



ADAPTATION FUND

AFB/PPRC.33/37
11 April 2024

Adaptation Fund Board
Project and Programme Review Committee
Thirty-third Meeting
Bonn, Germany, 17-18 April 2024

Agenda item 17

PROPOSAL FOR CHANGES TO LEARNING GRANTS

Background

1. At its thirty-ninth meeting in October 2022, having discussed the agenda item “Medium-term strategy of the Fund for the period 2023–2027”, the Adaptation Fund Board (the Board) adopted the medium-term strategy for 2023–2027 (MTS 2023–2027). The secretariat subsequently produced a reader-friendly version of the MTS 2023 – 2027 and posted it on the Fund’s website to disseminate it broadly with the Fund’s stakeholders through targeted communications and social media outreach.
2. During the intersessional period between the thirty-ninth and the fortieth meeting, under the guidance of the medium-term strategy task force, the secretariat prepared a first draft for a medium-term strategy implementation plan (IP), pursuant to decision B.39/61. The Board subsequently approved the implementation plan (2023-2027) for the Fund’s new MTS at its fortieth meeting in March 2023.
3. The IP sets out goals for activities, including new activities which will be further detailed in annual plans and/or specific Board decisions. It builds on the achievements from the implementation of the first MTS with the aim to continue the strategic focus on financing adaptation action, innovation and learning and sharing, while increasing the ambition under each of these strategic pillars, strengthening the linkage and synergies between them, and further introducing a strategic emphasis on promoting locally led adaptation. The Fund will pursue its mission during the 2023-2027 period through three Strategic Pillars (*Action, Innovation, Learning and Sharing*) and six Crosscutting Themes (*Promote locally based or locally led adaptation, Enhance access to climate finance and long-term institutional capacity, Empower and benefit the most vulnerable people and communities as agents of change, Advance gender equality, Enable the scaling and replication of results, and Strengthen complementarity, coherence and synergies with other adaptation funders and actors*).
4. As per the MTS 2023-2027, the Fund will continue to catalyze the capturing of project level learning and knowledge-sharing to facilitate south-south learning and sharing on best practices, including lessons on successes and failures. As such, the IP includes the expansion of learning grants to US\$ 500,000 based on the secretariat’s assessments and feedback from NIEs.

Learning and Sharing Pillar

5. One of the objectives for the MTS 2023-2027 is to consolidate and systematize learning across the Fund’s processes and operations, including by enhancing linkages and capturing synergies with the action and innovation pillars, developing new knowledge partnerships and continue to innovate around outreach and visibility of learning on adaptation.
6. The learning and sharing pillar has three expected results (ERs): (a). ER1 - *Knowledge generation and dissemination of learning on effective and innovative local adaptation increased and expanded*; (b). ER2 - *Capacity to capture and disseminate learning strengthened*; (c). ER3 - *Knowledge partnerships expanded, and outreach increased*

Overview of Learning Grants

7. The main objectives of learning grants are: (a) Transferring knowledge from one NIE to another; (b) Transferring knowledge from NIEs to the wider climate finance adaptation community and; (c) Developing knowledge and guidelines through partnerships.

8. The goal of learning grants is to help encourage a culture of learning across institutions and help build NIE capacities in knowledge management. They represent a window of opportunity to capture, study and disseminate practical lessons from adaptation interventions that are additional to KM activities already financed under Adaptation Fund-approved projects/programmes.

9. Learning grants enable the production of baseline studies that could be leveraged for replication and up-scaling purposes. Studies, publications and research materials produced in collaboration with various executing partners as well as with national level universities, research institutions and civil society organizations can serve as an important feedback loop to guide future interventions.

10. Learning grants represent an opportunity for implementing entities to develop knowledge products as well as setting up a knowledge management system for effective management and dissemination of learning material. Additionally, they aim to complement collaborative knowledge and sharing efforts with respect to partnerships with diverse stakeholders on the ground.

11. Currently, learning grants are available for each national accredited entity meeting eligibility criteria for up to a maximum of US\$150,000 per grant and can be accessed by submitting a request to the Board through the Adaptation Fund Board Secretariat. To be eligible for a learning grant, accredited entities must have an Adaptation Fund funded project that has reached mid-point in implementation or where a mid-term report (MTR)/mid-term evaluation (MTE) has been submitted or completed. For projects that have project duration of less than 4 years, at least one Project Performance Report (PPR) must have been submitted at the time of application.

12. To date, seven learning grants have been submitted for review and only four have been approved (see Table 1 below). An additional one is under review and will be presented at the current Board meeting. Of the ones submitted and not recommended for approval, two were not eligible for review due to lack of proper documentation and one included activities that were not eligible for funding under the learning grant window. Among the grants that were approved, some faced implementation delays due to the COVID-19 pandemic. While there is no required length of learning grants, the typical duration of the approved ones ranges between one and two years.

13. As is standard practice for the Fund, NIEs are expected to adhere to reporting requirements for grants as per the Board Decision B.32/37. NIEs must submit project monitoring every six months as well as completion and financial reports.

14. Following the official launch of learning grants and the opening for calls for proposals, the secretariat has produced a virtual learning course aimed at providing knowledge, learning and guidance to NIEs on how to develop a learning grant proposal for the Fund. This self-paced training course was made available in Spanish and French as well.

Table 1. Learning Grant Portfolio to-date

Country	Grant Name	Implementing Entity	Financing Amount	Approval Date	Status
Armenia	Learning Grant for Armenia	Environmental Project Implementation Unit	125,100		Under review
Peru	Learning Grant to Facilitate Learning and Knowledge Sharing for Peru	Peruvian Trust Fund for National Parks and Protected Areas	150,000	3/24/2023	Project Under Implementation
Costa Rica	Learning Grant for Costa Rica	Fundecooperacion Para el Desarrollo Sostenible	149,994	10/21/2021	Project Under Implementation
Kenya	Learning Grant for Kenya	National Environment Management Authority	143,543	4/8/2021	Project Under Implementation
Senegal	Learning grant for Senegal	Centre de Suivi Ecologique	144,848	9/23/2020	Project Under Implementation

The Proposal to Increase the Size of the Learning Grants

15. The provisional increase in the size of the learning grants, as contained in the MTS-II, stem from discussions carried out as part of clinics organized during the yearly Readiness seminar around the topic of low uptake of learning grants. The main reason for the low uptake cited by several accredited implementing entities was the reduced incentive and insufficient human resources available at institutional level to work on grant proposals of such small amounts as supposed to regular projects.

16. Additionally, learning grants are aimed at capturing and disseminating practical lessons from adaptation interventions that are additional to the knowledge management activities already financed under the approved projects and programs. This requires a knowledge management system at the institutional level which is costly to put in place for these entities, hence the need to increase the amount of the learning grants funding this kind of activity.

Other Issues of Relevance

17. With the proposed increase in the size of the learning grant, the projects under this funding window would come to resemble in scale more closely to those under other funding windows (small size single-country regular project, small grants for innovation). The Board has approved policies that apply to these projects that include somewhat more exacting requirements than those that currently apply to the learning grants, including in terms of monitoring and evaluation, and results reporting. The increase in the size of the project may also come with concomitant higher risks, which would require clear policies and guidelines that would allow the project design to reflect on such risks and build in appropriate mitigation measures.

18. The Fund recognizes the critical role of KM, and the importance of generating, harnessing, and disseminating knowledge as a key element for the effectiveness and efficiency of adaptation efforts. Learning and knowledge management can also support advancing the Fund's work in

other areas, in particular for innovation, which typically entails intensive experimentation and learning from experience, failures and successes, followed by adjusting technologies, techniques and practices. This is recognized in the MTS-II IP, among other documents, which calls for stronger linkages among pillars generally, and Innovation and Learning-and-Sharing specifically. Knowledge management can also be a basis for harnessing lessons learned and integrating them in scaling up approaches.

19. The MTS-II IP includes outcomes and outputs that aim to support the strengthening of the linkages between the pillars through various means, including through programming using multiple AF funding windows that may be available to a country (rather than have multiple projects for each funding amount available to the country). Under the Action Pillar, one of the activities listed in the IP is to *develop options for potential non-mandatory programmatic approaches for the implementation of NAPs and NDCs that can include elements to be funded through the various windows of the Fund*, while under the Innovation Pillar, one of the activities listed is to *develop options and policies for bundling innovation grants with other small grants*. Under the Learning and Sharing Pillar, among the outcome indicators is *number of learning grants approved along with innovation small grants*.

20. Even as the Fund has not yet developed options for bundling as suggested in the IP, the secretariat has already received proposals for innovation and learning grants that could be potentially well-suited for bundling: those proposals related to themes under innovation and learning-and-sharing in the same country. The option to combine resources and access funding via a single submission template would have the potential to streamline procedures while enabling the country to plan more holistically, with a view towards improved support for the implementation of NAPs and NDCs. At the same time, if resources aimed at different purposes would be bundled, the Board may need to establish some parameters on what that bundling could mean practically for strategic and fiduciary purposes, e.g., on the expected synergies between such bundled investments, on the correspondence between invested resources and expected results (if different from a scenario with two separate projects), or on any flexibility granted to the implementing entity to use resources across the different objectives.

Recommendation

21. Having considered the observations and analysis of the secretariat as set out in document AFB/PPRC.33/37, the PPRC may want to consider and recommend to the Board:

- a) To approve the increase of Learning Grants from the current US\$ 150,000 per project to US\$ 500,000 per project to provide support for National Implementing Entities (NIEs) in capturing and disseminating practical lessons from adaptation interventions;
- b) To request the secretariat to prepare operational policies for the learning grant window, reflecting the change in project scale;
- c) To request the secretariat to prepare, through a consultative process, a proposal for a framework approach for bundling small grants;
- d) To request the secretariat to present the outputs mentioned under sub paragraphs (b) and (c) above to the Project and Programme Review Committee at its thirty-fourth meeting.