



CALL FOR PROPOSALS

# THE CHALLENGE PROGRAM FOR ADAPTATION INNOVATION

**APPLY BY: SEPTEMBER 1, 2019**



GLOBAL ENVIRONMENT FACILITY  
INVESTING IN OUR PLANET



## Call for Proposals

### For the Challenge Program for Adaptation Innovation

#### Introduction

The Global Environment Facility (GEF) was established on the eve of the 1992 Rio Earth Summit to help tackle our planet's most pressing environmental problems. Today, the GEF is an international partnership of 183 countries, international institutions, civil society organizations and the private sector that addresses global environmental issues.

The GEF supports climate adaptation efforts mainly through the [Least Developed Countries Fund](#) (LDCF) and the [Special Climate Change Fund](#) (SCCF). Since their inception in 2001, the GEF provided over US\$1.5 billion in grant financing and mobilized more than US\$7 billion from other sources for 330 adaptation projects in 130 countries, including each of the 47 least developed countries (LDCs).

**The GEF seeks proposals for a US\$10 million Challenge Program for Adaptation Innovation to harness the potential of the private sector actors.** The Challenge Program aims to contribute to the global goal on adaptation for the Paris Agreement, by supporting initiatives to increase resilience to the adverse impacts of climate change and variability in vulnerable developing countries, and by supporting efforts to build adaptive capacity.<sup>1</sup>

#### Call for Proposals

The Challenge Program for Adaptation Innovation seeks to identify, test and highlight innovative adaptation approaches with potential to be replicated and scaled up through cooperation with institutional investors, bilateral or multilateral providers of climate finance, and other sources. By focusing on continuous innovation and learning with regard to private adaptation solutions, the Challenge Program aims to demonstrate potentially scalable,

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<sup>1</sup> In line with the new [GEF Programming Strategy on Adaptation to Climate Change for the LDCF and the SCCF](#), the GEF Council in December 2018 discussed a [document](#) on resource allocation, application modality and eligibility, pre-selection criteria for proposals and financial terms for the Challenge Program. Based on the Council discussion, the GEF Secretariat is announcing this call for proposals.

bankable or otherwise fundable investment approaches, business models, partnerships and technologies.

The Challenge Program aims to promote innovation in adaptation technologies and techniques by supporting sustainable innovation ecosystems for micro, small, and medium enterprises (MSMEs), thereby creating private sector opportunities to reduce climate change vulnerabilities. Fostering innovation and entrepreneurship environments for technologies in the resilience space will allow developing countries to build more sustainable and resilient economies. The Challenge Program can support entrepreneurship development, incubators, seed funding, venture capital and other potentially impactful approaches.

### **Pre-Selection Criteria**

The pre-selection process aims at identifying and prioritizing suitable projects and programs for admission in the formal project cycle, so that the number and size of the proposals entering the formal cycle matches the funds that are available.

Pre-selection aims to ensure that the following **criteria** are taken into consideration:

- (a) Project/program quality;
- (b) Equitable distribution among eligible countries and regions;
- (c) Degree of innovation;
- (d) Potential to catalyze private sector for climate change adaptation at scale; and
- (e) Support for priority sectors and themes.

All sectors and themes are eligible under the Challenge Program, while **an emphasis is placed on select priority themes as follows:**

- (a) Entrepreneurship development in the adaptation and climate resilience space;
- (b) Promoting local private sector actors, especially micro, small and medium-sized enterprises, which are critical for resilient economies and communities in developing countries, providing services and access to hard-to-reach populations;
- (c) Strategic multi-stakeholder partnerships<sup>2</sup>, alliances, and incubators as catalyzers of larger scale financing and market developers;
- (d) Initiatives that address climate security;
- (e) Resilience technology transfer including for weather analytics and monitoring, catastrophe and climate risk modeling, climate insurance, efficient irrigation and drinking water supply systems;
- (f) Resilient food storage, distribution and supply chains for agricultural and commodity supply chains, and enhancing resilience of small land-holders;
- (g) Innovative business models and investment approaches, seed funding and venture capital approaches to improve access to finance for private sector

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<sup>2</sup> This may include new, existing or emerging programs.

solutions to climate change, including facilities or structures that support sustainable project pipeline development, aggregation or linkages to bond and other capital markets; and

- (h) Enhancing gender-responsiveness in private sector climate change adaptation by supporting ownership and active participation of female stakeholders and gender-specific adaptation strategies.

### **Financial Terms**

As per the [GEF Programming Strategy on Adaptation to Climate Change for the LDCF and the SCCF](#), financial instruments for concept notes submitted for support under the SCCF may use both grant and non-grant instruments on a fully flexible and case-by-case basis. Concept notes for the LDCF are expected to be exclusively grant-based.

### **Eligibility**

The initial envelope of US\$10 million for the Challenge Program includes US\$5 million from the SCCF and US\$5 million from the LDCF. All developing countries are eligible to benefit from SCCF funding under the Challenge Program, while only LDCs are eligible for Challenge Program resources that are drawn from the LDCF global/regional set-aside. Resources come from the global/regional set aside under the LDCF, and the SCCF.

For the submission of proposals that do not address Climate Change Adaptation under the LDCF and SCCF, please refer to the GEF-7 Non-Grant Instrument Program for GEF Trust Fund focal areas.

### **Application Modality**

Concept notes should be no more than three pages, and should indicate proposed objectives, activities, adaptation benefits, requested amount of LDCF/SCCF resources, how the proposal meets the pre-selection criteria mentioned above, targeted countries/regions, and if applicable also the financial terms. The applicants are also requested to summarize why support from the Challenge Program is needed. Concept notes are not based on templates and can be submitted formless, however, need to address the topics mentioned above.

Pre-selected proposals for the Challenge Program will follow the GEF Project and Program Cycle Policy<sup>3</sup> and Guidelines.<sup>4</sup> GEF partner Agencies will submit full proposals for the review of the GEF Secretariat in the form of a Project Information Form (PIF) through the GEF Portal.

Concept notes will be screened by the GEF Secretariat based on the pre-selection criteria, with the support of its Scientific and Technical Advisory Panel (STAP). In cases where concept notes include non-grant financial instruments, the GEF Secretariat may also engage independent financial experts to complement the standard review process.

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<sup>3</sup> *Project and Program Cycle Policy*, Policy/OP/PL/01, December 20, 2018.

<sup>4</sup> *Guidelines on the Project and Program Cycle Policy*, GEF/C.52/Inf.06/Rev.01, June 9, 2017

Concept notes should request no more than US\$2 million from the LDCF or SCCF. The minimum amount of funding per submission is US\$500,000.

Resources are not taken from the cumulative country ceiling of the LDCF. Letters of endorsement from the GEF Operational Focal Point are not required in the following two cases:

- Projects or Programs in which the beneficiaries are private sector actors exclusively;
- Projects or Programs in which there are public sector beneficiaries in more than one country.<sup>5</sup>

## Timeline

<b>August 1, 2019</b>	Opening date of submissions for concept notes to the GEF Secretariat by email at < <a href="mailto:ChallengeProgram@thegef.org">ChallengeProgram@thegef.org</a> >.
<b>September 1, 2019</b>	Deadline for concept notes to be received by the GEF Secretariat.
<b>September 2, 2019</b>	Acknowledgement of receipt of submitted concept notes.
<b>September 9, 2019</b>	Notification to applicants of the outcome of the pre-screening. Successful concept notes will be invited for further development in cooperation with a GEF Agency.
<b>October 18, 2019</b>	Deadline for submission through the GEF Portal of finalized project proposals to the GEF Secretariat by the GEF Agency on behalf of the proponent.
<b>November 1, 2019</b>	Deadline for technical clearance of project proposals and approval by the GEF CEO.
<b>Mid November 2019</b>	Announcement of Challenge Program winners, at UNFCCC COP 25.

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<sup>5</sup> Annex 1: GEF Operational Focal Point Letter of Endorsement, *Guidelines on the Project and Program Cycle Policy*, GEF/C.52/Inf.06/Rev.01, June 9, 2017.