



ADAPTATION FUND
Readiness Programme
for Climate Finance

2024 IE Seminar Report

16-19 September 2024
Johannesburg, South Africa



Acronyms and Abbreviations

AF	Adaptation Fund
AP	Accreditation Panel
CTCN	Climate Technology Centre and Network
CPDAE	Community of Practice for Direct Access Entities
DA	Designated Authority
EIA	Environmental Impact Assessment
ESMP	Environmental and Social Management Plan
ESP	Environmental and Social Policy
ESGP	Environmental and Social Policy and Gender Policy
GP	Gender Policy
GCF	Green Climate Fund
IE	Implementing Entity
KM	Knowledge Management
LDC	Least Developed Country
MIE	Multilateral Implementing Entity
NIE	National Implementing Entity
PFG	Project Formulation Grant
PPR	Project Performance Report
PPRC	Project and Programme Review Committee
RIE	Regional Implementing Entity
RBM	Results-Based Management
RA	Risk Assessment
SE	Stakeholder Engagement
S-S	South to South
SIDS	Small Island Developing States
TA	Technical Assistance
TERG	Technical Evaluation Reference Group
USP	Unidentified Sub Project
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
VA	Vulnerability Assessment
WIPO	World Intellectual Property Organization

DAY 1

Welcome remarks and discussion on the implications of Innovation in Adaptation and updated from the Adaptation Fund

Introduction

The Adaptation Fund Board Secretariat (the secretariat) hosted the 2024 Annual Climate Finance Readiness Seminar for its accredited Implementing Entities (IEs) in partnership with the South African National Biodiversity Institute (SANBI) of South Africa, from the 16th-19th of September, in Johannesburg, South Africa. The 4 Day Seminar was attended by a total of 78 participants who included representatives from 26 of the 33 accredited National Implementing Entities (NIEs) to the Adaptation Fund (AF), and 6 of the 9 Regional Implementing Entities (RIEs) of the Fund, along with SANBI, Afrilabs and AF secretariat staff. The Climate Finance Readiness Seminar is a closed annual event for AF accredited NIEs that provides a platform for learning and sharing experiences among NIEs as well as between the AF secretariat and NIEs. It provides an opportunity for learning among peers and a space to engage in open dialogue to strengthen relationships, knowledge and enhance NIE confidence and capacity in accessing, delivering, and reporting on climate finance through the Fund's Direct Access modality. The workshop followed a participatory and adult learning approach and included one on one clinic sessions between secretariat staff and NIEs that had specific issues to discuss related to the AF portfolio, processes and mandate. The AF also showcased some videos as part of discussions during the seminar. Videos showcased during the seminar can be accessed under the seminar event page via the following link: <https://www.adaptation-fund.org/readiness/news-seminars/>.

Welcome Remarks

The seminar was opened by Ms. Saliha Dobardzic, Lead (Programming and Innovation) at the secretariat, who welcomed everyone to the workshop and thanked the South African government for hosting the 2024 IE seminar. She expressed that the mission and mandate of AF is to provide support to most vulnerable nations. This is a necessity given shortage of funding to cope with challenge in front of us. Innovation has actions with radically positive results, and achieve more through the funding available, and the AF is at forefront at pioneering innovative effective action. She highlighted that SANBI has been our long time and outstanding partner in delivering concrete impacts on the ground and have piloted innovative approaches with the Fund early on like Enhanced Direct Access (EDA) which has been embedded in fund's work and has proved you don't need dedicated funding to be innovative. The AF is pioneering innovative financing offering like direct access modality, and by offering funding modalities that encourage risk taking and allow for failure, the AF is supporting approaches awarding higher risks and higher rewards. The AF wants to ensure successful innovation will be scaled globally and contribute to knowledge. She highlighted that the AF is in full alignment with our commitment to LLA and by fostering a culture of innovation, the AF strives to enhance sustainability, cultivate ecosystem of innovation, help pave way for a new generation of climate leaders. To meet increased demand for funding, she requested the support of the IEs in raising awareness for the AF and for advocating its impact and support for developing countries. She concluded her welcome note by stating that innovation is a critical tool for addressing climate change, and by embracing innovation, we can build resilience for the most vulnerable communities.

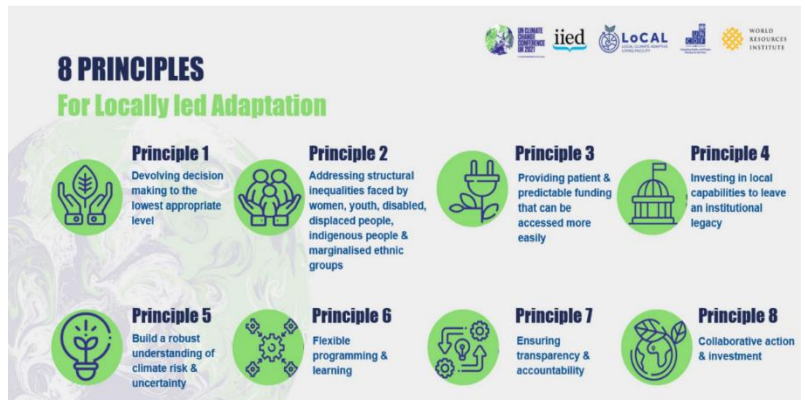
This was followed by welcome remarks from the Chief Executive Officer of SANBI, Mr. Shonisani Munzhedzi, who began his remarks by stating that South Africa (SA) is 9 countries in 1. South Africa experiences 9 different seasons and countries as one. SA has invested a lot in climate scenarios, and how it will be exposed in future and how it will be planned. He highlighted certain challenges due to the impacts of climate change, where parts of the country will be drier, and issue of floods, droughts and extreme events will increase tenfold. Climate change responses need to be dealt with as a matter of priority and precedence. The country enacted climate change act which has a significant chapter that talks to adaptation. In the framing of adaptation, there must be progress in projects that can be quantified and qualified, and impacts need to be known and verified. This applies to what SANBI does as SANBI is tasked by the government to bring science to interface with policy and bringing it to practice. There are 5-6 sectors that have been identified by SANBI as more prone and requiring innovation, some of which include the need for innovation in health due to changing climate. Water is an important sector as SA is a relatively drier country, and 10% of land provides more than 50% of water needed for livelihoods and needs to be protected. He concluded his remarks by stating that the outcome of this conference will help a lot in fast tracking SANBI and SAs responses to the impacts of climate change, as adaptation is a social economic intervention that touches a lot of people.

Following the conclusion of welcome remarks and the official opening of the ceremony, Mr. Farayi Madziwa, Readiness programme team lead at the secretariat, briefed every one of the structure of the 4-day seminar. He highlighted that the seminar aims to elevate the quality of proposals by showcasing and discussing design elements in innovation project development and design. This will include embracing a dynamic learning process, where projects are continuously refined in real-time based on feedback and new insights, embodying the principles of double-loop learning to accelerate innovation, and basing the design on well-established principles and practices for supporting innovation.

Brief overview of funding opportunities and updates from the AF

Some key highlights from this session includes:

The Fund’s mandate is to finance concrete adaptation projects and the second MTS build on the strengths of previous MTS. With a focus on LLA, the fund is already building on it and second MTS focuses on locally led approaches and enhances complementarity with other climate finance providers. Africa region has largest amount of funding followed by Aisa-Pacific and Latin America and the Caribbean. The AF finances full cost of adaptation and LLA is a priority under the second MTS, and they can be financed under various types of funding windows. The 8 principles for LLA are meant to guide communities, guide financing and guide programming towards locally led approaches.



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There is an 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. 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. 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.

Role of the implementing entities is to administer the AF financing and supervise the project, including taking full responsibility for the overall management of a project or programme financed by the AF. Within the project, specific responsibilities may be delegated to Executing Entities (project partners) but IE bears ultimate responsibility of EE actions. Role of the executing entities is to execute and manage day-to-day project operations and activities.

PFG caps per project/programme inclusive of IE fee IE fee capped at 8.5%

Single Country projects under all funding windows (regular, large innovation and IEDA/LLA); MIE/RIE/NIE projects	PFG for LLA projects:	Regional projects under all funding windows:	PFG for projects submitted using three-step approach:
<ul style="list-style-type: none"> For single country projects below US\$ 2 million the limit is set at US\$ 50,000; For single country projects US\$ 2 million and above but below US\$ 5 million the limit is set at US\$ 100,000; For single country projects US\$ 5 million and above, the limit is set at US\$ 150,000; 	<ul style="list-style-type: none"> For single country LLA projects US\$ 150,000 in PFG support. Additional PFG amount up to a maximum of US\$ 100,000 and will be evaluated on a case-by-case basis as per the provided justifications 	<ul style="list-style-type: none"> For all regional projects of US\$ 5 million and above with less than three countries, the limit is set at US\$ 150,000. The limit can increase by US\$ 15,000 for each additional country involved, up to a maximum of US\$ 250,000. 	<ul style="list-style-type: none"> When a 3-step approach is used, the maximum amount of PFG that can be requested at the pre-concept stage is twenty percent (20%) of the maximum total PFG applicable to the project.

Increasing the size of the PFG to better provide for the actual needs of undertaking key assessments and required consultations and could therefore be expected to enhance the quality of the proposals. Additional PFG funding for LLA projects to support activities that enable devolving decision making to local actors & to enable local actors to make informed

decisions on how adaptation actions are defined, prioritized, designed and implemented.

Evaluation Policy (2022) replaces the Evaluation Framework (2012), which is a stand-alone document that frames the Fund's evaluation function by providing high-level strategic guidance. The purpose of this Evaluation Policy is to identify the fundamental expectations, processes, and protocol to support a reliable, useful, and ethical evaluation function that contributes to learning, decision-making, and accountability for the Adaptation Fund to pursue its mission, goal, and vision effectively. A comprehensive guide is designed to support IEs, evaluation contractors, and CCA community in assessing the sustainability and impact of completed adaptation projects. The document allows to assess changes in project impacts from final evaluations to ex post assessments, identify conditions that sustain adaptation outcomes over time, and analyze how sustained outcomes enhance system resilience.

Innovation Bootcamp Day 1 highlights

Led by AfriLabs, this session was highly interactive, using a mix of presentations, group discussions, and hands-on activities. Participants worked in small groups to explore the concept of innovation in climate adaptation, discuss its relevance, and identify potential areas for innovation within their own contexts. Afrilabs guided the discussions, provided real-time feedback,

and encouraged peer-to-peer learning. The discussion focused on challenges and opportunities in innovation and adaptation within different contexts. Participants were divided into 7 teams to work on innovation adaptation concepts, to be pitched on the final day. The teams were encouraged to meet during breaks, and over dinner or coffee throughout the week to develop a 10-minute pitch. This session involved ice-breaking activities, team-building exercises, and initial brainstorming sessions to help teams start working together effectively.



The session also included a World café on locally-led innovation case studies where 4 AFCIA grantees plus 4 GCA competition winners showcased successful locally-led innovation projects to the participants. Participants had the opportunity to interact with administrators from the Adaptation Fund Climate Innovation Accelerator (AFCIA), and focused on learning and flexibility (incorporating feedback and new insights, embodying the principles of double-loop learning). AFCIA administrators and experts shared knowledge system or processes they put in place to extract lessons from their respective portfolios including related challenges of extracting learning and lessons learnt.

Some key highlights include:

Challenges in Innovation and Private Sector Involvement

- RIE, SPC, New Caledonia highlight the challenge of relying solely on the private sector for sustainability solutions, especially in small island countries with limited resources
- misconception that the private sector can provide unlimited capital and support, emphasizing the need for realistic expectations

- broader definition of innovation and the role of the private sector, noting the importance of understanding local needs and relationships

Innovation in Local Communities: Case Study from Peru

- Profonanpe, Peru showcase a project involving indigenous communities in the Amazon, focusing on sustainable juice production and local entrepreneurship which demonstrated the success of teaching local communities' sustainable practices, such as artisanal fishing, which improved their livelihoods. The project includes training communities on sustainable practices and installing solar cells for energy. Highlight the importance of teaching local communities about the benefits of new technologies and how they can directly see the impact on their livelihoods, and the need for understanding local contexts and building relationships to effectively implement innovation. The success of artisanal fishing and the installation of an ice plant increased the value of fish and provided economic opportunities, reflecting on the importance of socio-economic benefits in convincing communities to adopt new technologies.

Innovation in Climate Adaptation: Methods and Effectiveness

- While many projects innovate in assessing risks, there is a lack of innovation in developing practical adaptation actions. More effort should be dedicated to finding effective solutions to specific climate risks rather than just assessing them.

Cross-Regional Learning and Innovation action

- AF should focus on cross-regional learning and adaptation of successful innovations rather than standalone geographic allocations.
- Need to scale up existing innovations and combining them with other funding sources.
- Need for incubation and cross-regional collaboration to foster innovation and adaptation.

Regulatory Challenges in Innovation

- The challenges of regulatory restrictions in countries like Indonesia, which limit the use of new technologies.
- Need for broader stakeholder engagement, including ministries and other regulatory bodies, to overcome these challenges.
- Need for differentiating between innovators at different stages to better address their specific challenges and needs.

Supporting Innovators at Different Stages

- Need for categorizing innovators into first, second, and third-generation groups to tailor support based on their specific challenges.
- Need for support in proof of concept and scaling up innovations through wider networking and facilitation.

DAY 2

Innovation Bootcamp part 1 highlights

The seminar started with Mr. Farayi Madziwa providing a brief recap of the Day 1 and highlighted the talking points and activities to take place on day 2. The session was led by AfriLabs on mapping the innovation ecosystem, using a combination of presentations, interactive mapping exercises, and group discussions. Participants learned how to identify key stakeholders, networks, policies, and support services that can influence innovation in climate adaptation. Participants proceeded to create their own ecosystem maps, guided by facilitators from AfriLabs and the AF. The first part of the bootcamp on day 2 included experts from UNDP and UNEP-

CTCN who provide guidance on designing competitive and challenge-based innovation projects/incubators and accelerator projects. The session explored the design and implementation of innovative programs aimed at driving climate resilience and adaptation, with a focus on locally led solutions. The second part focused on sharing key insights into the CTCN process in designing innovation projects and key elements for their successful implementation and upscaling where applicable. Mr. Bankole of Nigeria climate innovation center gave highlights of the work of the innovation center.

Some key highlights include:

Innovative Flood Protection Techniques in Coastal Areas

- There is an issue of inundated farmlands in coastal areas of India, Bangladesh, and West Asia due to sea level upsurges and climate change. Innovative solutions for climate adaptation, focusing on a technique called "flood farming" in coastal areas of India, Bangladesh, and West Asia. This method uses bamboo ramps with grow bags filled with organic soil and connected to solar and micro-irrigation systems to grow crops and aquaculture. The model includes aquaculture, poultry, and regenerative agricultural technologies like no-tillage and gang recycling, providing carbon advantages and preserving agro-biodiversity. The discussion highlighted the need for sustainable funding models and effective partnerships to scale these innovations, and the importance of social innovation and ecosystem approaches in building resilience.
- The innovation is being replicated in Sundarban areas, Bangladesh, and Sri Lanka, with support from the AFCIA program and other partners in Asia and Cambodia.

Building Resilience through Institutional Innovation

- The importance of the ecosystem of partnerships between government, academia, and civil society. The need of ecosystem approaches in building capacity and scaling innovations is highlighted, along with the need for balance between hardware and software aspects, focusing on metrics and funding perspectives.

Scaling Innovations Across Countries

- The origin of the Nubian rammed earth technique in a small village, its experimental phase, and eventual international recognition. The program faced challenges in scaling and sought sustainable funding sources, including the voluntary carbon market. The organization is developing its own carbon methodology to leverage additional funding and reach more communities. Challenges lie with the complexities of carbon credit verification and the role of government support in replicating the Nubian rammed earth technique.

Challenges and Opportunities in Innovation for Adaptation

- Experiences from supporting adaptation programs in the Asia Pacific region and globally, noting the difficulty in spurring innovation within international agencies.
- Key factors for increasing the likelihood of innovation include access to information, guidance, and the psychological, institutional, and financial safety to take risks.
- The importance of doing homework to avoid repeating mistakes and the need for improved management of finance, human resources, and oversight are emphasized.
- The need for innovative ways to be inclusive, especially for marginalized segments of society, and the role of international organizations in supporting adaptation trials.

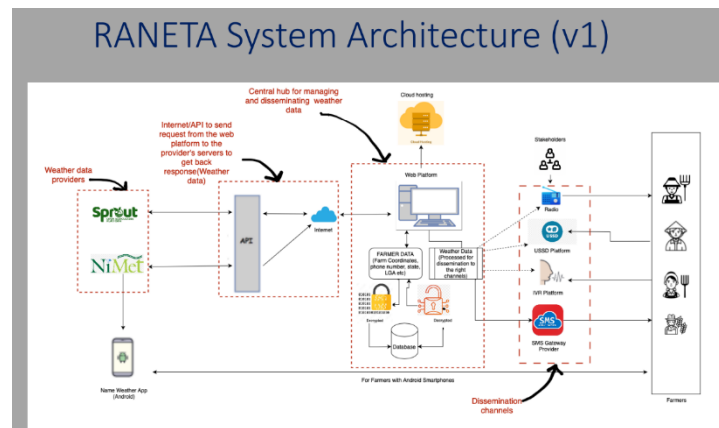
Engaging Philanthropic and Private Sector Support

- Explore the option of whether adaptation investments should be made through grants or non-grant instruments, and how to scale adaptation solutions with limited grant resources.

- The importance of categorizing adaptation support needs, acknowledging the limitations of global adaptation finance, and the role of grants in developing proof of concept.
- The importance of spreading risks and sharing responsibilities in climate-vulnerable areas, to include community beneficiaries, local organizations, line managers, investors, and global partners.
- Long-term engagement with philanthropic organizations and the challenges of working with grant-funded projects.

Designing Innovation Programs and Overcoming Challenges through UNEP-CTCN

- The Ministry of Environment in Uganda shared their experience in designing an innovation program to resolve the flood issue in Uganda. The process of identifying the problem, conducting research, and engaging stakeholders to develop a sustainable solution. The challenges faced, including limited resources and the need for long-term commitment, are



highlighted. The importance of building relationships with local communities, government agencies, and international partners in scaling innovation is emphasized.

- Despite the project facing challenges in proposal preparation, including skills and capacity issues. Despite these, the project has commenced in Zambia, with community training and a tax waiver for equipment importation. The CTCN approach offers technical assistance rather than funding, emphasizing collaboration with national designated entities. A Nigerian project received an AF Small Grant to develop an early warning system for smallholder farmers, integrating weather data from the Nigerian Meteorological Agency and leveraging radio and internet for dissemination. The project employs a TIPS framework (Technology, Innovation, Partnership, and Sustainability) to ensure long-term success.
- Requests for technical assistance can come from various sources, including universities, research institutions, and governments, but must go through NDEs. The CTCN process involves creating a response plan, which includes the problem, barriers, solution, and alignment with national priorities. The response plan outlines activities, budget, experts, and stakeholders, with a back-and-forth process involving NDEs, proponents, and CTCN.

DAY 3

Field Trip

Participants embarked on a field trip to explore Johannesburg's innovation ecosystem, which included visits to innovation hubs, collaboration spaces, and local organizations involved in climate adaptation projects.

