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Investing in rural people

Enhanced Adaptation for Smallholder Agriculture Programme (ASAP+)

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Consultation on the Twelfth Replenishment of IFAD's Resources —
Third Session

Rome, 19-21 October 2020

For: **Review**

A. Background

1. Launched in 2012, the Adaptation for Smallholders Adaptation Programme (ASAP) remains the only programme dedicated to addressing the climate change challenges faced by small-scale producers. Through it – during both the first phase of grant cofinancing for IFAD-funded projects and the second phase focused on technical assistance – IFAD has developed a significant body of expertise and know-how in a largely underserved area.
2. Building on this experience, the Enhanced Adaptation for Smallholders Adaptation Programme (ASAP+) aims to direct much needed climate finance to vulnerable rural populations to increase food and nutrition security. It proposes to complement IFAD-financed projects, offering a channel for climate finance to assist partners in achieving their national climate change adaptation and mitigation objectives, including those related to their Nationally Determined Contributions, while building resilience and increasing impact to eradicate poverty, hunger and malnutrition and fragility.
3. ASAP+ is conceived as one of three pillars under the newly established global Rural Resilience Programme (2RP), the first two of which will be financed primarily through the 2RP trust fund:¹ (i) ASAP+ (ii) the Initiative for Sustainability, Stability and Security in Africa, known as the 3S Initiative; and (iii) Green Climate Fund (GCF) support for the Great Green Wall Initiative in the Sahel (GCF-GGWI).
4. Unlike the 3S and GGWI, ASAP+ will be a global programme, and 100 per cent of its resources will be accountable as climate finance. ASAP+ will be fully embedded in the programmatic approach under the Twelfth Replenishment of IFAD's Resources (IFAD12) and will apply IFAD's rules and procedures. Project approvals will be under the oversight of IFAD's Executive Board and the reporting done through IFAD's corporate reporting mechanisms.
5. At its 130th session in September 2020, the Executive Board approved the amendment to the existing instrument establishing the trust fund for ASAP. This amendment allows for receipt and administration of contributions to the multi-donor 2RP trust fund to support the implementation of the 2RP by IFAD Management. The document presented to the Executive Board briefly presented the three pillars under the 2RP and included a [link](#) to the zero draft of the 2RP programme description, which is to be finalized by the next session of the Executive Board in December 2020. Below is a summary of the ASAP+ section of this draft programme description.

B. Objectives

6. During the IFAD12 period, the Fund will continue to finance and implement climate change interventions through its programme of loans and grants (PoLG). An ambitious target of 35 per cent of the PoLG is to be tagged as climate focused, as measured through the application of the multilateral development banks methodology for tracking climate finance, both for adaptation and mitigation. ASAP+ aims at channelling US\$500 million in additional climate finance to cover the estimated additional cost of mitigation and adaptation to climate change under the PoLG and to scale up much needed climate finance for the most vulnerable.

C. Outcomes and results targets

7. ASAP+ will address the underlying climate change and social drivers of food insecurity through two outcomes: (i) increasing the resilience of vulnerable communities – with a specific focus on rural women, youth, indigenous peoples and other marginalized groups – to the impact of climate change on food security and nutrition; and (ii) reducing greenhouse gases through win-win interventions that

¹ <https://webapps.ifad.org/members/eb/130/docs/EB-2020-130-R-13.pdf>.

also yield significant development benefits, particularly for poor and marginalized groups. Given the vulnerability of targeted populations, the starting point for ASAP+ mitigation activities will be to identify measures that reduce food insecurity and provide opportunities throughout agricultural value chains.

8. ASAP+ will draw on the lessons of ASAP, and will increase its ambition in particular by: (i) focusing more on mitigation; (ii) building and strengthening technical and institutional capacities and creating a favourable political environment for systemic change; (iii) implementing climate change strategies with specific and concrete benefits for women and youth; (iv) ensuring the stable availability of a diversity of food in local food systems; and (v) providing primarily grants, with the option of providing climate change loans, including to lower middle-income countries.
9. With a resource mobilization target of US\$500 million from climate finance and an expected 1:0.3 cofinancing ratio, ASAP+ is expected to increase the climate resilience of 10 million vulnerable people in addition to the 25 to 32 million rural poor under the PoLG, particularly women and youth, enabling an increase in food and nutrition security. Results targets will be adjusted to resources mobilized.

D. Eligible countries and projects

10. ASAP+ will work primarily in low-income countries, particularly those in debt distress that are highly dependent on agriculture and face the greatest challenges in terms of food insecurity, rural poverty, fragility, institutional capacity and exposure to climate change. Moreover, ASAP+ will prioritize operations where there is clear potential to increase resilience and institutional capacity. A set-aside from 2RP resources of between 8 per cent and 10 per cent of available resources will be used to provide technical assistance and bring innovation across ASAP+ and the 3S.
11. The focus of ASAP+ will be on countries where IFAD has an active portfolio and resources allocated through the Performance-based Allocation System (PBAS). However, ASAP+ could potentially undertake activities in some countries with neither PBAS allocations nor ongoing projects, but where vulnerability to climate change and food insecurity is high and support from IFAD would make a significant contribution to preventing further crises. This would be most appropriate in countries with fragile situations where IFAD investment is envisioned in the future, or Small-Island Developing States. In these cases, resources will be directed to projects that synergize with and complement other activities being carried out by both the public and private sector. In order to ensure the sustainability of such projects, particular attention must be given to building local and community capacities. In some cases ASAP+ will support regional activities, including by blending resources with IFAD's regional lending to address cross-border climate issues.
12. Projects financed by ASAP+ must include a detailed analysis of historical trends and future climate change projections, a vulnerability analysis, identification of associated impact and a rationale for the selected adaptation strategies. For mitigation activities, projects must quantify the expected reductions in greenhouse gas emissions using credible methodologies. The theory of change and core objectives must introduce climate change as a central driver of food insecurity. The project selection criteria will include: (i) a clear relationship in the theory of change between climate change and food security; (ii) an explicit assessment of historical trends and future climate projections, impact and rationale for adaptation strategy; (iii) clear results logic and impact projections, such as number of households to be made resilient and greenhouse gas reductions achieved; (iv) a clear rationale based on the additionality (financial and non-financial) of the ASAP funding; (v) a clear demonstration of ownership by the recipients; (vi) stipulation of the degree of leverage and cofinancing ratio; (vii) an indication of degree to which

mainstreaming themes have been covered; and (viii) a sustainability and exit strategy.

13. Building on lessons drawn from the first two phases of ASAP, the following approaches will be adopted in project design and implementation: (i) development of a project-specific climate resilience index and scorecards; (ii) greater emphasis on adaptive capacity and systemic change; (iii) a full assessment of the potential for maladaptation; and (iv) strengthened local ownership and exit strategies based on community driven approaches.

E. Governance and resource mobilization

14. ASAP+ governance will be inclusive: an advisory committee open to both member and non-member donors, beneficiaries, farmers' organizations and civil society representatives will be established to provide guidance to IFAD regarding knowledge products, policy and global outreach across the three pillars of the 2RP. The day-to-day management of ASAP+ – along with the other two pillars of the 2RP – will be provided by an inter-divisional programme coordination unit comprised of experts across a number of IFAD divisions. Synergies and efficiencies will be maximized across the three pillars and with the PoLG. Decisions on project selection and approvals rest with the IFAD Executive Board.
15. Building on the lessons learned around resource mobilization since the establishment of ASAP, ASAP+ will raise climate finance in the form of both supplementary funds and replenishment contributions,² the latter providing voting rights and as such to be undertaken exclusively by interested IFAD Member States and their institutions. Both sources will be managed under the 2RP trust fund's ASAP account. The Fund calls upon Member States to make every effort to maximize their core contributions before contributing to ASAP+. In addition IFAD will strive to mobilize resources from non-Member States and non-sovereign donors in support of ASAP+. In line with document EB 2020/130/R.13, IFAD's Rural Resilience Programme: Amendments to the Instrument Establishing the Trust Fund for the IFAD Adaptation for Smallholder Agriculture Programme, incremental administrative expenditures incurred by IFAD in relation to ASAP+ shall be paid from the resources of the trust fund.

F. Results management framework

16. The ASAP+ will have its own results management framework (RMF), setting out a comprehensive results logic that serves the overall programme goal to reduce food and nutrition insecurity by addressing the underlying drivers of climate change. This will be achieved through two overarching outcome areas: 1 – increased resilience of vulnerable households to the impact of climate change on their food security and nutrition; and 2 – reduced greenhouse gas emissions from interventions with significant development benefits. At portfolio level, this results hierarchy reflects the main pathways of change promoted by the programme. Interlinkages and multiple benefits across the two outcome areas on climate change adaptation and mitigation are expected and encouraged. Further dimensions of a crosscutting nature, particularly as relate to social inclusion, will be highlighted through enhanced data disaggregation (multipliers) and geo-referencing efforts.
17. At project level, indicators from the ASAP+ RMF will be selected based on the interventions supported. The quality of a project's results logic will be a key eligibility criterion for project selection. As most ASAP+ projects are expected to be fully blended with IFAD operations, outcome-level indicators related to IFAD's other mainstreaming themes (gender, youth and nutrition) will apply to the full

² Depending on the outcomes of the IFAD12 Consultation, ASAP+ contributions could be recognized as a form of vote-bearing additional contributions. Member States may also provide supplementary funds to the trust fund, which do not give rise to voting rights.

investment in cases where the IFAD investment has been designed to be gender transformative, youth sensitive and/or nutrition sensitive.

18. ASAP+ plans to focus in particular on vulnerable beneficiaries who experience food and nutrition insecurity and whose vulnerability to climate change may be further exacerbated by underlying social and/or economic marginalization (e.g. rural women, youth and indigenous peoples). Therefore, people-centred interventions will specify the key beneficiary groups they are targeting (women/men, youth and indigenous peoples) and project-specific strategies to build their resilience capacities in line with the context and objectives of the project. Accordingly, disaggregated results data will be reported.

G. Way forward

19. The ASAP+ programme description, within the full 2RP programme (link), will be finalized and submitted to the IFAD Executive Board in December 2020, with a view to establishing and holding a first meeting of the advisory committee by the second quarter of 2021. The first contributions to ASAP+ are expected to be received by the end of 2020. Information on ASAP+ will be made available on the IFAD website, and an update on ASAP+, including with regard to resource mobilization, implementation and results, will be included in the IFAD12 Midterm Review.