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Aligning strategically with UN SDGs:



Least Developed Countries (LDCs) are disproportionately affected by climate change impacts. Recent climate-driven disasters highlight the urgent need for increased investment in climate adaptation and resilience.

International adaptation finance flows to developing countries are 5-10 times below the estimated need and the gap keeps widening.

There is a huge opportunity for the private sector, particularly MSMEs to drive innovation to provide tailored market-based services and unlock financing for climate adaptation and resilience in developing countries.



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Innovation for Climate Adaptation and Resilience

Systems innovation approach for
transformational change





OBJECTIVE

Reduce climate vulnerability and enhance resilience to climate change through promoting innovation, transfer and large-scale deployment of adaptation-oriented technologies and services by MSMEs and create jobs in the water, energy and food and agricultural sectors.



KEY CHALLENGES ADDRESSED BY THE PROGRAMME

1. Limited innovation and entrepreneurial performance of MSMEs in climate adaptation
2. Weak market linkages for provision of climate change adaptation and resilience technologies and solutions
3. Limited access to financing and availability of appropriate financial products for adaptation MSMEs and communities
4. Weak policy, regulatory and institutional framework to support innovative adaptation and resilience solutions
5. Lack of awareness, knowledge and access to information

PROPOSED PROGRAMME



PILLAR 1

Building and growing innovative Adaptation and Resilience MSMEs that promote appropriate, inclusive and affordable solutions



PILLAR 2

Adapting and Co-creating Financial instruments for Adaptation and Resilience Innovation



PILLAR 3

Creating a conducive ecosystem for support and uptake of innovative climate adaptation and resilience MSMEs



PILLAR 4

Coordination, Knowledge Management and Learning

- MSMEs providing adaptation-oriented solutions supported to build, grow and scale-up their operations
- Selected MSMEs providing adaptation-oriented solutions access venture building support and performance-based financing for successful rollout and dissemination of their technologies and solutions

- Assess and recommend innovative finance opportunities for adaptation and resilience MSMEs through a global Adaptation & Resilience Fund Facility and national Pipeline Development Facilities
- Apply existing financial instruments/models innovatively and co-create with relevant actors
- Enhance the capacities of an ecosystem of funders and relevant actors to enable an innovative and inclusive market for adaptation solutions
- Train local investors, banks & other actors in assessing climate adaptation and resilience impact, co-plan with clients and reduce potential business losses posed by climate risks in their portfolios

- Enhance national, local and global coordination instruments on climate change adaptation and resilience innovation
- Develop and share policy recommendations to develop and promote the market for adaptation and resilience MSMEs
- Harness national and local institutional capacities for climate adaptation and resilience-driven entrepreneurship ecosystems
- Methodologies and guidebooks for assessing and quantifying adaptation and resilience benefits of projects

- Programme level knowledge management, communication and advocacy strategy action plan developed
- Knowledge generation, exchange and dissemination at national and global levels
- Programme monitoring and evaluation framework developed