



ADAPTATION FUND

AFB/PPRC.24/4
5 March 2019

Adaptation Fund Board
Project and Programme Review Committee
Twenty-fourth Meeting
Bonn, Germany, 12-13 October 2018

Agenda Item 5

**PROGRAMME ON INNOVATION:
GUIDANCE TO MULTILATERAL IMPLEMENTING ENTITY
AGGREGATORS**

Introduction

1. This document presents the Adaptation Fund Programme on Innovation: Guidance to Multilateral Implementing Entity (MIE) aggregators, as per the Medium Term Strategy that was adopted by the Adaptation Fund Board (the Board) in its thirtieth meeting, and specifically the establishment of a dedicated Innovation Facility in order 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; which would include support via grants of up to \$250,000. The background and rationale of the programme is more fully explained in the documents AFB/B.30/5/Rev.1 and AFB/B.31/5/Rev.1.

2. At its thirtieth meeting, the Adaptation Fund Board discussed the draft medium-term strategy, and members of the Board proposed amendments to the document. The secretariat then presented a revised draft, in document AFB/B.30/5/Rev.1. Having considered that document, the Board decided:

- (a) *To adopt the medium-term strategy as amended by the Board, as contained in the Annex 1 of the document AFB/B.30/5/Rev.1 (the MTS); and*
- (b) *To request the secretariat:*
 - (i) *To broadly disseminate the MTS and work with key stakeholders to build understanding and support;*
 - (ii) *To prepare, under the supervision of the MTS task force, a draft implementation plan for operationalizing the MTS, containing a draft budget and addressing key assumptions and risks, including but not limited to funding and political risks, for consideration by the Board at its thirty-first meeting; and*
 - (iii) *To draft, as part of the implementation plan, the updates/modifications to the operational policies and guidelines of the Adaptation Fund needed to facilitate implementation of the MTS, for consideration by the Board at its thirty-first meeting.*

(Decision B.30/42)

3. Pursuant to decision B.30/42, subparagraph b (ii), the secretariat prepared a draft implementation plan for the MTS, including an assessment of assumptions and risks. The secretariat shared a version of the draft with the MTS task force for comments.

4. The draft implementation plan also contains suggestions for specific funding windows that might be opened under the MTS in complement of the Fund's existing funding windows for single-country and regional adaptation projects and readiness support projects. Following the approval of the implementation plan, the secretariat would present specific proposed details for each new

funding window at subsequent meetings of the Board for its consideration, in accordance with the timeline contained in the implementation plan.

5. At its thirty-first meeting, the Adaptation Fund Board discussed document the draft implementation plan for the MTS, and members of the Board proposed amendments to the document. The secretariat then presented a revised draft, in document AFB/B.31/5/Rev.1. Having considered that document, the Board decided:

(a) *To approve the implementation plan for the medium-term strategy for the Fund for 2018–2022 contained in the Annex I to document AFB/B.31/5/Rev.1 (the plan);*

(b) *To request the secretariat:*

(i) *To facilitate the implementation of the plan during the period 2018–2022;*

(ii) *To include the administrative budget for implementing the plan in the secretariat's annual administrative budget during the strategy period, for consideration by the Fund's Ethics and Finance Committee;*

(iii) *To prepare, for each proposed new type of grant and funding window, a specific document containing objectives, review criteria, expected grant sizes, implementation modalities, review process and other relevant features and submit it to the Board for its consideration in accordance with the tentative timeline contained in Annex I to document AFB/B.31/5/Rev.1, with input from the Board's committees;*

(iv) *Following consideration of the new types of support mentioned in subparagraph (b)(iii), to propose, as necessary, amendments to the Fund's operational policies and guidelines Fund to better facilitate the implementation of such new types of support; and*

(v) *To monitor the progress of implementation of the MTS and report on it annually as part of the annual performance reports of the Fund, and if necessary, propose possible adjustments to the plan during its implementation in conjunction with consideration of the annual work plan; and*

(c) *To request the Technical Evaluation Reference Group of the Adaptation Fund (AFTERG) to undertake a mid-term review of the medium-term strategy and the plan and report to the Board at its thirty-sixth meeting.*

(Decision B.31/32)

6. In line with the decision (b)(iii) above, the secretariat, at the thirty-second meeting of the Board, presented document AFB/PPRC.23/4/Rev.2, Programme on Innovation: Small Grants Projects through Direct Access modality, and the Board decided:

- a) *To approve the process for providing funding for innovation through small grants to National Implementing Entities (NIEs) as described in document AFB/PPRC.23/4/Rev.2; including the proposed objectives, review criteria, expected grant sizes, implementation modalities, review process and other relevant features as described in document;*
- b) *To request the secretariat to prepare the first Request for Proposals (RFP) to NIEs for US \$2 million to be launched at twenty-fourth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP24) in December of 2018.*

(Decision B.32/4)

7. At the thirty-second meeting of the Board, the secretariat also presented document AFB/PPRC.23/5/Rev.1, Programme on Innovation: Selection of the Multilateral Implementing Entity to administer small grants projects, and the Board decided:

- (a) To select and invite both the United Nations Development Programme and United Nations Environment Programme to serve as the multilateral implementing entity (MIE) aggregator(s) for small grants for innovation;*
- (b) To request the secretariat to prepare a joint announcement of the initiative in conjunction with the twenty-fourth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change;*
- (c) To request the secretariat to develop guidance to the MIE aggregators for preparing proposals for small grant programmes for innovation;*
- (d) To establish a task force that would advise the secretariat on the development of the guidance¹; and*
- (e) To invite the two MIE aggregators to prepare respective proposals for the consideration of the Board.*

(Decision B.32/5)

8. This document has been developed in response to the Board's request subparagraph (c) of the decision B.32/5.

Objectives

9. The objective of the innovation pillar of the MTS is to support the development and diffusion of innovative adaptation practices, tools, and technologies. This objective will be supported

¹ Although the AFB secretariat made an effort to constitute a Task Force, ultimately this was not feasible during the intersessional period between the thirty-second and thirty-third meetings of the Board.

through the establishment of an Innovation Facility, which will include small and large grants. The small grants will be awarded to eligible vulnerable developing countries through two routes: directly through national implementing entities (NIEs) to those countries that have accredited NIEs, and through an MIE aggregator delivery mechanism to other entities that are not accredited with the Fund.

10. For the small grants specifically, two expected results have been identified by the MTS implementation plan:

- (a) *New innovations encouraged and accelerated. Development of innovative adaptation practices, tools and technologies encouraged and accelerated; and,*
- (b) *Evidence base generated. Evidence of effective, efficient adaptation practices, products and technologies generated as a basis for implementing entities and other funds to assess scaling up.*

11. The Implementation Plan of the MTS also states that the expected outcome of the innovation pillar will be that innovation for effective, long-term adaptation to climate change will be accelerated, encouraged and enabled.

12. The Implementation Plan of the MTS recalls the cross-cutting themes identified in the MTS, out of which particularly the following were highlighted and are expected to be linked to the award of the small grants for innovation:

- (a) *Engaging, empowering and benefitting the most vulnerable communities and social groups; and,*
- (b) *Advancing gender equality and the empowerment of women and girls.*

13. As previously mentioned, the MIE aggregator was identified in the Implementation Plan of the MTS as the delivery mechanism through which small grants for innovation would be administered to the entities that are not accredited to the Fund (“Partner with MIE aggregator to enable Non-Accredited Entities to access micro-grants for innovation”, under Activities 1.2 under ER3 and 1.2 under ER4 of the Innovation Pillar – SF2: Innovation, please see Annex 2 to this document, excerpted from the Implementation Plan of the MTS, AFB/B.31/5/Rev.1). The MIE aggregator is described in the Implementation Plan of the MTS as a vehicle through which at least 40 small grants would be awarded to non-accredited entities.

14. The “non-accredited entities” could include universities, research institutes, public agencies, civil society organizations, non-profit groups, and small and medium-sized enterprises (including start-ups). Such entities should be national or regional in character, based in the countries that are eligible to receive funding from the Fund, or international, if there is a compelling case (such as having a presence in the vulnerable area and local, national, or regional entities not being available.)

15. The MIE aggregators' role will be to cast a wide net over the eligible countries in order to competitively source opportunities for promoting innovation for adaptation in line with the desired results and themes mentioned in paragraphs 9 and 10 above, and the Fund's broader mission to support concrete adaptation action. This includes awarding grants that would result in concrete adaptation action and managing knowledge that emerges from the evidence produced by the Fund's small grants for innovation effort. According to the Implementation Plan of the MTS, two rounds of Requests for Proposals (RFP) are planned in the period between 2018 and 2022. The experience from the first round of RFP would facilitate the improvement of the process for the second round of RFP.

16. Toward this, the MIE aggregators are expected to prepare, for the consideration by the Board, individual proposals of regular size, using one-step process, that will elaborate on the design and implementation arrangements for the approach that will enable the administration of the small grants for innovation. In line with the document AFB/PPRC.23/5/Rev.1 approved by the Board at its thirty-second meeting, such proposals will be reviewed against the criteria for fully-developed regional project or programme proposals, with some modifications.

17. For the purposes of avoiding confusion, these fully-developed regular-sized proposals will henceforth be referred to as "[MIE aggregator] programme² proposals", whereas the small grants that the MIE aggregators *will administer* will be referred to as "[MIE aggregator] innovation small grants", or innovation small grant projects. The modified criteria referred to above are proposed in this document. It is important to highlight that the modifications of the criteria, which are based on the Fund's policies, have a dual purpose:

(a) bringing in MIE aggregator relevant elements and taking out the ones that do not apply, so that MIE aggregator programme proposals can be reviewed against a set of criteria that are suited to a very specific type of a Fund-supported project; and,

(b) ensuring that these criteria will ultimately be reflected, as appropriate, in the eventual innovation small grant projects.

18. The key proposed modifications are provided in the Review Criteria section below. Further details on the modifications, including the rationale for any changes, are presented in Annex I.

Review Criteria

19. The following review criteria will be employed in reviewing the MIE aggregator proposals. Those include:

² Recalling Annex I of the Operational and Policy Guidelines of the Fund, which refers to "moving towards a programmatic approach, where appropriate" (paragraph 15-h).

- (a) *Country Eligibility:* Does the proposal include a mechanism that will ensure that the participating countries are party to the Paris Agreement and Kyoto Protocol?
- (b) *Country Eligibility:* Does the proposal describe how the MIE aggregator will involve the participation of developing countries particularly vulnerable to the adverse effects of climate change?
- (c) *Project Eligibility:* Does the proposal describe how the MIE aggregator plans to secure governments' endorsements of the initiative?
- (d) *Project Eligibility:* Encouraging and accelerating innovation: Does the programme encourage or accelerate development of innovative adaptation practices, tools and technologies
- (e) *Project Eligibility:* Generating evidence base: Does the programme help generate evidence base of effective, efficient adaptation practices, products or technologies generated, as a basis for potential scaling up?
- (f) *Project Eligibility:* Does the proposal describe how it will source innovation small grant proposals, and screen them for the potential to support concrete adaptation actions to assist the participating countries in addressing the adverse effects of climate change and build in climate resilience?
- (g) *Project Eligibility:* Does the proposal describe how it will screen innovation small grant proposals for their potential to provide economic, social and environmental benefits, particularly to vulnerable communities, including gender considerations, while avoiding or mitigating negative impacts, in compliance with the Environmental and Social Policy of the Fund?
- (h) *Project Eligibility:* Is the programme cost-effective and does the multi-regional approach support cost-effectiveness?
- (i) *Project Eligibility:* Does the proposal describe how it will screen innovation small grant proposals for consistency with national or sub-national sustainable development strategies, national or sub-national development plans, poverty reduction strategies, national communications and adaptation programs of action and other relevant instruments?
- (j) *Project Eligibility:* Does the proposal describe how it will screen innovation small grant proposals for meeting the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund?
- (k) *Project Eligibility:* Is there duplication of programme with other funding sources?

- (l) *Project Eligibility:* Does the programme have a learning and knowledge management system to capture and disseminate evidence, particularly of effective, efficient adaptation practices, products or technologies generated, as a basis for potential scaling up?
- (m) *Project Eligibility:* What consultative process will take place, and how will it involve all key stakeholders, and vulnerable groups, including gender considerations?
- (n) *Project Eligibility:* Is the programme aligned with AF's results framework?
- (o) *Project Eligibility:* Has the sustainability of the programme outcomes been taken into account when designing the project, including in the screening of the innovation small grants projects?
- (p) *Project Eligibility:* Does the programme provide an overview of environmental and social impacts/risks identified?
- (q) *Resource Availability:* Is the requested programme funding within the funding window for the MIE aggregator innovation initiative?
- (r) *Resource Availability:* Are the administrative costs (Implementing Entity Management Fee and Programme Execution Costs) at or below 20 per cent of the total programme budget?
- (s) *Resource Availability:* Is the programme submitted through an eligible Multilateral or Regional Implementing Entity that has been accredited by the Board?
- (t) *Eligibility of the Implementing Entity:* Is there adequate arrangement for programme management at the regional and national level, including coordination arrangements within countries and among them? Has the potential to partner with national institutions, and when possible, national implementing entities (NIEs), been considered, and included in the management arrangements?
- (u) *Implementation Arrangements:* Are there measures for financial and project/programme risk management?
- (v) *Implementation Arrangements:* Are there measures in place for the management of for environmental and social risks, in line with the Environmental and Social Policy of the Fund?
- (w) *Implementation Arrangements:* Is a budget on the Implementing Entity Management Fee use included?
- (x) Is an explanation and a breakdown of the execution costs included?

(y) *Implementation Arrangements:* Is a detailed budget including budget notes included?

(z) *Implementation Arrangements:* Are arrangements for monitoring and evaluation clearly defined, including budgeted M&E plans and sex-disaggregated data, targets and indicators?

(aa) *Implementation Arrangements:* Does the M&E Framework include a break-down of how implementing entity IE fees will be utilized in the supervision of the M&E function?

(bb) *Implementation Arrangements:* Does the programme's results framework align with the AF's results framework? Does it include at least one core outcome indicator from the Fund's results framework?

(cc) *Implementation Arrangements:* Is a disbursement schedule with time-bound milestones included?

Additional Guidance

20. Total Financing. The total of the financing requests from both MIEs, inclusive of fees, should not exceed the MIE aggregator envelope of US\$10 million.

21. Country-drivenness. No letters of endorsement are needed for the proposals that will be submitted to the Board. However, evidence of country-drivenness should be provided at a later stage, during the MIE aggregator innovation small grants programme approval and implementation. In addition, whenever possible, countries should be allowed the choice of which aggregator to serve them. The letter of endorsement could be requested, for instance, following a call for expressions of interest for countries to participate in the provision of small grants opportunity for non-accredited entities. The MIE aggregators should provide copies of such letters in the reports to the secretariat (cf. the section on reporting arrangements below).

22. Eligibility. Countries vulnerable to climate change and Parties to the Paris Agreement and Kyoto Protocol will be eligible. Preference will be given to countries that have not yet accessed funding through this modality or through the modality approved through decision B.32/4.

23. Programme Design. The MIE aggregators will administer small grants which should not exceed US\$ 250,000. However, in order to meet the ambition outlined in the Implementation Plan of the MTS, which refers to a minimum of 40 grants, most, if not all, grants awarded will be below that threshold. The proposal should provide details on the planned outreach effort and sourcing of innovation proposals, such that it would be ensured that innovation would not be restricted, and that the initiative would allow for various types of innovation (technologies, techniques, social innovation, innovative finance for adaptation, and others.) The proposals should include details on the process for awarding small grants, such as the approach, criteria, and timeline. Details on the proposed monitoring and evaluation arrangements of the small grants, results management, and, very importantly, the learning and sharing aspect of the programme.

24. Cofinancing. Neither the programmes as a whole, nor the individual small grant projects will be required to provide cofinancing, in line with the Fund's mandate to finance the full cost of adaptation. However, cofinancing would generally be considered a positive addition to the initiative, and may serve as a proxy indicator for potential viability or marketability of innovation. As such, both ex-ante and ex-post cofinancing will be considered acceptable and should be tracked.

25. Gathering Evidence Base: Learning and Sharing. Given that "gathering evidence base" is one of the two expected results for the innovation Strategic Focus, according to the Implementation Plan of the MTS, learning from the small grants for innovation effort will be a crucial element of the MIE aggregators' function. Importantly, as elaborated in document AFB/PPRC.23/4/Rev.2 "Programme on Innovation: small grants projects through the Direct Access modality", as well as AFB/PPRC.23/5/Rev.1, the learning effort should also strive to include the small grants for innovation that are being administered through direct access to National Implementing Entities (NIE) modality.

26. As envisaged in the Implementation Plan, at least 68 small grants will be provided for innovation. While most are expected to be provided to entities that are not accredited under the Adaptation Fund through a delivery mechanism administered by an accredited MIE of the AF, at least 28 grants will be provisioned through direct access to Adaptation Fund's NIEs in accordance with the modality approved by the Board through decision B.32/4.

27. As stated in documents AFB/PPRC.23/4/Rev.2 and AFB/PPRC.23/5/Rev.1, although the NIE small grants for innovation will not be administered by the MIE Aggregator, they will be supported by the MIE Aggregator in some ways, notably on knowledge management. At the project level, the MIE Aggregator is expected to facilitate the inclusion of the NIE small grants into the learning-and-sharing mechanism that will be developed to serve both NIEs and non-NIEs. NIEs will have access to and engaged by the MIE aggregator towards contributing the NIE-generated experience to the learning and knowledge sharing mechanism that will be administered by the MIE aggregator for non-NIE accessed small grants for innovation. The MIE aggregator, when engaged, is expected to serve the NIEs on the learning and knowledge aspect as well. The MIE Aggregator is expected to provide access to information and other support, also in order to ensure a degree of consistency and parity between NIE and non-NIE recipients of the small grants.

28. The learning and sharing knowledge management mechanism developed should be useful, accessible, sustainable, and, to the extent possible, minimize inefficiencies and duplication. The MIE aggregators are expected to coordinate closely in order to help bring about the optimal solution that would best serve the eligible recipient countries' innovation-for-adaptation knowledge needs. In addition, it is expected that the experience from the small grants innovation windows will inform later Board decisions on the financing of full-sized projects/programmes under the provisional envelope on innovation, as envisaged in the Implementation Plan.

29. Execution arrangements. The eventual recipients of the small grants would be considered executing partners, and therefore will not need not be identified at the MIE aggregator proposal submission for approval stage.

30. Implementing and Executing Fees. As per Document AFB/B.25/6/Rev.2, regional project proposals are allowed a higher and more flexible maximum level for administration costs, to help ensure regional cooperation, and, as such, the maximum level for the implementing entity management fee (for regular projects capped at 8.5 per cent of the total project cost) and execution costs (for regular projects capped at 9.5 per cent of the total project cost) together is maximum 20 percent of the total project cost. These principles apply also to the MIE aggregator proposals. However, as the grantees receiving the small grants will be considered as executing partners, all execution costs should be budgeted from within the administration cost's 20 percent. As with regional projects and programmes, proposals for MIE aggregator programmes need to provide budgets for these two categories.

31. Environmental and Social Policy and Gender Policy Compliance. The safeguard policies of the Fund will apply to the programmes without exception. The nature of the MIE aggregator programmes is such that small grant projects are not expected to be identified until some time after the eventual Board approval of the programme proposals. Therefore, they can be considered unidentified sub-projects (USP) and, as such, the provisions concerning the Environmental and Social Policy and Gender Policy with regards to USP, namely as per the "Guidance document for Implementing Entities on compliance with the Adaptation Fund Environmental and Social Policy" will apply. This includes, for example, that, "for projects/programmes with activities/sub-projects unidentified at the time of submitting a proposal for funding, the IE will develop an Environmental and Social Management System (ESMS) for the project/programme and describe it with details in the proposal. In such cases, the project/programme ESMS will contain a process for identifying environmental and social risks for the unidentified activities/sub-projects and, when needed, the development of commensurate environmental and social management elements that will complement and be integrated in the overall ESMP. The project/programme ESMS will specify any other related procedures, roles, and responsibilities."

32. Reporting arrangements. The proposed reporting arrangements should also include the provision of evidence of country-drivenness (i.e. Letters of Endorsement) at the earliest opportunity during the implementation of the project.

33. Duration of the project. The duration of the project should be up to five years.

34. Proposal Structure. the proposal will follow the structure used for the regional projects and programmes. The MIE aggregator programme proposal template (Annex III) is modified where deemed necessary for clarity purposes in line with the modifications in the criteria, as per Annex I, also allowing for inclusion of the information that is uniquely needed in this specific type of proposal.

Recommendation

35. The PPRC may want to consider document AFB/PPRC.23/4/Rev.1 and recommend the Board:

(a) To approve the guidance document as a basis for the UNDP and UN Environment, as MIE aggregators, to draft their respective proposals.

Annex I

Review Criteria for MIE Aggregators

(modified from the criteria for reviewing Regional Project/Programme proposals)

Review Criteria	Questions used for reviewing fully-developed Regional Project/Programme proposals	Relevance of the review criteria to the fully-developed MIE aggregator programme proposals	Proposed review questions for the fully-developed MIE aggregator programme proposals, reflecting any modifications of the review criteria
Country Eligibility	1. Are all of the participating countries party to the Paris Agreement and Kyoto Protocol?	Country eligibility Q1 cannot be assessed directly at this stage. Instead, the MIE aggregator needs to show in its proposal that it will reflect this criterion (i.e., the MIE aggregator needs to show in its proposal how it will ensure that all the eventually-participating countries are party to the Paris Agreement and Kyoto Protocol.)	1. Does the proposal include a mechanism that will ensure that the participating countries are party to the Paris Agreement and Kyoto Protocol?
	2. Are all of the participating countries developing countries particularly vulnerable to the adverse effects of climate change?	Country eligibility Q2 cannot be assessed directly at this stage. Instead, the MIE aggregator needs to show in its proposal that it will reflect this criterion.	2. Does the proposal describe how the MIE aggregator will involve the participation of developing countries particularly vulnerable to the

			adverse effects of climate change?
Project Eligibility	<p>1. Has the designated government authority for the Adaptation Fund endorsed the project/programme?</p>	<p>Project eligibility Q1 cannot be assessed directly at this stage. Instead, the MIE aggregator will indicate in its proposal at what stage of implementation it will report back to AF with the Letters of Endorsement.</p>	<p>1. Does the proposal describe how the MIE aggregator plans to secure governments' endorsements of the initiative?</p>
	<p>2. Does the regional project / programme support concrete adaptation actions to assist the participating countries in addressing the adverse effects of climate change and build in climate resilience, and do so providing added value through the regional approach, compared to implementing similar activities in each country individually?</p>	<p>Project eligibility Q2 cannot be assessed directly at this stage. Instead, the MIE aggregator will describe how it will screen the Small Grant Projects (SGs) for the potential to support concrete adaptation actions to assist the participating countries in addressing the adverse effects of climate change and build in climate resilience.</p>	<p>2. Does the proposal describe how it will source innovation small grant proposals, and screen them for the potential to support concrete adaptation actions to assist the participating countries in addressing the adverse effects of climate change and build in climate resilience?</p>
	<p>3. Does the project / programme provide economic, social and environmental benefits, particularly to vulnerable communities, including gender considerations, while avoiding or mitigating negative impacts, in compliance with the</p>	<p>Project eligibility Q3 cannot be assessed directly at this stage. Instead, the MIE aggregator will describe how it will screen the SGs for their potential to provide economic, social and environmental benefits, particularly to vulnerable communities, including gender</p>	<p>3. Does the proposal describe how it will screen innovation small grant proposals for their potential to provide economic, social and environmental benefits, particularly to vulnerable communities, including gender considerations, while avoiding</p>

	<p>Environmental and Social Policy of the Fund?</p>	<p>considerations, while avoiding or mitigating negative impacts, in compliance with the Environmental and Social Policy of the Fund.</p>	<p>or mitigating negative impacts, in compliance with the Environmental and Social Policy of the Fund?</p>
	<p>4. Is the project / programme cost-effective and does the regional approach support cost-effectiveness?</p>	<p>RELEVANT. The proposal should articulate the cost-effectiveness of the MIE aggregator for this particular project.</p> <p>The MIE aggregator will also describe how cost-effectiveness will be considered in the context of the SGs, in a way that is specifically relevant to and appropriate for innovation.</p>	<p>4. Is the programme cost-effective and does the multi-regional approach support cost-effectiveness?</p>
	<p>5. Is the project / programme consistent with national or sub-national sustainable development strategies, national or sub-national development plans, poverty reduction strategies, national communications and adaptation programs of action and other relevant instruments? If applicable, it is also possible to refer to regional plans and strategies where they exist.</p>	<p>Project eligibility Q5 cannot be assessed directly at this stage. Instead, the MIE aggregator will describe how it will screen the SGs for consistency with national or sub-national sustainable development strategies, national or sub-national development plans, poverty reduction strategies, national communications and adaptation programs of action and other relevant instruments. [This step could be potentially carried out as a</p>	<p>5. Does the proposal describe how it will screen innovation small grant proposals for consistency with national or sub-national sustainable development strategies, national or sub-national development plans, poverty reduction strategies, national communications and adaptation programs of action and other relevant instruments?</p>

		<p>check by a government authority, such as the DA, on the SG proposals].</p>	
	<p>6. Does the project / programme meet the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund?</p>	<p>Project eligibility Q6 cannot be assessed directly at this stage. Instead, the MIE aggregator will describe how it will screen the SGs for meeting the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund.</p>	<p>6. Does the proposal describe how it will screen innovation small grant proposals for meeting the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund?</p>
	<p>7. Is there duplication of project / programme with other funding sources?</p>	<p>RELEVANT.</p>	<p>7. Is there duplication of programme with other funding sources?</p>
	<p>8. Does the project / programme have a learning and knowledge management component to capture and feedback lessons?</p>	<p>RELEVANT.</p>	<p>8. Does the programme have a learning and knowledge management system to capture and disseminate evidence, particularly of effective, efficient adaptation practices, products or technologies generated, as a basis for potential scaling up?</p>

	<p>9. Has a consultative process taken place, and has it involved all key stakeholders, and vulnerable groups, including gender considerations?</p>	<p>This question is partly relevant. There should be a consultative process that at the minimum allows the countries the choice between the aggregators, the choice to participate in this initiative, an open call for proposals that is accessible to all key stakeholders, including gender considerations, ensures a selection of innovations that is merit-based without prejudice and favour, and allows countries to sign off on proposed SG projects, which, among other, would serve as a check on consistency with country development strategies, as per Q5 above. In addition, there may be specific situations where individual SG projects would require consultations, as relevant and as feasible (while commensurate with the size of the SG, and ultimately not losing sight of the purpose of the broader innovation effort) which should also be addressed in the programme proposal.</p>	<p>9. What consultative process will take place, and how will it involve all key stakeholders, and vulnerable groups, including gender considerations?</p>
	<p>10. Is the requested financing justified on the basis of full cost of adaptation reasoning?</p>	<p>This question is partly relevant. The innovation may not be sustainable without further support beyond the SG, but this should not preclude promising innovations from being considered. Rather, there should be</p>	<p>-</p>

	a likely pathway to eventual sustainability. However, this can only be determined at the SG level. It is suggested that this criterion be merged with Q12 below.	
11. Is the project / program aligned with AF's results framework?	RELEVANT. The MIE aggregator should, however, refer to the latest Board-approved document on RF.	10. Is the programme aligned with AF's results framework?
12. Has the sustainability of the project/programme outcomes been taken into account when designing the project?	RELEVANT. Also, on SG level, there should be a mechanism in place on how to screen for this.	11. Has the sustainability of the programme outcomes been taken into account when designing the project, including in the screening of the innovation small grants projects?
13. Does the project / programme provide an overview of environmental and social impacts / risks identified?	RELEVANT. This is also captured further down.	12. Does the programme provide an overview of environmental and social impacts/risks identified?
14. Does the project promote new and innovative solutions to climate change adaptation, such as new approaches,	Substitute with more pointed questions, such as the criteria used for the NIE SGs. (2 questions).	13. Encouraging and accelerating innovation: Does the programme encourage or accelerate development of innovative adaptation

	<p>technologies and mechanisms?</p>	<ul style="list-style-type: none"> • Encouraging and accelerating innovation: Does the project/programme encourage or accelerate development of innovative adaptation practices, tools and technologies; and/or • Generating evidence base: Does the project/programme help generate evidence base of effective, efficient adaptation practices, products or technologies generated, as a basis for potential scaling up? 	<p>practices, tools and technologies</p> <p>14. Generating evidence base: Does the programme help generate evidence base of effective, efficient adaptation practices, products or technologies generated, as a basis for potential scaling up?</p>
<p>Resource Availability</p>	<p>1. Is the requested project / programme funding within the funding windows of the pilot programme for regional projects/programmes?</p>	<p>RELEVANT, with a minor modification.</p>	<p>1. Is the requested programme funding within the funding window for the MIE aggregator innovation initiative?</p>
	<p>2. Are the administrative costs (Implementing Entity Management Fee and Project/ Programme Execution Costs) at or below 20 per cent of the total project/programme budget?</p>	<p>RELEVANT.</p>	<p>2. Are the administrative costs (Implementing Entity Management Fee and Programme Execution Costs) at or below 20 per cent of the total programme budget?</p>

<p>Eligibility of IE</p>	<p>3. Is the project/programme submitted through an eligible Multilateral or Regional Implementing Entity that has been accredited by the Board?</p>	<p>RELEVANT.</p>	<p>3. Is the programme submitted through an eligible Multilateral or Regional Implementing Entity that has been accredited by the Board?</p>
<p>Implementation Arrangements</p>	<p>1. Is there adequate arrangement for project / programme management at the regional and national level, including coordination arrangements within countries and among them? Has the potential to partner with national institutions, and when possible, national implementing entities (NIEs), been considered, and included in the management arrangements?</p>	<p>RELEVANT.</p>	<p>1. Is there adequate arrangement for programme management at the regional and national level, including coordination arrangements within countries and among them? Has the potential to partner with national institutions, and when possible, national implementing entities (NIEs), been considered, and included in the management arrangements?</p>
	<p>2. Are there measures for financial and project/programme risk management?</p>	<p>RELEVANT.</p>	<p>2. Are there measures for financial and project/programme risk management?</p>
	<p>3. Are there measures in place for the management of for environmental and social risks, in line with the Environmental and Social Policy of the Fund? Proponents are encouraged to refer to the Guidance</p>	<p>RELEVANT. Given the nature of the programme, the Fund's Environmental and Social policy concerning the unidentified sub-projects (USPs) is especially relevant for the development of the proposal. The Environmental and Social Management Framework</p>	<p>3. Are there measures in place for the management of for environmental and social risks, in line with the Environmental and Social Policy of the Fund? Proponents are encouraged to refer to the Guidance</p>

	<p>document for Implementing Entities on compliance with the Adaptation Fund Environmental and Social Policy, for details.</p>	<p>should serve to manage potential risks, if any. Such efforts should be take into account the size and potential impact of the SG, without unduly encumbering the innovation initiative more broadly.</p>	<p>document for Implementing Entities on compliance with the Adaptation Fund Environmental and Social Policy, for details.</p>
	<p>4. Is a budget on the Implementing Entity Management Fee use included?</p>	<p>RELEVANT.</p>	<p>4. Is a budget on the Implementing Entity Management Fee use included?</p>
	<p>5. Is an explanation and a breakdown of the execution costs included?</p>	<p>RELEVANT. Grantees will make up most of the executing partners and those will not have been identified at this stage. However, the explanation and the breakdown of the execution cost should be as detailed as possible.</p>	<p>5. Is an explanation and a breakdown of the execution costs included?</p>
	<p>6. Is a detailed budget including budget notes included?</p>	<p>RELEVANT.</p>	<p>6. Is a detailed budget including budget notes included?</p>
	<p>7. Are arrangements for monitoring and evaluation clearly defined, including budgeted M&E plans and sex-disaggregated data, targets and indicators?</p>	<p>RELEVANT.</p>	<p>7. Are arrangements for monitoring and evaluation clearly defined, including budgeted M&E plans and sex-disaggregated data, targets and indicators?</p>

	8. Does the M&E Framework include a break-down of how implementing entity IE fees will be utilized in the supervision of the M&E function?	RELEVANT.	8. Does the M&E Framework include a break-down of how implementing entity IE fees will be utilized in the supervision of the M&E function?
	9. Does the project/programme's results framework align with the AF's results framework? Does it include at least one core outcome indicator from the Fund's results framework?	RELEVANT.	9. Does the programme's results framework align with the AF's results framework? Does it include at least one core outcome indicator from the Fund's results framework?
	10. Is a disbursement schedule with time-bound milestones included?	RELEVANT.	10. Is a disbursement schedule with time-bound milestones included?

Annex II

Innovation: MTS Implementation Plan

Objective: Support the development and diffusion of innovative adaptation practices, tools, and technologies

Expected results:

- ER1 – Successful innovations rolled out. Innovative adaptation practices, tools and technologies that have demonstrated success in one country spread to new countries/regions
- ER2 – Viable innovations scaled up. Innovative adaptation practices, tools and technologies that have demonstrated viability at a small scale piloted at larger scales
- ER3 – New innovations encouraged and accelerated. Development of innovative adaptation practices, tools and technologies encouraged and accelerated
- ER4 – Evidence base generated. Evidence of effective, efficient adaptation practices, products and technologies generated as a basis for implementing entities and other funds to assess scaling up

Outcome: Innovation for effective, long-term adaptation to climate change accelerated, encouraged and enabled

Main activities:

- Launch Innovation Facility
- Build awareness of the Fund's Innovation Facility across adaptation and climate change innovation networks
- Build effective relationships with potential partners and collaborators
- Explore unique/niche opportunities to mobilize public and private resources for the Innovation Facility
- Establish appropriate processes for supporting and reviewing SF2 proposals
- Monitor, evaluate and learn from process-related experiences during current MTS cycle
- Monitor whether activities under SF2 are being implemented and crosscutting themes advanced in-line with the MTS, standards are being met, risks and being managed, targets are being reached and resources are being used efficiently
- Communicate learning from ER 1 & 2 projects, as well as knowledge outputs from ERs 3 & 4, across the international community of adaptation practitioners

Table 1. SF2-ER3 and ER4: INNOVATION – Support the development and diffusion of innovative adaptation practices, tools and technologies

Expected Results	Expected Outputs (delivery methods)	Activities	Output indicators	Tentative timeline	Tentative budget
ER3 – New innovations encouraged and accelerated. Development of innovative adaptation	1. A relevant, efficient, effective and sustainable micro-grant (up to US\$ 250,000) mechanism established to develop and/or test	1.1 Develop and launch a relevant, efficient, effective and sustainable Micro-Grant Mechanism through two pilot versions	Numbers of proposals funded under the direct access RFPs: at least 14* Number of innovative	MIE partner(s) proposed to Board in October 2018 and announced	Projected grant funding: 1 st RFP: ca. US\$ 2 M. 2 nd RFP: ca. US\$ 6 M.

practices, tools and technologies encouraged and accelerated	innovative adaptation products (e.g. project management tools) and technologies; <i>link with cross cutting theme 1(vulnerable groups) and 2(gender)</i> 2. At least 14 proposals from Implementing Entities and at least 20 proposals from other entities supported. 1.1 Develop and launch a relevant, efficient, effective and sustainable Micro-Grant Mechanism through two pilot versions	1.2 Partner with MIE aggregator to enable Non-Accredited Entities to access micro-grants for innovation 2.1 Issue two RFPs during the 2018-2022 period, both of which will cite requirements to address cross-cutting themes 1 (vulnerable groups) and 2 (gender equality)	adaptation practices, tools and technologies funded through MIE partner: at least 20*	at COP 24 (Dec 2018) 1 st RFP for <i>Direct Access</i> issued at COP 24 (Dec 2018) w/ Board decisions slated for Oct/Nov 2019 2 nd RFP for <i>Direct Access</i> issued in March 2020 w/ Board decisions slated for Oct/Nov 2020	Grant administration will be done initially with existing resources. Consultant inputs for assessment of options: US\$ 20,000 twice during 5 years
ER4 – Evidence base generated – Evidence of effective, efficient adaptation practices, products and technologies generated as a basis for implementing entities and other funds to assess scaling up	1. A relevant, efficient, effective and sustainable micro-grant (up to US\$ 250,000) mechanism established to generate evidence base effective, efficient adaptation practices, products and technologies, to enable implementing entities and other funds to assess scaling up; <i>link with cross cutting theme 1 (vulnerable groups) and 2 (gender)</i> 2. At least 14 proposals from Implementing Entities and at least 20 proposals from other entities supported.	1.1 Develop and launch a relevant, efficient, effective and sustainable Micro-Grant Mechanism through two pilot versions 1.2 Partner with MIE aggregator to enable Non-Accredited Entities to access micro-grants for innovation 2.1 Issue two RFPs during the 2018-2022 period, both of which will cite requirements to address cross-cutting themes 1 (vulnerable groups) and 2 (gender equality)	Quantity and quality of key findings on effective, efficient adaptation practices, products and technologies generated through direct access: at least 14* proposals Quantity and quality of key findings on effective, efficient adaptation practices, products and technologies generated through MIE partner: at least 20* proposals	MIE partner(s) proposed to Board in October 2018 and announced at COP 24 (Dec 2018) 1 st RFP for <i>Direct Access</i> issued at COP 24 (Dec 2018) w/ Board decisions slated for Oct/Nov 2019 2 nd RFP for <i>Direct Access</i> issued in March 2020 w/ Board decisions slated for Oct/Nov 2020	Projected grant funding: 1 st RFP: ca. US\$ 2 M. 2 nd RFP: ca. US\$ 6 M. Grant administration will be done initially with existing resources.

Annex III

MIE Aggregator Programme Proposal Template



ADAPTATION FUND

MIE AGGREGATOR PROGRAMME PROPOSAL

PART I: PROGRAMME INFORMATION

Title of Programme:
 Type of Implementing Entity: Multilateral Implementing Entity
 Implementing Entity:
 Amount of Financing Requested: (in U.S Dollars Equivalent)

Programme Background and Context:

Provide brief information on the problem the proposed programme is aiming to solve.

Programme Objectives:

List the main objectives of the programme.

Programme Components and Financing:

Fill in the table presenting the relationships among programme components, outcomes, outputs, and the corresponding budgets.

For the case of a programme, individual components are likely to refer to specific subsets of stakeholders, regions and/or sectors that can be addressed through a set of interventions/projects.

Programme Components	Expected Outcomes	Expected Outputs	Countries	Amount (US\$)
1.				
2.				
3.				
4.				
5.				
6. Programme Execution cost				
7. Total Programme Cost				
8. Programme Cycle Management Fee charged by the Implementing Entity (if applicable)				
Amount of Financing Requested				

Projected Calendar:

Indicate the dates of the following milestones for the proposed programme

Milestones	Expected Dates
Start of Programme Implementation	
Mid-term Review (if planned)	
Programme Closing	
Terminal Evaluation	

PART II: PROGRAMME JUSTIFICATION

- A. Describe the programme components, particularly focusing on the concrete adaptation activities, how these activities would contribute to climate resilience. Please show how the combination of individual projects would contribute to the overall increase in resilience.
- B. Describe how the programme would promote new and innovative solutions to climate change adaptation, such as new approaches, technologies and mechanisms.
- C. Describe how the programme would provide economic, social and environmental benefits, with particular reference to the most vulnerable communities, and vulnerable groups within communities, including gender considerations. Describe how the programme would avoid or mitigate negative impacts, in compliance with the Environmental and Social Policy of the Adaptation Fund.

- D. Describe or provide an analysis of the cost-effectiveness of the proposed programme and explain how the multi-regional approach would support cost-effectiveness.
- E. Describe how the programme is consistent with national or sub-national sustainable development strategies, including, where appropriate, national or sub-national development plans, poverty reduction strategies, national communications, or national adaptation programs of action, or other relevant instruments, where they exist. If applicable, please refer to relevant regional plans and strategies where they exist.
- F. Describe how the programme meets relevant national technical standards, where applicable, such as standards for environmental assessment, building codes, etc., and complies with the Environmental and Social Policy of the Adaptation Fund.
- G. Describe if there is duplication of programme with other funding sources, if any.
- H. If applicable, describe the learning and knowledge management component to capture and disseminate lessons learned.
- I. Describe the consultative process, including the list of stakeholders consulted, undertaken during programme preparation, with particular reference to vulnerable groups, including gender considerations, in compliance with the Environmental and Social Policy of the Adaptation Fund.
- J. Provide justification for funding requested.
- K. Describe how the sustainability of the programme outcomes has been taken into account when designing the programme.
- L. Provide an overview of the environmental and social impacts and risks identified as being relevant to the programme.

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
<i>Compliance with the Law</i>		
<i>Access and Equity</i>		
<i>Marginalized and Vulnerable Groups</i>		
<i>Human Rights</i>		
<i>Gender Equity and Women’s Empowerment</i>		
<i>Core Labour Rights</i>		
<i>Indigenous Peoples</i>		
<i>Involuntary Resettlement</i>		
<i>Protection of Natural Habitats</i>		
<i>Conservation of Biological Diversity</i>		
<i>Climate Change</i>		
<i>Pollution Prevention and Resource Efficiency</i>		
<i>Public Health</i>		
<i>Physical and Cultural Heritage</i>		
<i>Lands and Soil Conservation</i>		

PART III: IMPLEMENTATION ARRANGEMENTS

- A. Describe the arrangements for programme management at the regional and national level, including coordination arrangements within countries and among them. Describe how the potential to partner with national institutions, and when possible, national implementing entities (NIEs), has been considered, and included in the management arrangements.
- B. Describe the measures for financial and programme risk management.
- C. Describe the measures for environmental and social risk management, in line with the Environmental and Social Policy of the Adaptation Fund.
- D. Describe the monitoring and evaluation arrangements and provide a budgeted M&E plan.

- E.** Include a results framework for the programme proposal, including milestones, targets and indicators.
- F.** Demonstrate how the programme aligns with the Results Framework of the Adaptation Fund

Programme Objective(s)³	Programme Objective Indicator(s)	Fund Outcome	Fund Outcome Indicator	Grant Amount (USD)
Programme Outcome(s)	Programme Outcome Indicator(s)	Fund Output	Fund Output Indicator	Grant Amount (USD)

- G.** Include a detailed budget with budget notes, broken down by country as applicable, a budget on the Implementing Entity management fee use, and an explanation of the execution costs.
- H.** Include a disbursement schedule with time-bound milestones.

³ The AF utilized OECD/DAC terminology for its results framework. Programme proponents may use different terminology but the overall principle should still apply

PART IV: CERTIFICATION BY THE IMPLEMENTING ENTITY

A. Implementing Entity certification *Provide the name and signature of the Implementing Entity Coordinator and the date of signature. Provide also the programme contact person's name, telephone number and email address*

I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans (.....list here.....) and subject to the approval by the Adaptation Fund Board, commit to implementing the programme in compliance with the Environmental and Social Policy of the Adaptation Fund and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this programme.

Name & Signature
Implementing Entity Coordinator

Date: *(Month, Day, Year)*

Tel. and email:

Programme Contact Person:

Tel. and Email: