

Request for Applications Information Package

Overview: Introduction – The Climate Adaptation and Resilience Challenge:

Climate change is disrupting the lives and livelihoods of millions across the globe, particularly in emerging markets. Between 2003 and 2013, natural disasters alone – exacerbated by climate change – caused \$1.5 trillion in economic damage worldwide, of which \$550 billion impacted communities and businesses in developing countries¹. Concurrently, the cumulative GDP of nations vulnerable to extreme climate patterns across Africa is projected to double between 2018 and 2023 – rising to \$1.4 trillion, nearly half of the continent’s GDP². UNEP estimates that up to \$300 billion per year will be required for adaptation in developing countries alone by 2030. However, today less than 6% of all climate finance tracked globally can be attributed to adaptation of which only a fraction comes from the private sector.³

Sectors ranging from agriculture to infrastructure are particularly vulnerable, and the impacts have been felt most acutely across rural and coastal communities. While climate change is a global reality, populations across Africa, Asia and Latin America and the Caribbean are disproportionately affected. The immediate ripple effects of a warming climate are disrupting agricultural supply chains, compounding food insecurity, threatening clean water supplies, impacting physical infrastructure, and risking biodiversity. In response, a growing international consensus is emerging with calls for support mechanisms that enable the scaling of new and existing products, services, and solutions, which can assess and mitigate the vulnerabilities to physical climate risks that communities and businesses face.

While private firms are increasingly seeking to adjust their risk management strategies to account for climate change, particularly to enhance the resilience of their supply chains and production processes⁴, hundreds of small and medium sized enterprises (SMEs) across a multitude of sectors are already providing solutions that can be scaled up. Across food and agriculture, analytics and risk modeling, water, insurance and risk transfer, energy, transportation, and infrastructure, SMEs have always been at the frontline of innovation, yet many of these companies do not consider themselves “climate resilience-related enterprises”. Additionally, a majority of them lack the risk capital, technical expertise, strategic and investor networks required to scale their solutions into viability and across markets.

Project Background: The Opportunity

The Adaptation SME Accelerator Project (ASAP) is a grant-funded initiative led by The Lightsmith Group and supported by the Global Environment Facility (with Conservation International as the project’s implementation agency), the Inter-American Development Bank, and IDB Labs. ASAP is an ecosystem-system building exercise that seeks to identify and support SMEs that offer the technologies, products, and services, which can enhance the

¹ “The impact of disasters on agriculture and food security”, FAO, 2015, www.fao.org/3/a-i5128e.pdf

² “Africa’s fastest growing cities are the most vulnerable to climate change globally”, World Economic Forum, 2018

³ “Adaptation Finance in the Context of Covid-19,” Global Center on Adaptation & Climate Policy Initiative, 2021, <https://gca.org/reports/adaptation-finance-in-the-context-of-covid-19/>

⁴ “Enabling Private Investment in Climate Adaptation and Resilience: Current Status, Barriers to Investment and Blueprint for Action”, World Bank, 2021, <https://openknowledge.worldbank.org/handle/10986/35203>

resilience and adaptation of their users and customers in response to a changing climate across Africa, Asia, and Latin America and the Caribbean.

By building on existing frameworks for tracking climate finance and adaptation-related economic activities (e.g., EU Taxonomy for Sustainable Finance, Joint MDB Approach to Climate Tracking, among others), ASAP offers the first common definition for climate adaptation solutions provided by the *private sector* through its [Adaptation Solutions Taxonomy](#).⁵ In applying a clear definition and screening criteria to qualify certain types of SME offerings as “climate adaptation solutions”, ASAP seeks to shape an ecosystem of “Adaptation SMEs” and attract financing and resources to these companies in its effort to shrink the adaptation gap. To date, ASAP has used this taxonomy to identify and classify over 100 SMEs, with an additional 200 under review, across Africa, Asia, and Latin America and the Caribbean.

To support a geographically and sectorally-diversified base of climate adaptation start-ups and SMEs, Lightsmith is seeking to partner with accelerator program(s) to supplement their existing activities with bespoke content and toolkits designed to specifically support Adaptation SMEs. The tailored adaptation programming will orient and support Adaptation SMEs towards growth opportunities globally.

Specifically, ASAP is seeking to partner with accelerators which:

- have an existing accelerator program and an established reputation in sectors which overlap with climate adaptation and resilience (e.g., food and agriculture, risk analytics, climate technology, software, insurance, water, transportation, energy, infrastructure); or have the in-house capacity to expand programming towards climate resilience and ESG more broadly.
- have a successful track record of engaging with entrepreneurial networks in Africa, Asia, and/or Latin America and the Caribbean.
- exhibit an interest and ability to internalize and apply the [ASAP Adaptation Solutions Taxonomy](#) and co-develop Knowledge Toolkits to support a diversified base of SMEs across one or more regions through a climate adaptation-lens.
- are able to hit-the-ground running by applying existing expertise and program resources to recruit and mentor a select group of Adaptation SMEs via a dedicated ASAP co-branded, cohort-based, accelerator program. The program strives to provide Adaptation SMEs access to technical experts, business development training, and potentially early stage investing to help them overcome operational barriers to growth.

What are Climate Adaptation Solutions?

Adaptation SMEs can be segmented into two broad categories:

⁵ The ASAP Adaptation Solutions Taxonomy is a tool developed with the aim of: i) establishing a structured approach for transparently determining whether an SME qualifies as an “Adaptation SME” based on the type(s) of technologies, products and services offered; ii) Identifying areas in which SMEs may require targeted support during the engagement, incubation/acceleration phases of ASAP to adopt the best environmental and social risk management practices; iii) creating a flexible and inclusive framework that can be applied beyond the ASAP initiative to any company, regardless of size/scale or geography.

- **Climate Adaptation Intelligence:** Data, software and analytics tools that help users to identify and assess physical climate risks across sectors e.g., in water, agriculture, infrastructure, healthcare, energy, transportation. For example, agricultural analytics, flood modeling software, early warning systems, climate advisory services for physical climate risk assessment, weather forecasting, risk analytics, water management software, supply chain analytics, among others.
- **Climate Adaptation Products and Services:** Physical products and services that help users address physical climate risks. For example, drip irrigation equipment, drought tolerant crop varieties, water efficiency solutions, water harvesting products, grid resiliency products, nature-based flood abatement measures, cold chain storage, parametric insurance, among others.

Climate adaptation solutions exist across industries, business models, and product offering types. The examples provided above are illustrative and not exhaustive. Please refer to the [ASAP Taxonomy](#) for more detail as to what qualifies as a “climate adaptation solution”.

Terms of References and Deliverables:

ASAP is requesting applications from accelerators to serve as the implementation partner for its climate adaptation accelerator program. Applying accelerators should have a successful track record of engaging with SMEs in Africa, Asia, and/or Latin America and the Caribbean. Accelerators would preferably have an existing climate, sustainability, or impact focused and/or ESG-oriented program, be able to adopt and apply the [ASAP Adaptation Solutions Taxonomy](#), and work with Lightsmith in building an accelerator program equipped to:

- co-develop, structure, and implement a climate adaptation and resilience-focused, cohort-based accelerator program (flexible in structure), which provides SMEs with the tools to:
 - overcome technical and financial barriers (led by the accelerator)
 - adopt systems for measuring and monitoring their climate resilience and ESG impacts (co-led with Lightsmith)
 - build networks and support mechanisms to enable opportunities for growth (co-led with Lightsmith)
- Identify and target at least 50 high-potential Adaptation SME applicants from across Africa, Asia, and/or Latin America & the Caribbean, of which at least 25% are women led/owned, by applying the [Adaptation Solutions Taxonomy](#).⁶
- Apply an existing methodology and rigorous evaluation criteria to select a group of SMEs (early to growth-stage companies) to participate in the program.

⁶ The sectors affected by climate resilience are broad ranging. SMEs encompass those providing technology-enabled services or data management 'business intelligence' products that enhance resilience in areas such as: supply chain analytics, weather modeling, precision agriculture, water efficiency, distributed energy, business continuity, disaster response, infrastructure engineering, and parametric insurance (including for drought/excessive rainfall). In addition to energy and agribusiness, supply chain transport and logistics and health care companies may also be impacted by climate change.

- Support selected Adaptation SMEs with general training, workshops, and networking opportunities that would be expected from a basic accelerator program. In addition, incorporate content co-designed with Lightsmith to equip Adaptation SMEs with the tools to measure climate resilience and ESG impacts and identify opportunities to deploy and scale their adaptation solutions across markets.

Throughout the partnership with ASAP, the selected accelerator partner will be expected to engage with the Lightsmith team on a regular basis and to seek support and insight as to both the selection of the SMEs, application of the [Adaptation Solutions Taxonomy](#), as well as the intended outcomes of the accelerator program (See Evaluation Criteria (5) below).

Eligibility:

Interested accelerators must meet the minimum criteria below in order to apply:

- I. **Accelerator Experience.** Have previously launched and executed successful accelerator programs. Applying accelerators should have the existing staff, operational infrastructure, and systems necessary to run an accelerator program independent of ASAP partnership and funding.
- II. **Geographic Experience and Coverage.** Have operated an accelerator program in at least one of ASAP's three target regions: (1) Africa (2) Asia, and/or (3) Latin America & the Caribbean. This subsequently means having established networks of advisors and partners in the region(s), as well as a strong pipeline of high-potential applicant SMEs in the region(s).
- III. **Ability to Provide Co-Financing (Monetary or In-Kind).** The grant funding available from ASAP is intended to support the inclusion of Adaptation SMEs and the incorporation of climate adaptation and resilience programming into *existing* accelerator programs, as opposed to the creation of new programs from scratch. Therefore, accelerator candidates are expected to provide in-kind or monetary co-financing for the execution of the accelerator program.

Application Process:

Interested accelerators that meet the requirements of having established SME networks across Africa, Asia, and/or Latin American & the Caribbean, a successful track record of executing impact-driven learning programs, as well as the in-house climate-focused expertise or capacity to apply the ASAP Taxonomy, are strongly encouraged to apply.

In order to be considered, accelerator programs should submit a single document that contains the following:

- I. **Introduction (1-2 pages):**
 - a. Provide an overview of your organization, team, thematic focus areas, differentiation/expertise, typical accelerator program offerings, and motivation for applying. Why are you best equipped to incorporate climate adaptation and resilience into your existing program offerings?
 - b. Include any data or metrics to quantify networks/reach both (i) within the three target geographies areas: Asia, Africa, Latin America and the Caribbean, and (ii) in any sector focus areas.

- II. Capacity to Apply Frameworks (2-3 pages):**
- a. Detail any in-house climate focused expertise, specifically familiarity with climate adaptation/resilience. If applicable, detail any previous experience managing programs related to climate or social impact issues.
 - b. Explain the organization's capacity to apply the ASAP Taxonomy and incorporate technical input from Lightsmith to: (i) develop climate resilience-focused content to supplement existing curricula, and (ii) determine a strategy for identifying 50 Adaptation SMEs across a multitude of sectors.
- III. Outline Approach and a Sample Program (2-3 pages):**
- a. Provide a high-level overview of your approach as it relates to the following pieces of the proposed ASAP partnership:
 - i. Internalizing and applying the ASAP Taxonomy to your existing accelerator programs;
 - ii. Dissemination of calls for applications regionally;
 - iii. Review of SME applications with Lightsmith;
 - iv. Selection and announcement of final participants;
 - v. Partnering with Lightsmith to incorporate climate resilience and adaptation into program design (i.e., identifying pieces of your existing accelerator curriculum, which Lightsmith can layer/supplement with tailored programming focused on climate adaptation and resilience e.g., identifying sources of financing for climate adaptation, impact measurement and ESG management for climate adaptation companies)
 - vi. Engagement with participants post-program completion;
 - vii. Communications/PR strategy throughout the program.
 - b. Propose an accelerator program structure, outline of a curriculum, timeline, and indicative budget. The format of the accelerator program is flexible, and we are looking to receive your input. Options for program structure can range anywhere from a formal 1–4-month accelerator program, to a series of innovation challenges, or individualized training sessions.
 - i. If selected, how would you structure the program given your expertise and resources available? How many SMEs would you target for participation in the program? Would there be a specific sector focus or geographic focus?
 - ii. Provide a high-level outline of the proposed curriculum.
 - iii. Provide an implementation and program timeline.
 - iv. Provide a high-level budget of the proposed program assuming the amount of grant funding provided is as follows (variable depending on geographic coverage). Please include sources of in-kind and/or monetary co-financing to be provided by the applicant.
 1. For accelerators able to provide coverage for all three target regions, up to \$320,000 of grant funding is available.
 2. For accelerators able to provide coverage for two of the three target regions, up to \$160,000 of grant funding is available.
 3. For accelerators able to provide coverage for one of the three target regions, up to \$105,000 of grant funding is available.

- IV. **SME Selection Criteria, Results Framework, and Impact Measurement (1 page):**
- a. Provide an outline of the methodologies and selection criteria you would use in consultation with Lightsmith to select SME finalists to participate in the program.
 - i. If available, please provide statistics from previous accelerator programs you have overseen e.g.,
 1. Average number of applications received per program
 2. Average percentage or number of applications accepted into program
 3. Average size of participating cohorts
 - b. Provide background on any experience and track record you have attracting and supporting women-owned or women-led SMEs in your previous accelerator programs. If possible, please provide the percentage of women-owned or women-led SMEs participating in previous or current accelerator programs.
 - c. Provide a high-level results framework that details key outputs, outcomes, and impacts – along with any associated metrics for each – that you would be able to measure and track throughout the program.
- V. **Geographic Presence and Experience (0.5-1 page):**
- a. Describe your global and/or regional footprint and experience, including office and operational presence, any relevant regional partnerships or networks, and previous exposure to selecting SMEs with strong environmental and/or social impact within at least three (3) countries across Africa, Asia, and/or Latin America & the Caribbean.

Submitting an Application:

Applications will be reviewed on a rolling-basis. The final deadline for submission is May 30, 2021. Expression of interest or communication with the ASAP team does not guarantee final selection.

The application submission should be limited to three attachments: (i) one application document (word/pdf) that should not exceed 10 pages, (ii) one budget spreadsheet (providing support for the budget presented in Section III), and (iii) one completed and signed copy of the [Transparency, Integrity, Environmental and Social Responsibility Annex](#).

The application document (word/pdf) should contain the section headlines as outlined above:

- I. Introduction
- II. Capacity to Apply Frameworks
- III. Outline Approach and a Sample Program
- IV. SME Selection Criteria, Results Framework, and Impact Measurement
- V. Geographic Presence and Experience

Once complete, please send an email with attachments to: contactasap@lightsmithgp.com with the subject line formatted as follows: “ASAP Accelerator Partner Application – [NAME OF APPLICANT ORGANIZATION]”.

Timeline:

ASAP will be reviewing applications received on a rolling basis and will inform shortlisted candidates by mid- to late-June 2021. ASAP envisions the accelerator program to launch in Q3 or Q4 of 2021 but may have flexibility depending on the timelines and constraints of selected partner(s).

Evaluation Criteria:

Applications will be evaluated holistically and in-line with the requirements that fulfill ASAP's obligations under the ASAP grant from the Global Environment Facility.

- Applications will be assessed based on the following criteria:
 - (1) **Clarity, scope and relevance of the overall application:**
 - Motivation for applying; clarity, reach, and potential for impact.
 - (2) **Accelerator experience:**
 - Track record of designing, launching, and overseeing similar or relevant accelerator programs.
 - Evidence of prior experience working with external strategic partners to design thematic accelerator programs will be viewed favorably.
 - (3) **Quality of sample program & climate focused experience/approach:**
 - Quality and organization of sample program.
 - Evidence of in-house capacity to apply the ASAP Taxonomy and to incorporate climate adaptation and resilience themes.
 - (4) **Regional and relevant sectoral coverage:**
 - Evidence of established regional footprint and SME networks across Africa, Asia, Latin American and/or the Caribbean, and in relevant sectors, demonstrated through previous programs and/or partnerships, as well as quality of regional and global networks.
 - Ability to attract high-potential Adaptation SMEs that would derive meaningful value from the outlined sample program.
 - (5) **Outcomes of program:**
 - The number of SMEs the suggested program will be able to support.
 - Ability to support participating companies in becoming “investor-ready”, as evidenced by dollars of funding received by companies post-program completion.
 - Motivation to remain engaged in identifying Adaptation SMEs.
 - (6) **Co-Financing and Budget:**
 - Total grant funding requested from ASAP in budgets should not exceed the total amounts indicated based on geographic scope as described in the application outline above.
 - Budgets should demonstrate a strong ability to co-finance the outlined program and an efficient use of requested ASAP funds.

Selection Process:

- ASAP is seeking to select 1-4 accelerators – contingent upon ensuring regional coverage across Africa, Asia, Latin America and the Caribbean and the quality of the applications – through a competitive four stage selection process:
 - (1) **Screening:** Each application will initially be screened to verify eligibility requirements, including completion of the required sections: i) introduction, ii) capacity to apply frameworks, iii) outline of approach and a sample program, iv) impact measurement, v) geographic presence and experience.
 - (2) **Selection Committee:** Applications will be judged in accordance with the outlined evaluation criteria: i) clarity, scope, and relevance of the overall application, ii) accelerator experience, iii) quality of the sample program and climate focused experience/approach, iv) regional/sectoral coverage (both track record/ and evidence of networks across relevant sectors), v) program outcomes vi) budget and suggested allocation of funds. The committee will shortlist up to 10 candidates.
 - (3) **Senior Expert Committee:** In accordance with the outlined evaluation criteria, the Senior Expert committee will recommend up to 5 finalists for the interview stage.
 - (4) **Finalist Interviews:** ASAP will interview up to 5 finalist candidates to inform its final selection. Candidate programs will be judged in accordance with the outlined evaluation criteria.
 - (5) **Selection:** Final budget allocation and terms of the partnership remain at the discretion of ASAP. The total number of accelerator programs selected will inform budgeting decisions. Finalists are expected to track specified metrics through the duration of the program for grant reporting purposes.

If you have any questions, please reach out to contactasap@lightsmithgp.com.