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

- 105 concrete adaptation projects for total US$745 Million
- 49 Implementing entities incl. 31 NIEs
- 102 countries incl. 18 SIDS and 28 LDCs
- Pioneer of the direct access modality

- 9.3 million direct and 18 million indirect beneficiaries
- Serves the Paris Agreement since Jan 1 2019
- US$287 Million of active pipeline (July 2020)
- US$100 Million portfolio in water management projects

Figures as of July 31st 2020
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%
- Food Security 16%
- Agriculture 13%
- Water Management 13%
- Rural Development 12%
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- 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%)
# The Adaptation Fund supports innovative elements

<table>
<thead>
<tr>
<th>Country</th>
<th>Date</th>
<th>Grant Amount</th>
<th>Sector</th>
<th>Problem</th>
<th>Objectives</th>
<th>Innovative elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Honduras</td>
<td>2010</td>
<td>5,620,300 USD</td>
<td>Water Management</td>
<td>Droughts and water scarcity</td>
<td>To develop and improve water resource management and capacity building and outreach</td>
<td>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.</td>
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<tr>
<td>South Africa</td>
<td>2015</td>
<td>2,442,682 USD</td>
<td>Multisector</td>
<td>Vulnerability to dry and wet spells, along with increasing temperatures</td>
<td>To implement a small grant finance mechanism to address financial, capacity and adaptation needs</td>
<td>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.</td>
</tr>
<tr>
<td>Pakistan</td>
<td>2010</td>
<td>3,906,000 USD</td>
<td>Disaster risk reduction</td>
<td>Climate-related hazards</td>
<td>To reduce risks and vulnerabilities from glacial lake outburst floods and snowmelt flash floods through capacity building</td>
<td>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 of 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.</td>
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<tr>
<td>Georgia</td>
<td>2011</td>
<td>5,316,500 USD</td>
<td>Water management</td>
<td>Floods and flash floods: soil erosion</td>
<td>To increase awareness in the community on river basins adaptive measures: introducing a floodplain development policy</td>
<td>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 such as vegetative covers to improve water saturation and transmission and how trenching, terracing and re-plantation can protect villages from incoming water.</td>
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The Adaptation Fund supports innovative elements – cont.

<table>
<thead>
<tr>
<th>Date</th>
<th>Costa Rica</th>
<th>Chile</th>
<th>Morocco</th>
<th>Argentina</th>
</tr>
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<tbody>
<tr>
<td>Grant Amount</td>
<td>9,970,000 USD</td>
<td>9,960,000 USD</td>
<td>9,120,350 USD</td>
<td>5,640,000 USD</td>
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<thead>
<tr>
<th>Sector</th>
<th>Agriculture</th>
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| Problem                                                                 | 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 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                                                                 | 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. |
|------------|-------------|-------------|-------------|-------------|
The Adaptation Fund’s Medium-Term Strategy established the Innovation Facility 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.
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)
  - Direct Access
    - NIE Grants (USD 2 million allocated)
  - MIE Aggregator
    (USD 10 million allocated; UNDP & UNEP administering USD 5 million each)

- **Large Grant Mechanism**
  (grants of up to USD 5 million)
  - To all Implementing Entities accredited with the Fund
    (USD 30 million allocated for RFP1 + USD 60 million projected for RFP2)
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 sdobrdzic@adaptation-fund.org and mdorigo@adaptation-fund.org.

**Attachments**

<table>
<thead>
<tr>
<th>Attachment</th>
<th>Type</th>
<th>Size</th>
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<tbody>
<tr>
<td>Instructions for Preparing a Request for Programme on Innovation</td>
<td>DOCX</td>
<td>26 KB</td>
</tr>
<tr>
<td>Innovation Grant Application Form</td>
<td>DOC</td>
<td>162 KB</td>
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<tr>
<td>Letter of Endorsement by DA</td>
<td>DOC</td>
<td>92 KB</td>
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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 -&gt; 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)
Thank You

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