovative and 'pioneer' for its design, as it provides a good approach for climate change adaptive management of the river basins in Georgia. Moreover, its components such as the flood insurance model is also deemed innovative. It helps to calculate losses to be insured within each flood insurance zone (based risk model and flood zoning) and the associated payouts that should be made in each event to each flood receptor. The insurance scheme that has been developed is weather index-based. The residents themselves considered that the practices they learned to prevent flood were innovative: use vegetative covers to improve water saturation and transmission and how trenching, terracing and re-plantation can protect villages from incoming water.

The Adaptation Fund supports innovative elements – cont.

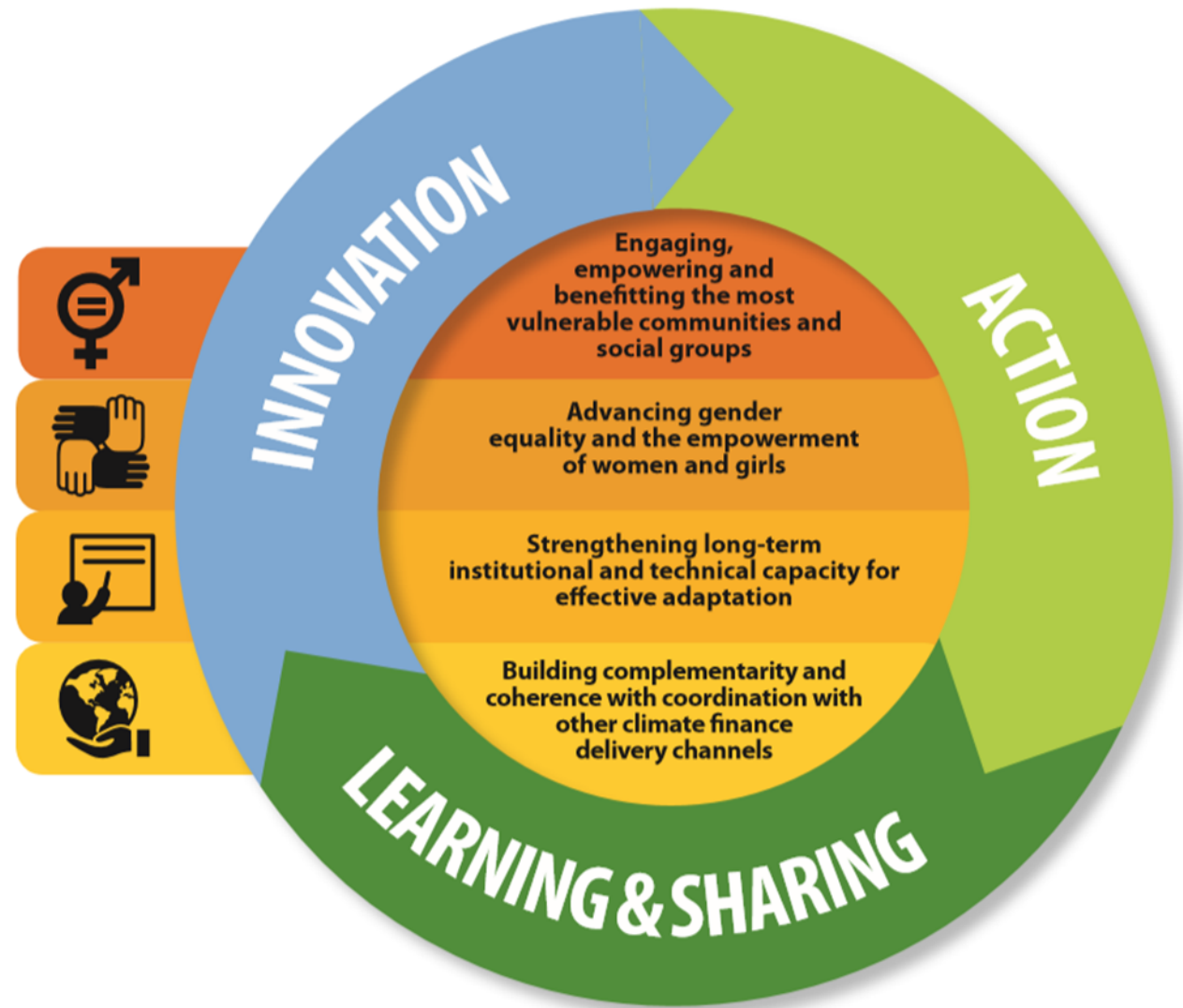
	<u>Costa Rica</u>	<u>Chile</u>	<u>Morocco</u>	<u>Argentina</u>
Date	2014	2015	2015	2013
Grant Amount	9,970,000 USD	9,960,000 USD	9,120,350 USD	5,640,000 USD
Sector	Agriculture	Agriculture	Agriculture	Agriculture
Problem	High vulnerability + low human development index.	Precipitation decreases: water scarcity and soil degradation	Productivity of oases: Drought and irrational exploitation (people have to migrate)	Droughts, water deficit and more frequent and intense floods: Effect on small-scale farmers
Objectives	To reduce vulnerability by focusing on critical sectors (agriculture, water resources & coastlines) and capacity building	To develop and improve capacity building and technology implementation	To improve adaptability of the oases population by improving the water sector, diversifying income generation, and developing capacity building	To increase the adaptive capacity and to build resilience of small-scale family agricultural producers, strengthening hydro-meteorological and agro-production monitoring systems, and enhancing institutional capacity.
Innovative elements	The programme proposal aims at addressing climate change with a national approach that requires a strong action, participation, and ownership of the different participants and sectors of the country, with an intervention that is focused on communities (bottom-up approach). Within their innovative ideas, they discussed: water safety pilot plans (requires some improvement or even new water storage technology); extended and improved metering infrastructures; systematisation of lessons learned and good practices; scaling up into new geographical areas through exchange of initiatives among communities from areas where successful interventions have taken place; a proposal of an agriculture insurance system; use of innovative cost-effective technologies, zoning and the monitoring of the effects of climate change and its variations; an online platform with updated information on adaptation technologies; and an online training course	Among the innovations deployed are a fog-catcher, which utilizes a large screen to convert night mist into usable water; subsoil plows to perform minor tillage, improving soil fertility, retaining water and preventing erosion; and various rainwater capture systems and storage cisterns. Other elements used are: greenhouses, drip irrigation systems, greenhouses, and diversified crops. The project further provides agrometeorological information in user-friendly formats to local farmers, who meet regularly to review it with experts and apply it in practical ways. The most progressive aspect in their project was the built-in capacity it left.	Its innovation is based on the indigenous practices it brings back, they turned to a traditional system of underground water canals first developed by the indigenous Berber people of the region some 2,000 years ago. They also included activities such as alternative livelihoods through farming cooperatives and women's associations that teach weaving and cooking, while producing clothing, cooking oils, spices, olives, cereals, honey, alfalfa and other products, and help to strengthen the community. Finally, their training modules are considered innovative as they focused on adaptive measures.	There are 3 main elements deemed innovative: 1. Early Warning System and Decision-making System to assess and manage climate risks, including extreme events 2. A pilot project on insurance to cover agricultural production of small family producers 3. Tile-roof cisterns All of which have reached other regions of the country, through the work of national public agencies.

Innovation Facility: Small and Large Grants with the objective to:

- a) roll out successful innovations;
- b) scale up viable innovations;
- c) encourage and accelerate innovations; and
- d) generate evidence of effective and efficient innovation in adaptation.

Innovation as a Strategic Focus for Adaptation

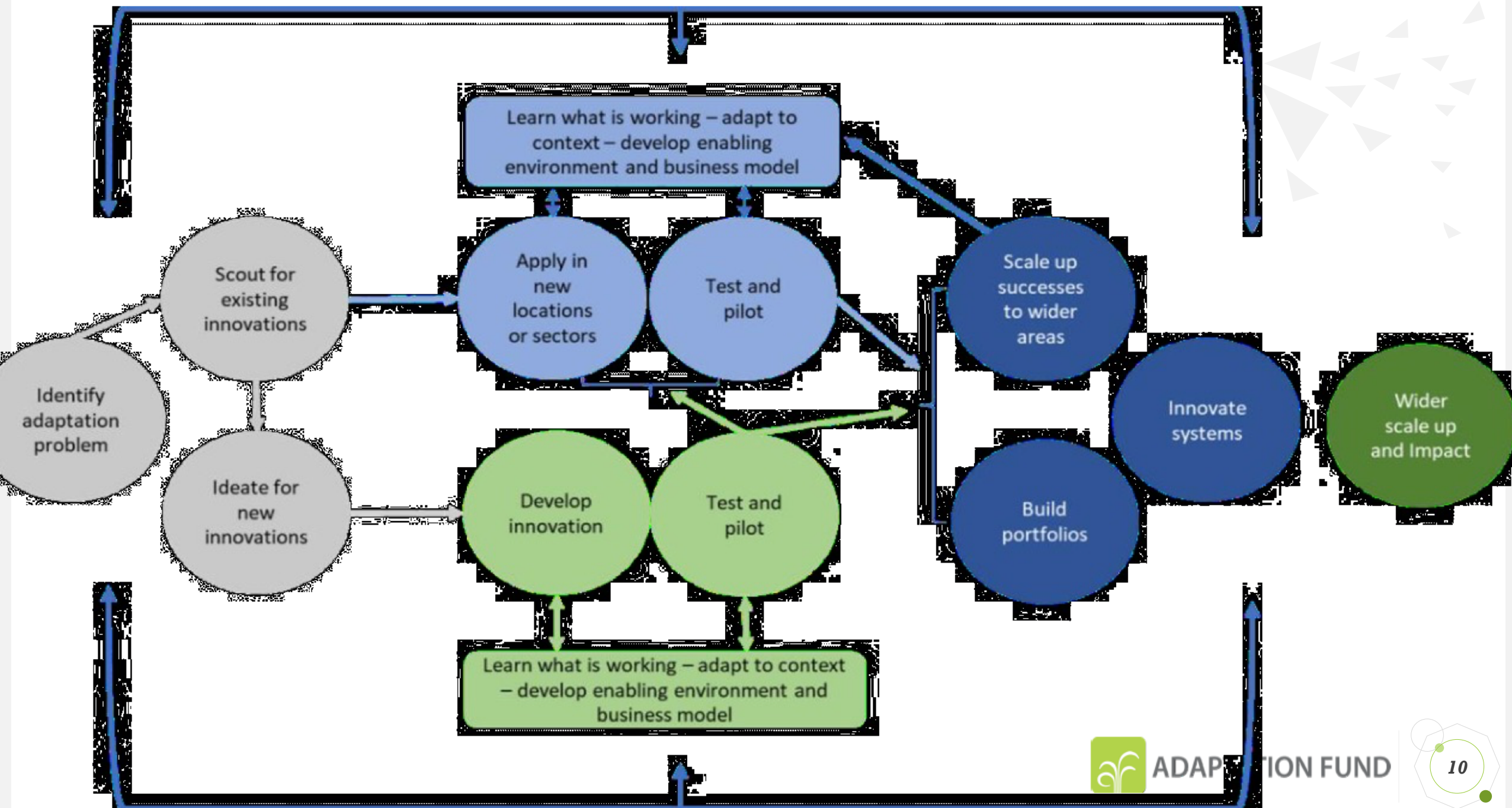
The Adaptation Fund's Medium-Term Strategy established the Innovation Facility



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Adaptation Fund's Innovation Funding Opportunities

Adaptation Fund's Innovation Facility (USD 42 million allocated)

Small Grant Mechanism
(grants of up to USD 250,000)

Large Grant Mechanism
(grants of up to USD 5 million)

Direct Access

NIE Grants (USD 2 million allocated)

MIE Aggregator
(USD 10 million allocated;
UNDP & UNEP
administering USD 5
million each)

**To all Implementing
Entities accredited with
the Fund**

(USD 30 million allocated
for RFP1 + USD 60 million
projected for RFP2)



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on the proposal and, if approved, funds will be transferred to the accredited NIE to implement the activities as outlined in the proposal.

Apply for Innovation Grant Funding

To apply for an innovation grant, please find below the application form, letter of endorsement template, and guidelines on how to apply for an innovation grant. The innovation grant application form must be submitted together with a signed letter of endorsement by the Designated Authority (DA) to the Adaptation Fund.

The Adaptation Fund Board accepts and considers project proposals for Innovation Grants twice a year. The proposals are considered at the regular meetings of the Board. The next submission deadline can be found under [Apply for Funding](#) and on the [calendar](#) on this website.

Applications should be sent to afbsec@adaptation-fund.org with copy to sdobardzic@adaptation-fund.org and mdorigo@adaptation-fund.org.

Attachments

Attachment	Type	Size
Instructions for Preparing a Request for Programme on Innovation	DOCX	26 KB
Innovation Grant Application Form	DOC	162 KB
Letter of Endorsement by DA	DOC	92 KB

Applying for Small Grants for Innovation for NIEs

- Project justification
 - Project components focusing on adaptation and how they contribute to resilience
 - Economic, social and environmental benefits of the project, and mitigation of any negative impacts (ESP of AF)
 - Does the project encourage or accelerate innovative adaptation? Does it generate evidence?
 - How the project meets the relevant national technical standards, in line with the ESP
 - Learning and knowledge management
 - Impacts on the most vulnerable
 - Justification for the funding request: full cost of adaptation reasoning.
- Implementation
 - Arrangements for Implementation
 - Monitoring and Evaluation plan
 - Results framework with targets and indicators, and alignment with AFs Results Framework
 - Budget, including IE management fee use and breakdown of execution costs
 - Disbursement schedule



CHILE: Water Crisis and Needs for Innovation in Climate Change



Water scarcity effects on urban population and agricultural production:

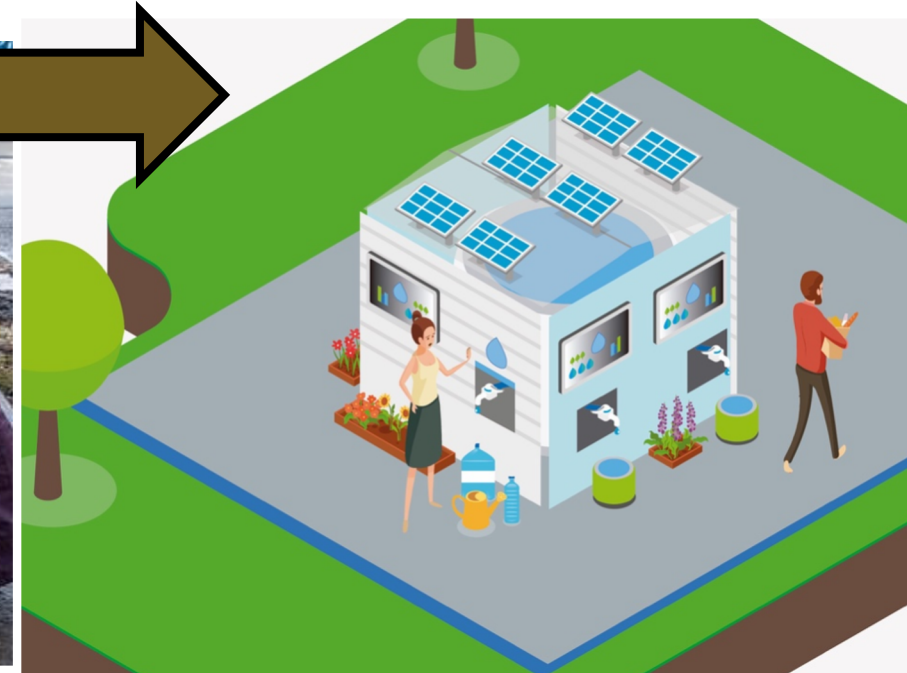
- Financial costs for farmers
- Mental & Physical Insecurity for communities (i.e. women and elderly)
- Increasing demands from local government to provide long term solutions -> AF role



Innovation Grant Project: Improving water access in emergency situations in a vulnerable province of Valparaíso, Chile

Innovation Features:

- Crowdsourced through an open design contest
- Adaptable and Replicable



COVID Strategy:

- Use of online tools to launch contest
- First stage of design reception of proposals with no large gatherings
- Virtual Team meetings



Next steps & opportunities

Under the Innovation Facility

- Launch of Online Training for accessing the Small Grants for Innovation (September 2020)
- Launch of the MIE Innovation Aggregator Programmes by UNDP & UNEP (September 2020)
- Launch of Large Grants for Innovation by the Adaptation Fund Board (October 2020) (TBD)



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Thank You

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