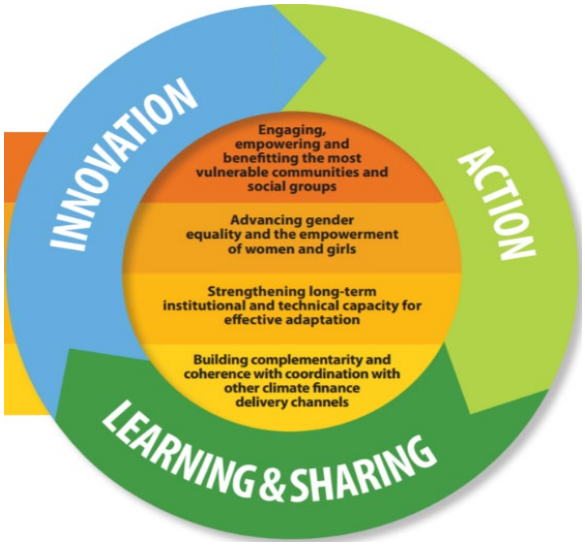
The Adaptation Fund's Innovation Facility

The Innovation Facility of the Adaptation Fund is offering vulnerable countries new tools and grants to support and enable innovation for effective, long-term adaptation to climate change. It is aligned with the goals of the Paris Agreement, as explicitly referenced in its Article 10, paragraph 5, which states that *"[a]ccelerating, encouraging and enabling innovation is critical for an effective, long-term global response to climate change and promoting economic growth and sustainable development."*

The Adaptation Fund has demonstrated competency in innovating valuable new products (e.g. Direct and Enhanced Direct Access), systems (e.g. fiduciary standards, accreditation standards and processes), and services (e.g. the Readiness Programme for Climate Finance and South-South Programme for Capacity Support). The Fund's first phase independent evaluation documented a range of ways in which these products, systems and services have benefitted Parties and advanced both the Nairobi Work Programme and Cancun Adaptation Framework. As a result, several major innovations have already been adopted by others including the GCF, which has built upon the Adaptation Fund's Direct Access and Enhanced Direct Access models, as well as its readiness Programme.

The Medium-Term Strategy (MTS) for the Fund outlines three core pillars of its work for 2018-2022, which are Action, Learning and Sharing, and Innovation. The MTS outlines the key elements for the Innovation pillar such as the establishment of an Innovation Facility, building new relationships with a broader set of partners, networks and organizations, exploring innovative opportunities to leverage resources, monitoring/evaluating/learning from the experience, and communicating and sharing insights learned across the international community of adaptation practitioners.



The three pillars of the Adaptation Fund's Medium-Term Strategy

The Adaptation Fund's Innovation Facility offers small and large grants to support countries 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.

The Facility builds on the Fund's core strengths and comparative advantage as a highly functioning and innovative fund established to finance concrete adaptation projects that directly reach, engage, empower and benefit the most vulnerable communities and social groups, and are scalable.

The Facility offers two types of innovation grants:

I. **Small Grant Mechanism to develop and/or test innovative products and technologies.** Small grants **(up to US$ 250,000)** will be awarded to vulnerable developing countries through two routes:

   i. directly through the Fund's accredited **National Implementing Entities (NIE)**; and;

   ii. through a **Multilateral Implementing Entity (MIE) Aggregator Mechanism** to other entities (organizations, groups, associations, institutions, businesses, agencies, NGOs, youth and other vulnerable groups, and others) that are not accredited with the Fund.

   The NIE Innovation Small Grants were launched at the 24th session of the Conference of the Parties to the UNFCCC (COP24) in December 2018 with two objectives, as defined in the Medium-Term Strategy:
   a) *New innovations encouraged and accelerated through the development of innovative adaptation practices, tools and technologies; and*
   b) *Evidence base generated of effective solutions as a basis for scaling up.*

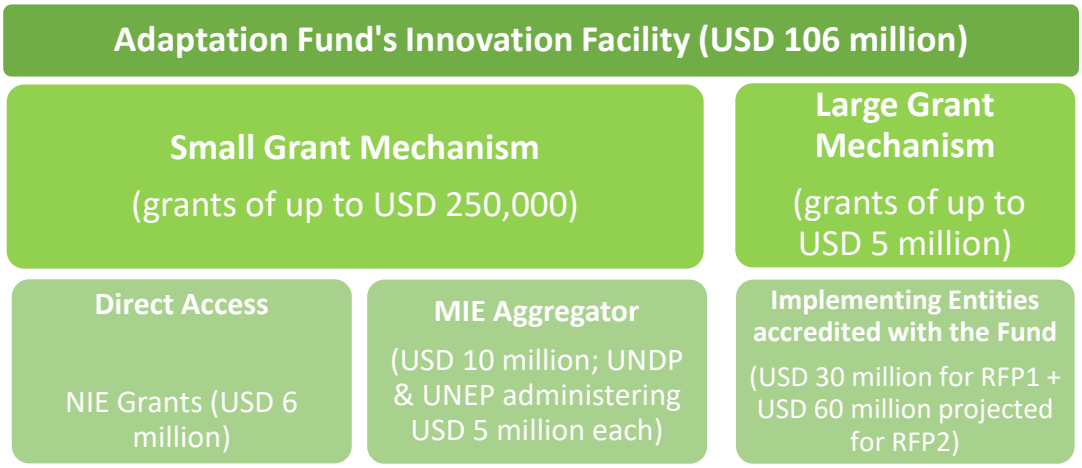
   The first proposals were approved by the Board in October 2019.

   The MIE Aggregator Mechanism was announced at COP25 in December 2019. Two programmes totalling US$ 10 million will be implemented by UNDP and UNEP, together with the Climate Technology Centre and Network (CTCN), to administer small innovation grants to grantees beyond the accredited implementing entities of the Adaptation Fund.

II. **Large Grant Mechanism (grants up to US$ 5 million) will be available[1] to all Implementing Entities accredited with the Adaptation Fund to roll out innovative adaptation practices, tools and technologies that have demonstrated success to new counties/regions or to scale up innovations that have demonstrated viability at a small scale.** Under the MTS Implementation Plan, at least two proposals will be supported under an initial Request for Proposals (RFP) and at least four proposals supported under a subsequent RFP.

[1] Originally planned for a launch at COP26, however in light of its postponement, an advanced launch is currently under consideration.

Overview of funding opportunities under the Adaptation Fund's Innovation Facility*



*** Figures as per the Implementation Plan of the Medium-term Strategy**

Upcoming Training and Materials

Training: The Innovation Facility will offer a new online training course starting from September 2020. It will be available for free to vulnerable countries, implementing entities, and interested partners and stakeholders to share insights on innovation and serve as a guide to help organizations prepare innovation grants.

Vision for innovation: To support the upcoming launch of the large grants for innovation, the Fund's innovation facility will provide a guidance document that clarifies the strategy for funding innovation under the facility.

Available Media and Materials

Adaptation Fund Launches New Grant Programme to Foster Innovation of Adaptation Practices in Vulnerable Countries (December 5, 2019) *Video recording of launch event available*

Adaptation Fund Board Approves US$ 63 Million in New Projects, Including First Innovation and Scale-Up Grants (October 17, 2019)

Adaptation Fund Launches New Grant Funding Windows to Accelerate Action, Innovation and Learning in Adaptation (December 14, 2018)

Adaptation Fund Board Moves to Accelerate Innovative Adaptation Actions through New Grant Funding Windows (October 17, 2018)

VIDEO: Direct Access Seminar in Antigua and Barbuda Shares Innovative Adaptation Models (November 7, 2019)