

ADAPTATION
NON-BLENDED

PROJECT NAME	Adaptation SME Accelerator Program (ASAP)¹
COUNTRY	Global, with current accelerator programs in Africa, Asia, and Latin America and the Caribbean
SECTOR	Climate Adaptation
PROJECT/INVESTMENT AMOUNT	Global Environment Facility (GEF) Project Grant of ~US\$ 2M, with US\$ 500K co-financing
DEVELOPMENT PARTNER(S)	Global Environment Facility, Inter-American Development Bank, and Conservation International
BENEFICIARY MINISTRY/INSTITUTION	N/A
INVESTOR(S) AND FUNDERS	Various, based on SME
GUIDEBOOK TAXONOMY FINANCIAL SYSTEM ACTOR	Bilateral, Multilateral & Development Finance Institutions [Philanthropy and Impact Investors]
PROJECT OVERALL GOAL	ASAP's goal is to identify, integrate, and accelerate small businesses in developing countries that are producing climate adaptation and climate resilience technologies and solutions
PROJECT OUTCOMES	<ul style="list-style-type: none"> • Developed and published a peer-reviewed Adaptation Solutions Taxonomy and have identified over 430 companies offering climate adaptation and resilience solutions throughout Africa, Asia, and Latin America. These companies are available in the Adaptation SME database on ClimateASAP.org • Held 4 regional convenings focused on investment and SMEs delivering climate adaptation solutions • Developing and will publish a toolkit with resources to accelerate climate adaptation-focused SMEs in October 2022 • Developed and implemented the Adaptation SME Accelerator, which provided 19 companies from 11 countries with technical and advisory services and investment-readiness training to accelerate the broader commercialization and impact of their products and services in their current and regional markets • By March 2023, will have provided over US\$ 230K in Technical Assistance and direct advisory support to address specific business challenges and pilot climate adaptation technologies and solutions • Laid the foundation for continued development of the adaptation solutions taxonomy and the potential launch of future investment strategies with adaptation solutions SMEs
ALIGNMENT WITH COUNTRY IDENTIFIED CLIMATE STRATEGIES, NDCs, ETC. (IF APPLICABLE)	Various, based on country The ASAP Accelerator supported companies operating in Brazil, Burkina Faso, Chile, Colombia, Egypt, Ghana, India, Mexico, Nigeria, Pakistan, Philippines
CONTRIBUTION OF THE PROJECT TO THE UN SDGs	Various, based on SME. Common contributions include: SDG 1: No poverty SDG 6: Clean water and sanitation SDG 9: Industry, innovation, and infrastructure SDG 11: Sustainable cities and communities SDG 13: Climate action
SOCIOECONOMIC IMPACT	Various, based on country

¹ This case was provided by CrossBoundary as a contribution to the Sharm El-Sheikh Guidebook for Just Financing

ENVIRONMENTAL IMPACT (ON CLIMATE MITIGATION AND/OR ADAPTATION)	Climate adaptation
ENABLING ENVIRONMENT (SUPPORTING POLICIES)	Various, based on country
TECHNICAL ASSISTANCE (IF PROVIDED)	<p>The ASAP Accelerator provided its cohort of selected SMEs with technical assistance including training to improve investment readiness, as well as one-on-one working sessions and connection to a network of industry experts and investors. A period of focused Technical Assistance and Financial Analyst support was provided to address individually identified business challenges for each member of the cohort.</p> <p>In October 2022, a Technical Assistance Facility will award 3 of the companies US\$ 50K each for technical assistance to help overcome barriers and accelerate their products to broader commercialization and impact</p>
FINANCING MODEL/APPROACH (EX: BLENDED FINANCE)	Grant-funded accelerator supporting early-stage companies to improve investment readiness and connect with commercial investors
RATIONALE FOR FINANCING MODEL/APPROACH	<p>It has been estimated that up to US\$ 300 billion per year would be needed for climate adaptation in developing countries alone by 2030 (UNEP, 2014), but adaptation receives only 5% of all climate finance - and less than US\$ 500 M of private investment (GCA/CPI, 2021). While adaptation has been traditionally considered a public good and a service to be provided from public funds, mobilizing the private sector holds significant potential to accelerate the pace of adaptation worldwide while also helping local economies transition to more resilient pathways.</p> <p>Small to medium-sized businesses generate at least 45% of employment and as much as 33% of GDP in developing countries. They play a key role as sources of innovation for adaptation, yet financing, operational and capacity constraints hinder their ability to scale climate resilience and adaptation solutions. There are hundreds, if not thousands, of small- and medium-sized enterprises (SMEs) operating in developing countries around the world that have products, technologies, and solutions that can support climate adaptation and resilience (many without realizing it). By identifying, integrating, and incubating/accelerating these SMEs, ASAP hopes to set the groundwork necessary to scale climate adaptation solutions in the places where they are needed most.</p>
FINANCIAL INSTRUMENT(S) (LOANS, GRANTS, BONDS...ETC.)	Grant-funded support to unlock equity and debt for SMEs
DIAGRAM OF THE FINANCING STRUCTURE	N/A

Executive Summary

The Adaptation SME Accelerator Program (ASAP) is an ecosystem-building initiative that seeks to broadly identify, integrate, and accelerate the ecosystem of small- to medium-sized companies in emerging markets across Latin America, Africa, and Asia with technologies and solutions that can help build resilience to the impacts of climate change. It is a grant-funded initiative led by The Lightsmith Group, with the support of the Global Environment Facility's Special Climate Change Fund. Additional support is provided by Conservation International and the Inter-American Development Bank.

Adaptation has historically not been well-defined and can take many forms. ASAP led an extensive consultative process to develop the [Adaptation Solutions Taxonomy](#) which provides clear definitions for what qualifies as an "Adaptation SME." By creating a guideline on what types of technologies, services, and products qualify as an adaptation solution, the taxonomy creates a shared framework to identify and engage with adaptation SMEs. It is a flexible and dynamic tool applicable beyond the ASAP initiative. Connecting SMEs identified through the Adaptation Solutions Taxonomy to the resources of a world-class accelerator, demonstrates how these companies can scale up their solutions to the growing impacts of climate change, especially in the places that are most vulnerable.

Using the Adaptation Solutions Taxonomy, ASAP developed the [Adaptation SME Directory](#), a global network of over 400 SMEs in developing countries that are producing climate adaptation and resilience solutions.

ASAP partnered with Village Capital to implement the Adaptation SME Accelerator which identified and supported a cohort of 19 adaptation solutions SMEs in Africa, Asia, and Latin America and the Caribbean to offer technical and advisory assistance, training to improve investment-readiness, one-on-one working sessions, connection to a network of industry experts and investors, and the opportunity to pitch their company at a climate adaptation focused Investor Forum.

Analysis

<p>WHAT MADE THIS PROJECT SUCCESSFUL? (STAKEHOLDER INVOLVEMENT, INNOVATION, ADDRESSING BARRIERS TO INVESTMENT, ETC.)</p>	<p>Some of the many reasons the ASAP program was successful include:</p> <ul style="list-style-type: none">• Developed the peer-reviewed Adaptation Solutions Taxonomy and then used this framework to inform the development of both the SME directory and the subsequent Accelerator program.• Establishing key partnerships with regional experts to identify companies and deliver the accelerator program.• Engaging with a broad set of stakeholders (over 400) to provide expertise to the accelerator and advise/provide resources to the cohort of entrepreneurs.• Emphasizing both business fundamentals and climate impact while also identifying and addressing key barriers to the growth of participating SMEs. The program then provided contracted experts to provide targeted outputs addressing these key challenges.
<p>TO WHAT EXTENT IS THIS MODEL SCALABLE?</p>	<p>ASAP has strong potential to scale in several key areas:</p> <ul style="list-style-type: none">• Expand the Adaptation Solutions Taxonomy using case studies and sector and region-specific Implementation Guides.• Scale the depth of the Adaptation SME Directory, to focus and highlight various adaptation technologies to increase the participation of more SMEs from and operating in emerging markets.• Build upon the extremely favorable response by SMEs to the Accelerator programming and ASAP Technical Assistance Facility. With adequate financing, there is an opportunity to develop an investment platform to support earlier stage companies coupled with a technical assistance facility to help businesses overcome operational challenges to scale and broaden the commercialization of their product, enabling more customers in these regions to address current climate impacts in their communities.
<p>TO WHAT EXTENT IS THIS MODEL REPLICABLE IN OTHER COUNTRIES/REGIONS?</p>	<p>ASAP is a globally oriented program, having supported cohorts of companies from 11 countries in three regions (Africa, Asia, and Latin America). The flexible curriculum and structure enable the program to be implemented anywhere in the world across a range of sectors.</p>
<p>LESSONS LEARNT</p>	<ul style="list-style-type: none">• Many companies addressing climate impacts in emerging markets did not necessarily perceive or identify their products and solutions to have a role in helping their customers and communities adapt to climate change.• Many companies expressed the need for technical assistance and capital to help demonstrate the potential of their product to investors and financial backers. With relatively small amounts of money for pilot projects, this would unlock new markets and accelerate the timeline at which many companies could scale.• Companies often have difficulty defining what metrics to use to track climate adaptation impact for their solutions.

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REFERENCES:

<https://climateasap.org/>