GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

Resilience for Peace & Stability, Food and Water Security Innovation Grant Program

Part I: Project Information

GEF ID

Project Type

MSP

Type of Trust Fund

LDCF

CBIT/NGI

☐CBIT

☐NGI

Project Title

Resilience for Peace & Stability, Food and Water Security Innovation Grant Program

Countries

Global

Agency(ies)

UNDP

Other Executing Partner(s)	Executing Partner Type
UNDP	

GEF Focal Area

Climate Change

Taxonomy

Focal Areas, Climate Change, Climate Change Adaptation, Least Developed Countries, Innovation, Private sector, Influencing models, Demonstrate innovative approache, Stakeholders, Private Sector, SMEs, Individuals/Entrepreneurs, Local Communities, Gender Equality, Gender Mainstreaming, Beneficiaries, Gender-sensitive indicators, Capacity, Knowledge and Research, Knowledge Generation, Learning

Rio Markers

Climate Change Mitigation

Climate Change Mitigation 0

Climate Change Adaptation

Climate Change Adaptation 1

Duration

36 In Months

Agency Fee($)

95,021

Submission Date

11/11/2019

A. Indicative Focal/Non-Focal Area Elements

Programming Directions	Trust Fund	GEF Amount($)	Co-Fin Amount($)
CCA-1	LDCF	1,000,228	3,000,000
	Total Project Cost ($)	**1,000,228**	**3,000,000**

B. Indicative Project description summary

Project Objective

To study, invest in and scale-up early stage innovations that hold the greatest promise of delivering resilience outcomes that promote peace & stability in fragile regions with high vulnerability to climate change in the least developed countries.

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount($)	Co-Fin Amount($)

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount($)	Co-Fin Amount($)
1. Assessment and identification of enterprise-based innovation models for adaptation in fragile and post-conflict regions	Technical Assistance	Outcome 1: Investment opportunities and financing strategies to catalyze enterprises for adaptation innovation in the context of fragility and conflict developed.	1.1 Potential innovations and investments assessed for enterprise-based models to strengthen resilience in fragile regions with high vulnerability to climate change. 1.2 Key thematic areas of investment and financing for enterprise-development for adaptation in the context of fragile identified. 1.3 Local/international partnerships crowded in to catalyze investment in fragile regions with high vulnerability to climate change.	LDCF	150,000	400,000

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount($)	Co-Fin Amount($)
2. Catalytic financing for enterprises to innovate for climate resilience and adaptation in the context of fragility	Investment	Outcome 2: Innovative adaptation practices, tools and technologies that strengthen resilience in fragile regions with high vulnerability to climate change incubated and accelerated	2.1 Incubation grants (5-10, $10-40K/grant) provided for businesses (private sector) to support adaptation practices, tools and technologies delivering resilience outcomes that promote peace & stability in fragile regions with high vulnerability to climate change 2.2 Acceleration financing (performance-based payments, 4-6 grants, $100K/grant) provided to social enterprises (NGOs, CSOs) to scale up enterprise-based adaptation models in the context of fragility and vulnerability to climate change	LDCF	600,000	2,100,000

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount($)	Co-Fin Amount($)
3. Technical, and business development advisory, knowledge management and M&E for innovative and sustainable enterprises for adaptation in fragile contexts	Technical Assistance	Outcome 3: Capacities built through technical assistance and knowledge sharing for businesses and social enterprises in sustaining and scaling innovations for adaptation in the context of fragility and vulnerability to climate change	3.1 Customized technical training, business development and investment brokering. 3.2 Develop and facilitate exit strategies for grantees identifying post-project investments scale-up capital (the project aims to scale at least 20% of the grantees). 3.3 Develop lessons learned documents, guidance and toolkits on effective and efficient adaptation solutions in fragile regions with high vulnerability to climate change and provide M&E for all grantees.	LDCF	159,298	300,000
				Sub Total ($)	**909,298**	**2,800,000**

Project Management Cost (PMC)

Project Management Cost (PMC)

	LDCF	90,930	200,000
	Sub Total($)	**90,930**	**200,000**
	Total Project Cost($)	**1,000,228**	**3,000,000**

C. Indicative sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount($)
Donor Agency	SIDA	Grant	Recurrent expenditures	3,000,000
			Total Project Cost($)	**3,000,000**

Describe how any "Investment Mobilized" was identified

n/a

D. Indicative Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)	Total($)
UNDP	LDCF	Global	Climate Change	NA	1,000,228	95,021	1,095,249
				Total GEF Resources($)	**1,000,228**	**95,021**	**1,095,249**

E. Project Preparation Grant (PPG)

PPG Amount ($)

50,000

PPG Agency Fee ($)

4,750

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)	Total($)
UNDP	LDCF	Global	Climate Change	NA	50,000	4,750	**54,750**
				Total Project Costs($)	**50,000**	**4,750**	**54,750**

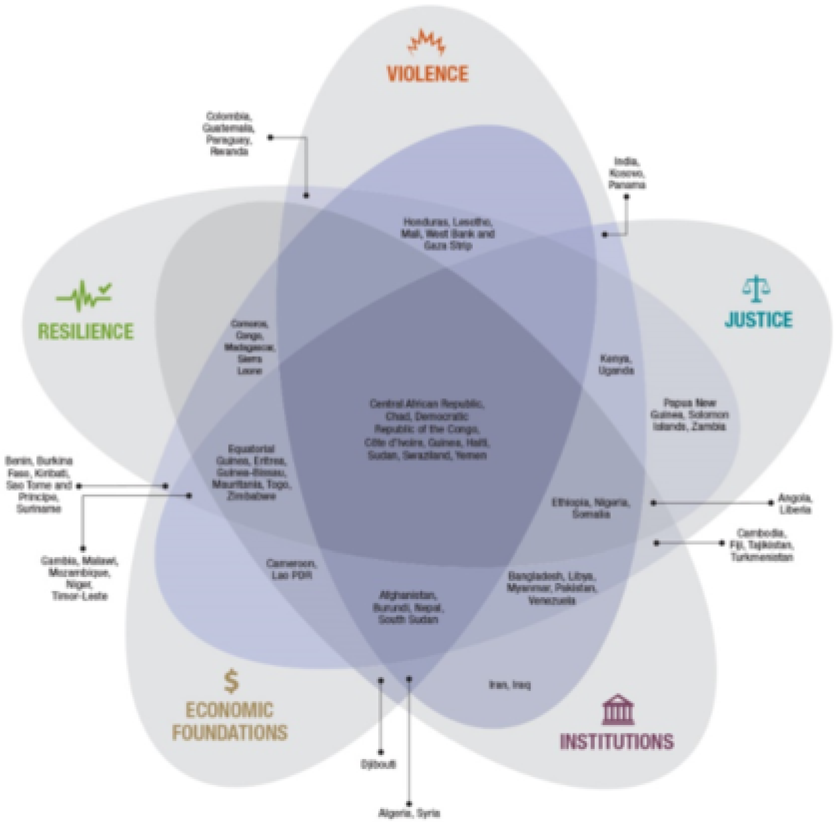
Part II. Project Justification

1a. Project Description

1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed (systems description);

For the first time in decades we are seeing a slowing and even reversal of development trends. Food insecurity has started to rise steadily again since 2014, after halving since 1990. This reversal of the long-term trend, which is accentuated in sub-Saharan Africa, has been attributed to the co-occurrence of increased climate change impacts and geo-political instability leading to potential conflict. With a further increase in extreme weather events related to climate change likely, and the global number of low level conflicts increasing recently, this co-occurrence is likely to become greater. Similarly, the rate of decline in global poverty has slowed recently and become more concentrated in fragile states in sub-Saharan Africa that face this co-occurrence of climate change impacts and geopolitical instability leading to potential conflicts. It is estimated that more than 80% of the world's poor will live in fragile and conflict affected states by 2030. Unsurprisingly, these fragile states trapped in protracted crises, also show the slowest progress against the 2030 Sustainable Development Goals, with only 18% on track to meet selected goals.

Fragile states/regions have been variously defined, but generally refer to states that have low institutional capacity, weak economic foundations, and limited social coherence, making them highly susceptible to slip into conflict and violence. The OECD have developed a multi-dimensional typology of fragility that illustrates the multiple ways it can be expressed (see below). The Peace Fund has also developed a Fragile State Index (https://fragilestatesindex.org/) that illustrates that fragility is a gradient and not a binary state (i.e. fragile/not fragile).



VIOLENCE
Reduce all forms of violence and violent deaths everywhere

RESILIENCE
Reduce exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters; build adaptative capacity

JUSTICE
Promote the rule of law at the national and international levels, and ensure equal access to justice for all

ECONOMIC FOUNDATIONS
Reduce youth unemployment; promote economic, social and political inclusion

INSTITUTIONS
Develop effective, accountable and transparent institutions at all levels; reduce illicit financial flows and combat organised crime

Additional shocks and stresses related to the co-occurrence of climate change impacts in fragile regions can exacerbate low-level tensions, potentially leading full-blown conflicts and protracted crises that are very difficult to rectify. This initiative will seek to identify and scale resilience innovations that help fragile regions facing high climate change impacts to avoid slipping into full-blown conflict; or help regions that are recovering from a conflict situation to build lasting peace and not regress into conflict due to climate shocks and stresses.

These fragile situations have also been shown to be highly susceptible to unintended negative consequence to well-meaning climate adaptation interventions – the so-called Boomerang effect – as a result of low institutional capacity and high levels of tension between societal groups (Swatuk et al. 2018). Despite the growing importance of these regions in meeting the SDGs and ensuring we leave no one behind, building resilience in these contexts is still poorly understood with many investors unwilling to support entrepreneurship due to risks. In these fragile regions, innovation to build resilience and adaptation will need to take an approach that broadly supports a variety of enterprise-based models from NGOs, social enterprises and businesses in order to guide and accelerate incubation and scale up innovations. This will require the development of new innovative resilience approaches, programming and support. Through the interlinked components in this initiative, it will illuminate a learning process for building resilience and adaptation in these regions that will be useful for future funds and investments.

The co-occurrence of climate change impacts and fragility result in a complex set of interrelated risks. These risks emerge when climate change interacts with other social, economic, and environmental pressures, such as rapid urbanization, inequality, ecosystem degradation and economic shocks leading to multiple challenges with particular links to water and food security. Based on the recent study of “A New Climate for Peace: Taking Action on Climate and Fragility Risks” , commissioned by G7, seven core risks that interlink between climate change and state fragility were found in the setting of conflict-affected climate-fragile regions:

- Local resource competition. As the pressure on natural resources increases, competition can lead to instability and even violent conflict in the absence of effective dispute resolution.
- Livelihood insecurity and migration. Climate changes will increase the human insecurity of people who depend on natural resources for their livelihoods, which could push them to migrate or turn to illegal sources of income.
- Extreme weather events and disasters. Extreme weather events and disasters will exacerbate fragility challenges and can increase people’s vulnerability and grievances, especially in conflict-affected situations.
- Volatile food prices and provision. Climate change is highly likely to disrupt food production in many regions, increasing prices and market volatility, and heightening the risk of protests, rioting, and civil conflict.
- Transboundary water management. Transboundary waters are frequently a source of tension; as demand grows and climate impacts affect availability and quality, competition over water use will likely increase the pressure on existing governance structures.

- Sea-level rise and coastal degradation. Rising sea levels will threaten the viability of low-lying areas even before they are submerged, leading to social disruption, displacement, and migration, while disagreements over maritime boundaries and ocean resources may increase.
- Unintended effects of climate policies. As climate adaptation and mitigation policies are more broadly implemented, the risks of unintended negative effects — particularly in fragile contexts — will also increase.

These seven-compound risks are not isolated from each other. They interact in complex ways, frustrating the development of effective responses at all levels. In addition, investors, including development finance institutions, approach fragile environments with caution. Not only must they contend with instability and weak institutions, lack of market information may also deter deal-making.

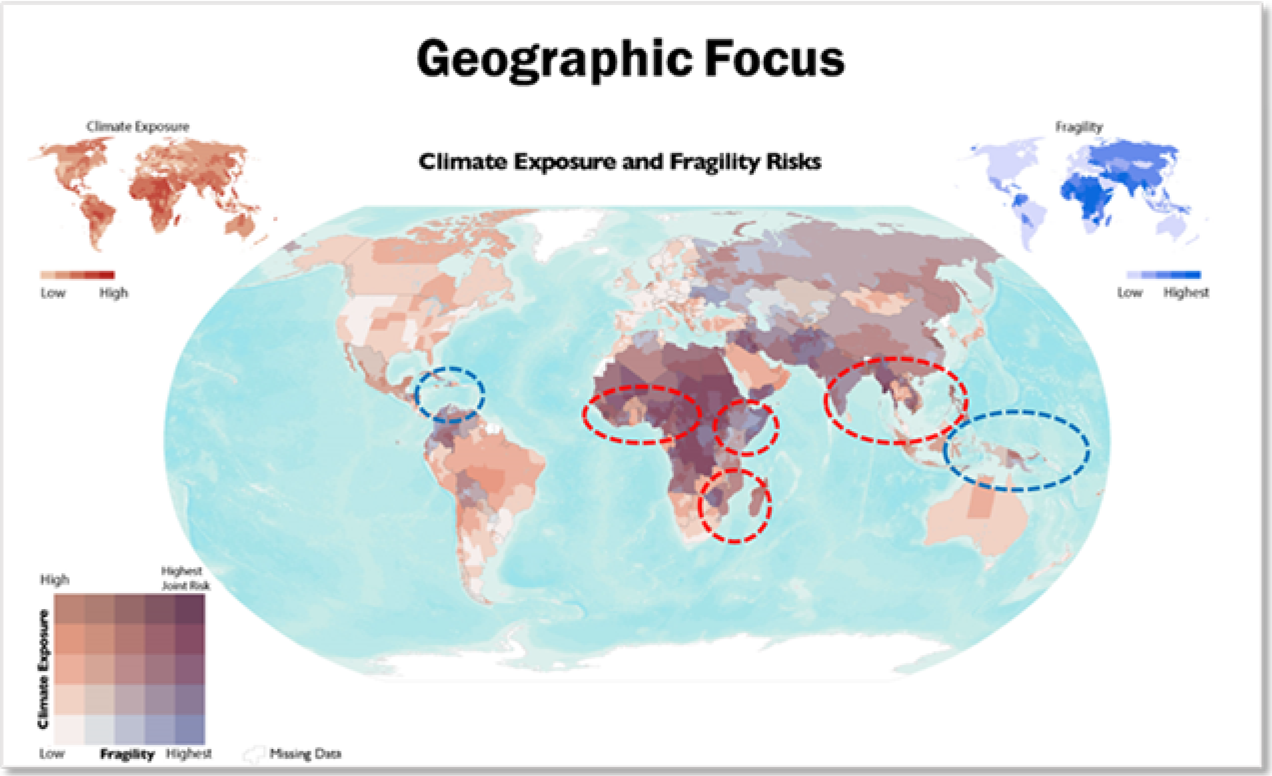
The very nature of climate change adaptation strategies is that they must be multi-pronged and nimble—meaning that these types of approaches necessarily require a flexible investment of time and money. This is especially true in vulnerable and fragile areas where high levels of volatility will require rapid learning and strategy adjustments throughout the life of projects.

Transforming people's lives in these complex contexts, will require moving from reactive and often incremental development approaches towards resilience approaches that are proactive, systemic and innovative; It will require moving from singular, centralised and productivity-based interventions to ones that promote diversity, equity and inclusion. Most importantly, it will require a shift from treating people at the frontline as victims needing our help, towards joining forces with them as empowered and innovative agents of change within their societies.

Global Footprint of fragility and Climate Risks

The highest co-occurrence of fragility and climate risks are concentrated in sub-Saharan Africa, with the remaining areas dotted across the Middle East and North Africa, South and Southeast Asia, and a few parts of South America (see Figure 1).

Figure 1. Global Fragility ad Climate Change Vulnerability hotspots



Potential Targeted Countries

Africa - Sahel	• Chad • Mali • Niger • Burkina Faso • Liberia • Guinea • Gambia • Togo • Sierra Leone • Senegal
Africa – Horn	• Ethiopia • Eritrea • Djibouti • Somalia • Sudan • South Sudan
Africa – Central	• Democratic Republic of Congo • Rwanda • Uganda • Burundi

Africa – Southern	• Tanzania • Mozambique • Madagascar • Malawi • Zambia • Zimbabwe
Asia - South	• Bangladesh • Bhutan • Nepal
Asia – South East	• Cambodia • Laos • Myanmar • Timor-Leste
South Pacific – SIDS	• Kiribati • Solomon Islands • Tuvalu • Vanuatu

These fragile states also have high vulnerability to climate change, they have chronic, high exposure to multiple climate hazards, facing some combination of floods, wildfires, chronic aridity, rainfall anomalies, cyclones, and coastal inundation. First-order effects of climate change hazards above often followed by second-order effects such as resource conflicts, migration and displacement, livelihood insecurity, and volatile food and energy prices. The cross-cutting nature of climate change risks and instability require well-planned long-term climate adaptation strategies.

Within these fragile regions, this program will identify specific countries to focus its efforts. This will be based on an assessment of where practice resilience-building initiatives can add the most value, and building on GRP & UNDP's network and on-ground partners, to be done in the full project proposal stage.

Long term preferred solution

The preferred solution is an integrated approach of risk assessment, planning, finance and implementation that would systemically address both climate change risks and state fragility. Firstly, climate vulnerability assessments include transboundary issues or fragility considerations; and fragility, peace, and conflict assessments include analyses of the co-benefits of climate change adaptation. Secondly, integrated planning approaches that incorporate conflict sensitivity and increasing awareness of a country's vulnerability to climate change and the benefits of investing in adaptation. Thirdly, establish longer-term scalable financing mechanism for states experiencing situations of fragility. Private finance, development assistance, and peacebuilding funds all could be leverage to scale-up promising solutions that build local resilience and fostering peace. Lastly, share lessons learned, best practices from the pilot programme will generate guidance and toolkits to inform future large-scale programme design and implementation.

Barriers

While it is critical to accelerate local led innovation to address the co-occurrence of increased climate change impacts and geo-political instability leading to potential conflict in fragile regions, there are significant barriers. In areas that are post conflict, even though conflict has ended, it does not mean that the business operating environment has changed, so businesses may continue to face many of the difficulties they faced in the midst of a conflict. Furthermore, a country's ability to achieve sustained and permanent growth in the aftermath of conflict has proven to be a particularly difficult and lengthy process due to weak institutions and an economy focused on recovering basic needs. In areas that are fragile to conflict, business trust may be particularly low and investment and spending risk considered high and hence resulting in limited customers or clients. Drawing from a World Bank Report on The Role of the Private Sector in Fragile and Conflict-Affected States, below is a summary of barriers to private sector development in fragile and post conflict areas:

Asset Destruction. The loss of assets is one of several economic constraints to the private sector in post-conflict environments. Such losses make it harder for enterprises to resume economic activity, and affect a significant part of the population – which in turn creates shrinkage in purchasing power and markets. Any potential climate change led disasters will further deteriorate existing assets.

Macroeconomic instability. In fragile and post-conflict regions challenges often occur for the private sector with inflation, macroeconomic instability and uncertainty, currency weakness, limited access to credit and financial services, and distorted regulation of economic activity. These factors result in a high proportion of informal economic activity. An economic environment with these constraints increases both the costs and the risks of engaging in commercial activity and investing.

Poor public Institutions. In fragile and post-conflict states, governments and institutions are fragile primarily because of: reduced levels of authority both pre and post conflict; absence of the most capable officials, many of whom have fled the nation; and, in some cases, lack of support from locals. Added to this are the financial constraints and limited capacity in terms of human resources and skilled staff. These factors also have an impact on governability, many times limiting institutional capacity to bring about change, ensure security, and guarantee the provision of basic services.

Corruption. In the majority of cases, a natural consequence of instability and post-conflict is widespread corruption. Instable and post-conflict environments are notorious for high levels of corruption, among other reasons because of the ―state of exception‖ – the idea that exceptional circumstances place the main imperative on rapid spending, with accounting controls as a secondary consideration. This state of exception can pose serious obstacles to private sector development. As USAID‗s Guide to Economic Growth in Post-Conflict Countries points out, ―increased corruption can lead to disparate and unpredictable enforcement of business and trade regulations, enabling some businesses to evade taxes, licensing restrictions, or customs duties that others must pay. Frequently, the rules themselves may be in flux, with unexpected decrees or fluctuating enforcement policies, making it difficult to pursue a rational business plan.

Security. Another constraint to private sector development is the insecurity that instability and post-conflict situations create. If there are residual pockets of violence, or continuing security threats, these place major limits on the form that the private sector can take, and the kinds of activities it can engage in. Restrictions are also placed on private-sector activity by the judicial system. Not only are property rights unclear in a post-conflict context, but there may not be clear channels of dispute resolution. Both of these are important to allow the private sector to grow and develop.

Access to finance. Conflicts put a halt to the normal operations of banking services, and financial institutions do not usually go back to business-as-usual in the early stages of post conflict. Consequently, the lack of access to credit is likely to be a particularly severe problem for private firms.

Labor. Instability and post-conflict situations may also cause unemployment and under-employment. In the post-conflict period there is a sudden influx of workers into the labor market, many of who will be young, unskilled, and inexperienced ex-combatants who will further depress the already low price of labor and complicate their absorption into the post-conflict economy.

Land Ownership. As mentioned before, the resulting weakened institutions in the postconflict context can create a breakdown of the legal system (even if laws and regulations are still in place), creating instability for private sector development.

Infrastructure. Armed conflict inevitably damages or destroys infrastructure, including basic transport and communications structure, as well as utilities such as electricity and water. Therefore, fragile states will be in severe need of rehabilitation and replacement of physical infrastructure if reconstruction is to occur in general, and if private sector development is to take place in particular. More specifically, the impact of poor or lacking infrastructure on the private sector prevents diversification and specialization of production, and the expansion of trade. Without the rehabilitation of infrastructure, economic growth potential will be limited.

Market distortions. The private sector is in competition with other development interventions, as numerous agencies try to help war-affected people. Grants and subsidies usually abound in such situations. These grants and subsidies are critical to easing the burdens of a fragile state, but there could be different rules associated with this aid. This can cause confusion and frustration in the local population. It also has the side effect of distorting private sector markets. In addition, many relief programs ignore locally available goods and services, making the problem worse.

Poor tax enforcement and collection. Another result of conflict and fragility is a severely depleted national fiscal base, with a small number of enterprises remaining in the formal sector. A vicious cycle is created that feeds informality: as ―economic activity declines and fewer firms remain in the formal sector, revenues from indirect taxes and VAT fall and governments become more dependent on import duties and other trade taxes…In many cases, the temptation has been to tax business activities too heavily, which strengthens the incentives for firms to remain in the informal sector.

There is no template for how these challenges are best addressed or for the optimal way to carry out private sector development in fragile and post-conflict affected situations. Still, it is clear that initiatives need to be grounded in a field-based understanding of a country‘s history, culture, resources and capacities. When thinking about the best ways to harness the power of the private sector to contribute to securing development, it is important to consider the context and to be pragmatic.

Finally, it should be again noted that fragility, and the barriers described above, occur along a gradient. This initiatives will target fragile countries and regions where resilience innovations hold the greatest promise of reducing the risk of slipping into full-blown conflict situations as a result of climate shocks and stresses; or where resilience innovations can support the recovery from a conflict situation and build lasting peace.

2) the baseline scenario and any associated baseline projects,

Baseline projects

In fragile and post-conflict regions, as outlined above, these barriers in fragile regions severely constraining the ability of local governments, private sector and communities to build resilience, even without the treats of climate change. Since many of the fragile regions in LDCs are also highly vulnerable to climate change, private sector and enterprise development with innovation in this setting is a very complex environment. In UNDP’s role as UN integrator, UNDP ensures coherence for prevention, peacebuilding and responsive institutions across the UN system through signature partnerships. With the UN Department of Political and Peacebuilding Affairs (DPPA), UNDP deploys Peace and

Development Advisors (PDA) in the Office of UN Resident Coordinators and UN Country Teams in 49 countries. As a co-chair of the UN Interagency Platform on Supporting Core Government Functions in Fragile and Crisis-affected Settings with DPPA, and working closely with the World Bank, UNDP delivers structural prevention solutions for strengthening the basic functionality of core governance institutions across various development contexts impacted by fragility and crises. With the UN Environment Programme and DPPA, UNDP supports the Climate Security Mechanism, a newly established initiative to ensure an integrated approach to climate-related security risks. There are three existing guidance for prevention and peacebuilding areas: conflict analysis and assessments, infrastructures for peace, and dialogue and mediation.

Conflict Analysis and Assessments: UNDP promotes conflict-sensitive programming through the UN Conflict & Development Analysis tool, endorsed by the inter-agency UN Sustainable Development Group, to be used as part of strategic planning and programming processes. As a key player in the UN system on recovery and peacebuilding, UNDP works closely with the World Bank and the European Union on joint UN-EU-World Bank Recovery and Peacebuilding Assessments (RPBA) meant to provide joint support for assessing, planning, and mobilizing efforts for recovery, reconstruction, peacebuilding and development in countries affected by crises.

Infrastructures for Peace: UNDP supports national and local level institutions to constructively address potential causes of conflict, such as socio-economic, political, ethnic or religious differences, and unequal resource allocation, and to build peace through institutions, mechanisms, resources, and skills called Infrastructures for Peace.

Dialogue and Mediation: UNDP supports national capacities for dialogue and mediation by empowering national and local mediators and facilitators to serve as credible intermediaries and confidence-builders to improve relationships, reduce mistrust in institutions, and facilitate collaboration and coordination among polarized groups and sectors. As part of these efforts, UNDP also contributes to global knowledge and lessons learned discourse on dialogue and insider mediation. To support countries and the broader peacebuilding community, UNDP develops practical guidance and frameworks in relevant thematic areas such as social cohesion and conflict-sensitive programming.

Baseline innovation, private sector and enterprise development initiatives

With the support of international donors, UNDP oversees and manages many conflict prevention projects addressing some of the above barriers all over the world. In the field of innovation and enterprise development, UNDP has a few targeted initiatives that could form the baseline of this program.

UNDP climate investment platform is currently under development to support various innovation, private sector and enterprise development initiatives. The core functions of this platform are: 1. Sourcing, Screening and Selection; Grant disbursement & Management; 3. Technical Assistance and Investment Brokering; 4. Knowledge Management and Results Aggregation. There is significant private sector engagement from this platform. Firstly, the sourcing of enterprisers and innovators is done by reaching out to our external partners; this includes various global innovation challenge programs, private equity hackathons and multiple high-level innovation forums. Secondly, the grant management for this platform is also different from traditional grants. The private sector grantee will be receiving an innovation challenge reward based on additional development milestones, not for baseline revenue generation ($10,000-$40,000), the social entrepreneurs, NGOs/CSOs will be receiving low value grant that could either be performance-based payment or income contingent grant (ability to share income based on set criteria). Lastly, the investment brokering services, UNDP has a list of vendors that provide business advisory and business development support. UNDP’s current program of Impact venture accelerators and Youth CO:Lab already are providing business development, incubation and acceleration support to both for-profit and not-for-profit businesses and entrepreneurs. Part of the exit strategy for the platform grantees is that once they reach growth stage (with revenue), UNDP will provide them linkage to impact funds, private equities and commercial finance. This project will be leverage the infrastructure of the UNDP climate investment platform.

The Accelerator Labs are UNDP’s new way of working in development established in the last few years. Together with our core partners, the State of Qatar and the Federal Republic of Germany, 60 labs serving 78 countries are working together with national and global partners to find radically new approaches that fit the complexity of current development challenges.

UNDP has a few country-based impact venture accelerators to pilot and testing potential innovations. These accelerators are also engaged in supporting enterprises which develop innovative technologies addressing SDGs. Some examples include:

- ImpactAIM Indonesia
- ImpactAIM Armenia
- SDG Impact Accelerator (Turkey)
- Impact Accelerator (Philippines)

UNDP Youth CO:Lab was established in 2017. Since then, the flagship programme achieved: 1700 young people empowered, launched or improved 140 social enterprises.

The Global Resilience Partnership (GRP) was setup to champion resilient approaches to sustainable development to enable people, households, communities, countries, and/or systems to transform in the face of sudden or protracted crises. GRP works with over 55 partners from across the public and private sectors in activities traversing four interconnected themes: Innovation & Scaling, Shared Learning & Capacity Development, Policy & Influence and Collective Thought Leadership & Evidence. To date, GRP has run three large challenges and invested over $35 Million in resilience programming in the Sahel, Horn of Africa and South and Southeast Asia. These challenges include managing 38 grants that have benefited over 5.7M people and supported over 1100 organizations. A summary of the lessons learned from these investments has been put forward in GRP’s Resilience Insights report launched in September 2019.

These investments have been complemented and amplified through an extensive program of monitoring, evaluation and learning, scaling and incubation, policy and communications support. The GRP managed grants have also won numerous international awards including two UNFCC Momentum of Change Awards, Munich Re Risk Award and Sasakawa Award as well as two projects being selected to be represented in the best practice adaptation category of the Dubai 2020 Expo. The GRP Secretariat further brings combined in-country and international organization experience to this challenge including managing challenge competitions that have invested hundreds of millions of dollars in over 200 large and small grants across Africa and South and Southeast Asia. These experience and networks will be leverage for this LDCF funded programme.

3) the proposed alternative scenario with a brief description of expected outcomes and components of the project;

Despite the efforts of UNDP and international communities working on the above baseline base line development issues, there are persistent adaptation deficits that are not being fully tackled at local level. Therefore while building on the baseline initiatives, the proposed project will address gaps in climate and fragility risk information, local finance for adaptation needs and will bring in innovation that will drive adaptation entrepreneurship, incubation of new business models and scaling up.

Component 1 Assessment and identification of enterprise-based innovation models for adaptation in fragile and post-conflict regions

Outcome 1: Investment opportunities and financing strategies to catalyze enterprises for adaptation innovation in the context of fragility and conflict developed.

This component attempts to address barriers 1 “Lack of local market intelligence, climate-fragility risks information and evidence on existing constrains” by conducting market studies, analysis of opportunities and barriers to entrepreneurship linked to adaptation and resilience building and climate-fragility risks analysis in a selected programme targeted regions (5-8). The political economy of fragile and conflict situations involves complex connections between business and politics. Market studies and analysis of opportunities and barriers to scaling and innovation would inform investment decisions to maximize impact. Rigorous assessments need to be conducted on the impact of potential investments so that they do not cause further harm to the delicate social fabric and avoid obstacles and take advantage of opportunities within each context. This means considering climate-fragility risks that involve competition over resources, value chain structures, the roles of ethnic or rebel groups, and women and other economic, environmental and political dimensions. This process also reinforces the sustainability of the programme to inform future scale-up investors as part of their pre-investment due diligence.

Potential innovation investment opportunities will be identified as part of the market studies and opportunities and barriers analysis to layout the scope and fundamentals for programme component 2 “Provision of Innovation Small Grants” and Component 3 ‘Provision of Scaling Grants’.

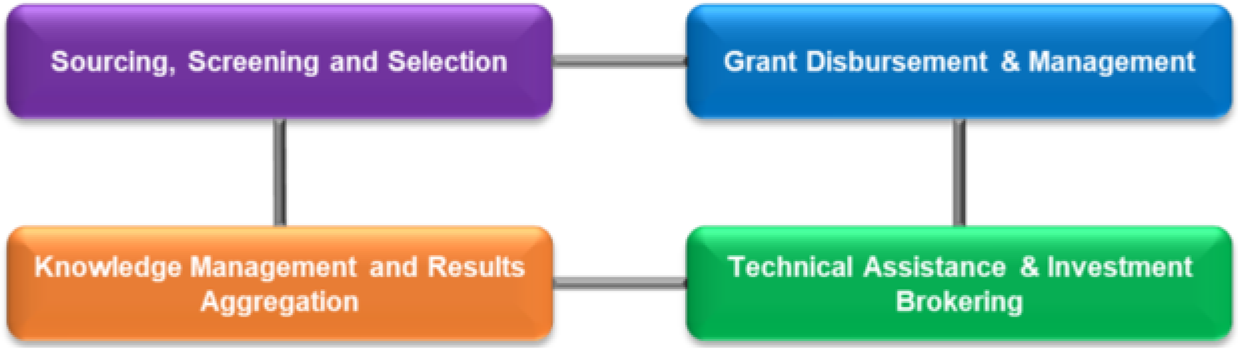
This component will be realized through the following outputs:

1.1 Potential innovations and investments assessed for enterprise-based models to strengthen resilience in fragile regions with high vulnerability to climate change.
1.2 Key thematic areas of investment and financing for enterprise-development for adaptation in the context of fragile identified.
1.3 Local/international partnerships crowded in to catalyze investment in fragile regions with high vulnerability to climate change.

Component 2. Catalytic financing for enterprises to innovate for climate resilience and adaptation in the context of fragility

Outcome 2: Innovative adaptation practices, tools and technologies that strengthen resilience in fragile regions with high vulnerability to climate change incubated and accelerated.

Small grants to the private sector and NGOs to accelerate and promote adaptation innovation will be managed centrally in Bangkok and when involving co-financing through GRP, in Sweden. The architecture of the innovation small grants has four major components:



1. Sourcing, Screening and Selection: The global calls for proposal will be issued after the completion of component 1 (estimate to be end of 2020). Each grantee will have up to 24 months to complete the project. In the first phase, UNDP and GRP will utilise internal/external networks to raise the awareness of the fund to all potential applicants and use component 1 to tailor the global call to incentivize the most suitable mix of organizations to apply. Grant proposals will be reviewed and screened according to the screening criteria that will comply with adaptation innovation and climate-fragility risks solutions.

Draft criteria for the applicants:

Adaptation & state fragility risks criteria:

- *Addressing state fragility risks for the (country or region)*
- *Alignment between state fragility risks and business solution / innovation*

- *Alignment between climate change vulnerability and business solution / innovation*
- *Addressing the adaptive capacity and resilience of local community, businesses or households to climate change and stability*
- *Assessment of community vulnerabilities*

Innovation criteria:

- *Degree of innovation*
- *Potential Scale-up*
- *Whether replicate successful adaptation innovation result can be achieved*
- *Financial sustainability and exit strategies*

ESG criteria:

- *Whether innovations have gender mainstreaming*
- *Social inclusion score*
- *Environmental/ecosystem benefit score*
- *End-beneficiaries (end-user) vulnerability (degree of poverty)*
- *Safeguard risks*

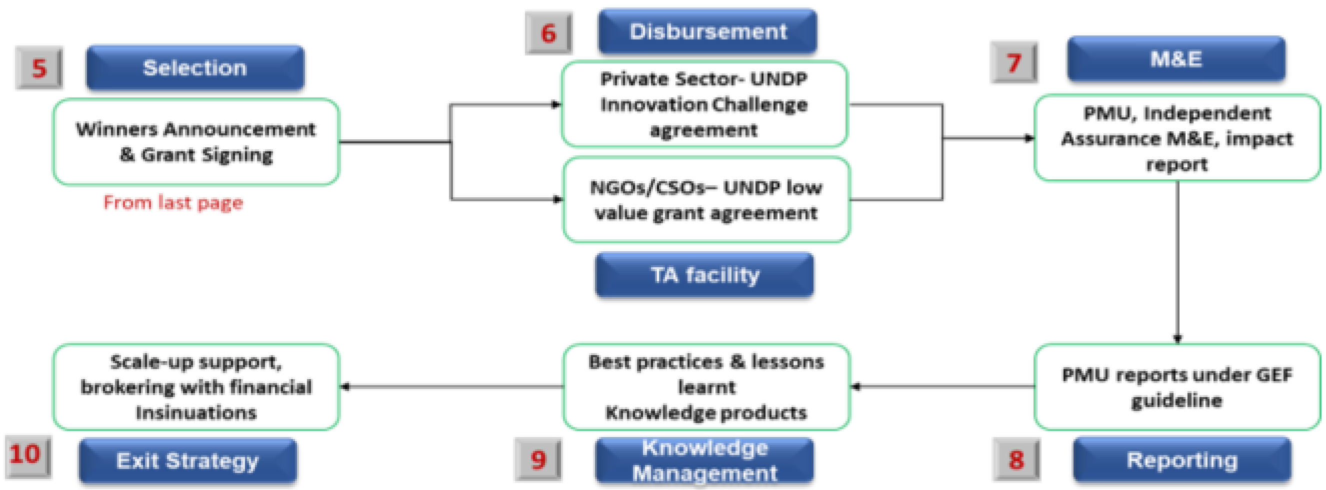
2. Grant disbursement & Management: This will include grant disbursement, administration and management as well as working with GEF Secretariat on operational procedures and addressing board concerns. A PMU (project management unit) will be established for this programme. Specifically, private sector will be using the UNDP innovation challenge agreement while NGOs/CSOs will be using the UNDP low-value grant agreement. For the private sector applicants, UNDP will explore the usage of performance-based payment or income-contingent grant to improve the results and sustainability of the program.

3. Technical Assistance and Investment Brokering: This includes capacity building, incubation, acceleration support, business advisory support and linkages to commercial capital. UNDP & GRP will leverage both in-house expertise as well as external expertise (on a competitive basis) to efficiently deliver technical assistance and assess to finance support to all grantees. The grantees can also leverage and gain support from the ecosystem of technical and business partners that UNDP will host in-line with the broader platform of support envisioned for the acceleration of innovation for climate action.

4. Knowledge Management and Results Aggregation. UNDP & GRP will work together with think-tanks and university networks to share knowledge and lessons learned to further enhance the effectiveness and sustainability of the programme.

Process map - Sourcing, Screening, Selection:

Process map – Disbursement, TA, M&E, Knowledge Management:



A critical focus of this component and Component 3 below will be designing exit strategies for each grant. This will help to ensure sustainability of investments. Further, we are exploring how co-financing for this grant, can be delivered through GRP and used as part of a revolving fund that will take advantage of the architecture, support and analysis from the GEF funded components of this grant.

The expected outputs of this component are:

2.1 Incubation grants (5-10, $10-40K/grant) provided for businesses (private sector) to

support adaptation practices, tools and technologies delivering resilience outcomes that promote peace & stability in fragile regions with high vulnerability to climate change

2.2 Acceleration financing (performance-based payments, 4-6 grants, $100K/grant) provided to social enterprises (NGOs, CSOs) to scale up enterprise-based adaptation models in the context of fragility and vulnerability to climate change

Component 3. Technical, and business development advisory, knowledge management and M&E for innovative and sustainable enterprises for adaptation in fragile contexts

Outcome 3: Capacities built through technical assistance and knowledge sharing for businesses and social enterprises in sustaining and scaling innovations for adaptation in the context of fragility and vulnerability to climate change

Technical and business development/acceleration support will be designed and planned according to the results of the rapid demand and capacity assessment carried out by PMU in close collaboration with each grantee and the Technical Panel. The PMU will also provide match making service to grantee from a UNDP & GRP vendor list to find the right local partner to assist the awardee' demand. This continuous process aims to improve the likelihood of success in translating proposed innovative idea into a workable prototype/model that can be further tested, refined, and ultimately commercially/widely rolled out. The grantees are encouraged to collaborate with relevant national institutions and private sector to further enhance their ideas. Investment brokering service will be facilitated by PMU once awardee demonstrated revenue potential to ensure the exit strategy is implemented with each awardee.

Existing UNDP networks (SGP and its capacity building initiatives, Youth Co:Lab, FSH) will provide their technical assistance support (in-kind support) to the grantees with their current capacity through their local network by involving grantees in relevant trainings, booth camps, consulting and mentorship sessions as periodically done by these structures. In certain cases, whenever organisation specific engagements are required (diagnostics, narrow domain specific technical advisory, business management advisory, local market intelligence, impact management and measurement) the local level support will be factored and provided based at full the cost recovery mechanism within the limits pre-agreed with program PMU. Additional global technical assistance will be established by the PMU with two key components:

One centralised online portal with common business development/mentorship function that is opened to all grantees. This is designed to achieve cost efficient business development and innovation support that is commonly applied to all grantees.

A global expert network for specific innovation assistance. UNDP will work with global partners such as Global Resilience Partnership, Stockholm Climate Security Hub and Global South Partners to augment resources from the GEF and provide tailored assistance to grantees in required and/or common fields to fill the remaining demand. The global experts will be on standby to provide just-in-time mentoring and advice throughout the programme. The PMU will also provide match making service to grantees to find the right global partner to assist the grantee' innovation. This continuous process aims to improve the likelihood of success in translating proposed innovative idea into a workable prototype/model that can be further tested, refined, and ultimately commercially/widely rolled out. The grantees are encouraged to collaborate with relevant national institutions and private sector to further enhance their ideas.

GRP will draw from its diverse public and private sector partners and its existing incubator to support this component. The GRP Incubator was set up in 2015 and has provided mentoring and scaling support to 38 grantees of GRP many of whom are working vulnerable and fragile regions. This work includes undertaking Resilience and Scalability Assessments, designing and refining exit strategies, identifying gasp and weaknesses in the project implementation and/or implementor, recommending courses of action to maximise effect and sustainability of the initiatives and refining implementation models.

The expected outputs of this component are:

3.1 Customized technical training, business development and investment brokering.

3.2 Develop and facilitate exit strategies for grantees identifying post-project investments scale-up capital (the project aims to scale at least 20% of the grantees).

3.3 Develop lessons learned documents, guidance and toolkits on effective and efficient adaptation solutions in fragile regions with high vulnerability to climate change and provide M&E for all grantees.

4) incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and co-financing;

Global financing for climate action has been steadily increasing to an estimated $510 billion per year (a 12-16% increase from last year). However, investment in activities to increase resilience to climate change is only $22 billion per year, or four percent of the total climate finance. Of this investment, finance is not reaching the places where it is needed the most with less than 10% reaching vulnerable and fragile regions[1][1]. With the limited available adaptation finance, LDCs were able to receive a large portion of it. However, most of the current adaptation finance is public driven rather than local driven; innovation and enterprise development are also not common financing options. Furthermore, in the setting of post conflict and fragile regions, investment in innovation is basically non-existence. Yet, it is estimated that more than 80% of the world's poor will live in fragile and conflict affected states by 2030. This lack of investment is further compounded, especially in these regions, by increasing extreme weather events and slow onset crises. As mentioned above, the preferred solution is an integrated approach of risk assessment, planning, finance and implementation that would systemically addressing both climate change risks and state fragility. Firstly, climate vulnerability assessments include transboundary issues or fragility considerations; and fragility, peace, and conflict assessments include analyses of the co-benefits of climate change adaptation. Secondly, integrated planning approaches that incorporate conflict sensitivity and increasing awareness of a country's vulnerability to climate change and the benefits of investing in adaptation. Thirdly, establish longer term scalable financing mechanism for states experiencing situations of fragility. Private finance, development assistance, and peacebuilding funds all could be leverage to scale-up promising solutions that build local resilience and fostering peace. This project clearly focus the third element by piloting a longer term scalable financing mechanism for climate change adaptation given the context of state fragility. In the component 1 of this project, UNDP and GRP will actively source local led adaptation and innovation solutions that attempted to build resilience while improving stability, this activity will build the fundamental investment theme in the state fragility context. In the component 2, resource from LDCF and co-finance from development partners will invest in potential private sector companies and social enterprises to build evidence and scale potential innovative adaptation solutions; the private sector investment will be granted based on additional development milestone rather than pure revenue generated activities. Lastly, component 3 will summarized the lessons learnt and develop guidance and toolkits to replicate in other fragile regions and enable larger investment to be made. Therefore, the LDCF funding for adaptation innovation in LDCs focusing on conflict sensitive and fragile regions is critical to promote and accelerate local led adaptation actions.

Existing UNDP networks (SGP and its capacity building initiatives, Youth Co:Lab, FSH) will provide their technical assistance support (in-kind support) to the grantees with their current capacity through their local network by involving grantees in relevant trainings, booth camps, consulting and mentorship sessions as periodically done by these structures.

The Adaptation Fund Innovation Small Grant Platform shares some of the backend infrastructure such as procurement admin support service, office cost sharing, vendor lists sharing and potentially, expertise from the investment committee.

GRP will provide its expertise to in implementing and supporting resilience innovations in vulnerable and fragile states. This includes GRP's expertise in running challenge funds that have benefited 5.7 million people and supported over 1100 organizations.

5) global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF);

CCA-1: Reduce vulnerability and increase resilience through innovation and technology transfer for climate change adaptation.

The proposed project will support adoption and upscaling of innovation adaptation practices, technologies and business models (Outcome 3.3). In addition, knowledge generated through the program will be collected and shared across internal and external stakeholders, including the grantees.

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CCA-3: Foster enabling conditions for effective and integrated climate change adaptation

The first component of the program will provide landscape analysis and market intelligence research on climate risks in fragile and post conflict regions (Outcome 1). These studies will help to information the local policy makers, local investors on the enabling conditions of scalable climate adaptation innovations.

6) innovation, sustainability and potential for scaling up.

The project's entire focus is on surfacing innovation in vulnerable and fragile states. Recognizing that supporting innovation requires risk taking and risk-taking means that it is likely some projects will fail; the project will adopt a high-risk appetite to support he most innovative projects to both fail fast and fail smart ensuring that we collect learning from all investments. The project will also draw extensively from GRP and UNDP’s work in supporting innovation including the recent GRP Innovation competition, which is supporting 18 innovations through the GRP incubator, many of them in vulnerable and fragile states.

Comparing to traditional GEF projects, this program is using a challenge fund model with pre-analytical landscape study. In addition, the setting of post conflict and fragility and climate change adaptation innovation is a very rare combination; currently, in our knowledge, there are not targeted investment/challenge funds/projects focus in this thematic focus. This program will be an innovative approach to find potential solutions for climate change adaptation in the fragile regions in LDCs.

Within the program, the innovation screening criteria is the first assurance of innovation, sustainability and potential for scaling up:

Innovation criteria:

- *Degree of innovation*
- *Potential Scale-up*
- *Whether replicate successful adaptation innovation result can be achieved*
- *Financial sustainability*

An investment committee including external investors and commercial capital providers will be consulted once grantees are deemed to be scalable by the PMU. UNDP and GRP will activity facilitate external finance (either concessional or commercial) for successful grantees. At the end of the project, there could be a pitching event for all the grantees with potential investors.

All grant proposals are required to describe clear pathway on how the proposed projects will be technically, financially, and operationally sustainable. Evidence of project equity, existing funding, and forthcoming funding will be demonstrated by the project developers. Fund raising strategy and relevant partners should also be included. Project risk assessment and management as pertaining to the project’s expected outcome and its sustainability will be part of the proposal and screening criteria. Exit strategy will be designed for each grantee and a portion of the technical assistance facility will be dedicated to ensure the exit strategy of grantees are implemented.

For component 2, UNDP & GRP will also explore the option of using co-finance resource to establish revolving grant facility to further enhance the sustainability of this program. If such facility is deemed to be feasible and efficient in terms of cost-benefit, it is envisioned all private sector companies from this program to be funded through this specific window.

Furthermore, it is envisioned to have two possible general exit strategy for different types of grantees: for promising NGOs/CSOs/Social Enterprises (not yet fully commercial), the program will match them with concessional or blended finance. UNDP's portfolio of climate and environmental projects and future pipeline could provide a larger scaling ground for these organizations; linkage with government will also provide possible public funding to scale up. There is also a plan from UNDP to establish a blended facility with development partners to scale up the proven innovative technologies, practices and business models given multiple innovation related projects that are currently under design/implementation. While this program will not directly finance this facility, the successful grantees from this program will be part of the pipeline of the facility.

Successful private sector companies from the program (growth phase, profit making) will be matched with local commercial banks, private equity or venture capital to enter into A round/B round and be truly scaled in the commercial world. UNDP and GRP will also actively reach out to our partners in the business and investment industries to seek initial interest of working with this program on exit strategy.

1b. Project Map and Coordinates

Please provide geo-referenced information and map where the project interventions will take place.

This will be conducted in the component 1 of the project.

2. Stakeholders

Select the stakeholders that have participated in consultations during the project identification phase:

Indigenous Peoples and Local Communities

Civil Society Organizations

Private Sector Entities

If none of the above,please explain why: Yes

This will be conducted in the component 1 of the project.
In addition, provide indicative information on how stakeholders, including civil society and indigenous peoples, will be engaged in the project preparation, and their respective roles and means of engagement.

3. Gender Equality and Women's Empowerment

Briefly include below any gender dimensions relevant to the project, and any plans to address gender in project design (e.g. gender analysis).

This program's screening criteria will address economic and financial viability criteria by describing value proposition and an economic / financial benefit and cost analysis to clearly and quantitatively (as much as possible) both direct and indirect costs and economic and financial, social and environmental benefits, with specific reference to the most vulnerable communities, and vulnerable groups within communities, including gender considerations.

The grant proposal will describe how the project would adhere to the GEF's Gender policy including gender mainstreaming and women's empowerment. The proposal should ensure that women and men are provided with an equal opportunity to build resilience, address their differentiated vulnerabilities and increase their capability to adapt to climate change impacts. The proposal should illustrate how gender equality is imbedded in the project design, consultation, implementation, monitoring, reporting, and evaluation.

From a result perspective, Grantees are required to prepare Quarterly Performance Briefs on the progress of their projects including status of their compliance with GEF and UNDP environment, social, and gender policy, in addition, any measures undertaken or impact created that addressing gender equality.

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment? Yes

closing gender gaps in access to and control over natural resources; Yes

improving women's participation and decision-making; and/or

generating socio-economic benefits or services for women. Yes

Will the project's results framework or logical framework include gender-sensitive indicators?

Yes

4. Private sector engagement

Will there be private sector engagement in the project?

Yes

Please briefly explain the rationale behind your answer.

Overall, the private sector landscape in fragile regions of LDCs are complicated. Different from developed economic where most economy activities are carried out by the private sector, in fragile regions of LDCs, economy activities are normally divided by informal sector (individual, local groups and grey market), social led sector (social enterprises, local NGOs/CSOs, cooperatives) and for-profit MSMEs. In order to find scalable solutions for adaptation that also enhance local/regional stability, we must work with all these sectors to explore areas of innovation.

In the component 1 of this project, UNDP and GRP will actively source local led adaptation and innovation solutions that attempted to build resilience while improving stability. Within this componet, local market intelligence will be gathered, and it is aimed to reach out to all three of the sectors mentioned above. In the component 2, resource from LDCF and co-finance from development partners will invest in potential private sector companies and social enterprises to build evidence and scale potential innovative adaptation solutions. Technical assistance to these grantees will be sourced locally firstly before internationally, therefore, local private sector that are providing business advisory services will be also engaged to work with local social enterprises and businesses. The for-profit grantee will be receiving an innovation challenge reward based on additional development milestones, not for baseline revenue generation ($10,000-$40,000); the social entrepreneurs, NGOs/CSOs will be receiving low value grant that could either be performance-based payment or income contingent grant (ability to share income based on set criteria). Once the grantees from the program reach to growth stage with revenue or scaling potential, UNDP and GRP will actively reach out to local finance providers, domestic commercial capital, international impact funds, private equity funds and venture funds to support their exit strategy.

GRP will draw expertise from its base of over 50 partners to provide technical assistance and advice to the project. This includes numerous private sector organizations including large scale, such as Zurich Insurance, KPMG, AXA that can offer broad regional perspectives as well as in house expertise; smaller organizations such as One Architecture that is focused on private sector resilience building and can provide local and perspectives and lessons learned and groups of private sector organizations such as Business for Social Responsibility and the World Business Council on Sustainable Development that can provide networks and potential partners as well as possible funding sources.

5. Risks

Indicate risks, including climate change, potential social and environmental risks that might prevent the Project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the Project design (table format acceptable)

The following table provides a summary of potential financial and programme risks and corresponding risk management strategy.

Potential Risk	Risk Level	Risk Management Strategy
Fragile context specific risks		
Businesses and social enterprises that received grant from UNDP also involve in adverse impact from employment; especially given the context of fragile regions in LDCs. In addition, although the project aims to improve stability by finding climate change adaptation solutions that improve resilience, it is still likely that when handle incorrectly, the grant recipient businesses or social enterprises could exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals by business expansion.	Moderate	In component 1 of the project with investments identification, this issue should be assessed and potential risks should be highlighted. In component 2 of the project, screening criteria need to incorporate social and environmental risks measurement. During the selection process and M&E process, a Safeguard expert will be hired to review the grant applicants. Conflict history will be examined in detail from component 1 and screening criteria has an element of this: • Addressing state fragility risks for the (country or region) • Alignment between state fragility risks and business solution / innovation • Addressing the adaptive capacity and resilience of local community, businesses or households to climate change and stability

Potential Risk	Risk Level	Risk Management Strategy
The grant recipient businesses or social enterprises fail to comply with national and international labor standards and employment with the businesses and social enterprises could pose a potential risk to health and safety of individuals.	Low	In component 2 of the project, screening criteria need to incorporate social and environmental risks measurement. During the selection process and M&E process, a Safeguard expert will be hired to review the grant applicants.
The project operates in fragile regions in LDCs to provide grants to local businesses and social enterprises. It is highly likely that the project will be working with indigenous peoples, either as grantees, customers of grantees or suppliers of grantees.	Low	The objective of the project is to find and scale potential solutions of climate change adaptation in fragile states by providing grant to existing business. As the project does not create new or change of current local engagement method with indigenous people, the impact is quite low. However, since the project regions have not defined, place impact rating on 2 until further assessment is done.
General project risks		
Misappropriation of the grant funding	Low	Milestone based disbursement will be used instead of providing the total grant amount at the grant signing stage. Financial audit is required as a part of the annual progress report.
Lack of participation at the call for proposals	Low	Market studies and landscape research conducted in the project will reduce this risk. During the global call for proposals, UNDP & GRP will also actively source innovation ideas from the network of development partners who are working on innovation, incubation, and acceleration topics.
Project implementation delay	Medium	PMU through the on demand and continual technical and business development/acceleration support, will (i) closely monitor the progress of each grantee and discover challenges and barriers that could prevent timely completion of the project and (ii) devise mitigation strategy to resolve the challenges.
Success is overstated in the progress report while failure is understated or unreported	Medium	It is crucial that both success and failure are documented and analysed by the grantees. It is a critical part of the knowledge sharing and lessons learned. In fact, one often learns from failure than success. This message will be communicated throughout the programme implementation cycle and regularly monitored.

Potential Risk	Risk Level	Risk Management Strategy
Grantees fail in securing scale up and replication support and funding from other sources after the completion of the project	Medium/High	It is critical to note that the success rate of any start-up or innovation venture is quite low. With all the support provided by UNDP, GRP and our partners, it is anticipated that the success would be in the range of 10%-20%.
Environmental, social and governance risk not managed, triggering risk events	Medium	Environmental, social and governance criteria will be established in every step of the programme. UNDP Social and Environmental Safeguards Procedure (SESP) will be used to ensure the controls of this risk are in place. ESG management plan will be prepared before the programme implementation. Call of proposal will highlight potential ESG risk, selection template will contain ESG risk identification questions, M&E will also contain a ESG reporting section.
Grantees does not attract sufficient support from private sector	Medium	Throughout the various project phases (launch, global call, evaluation, fund disbursement, showcasing etc.), emphasis will be given to engaging like minded private sector partners. Specific conversations related to unlocking private sector support to this agenda will be curated alongside the key project activities. Also engage local and global private sector partners in evaluation panels.

6. Coordination

Outline the institutional structure of the project including monitoring and evaluation coordination at the project level. Describe possible coordination with other relevant GEF-financed projects and other initiatives.

In countries experiencing situations of fragility, climate adaptation strategies may be important entry points for addressing climate-fragility risks since they offer pathways for responding to stresses on critical natural resources. To do this, however, these strategies need to be linked to long-term peacebuilding efforts.

The United Nations Framework Convention on Climate Change (UNFCCC) has been a key resource, helping countries prepare vulnerability assessments and climate change adaptation plans, as well as providing funding for the implementation of these plans. However, it can be challenging for countries experiencing situations of fragility to fully engage in UNFCCC-related activities. Climate vulnerability assessments are far more advanced today than just a few years ago, but they still lack significant discussion of the political or social impacts of climate change and information on a country’s conflict history or its marginalized groups; in addition, most do not address drivers of fragility or other transboundary issues.

Climate change adaptation plans increasingly reflect a more comprehensive notion of resilience. Eight of the G7+ states — a voluntary association of conflict-affected countries that are in transition to the next stages of development and are part of the New Deal for Engagement in Fragile States — have recognized climate-conflict risks in their national adaptation programmes of action.

Financial support — especially longer-term financing — for states experiencing situations of fragility is challenging. Although the amount of global climate funding is expected to increase substantially, it is not yet clear to what extent these states will be able to benefit, due to their limited capacities. Financing — including private finance, development assistance, and peacebuilding funds — plays an important role in building institutional resilience and fostering peace. The global agendas on climate, sustainable development, peacebuilding, and other environmental issues are largely conducted through separate policy processes, fostering a proliferation of negotiation fora and sectoral funding streams, each with different operational procedures, fiduciary standards, and reporting requirements. This proliferation burdens already overstretched states with weak institutional capacity. Additionally, traditional aid delivery mechanisms are especially difficult for countries with weak institutions to manage.

Internally, UNDP will leverage the existing networks to support the grant programme. This includes UNDP Global Policy Network, UNDP Country Offices, UNCDF field Offices, UNDP GEF SGP, UNDP YouthCO:Lab, UNDP SDG Finance Hub.

UNDP YouthCO:Lab has many examples on developing business/technology for climate resilience, a few local companies supported by UNDP Youth Co:lab:

- Smart Farms (Fiji): They provided an automated, mobile app managed hydroponics system where plants are grown in a controlled environment without soil, all year round.
- Himalayan Innovations (Nepal): Founded by a pair of engineering siblings, the team uses innovative systems such as design technology, blockchain and artificial intelligence to bring creative solutions to rural sectors such as agriculture and energy.
- Malamanila (Solomon Islands): A youth-led social enterprise that harvests and produces pineapple juice to provide employment for youths in post-conflict areas.

The Adaptation Fund Board recently approved US$ 10 million for two innovation pilot programmes, which will provide grants to countries that do not yet have Direct Access entities as well as the private sector to foster innovation in several adaptation sectors. These particular grants will be administered by two of the Fund's multilateral implementing entities (UNDP and UN Environment) that will serve to aggregate them with participation of beneficiary countries. Each window will receive US$ 5 million to administer the grants. The AF-UNDP Innovation Small Grant Aggregator Platform (ISGAP) aims to support the development and diffusion of innovative adaptation practices, tools, and technologies with two expected results:

- New innovations promoted and accelerated: Development of innovative adaptation practices, tools and technologies encouraged and accelerated and
- Evidence base generated: Evidence of effective and efficient adaptation practices, products and technologies generated as a basis for implementing entities and other funds to enable scaling up.

The grant sizes of the AF-UNDP Innovation Small Grant Aggregator Platform are between $75,000 to $250,000; which will be focusing very different enterprises/organizations with the Resilience for Peace & Stability, Food and Water Security Innovation Grant Program. In addition, ISGAP will not operate in the fragile and conflict context given the risk profile vs grant size.

The UNDP Country Offices will provide support in the implementation of in-country activities as per agreed workplans. PMU will ensure financial allocations to Country Offices as per established workplans / activities for each of the country where the awardee is located. The assigned CO staff will provide the necessary support to the project implementation, monitoring, and contribute to the financial and operational closure and final reporting.

UNDP will be both executing and implementing the project. GRP will also leverage its existing networks to support the grant programme including drawing from GRP's specific expertise in Monitoring, Evaluation and Learning (MEL). The GRP Impact Unit generates and assimilates knowledge from across the GRP about what works best to strengthen resilience and use this knowledge to inform better policy and practice. This will be used to:

1. To support the different investments to gather and produce robust evidence, including through monitoring, evaluation, and learning exercises, and to share these evidences and learning outcomes to improve project results and learn together.
2. To generate and assimilate knowledge about what works to strengthen resilience in these contexts and promote the uptake of this knowledge by policy makers and practitioners. This is to amplify the positive impact on resilience across geographies, and have a transformative impact on how aid and development function in the most vulnerable and fragile communities.

7. Consistency with National Priorities

Is the Project consistent with the National Strategies and plans or reports and assesments under relevant conventions

If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc

8. Knowledge Management

Outline the Knowledge management approach for the Project, including, if any, plans for the Project to learn from other relevant Projects and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.

The learning and sharing mechanism proposed for this programme will encourage cross-fertilization, scaling up and replication, and problem solving.

Since learning and knowledge sharing are one of the critical factors that feed into innovation as well as replication and scaling up processes, PMU will allocate resources to facilitate learning and knowledge sharing. This will build on what existing lessons, knowledge, indigenous culture and wisdoms and the rich diversity of experiences and lessons from on-going initiatives within UNDP & GRP. The programme will also leverage UNDP SGP's experience of a Global Citizens Knowledge Platform, UNDP's work on South-South Cooperation, Knowledge Fairs and other existing UNDP initiatives as an effective and efficient way to operationalize knowledge sharing and learning activities.

To broaden the knowledge base, UNDP through relevant internal units such UNDP SGP, UNDP FSH, and Youth Co:Lab will facilitate a virtual linkage between the Knowledge Platform and network of leading incubators, accelerators, innovation labs, and climate change adaptation practitioners. To deepen knowledge creation and sharing, result driven knowledge sharing platforms (such as hackathon, innovation fair, product showcase), will be organized in coordination with GRP and direct access grantees as well as UNDP's public and private partners.

Part III: Approval/Endorsement By GEF Operational Focal Point(S) And Gef Agency(ies)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the Operational Focal Point endorsement letter with this template).

Name	Position	Ministry	Date

ANNEX A: Project Map and Geographic Coordinates

Please provide geo-referenced information and map where the project intervention takes place