ADAPTATION FUND

FULLY DEVELOPED PROPOSAL FOR SINGLE COUNTRY

PART I: PROJECT/PROGRAMME INFORMATION

Title of Project/Programme:	Green, Resilient, and Adaptive CHT Economy (GRACE)-LoCALplus
Country:	Bangladesh
Thematic Focal Area:	Multisector
Type of Implementing Entity:	Regional Implementing Entity
Implementing Entity:	International Centre for Integrated Mountain Development (ICIMOD)
Executing Entities:	▪ Ministry of Environment, Forests and Climate Change (MoEFCC); ▪ Local Government Division (LGD), Ministry of Local Government, Rural Development and Cooperatives; ▪ Ministry of Chattogram Hill Tracts Affairs (MoCHTA) ▪ Chattogram Hill Tracts Development Board; ▪ Three (Bandarban, Khagrachari, and Rangamati) Hill District Councils; ▪ United Nations Capital Development Fund (UNCDF); ▪ Government Technical Departments/Local NGOs (TBD) ▪ ICIMOD
Amount of Financing Requested:	10,000,000 (in U.S Dollars Equivalent)
Letter of Endorsement (LOE) signed:	Yes ☒ No ☐

Stage of Submission:

☒ This proposal has been submitted before including at a different stage (concept, fully-developed proposal)

☒ This is the first submission ever of the proposal at any stage.

In case of a resubmission, please indicate the last submission date: 12 August 2024

Acronyms and abbreviations

ACCAF: UNCDF's Assessing Climate Change Adaptation Framework

ADB: Asian Development Bank

ATM: Adaptation, Tracking and Measuring System

BCCSAP: Bangladesh Climate Change Strategy and Action Plan

BDT: Bangladeshi taka

BFD: Bangladesh Forest Department

BMD: Bangladesh Meteorological Department

BAU: Business as Usual

CCA: Climate Change Adaptation

CCKP: Climate Change Knowledge Portal

CRVA: Climate Risk and Vulnerability Assessments

CHT: Chattogram Hill Tracts

DAE: Department of Agricultural Extension

DoE: Department of Environment

GCF: Green Climate Fund

ESMP: Environmental and Social Management Plan

ESP: Environmental and Social Policy

EU: European Union

FAO: Food and Agriculture Organization of the United Nations

GCMs: Global Climate Models

GDI: Gender Development Index

GESI: Gender Equality and Social Inclusion

GGGI: Global Gender Gap Index

GII: Gender Inequality Index

GoB: Government of the People's Republic of Bangladesh

HDC: Hill District Councils

HDI: Human Development Index

ICIMOD: International Centre for Integrated Mountain Development

IPCC: Intergovernmental Panel on Climate Change

IUCN: International Union for Conservation of Nature

LAPA: Local Adaptation Plan of Action

LDCs: Least Developed Countries

LGAs: Local Government Authorities

LGD: Local Government Division

LoCAL: Local Climate Adaptive Living

LoGIC: Local Government Initiative on Climate Change

M&E: Monitoring and Evaluation

MEL: Monitoring, Evaluation and Learning

MIS: Management Information System

MoCHTA: Ministry of Chattogram Hill Tracts Affairs

MoEFCC: Ministry of Environment, Forests and Climate Change

NAP: National Adaptation Plan

NC: National Communication

NDCs: Nationally Determined Contributions

ND-GAIN: Notre Dame Global Adaptation Initiative

PBCRG: Performance-Based Climate Resilience Grants

RCMs: Regional Climate Models

RCPs: Representative Concentration Pathways

SES: Social and Environmental Screening

UNCDF: United Nations Capital Development Fund

UNFCCC: United Nations Framework Convention on Climate Change

UNDP: United Nations Development Programme

UNPs: Union Parishads

UPs: Upazila Parishads

USPs: Unidentified Sub-Projects

WEF: World Economic Forum

ZPs: Zila Parishads

A. Project Background and Context:

Introduction

As one of the world's most vulnerable countries to climate change,[1] Bangladesh has an urgent need for proactive and robust adaptation investments to ensure continued sustainable development. In particular, the Chattogram Hill Tracts (CHT), Bangladesh's main hilly region in the southeast of the country, faces significant challenges due to its terrain, inaccessibility, remoteness, and past conflicts. The population relies heavily on subsistence farming, cottage industries, and services. However, environmental degradation and limited capacity to adapt to climate change impact the region's sustainability, and it was identified by the Government of Bangladesh as one of the country's 'climate stress areas' in its recent National Adaptation Plan (NAP). Despite this, CHT, which is a biodiversity hotspot, plays a crucial role in providing essential ecosystem services for economic development, environmental protection, and human wellbeing, both within the region and downstream. The region remains one of the country's most disadvantaged regions, lagging in various development indicators.[2] **This project, known as 'Green, Resilient, and Adaptive CHT Economy (GRACE)-LoCALplus', addresses adaptation investment deficits in hazards, vulnerability, and exposure in the hilly regions of CHT through innovative financing that rewards local government authorities for their performance. Applying principles of fiscal decentralisation, it promotes access to climate finance by local government authorities for locally led climate action, building on the experience of the LoCAL (Local Climate Adaptive Living) Facility,** the standard mechanism designed and managed by the UN Capital Development Fund (UNCDF), which promotes climate-change-resilient communities and local economies. The LoCAL Facility operates in 38 countries, including Bangladesh, with a focus on Least Developed Countries (LDCs).[3]

Overview of the project country and context: Bangladesh and the Chattogram Hill Tracts

Bangladesh ranks the 7th most climate-vulnerable country on the Global Climate Risk Index.[4] At the same time, the country has experienced rapid socioeconomic development over the last five decades since its independence, and Bangladesh has been a leader in adaptation and disaster risk management. These successes bolster the country against uneven shocks such as climate change and pandemics such as COVID-19 but also reiterate the need for proactive and robust adaptation investments, particularly to safeguard the continued potential of sustainable development. However, this development is not uniform across the country. Chattogram Hill Tracts (CHT), located in southeastern Bangladesh, is lagging on several fronts. CHT, bordering India and Myanmar, is Bangladesh's main hilly area, divided into three districts: Bandarban, Khagrachari, and Rangamati (**Figure 1**). The region has a rich history and is home to various Indigenous tribes. The British East India Company annexed and integrated it into the Chattogram District in 1860. After Bangladesh's independence in 1971, tensions arose between the government and the Indigenous population over land rights, cultural autonomy, and self-governance, leading to the CHT insurgency from 1975 to 1997. The conflict concluded with the signing of the CHT Peace Accord in 1997.

[1] World Bank. (2022). Key Highlights: Country Climate and Development Report for Bangladesh. https://tinyurl.com/yc6wesak http://cuts2.com/AyuII

[2] Tripura and Rasul. (2016). Achieving the Sustainable Development Goals in CHT – Challenges and Opportunities https://lib.icimod.org/record/32373

[3] Bangladesh is scheduled to graduate from the LDC list by 2026: https://tinyurl.com/2kxe73d3

[4] Global Climate Vulnerability Index (2021), developed by GermanWatch. https://www.germanwatch.org/en/19777 http://cuts2.com/rInfD

Due to its rich diversity and unique geography, CHT has vast potential for niche products and services such as agro-eco tourism, sustainable agriculture value chains, non-timber forest-based products, handicrafts, and *jhum* farming practices also known as shifting agriculture, which incorporates slash and burn and relocating to another plot when soil productivity declines. However, CHT is particularly vulnerable to the impacts of climate change (as described below) and is highlighted in Bangladesh's National Adaptation Plan (NAP) as one of eleven targeted climate stress areas of the country. CHT will require actions to reduce hazards (e.g., ecosystem-based measures to reduce flooding or droughts), vulnerability (e.g., livelihood diversification or hazard-proof infrastructure), and exposure (e.g., early warning systems and evacuations). **The area currently lags in adaptation action compared to the rest of the country. To prepare for a 2-degree-plus world, a shift from incremental to transformational adaptation is necessary.**

Figure 1: Different climate hazards in Bangladesh, with project area outlined in black, showing hazards of Flash Flood-Drought (Source: Asian Development Bank, 2021)

The **GRACE-LoCALplus** project will begin addressing adaptation investment deficits by targeting 15 district sub-units or 'Upazilas' in the CHT region (Alikadam, Baghaichhari, Dighinala, Kaptai, Kawkhali, Khagrachhari, Lakshmichhari, Mahalchhari, Manikchhari, Matiranga, Naikhongchhari, Naniarchar, Panchhari, Rajasthali, Ramgarh). After the first two years, the project will expand to cover the remaining 10 CHT Upazilas that were initially covered by the Local Government Initiative on Climate Change (LoGIC), (Bandarban Sadar, Barkal, Belaichhari, Juraichhari, Lama, Langadu, Rangamati Sadar, Rowangchari, Ruma, Thanchi). LoGIC is a multi-donor collaborative initiative of the Government of the People's Republic of Bangladesh (GoB), United Nations Development Programme (UNDP), UNCDF, European Union (EU), Denmark and Sweden. It aims to enhance the capacity of vulnerable communities, Local Government Institutions and civil society organisations for planning and financing climate change adaptation solutions in selected climate-vulnerable areas.

Observed climate and environmental resources in Bangladesh and the CHT

Climate baseline. [5] Historically, Bangladesh's average temperatures ranged between 15°C and 34°C, with an average of around 26°C throughout the year. However, temperatures have risen significantly, especially in the past three decades. [6] The CHT region also experienced similar trends, with uneven seasonal changes, a shrinking winter season, and rising summer temperatures.

Bangladesh's warm and humid climate is influenced by pre-monsoon, monsoon, and post-monsoon circulations, leading to heavy precipitation and tropical cyclones.[7] Annually, the country receives about 2,400mm of rainfall, with 70% occurring during the monsoon from July to September.[8] In recent decades, winters have become drier while monsoons have become wetter, and extreme rainfall events have increased in frequency. Flash floods and landslides pose

[5] World Bank. (2024). Climate Change Risk Profile: Bangladesh. https://tinyurl.com/ppts6ne3
[6] Government of Bangladesh – MoEFCC. (2022). NAP of Bangladesh (2023-2050). https://tinyurl.com/33mwpbbw
[7] World Bank. (2024). Climate Change Risk Profile: Bangladesh. https://tinyurl.com/ppts6ne3
[8] Government of Bangladesh – MoEFCC. (2022). NAP of Bangladesh (2023-2050).

significant risks, causing damage to communities and economies. Twelve flash flood events occurred in CHT between 1985 and 2015, just between 5 and 13 August 2023, Chattogram Division (including districts like Chattogram, Bandarban, Cox's Bazar, and Rangamati) experienced severe damages due to heavy rainfall and water flowing down from the hills. An estimated 346,196 individuals were potentially at risk or residing close to the flooded areas in Chattogram.[9] For example, in 2023 Bandarban's Lama recorded 227 mm of rainfall in the preceding 24 hours, which is the highest amount recorded in the current year,[10] and a flash flood in 2015 affected around 1.8 million people in the CHT region.[11] Lightning events have claimed around 368 lives annually over the past six years,[12] with higher occurrences in hilly areas.[13] Additionally, since 1990, more than 30 landslides have resulted in approximately 200 deaths and extensive economic losses.[14]

Environmental resources

The country's warm and wet tropical climate allows for a rich diversity of flora and fauna. CHT has a mountainous, rugged terrain with deep forests and lakes, providing a divergent character compared to the rest of the country. A large part of CHT is a forest with a unique ecosystem. CHT is a biodiversity hotspot: the area possesses over 2000 species of flowering plants and a variety of flora and fauna – including endangered or threatened species such as the Asian giant tortoise, the North-eastern Water Skink, and the Indian leopards – although it has experienced denudation and land degradation, which have impacted the provisioning of ecosystem goods and services.[15] Bangladesh has a history of exposure to various hazards, including those that are climatological (e.g., drought), hydrometeorological (e.g., cyclones, floods, storm surges), and geophysical (e.g., landslides, erosion). In the CHT, specific hazards include rainfall variability, flash floods, tropical cyclones, storm surges, and drought. Recent years have seen damages from landslides (2.4%), droughts (3%), and lightning (7.2%)[16]. From 2016–2021, average losses and damages in CHT reached BDT 11.5 billion (approximately USD 130 million), primarily driven by climatic stresses.[17] Climate change is expected to exacerbate climate hazards, necessitating significant adaptation interventions to mitigate increasingly damaging impacts.

Projected climate change and impacts in Bangladesh and the CHT

Global climate change is impacting temperature, evapotranspiration, and precipitation patterns. Using secondary sources from the World Bank (WB) and the Asian Development Bank (ADB), this section highlights key trends in these aspects. By using Representative Concentration Pathways (RCPs), it is possible to capture assumptions about the economic, social and physical changes to the environment that will influence climate change; such scenarios can then be used to model possible future climate evolution. Climate projections are downscaled to around 1-kilometre grid level for representative concentration pathways (RCPs) 4.5 (intermediate scenario) and 8.5 (worst-case scenario) based on regional climate models (RCMs) with a 50-kilometre resolution, which were derived from global climate models (GCMs).

[9] OCHA (2023). Bangladesh: Chattogram Division Flash Flood and Monsoon Rain 2023 - Situation Report No. 01
[10] IFRC (2023) BGD: Flood - 2023-08 - Flash Flood and Landslide' in Chattogram Region, https://go.ifrc.org/emergencies/6594/details
[11] Adnan et al. (2019). The use of watershed geomorphic data in flash flood susceptibility zoning: a case study of the Karnaphuli and Sangu River basins of Bangladesh. In: Government of Bangladesh – MoEFCC (2022). NAP of Bangladesh (2023-2050).
[12] Bangladesh Bureau of Statistics. (2022). BBS. Key findings and detailed tables on Bangladesh Disaster-related Statistics 2021: Climate Change and Natural Disaster Perspectives. In: Government of Bangladesh – MoEFCC (2022). NAP of Bangladesh (2023-2050).
[13] Holle, R. L., Dewan, A., Said, R., Brooks, W. A., Hossain, M. F., & Rafiuddin, M. (2019). Fatalities related to the lightning occurrence and agriculture in Bangladesh. In: Government of Bangladesh – MoEFCC (2022). NAP of Bangladesh (2023-2050).
[14] Government of Bangladesh – MoEFCC. (2022). NAP of Bangladesh (2023-2050). https://tinyurl.com/33mwpbbw
[15] Khan, M.H. (2001). Biodiversity. In Nishat, A. Ullah, M., Haque, A. K. E (eds.) Bangladesh Environmental Outlook. Centre for Sustainable Development.
[16] Bangladesh Bureau of Statistics. (2022). BBS. Key findings and detailed tables on Bangladesh Disaster-related Statistics 2021: Climate Change and Natural Disaster Perspectives. In: Government of Bangladesh – MoEFCC (2022). NAP of Bangladesh (2023-2050).
[17] Government of Bangladesh – MoEFCC. (2022). NAP of Bangladesh (2023-2050). https://tinyurl.com/33mwpbbw

Bangladesh ranks the 29th most vulnerable country globally, according to the Notre Dame Global Adaptation Initiative (ND-GAIN) Country Index.[18] It also ranks 167th in readiness to adapt to climate change. In such a climate-vulnerable context, understanding the trends and patterns of these changes and their impact on society and the environment is crucial.

Temperature: The downscaled models show a consistent warming trend, varying by the country's emissions scenarios. From 1977 to 2008, average, daily maximum, and daily minimum temperatures rose by 0.16°C, 0.2°C, and 0.12°C, respectively, per decade.[19] The Berkeley Earth dataset indicates a temperature rise of 1.03°C in Dhaka from 1900–1917 to 2000–2017, with the most substantial rise during the monsoon season.

Precipitation: Bangladesh's NAP projects rainfall variations due to future climate change, ranging from 0.1–1.4% in the 2030s and 2.4–3.5% in the 2050s. CHT will experience even higher rainfall and the highest climate change-induced rainfall variability in the country. Climate change is expected to increase monsoon and post-monsoon rainfall in the hilly region by 5–10%, posing higher landslide risks for vulnerable areas. According to the ADB, **RCP 4.5** predicts CHT to receive the highest precipitation in the country from 2011–2050, affecting flash floods, soil runoff, and vulnerable populations. **RCP 8.5** projects increased rainfall in the northeast districts of Bangladesh and CHT. Projected climate trends and local vulnerabilities will result in uneven impact, risks, and exposure. The IPCC Sixth Assessment Report (AR6)[20] confirms Bangladesh's high risk of climate-induced extreme events, affecting individuals' food security, livelihoods, health, and overall wellbeing. CHT is expected to experience changes in precipitation patterns, leading to increased flood risks, crop damage, and soil erosion.

Bangladesh relies heavily on transboundary rivers for freshwater, but recent analysis shows a water deficit with reduced water reaching the groundwater layer. Climate change has increased river flow, leading to frequent flash floods and droughts during the dry season. Community efforts are required to manage waterlogging, drainage issues, water scarcity, poor water quality, and heightened salinity. Agriculture is adversely affected, causing decreased crop outputs, shifting pest risks, and production losses. Coastal flooding poses a significant threat to rice agriculture. Local governments and communities need assistance adapting to changing crop yields, pest infestations, disease outbreaks, and water scarcity affecting irrigation. Extreme weather events impact biodiversity and ecosystems, disrupting interactions between organisms, altering migration patterns, and harming flora and fauna. Adaptation support is crucial to address these challenges. These climate change effects pose significant risks to the CHT region's health, livelihoods, resources, and cultures.

Demographics and political context of Bangladesh and CHT

Demographics: Bangladesh has a population of 171 million and one of the highest population densities in the world.[21] There are about 45 distinct local tribal communities in Bangladesh, accounting for about 1.8% of the population, and the largest concentration is in CHT. *Chakma, Garo, Hajong, Khasi, Kuki, Manipuri, Marma, Munda, Mro, Oraon, Rakhine, Santal and Tripura* are some of the well-known *adivasi*/ethnic minority communities. **Figures 2** and **3** present the population pyramid and distribution of local tribal peoples in the CHT.

[18] The Notre Dame-Global Adaptation Index (ND-GAIN) Country Index is a free opensource index that shows a country's current vulnerability to climate disruptions. ND-GAIN brings together over 74 variables to form 45 core indicators to measure the vulnerability and readiness of 192 UN countries from 1995 to the present.
[19] Ibid. Available at: https://unfccc.int/documents/192278
[20] Intergovernmental Panel on Climate Change. (2022). Working Group 11 – Impacts, Adaptation and Vulnerability. http://cuts2.com/pxpvo https://www.ipcc.ch/report/ar6/wg2/
[21] World Population Review – Bangladesh. (2024). Bangladesh Population. https://tinyurl.com/3pcwdfcs

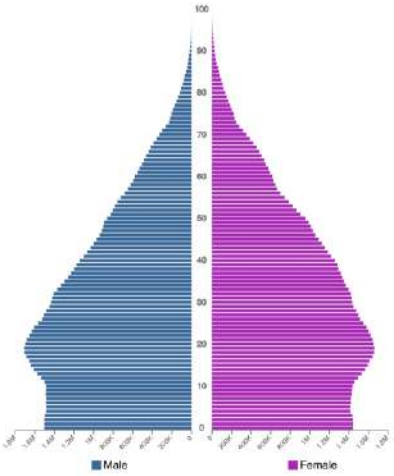

Figure 2: Population pyramid of Bangladesh (Source: World Population Review, 2021)

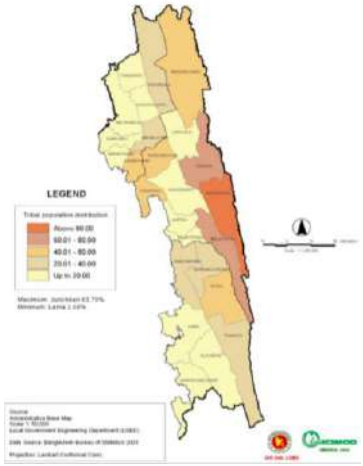

Figure 3: Distribution of the Indigenous population in the CHT (Source: ICIMOD, 2008)

Political context:

The GoB is acutely aware that climate change severely threatens the country's sustainable development goals, the current performance in development indicators, and the future of Bangladeshis' livelihoods, safety, and security. Bangladesh's NAP and Third National Communication to the UNFCCC (NC3)[22] identify the impacts of climate change in key sectors, such as agriculture, water resources, and ecosystems, wetlands and biodiversity, as priority concerns.

The MoEFCC coordinates all environmental matters and sets Bangladesh's climate change agenda. The government developed the Bangladesh Climate Change Strategy and Action Plan (BCCSAP) in 2009[23] and updated it in 2022 to integrate climate adaptation and mitigation with sustainable development. The National Adaptation Programme of Action (NAPA) was identified in 2009 to address climate change-induced development risks. The National Plan for Disaster Management 2021–2025 (NPDM)[24] is based on the Sendai Framework for Disaster Risk Reduction (SFDRR) principles. These strategies align with the Second Perspective Plan of Bangladesh 2021–2041,[25] the 8th Five-Year Plan (2019), and the Bangladesh Delta Plan 2100 (2018).[26]

Bangladesh has taken significant steps to address climate change, ratifying the Paris Agreement and updating its Nationally Determined Contribution (NDC) in 2016, 2020, and 2021. The country's efforts are supported by the Bangladesh Country Investment Plan for Environment, Forestry, and

[22] NC3. (2018). Ibid. Available at: https://unfccc.int/documents/192278
[23] Bangladesh Climate Change Strategy and Action Plan (BCCSAP): https://tinyurl.com/5n7uchwz
[24] National Plan for Disaster Management 2021 – 2025: https://tinyurl.com/2ejbjjujhttp://cuts2.com/YgZgR
[25] Second Perspective Plan of Bangladesh 2021–2041: https://tinyurl.com/27adxn2x
[26] Bangladesh Delta Plan 2100: http://cuts2.com/fqOOt https://tinyurl.com/52brr7w4

Climate Change (2016-2021).[27] Bangladesh also assumed the presidency of the Climate Vulnerable Forum (CVF) and the Vulnerable Twenty (V20) Group of Finance Ministers in 2020. It developed the Mujib Climate Prosperity Plan[28] to mobilise financing for renewable energy and climate resilience initiatives. CHT was identified by the GoB as one of the country's 'climate stress areas' in its recently released NAP 2023–2050, which also outlines adaptation priorities, and strategies for implementation, monitoring, and evaluation.

The **GRACE-LoCALplus** project will work in close collaboration with local government authorities (LGAs) in Bangladesh, leveraging the positive impacts of the recent trend towards decentralization efforts. The country's parliamentary representative republic has effectively transferred power transfer to various local government bodies, including: zila parishads (ZPs) or districts (2000); Upazila parishads (UPs) or sub-districts (1998, amended 2009), union parishads (UnPs) (2009), pourashavas or municipalities (2009), and hill district councils (HDCs) (1989). The Ministry of Local Government, Rural Development and Cooperatives oversees local government affairs, except HDCs, which fall under the Ministry of CHT Affairs (MoCHTA). This decentralisation has fostered increased civic participation and more efficient service delivery in rural areas, with active local involvement. The project aims to support and promote sustainable development initiatives and climate change adaptation by implementing springshed restoration, landscape conservation, and other nature-based solutions to mitigate the impacts of climate change by combining local revenues from property taxes. Finally, the GRACE-LoCALplus project aims to empower communities to set agendas and drive sustainable development initiatives.

GRACE-LoCALplus is designed to improve the climate change resilience of local communities by intervening at the local level identified as most effective – the target UPs of the CHT – and through funding adaptation activities using the Performance-Based Climate Resilience Grants (PBCRG) model and capacity development (CD) support. The PBCRG grants will provide a financial top-up to cover the additional costs of making investments climate resilient and are channelled through existing government fiscal transfer systems, rather than through parallel or ad hoc structures. The project design, which depends on grants to local governments and community involvement in identification of specific priority interventions to fund, inherently involves what the AF terms Unidentified Sub Projects (USPs).

Gender, socioeconomic, and social inclusion in Bangladesh and CHT

Socioeconomic overview:

Bangladesh is widely considered a pioneer among developing nations in poverty reduction and shared prosperity. However, within Bangladesh, CHT remains a disadvantaged region.[29] National studies show that around 52% of the CHT population is below the poverty line, and 21% are multidimensionally poor, compared to 32% in rural areas and 18% in urban Bangladesh. A socioeconomic survey[30] in the CHT showed around 62% of households in the region, irrespective of ethnicity, to be below the absolute poverty line in terms of daily calorie intake per capita (below 2,122 kcal) and 36% to be severely poor (below 1,805 kcal). The annual household income in CHT is around Bangladeshi taka (BDT) 66,000 (approximately USD 850), which is considerably lower than the national average for rural areas of BDT 84,000 (6pprox. USD 1,080)[31] as reported by the

[27] Bangladesh Country Investment Plan for Environment, Forestry and Climate Change 2016 – 2021:http://cuts2.com/oYSdS https://tinyurl.com/bdej9b98

[28] Mujib Climate Prosperity Plan: https://tinyurl.com/279mznhj http://cuts2.com/qaIkk

[29] International Centre for Integrated Mountain Development – ICIMOD. (2015). A Strategic Framework for Sustainable Development in the CHT of Bangladesh. https://lib.icimod.org/record/31134

[30] Barakat, A; Halim, S; Poddar, A; Badiuzzaman, M; Osman, A; Khan, MS; Rahman, M; Majid, M; Mahiyuddin, G; Chakma, S; Bashir, S (2009) Socioeconomic baseline survey of CHT. Dhaka, Bangladesh: Human Development Research Center.

31 Rasul (2015) A Strategic Framework for Sustainable Development in the Chittagong Hill Tracts of Bangladesh, https://lib.icimod.org/record/31134

United Nations Development Programme (UNDP) and the Food and Agricultural Organization of the United Nations (FAO).

Non-income poverty is also higher in the CHT than in other parts of Bangladesh: Among the 64 ZPs in Bangladesh, 15 have been identified by the government as the most underdeveloped and needy in terms of infrastructure, including roads and electricity, and access to credit, education, health, water supply, and etc. All three districts in the CHT region fall under this category; Bandarban, has the highest poverty level among the CHT ZPs. The UPs of Ali Kadam, Naikkongchhari Rowangchhari, Ruma, and Thanchi in Bandarban are considered the most deprived areas in the country.

Water, Sanitation, and Hygiene (WASH) in CHT: Performance on human development indices, according to ICIMOD, also remains very low in the CHT region, although Bangladesh overall has made considerable progress. Only 65% of people have access to safe drinking water in CHT, compared to 75% of rural people in Bangladesh. This is due to the area's topography, and is exacerbated by natural and climate-induced flash floods in the region. Furthermore, open defecation is still a standard practice in many parts of CHT, which causes health and nutrition problems. The Bandarban and Khagrachhari ZPs rank near the bottom in almost all health and nutrition indicators. Along with the lack of potable water, this means that a large percentage of the population need access to essential health services; this access made more challenging by hilly terrain, limited human resources and medical facilities. The prevalence of stunting, being underweight, and wasting among children under five is 42, 34, and 7%, respectively. The poor water and sanitation conditions compound the vulnerability of children to morbidity and mortality from diarrhoea and other preventable water-borne diseases.

Gender and socioeconomic development in Bangladesh: The UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) was ratified by the GoB in 1984. Bangladesh's government has committed to taking the necessary measures to eliminate discrimination against women in all forms. The Constitution of Bangladesh (Articles 27, 28, 29, and 31) guarantees equality and non-discrimination on account of sex, religion, ethnicity, and place of birth to provide scope for affirmative action in favour all citizens. Article 24 promises to ensure religious freedom within a pluralist, national framework, and Article 28 (sections 1,2, and 3) ensures equality in all spheres of life between women and men. However, despite recent progresses in specific activities, the *de jure* legislative frameworks depart significantly from the *de facto* realities of gender and socioeconomic development in Bangladesh.

In Bangladesh, 20.6% of parliamentary seats are held by women; 39.8% of adult women have reached at least a secondary level of education compared to 47.5% of men. For every 100,000 live births, 173.0 women die from pregnancy-related causes; the adolescent birth rate is 83.0 births per 1,000 women aged 15–19. Female participation in the labour market is 36.3% compared to 81.4% for men. However, the Social Progress Index 2016 of the Social Progress Imperatives presented Bangladesh with a Social Progress Index of 52.73, ranked 101 out of 133 countries, and categorised as low social progress, as the least-performing country compared to four developing-country members of ADB in South Asia (Social Progress Index of Sri Lanka was 62.21, Nepal's was 57.40, and India's was 53.92).[32]

Table 1 provides scores of three different UNDP composite indices: the Human Development Index (HDI), Gender Inequality Index (GII), and Gender Development Index (GDI), as well as the World Economic Forum (WEF)'s Global Gender Gap Index (GGGI) as points of departure.

[32] ADB (2017) Bangladesh: Gender Equality Diagnostic of Selected Sectors, https://tinyurl.com/btpwsvyt

Table 1: HDI, GII, GDI, and GGGI scores of Bangladesh (Sources: UNDP, 2019 and WEF, 2022)

INDEX (SCALE, ORGANIZATION)	RANK (YEAR)
Human Development Index, out of 189 countries (UNDP)	133 (2019)[33]
Gender Inequality Index, out of 162 countries (UNDP)	133 (2019)[34]
Gender Development Index clustered with group (UNDP)	Group 4 (2019)[35]
Global Gender Gap Index out of 153 countries (WEF)	71 (2022)[36]

Gender and climate impacts in Bangladesh: At a country level, gender and social inclusion trends in the country contribute to the following disparities, as highlighted in the World Economic Forum's Global Gender Gap Report[37]: climate-related impacts affect human populations across areas including agriculture, food security, water management, and public health, as shown through increasing research. People's coping strategies depend on socioeconomic status, sociocultural norms, access to

resources, poverty, and gender. According to the World Bank, factors contributing to gender differences in vulnerability to climate change include time use, access to assets and credit, treatment by formal institutions, limited participation in policy discussions, and lack of sex-disaggregated data. Rural-level studies highlight that women in Bangladesh are more vulnerable than men to short-term climatic events and climate-induced changes (e.g., sea level rise, salinity intrusion, land erosion, drought) due to existing inequalities. In many cases, women face greater risks due to caregiving roles, limited mobility, and often an inability to swim. Beyond immediate death and injury from climate hazards, the aftermath is harsher, with higher fatalities from waterborne diseases surpassing those from the disaster itself[38]. For instance, in cyclone-prone areas of southern Bangladesh, women and children often hesitate to use shelters without a close relative present. Many women also would feel uncomfortable and unsafe without being accompanied by a family member. Climate variability poses specific challenges for women and adolescent girls in the country, including limited sanitation facilities. Besides, the increasing difficulty of accessing fresh water due to climate change is forcing young women in coastal areas of Bangladesh to attempt to halt their menstrual cycles.[39]

According to data from the International Union for Conservation of Nature (IUCN), women play a crucial role in food production in Bangladesh. Poverty, women's empowerment, and male migration have led to the systematic "feminisation" of the agricultural labour force. According to the labour force survey of 2016-17, the proportion of women engaged in agriculture, services and industries sectors were 40.6%, 39% and 20.4% cent respectively.[40] With fewer men present, women's roles shifted from unpaid family workers to farm managers. However, climate change has added more responsibilities for women, making their tasks increasingly challenging as they must manage farming, household subsistence production and caregiving tasks in the home.

Overlapping vulnerabilities of local tribal peoples and gender in CHT: In CHT, the impacts of climate change are profoundly evident across social, economic, and political spheres. These impacts are compounded by overlapping vulnerabilities, including gender and social inclusion/exclusion factors. Socioeconomic hardships are mainly concentrated within the local

[33] UNDP (2024) Human Development Report 2021-22: Takeaways for Bangladesh.http://cuts2.com/oTxbs https://tinyurl.com/bddybz4u
[34] UNDP (2024) Human Development Report 2021-22: Takeaways for Bangladesh.http://cuts2.com/oTxbs https://tinyurl.com/bddybz4u
[35] UNDP (2024) Human Development Report 2021-22: Takeaways for Bangladesh.http://cuts2.com/oTxbs https://tinyurl.com/bddybz4u
[36] World Economic Forum (2022) Global Gender Gap Report 2022 , available at: https://tinyurl.com/4fxbkfdh
[37] World Economic Forum (2022) Global Gender Gap Report 2022 , available at: https://tinyurl.com/4fxbkfdh
[38] UN-Women (2015)Assessment of Women's Livelihood Needs in three eco-zones of Bangladesh https://tinyurl.com/bdh446ya
[39] Papri (2022) For women on Bangladesh's coast, rising seas pose a reproductive health dilemma https://tinyurl.com/469pjr3s
[40] Ahmed (2021) Women in agricultural work https://tinyurl.com/2nvy8yc5

tribal communities, heightening their vulnerability to extreme weather events due to their dependence on climate-sensitive areas and natural resources for survival. Social exclusion and limited access to essential resources further increase their susceptibility to climate-induced disasters, exacerbating socio-economic challenges and threatening their livelihoods, health, and cultural practices. To address these multifaceted challenges, it is essential to implement inclusive and sustainable adaptation measures through the GRACE project that prioritise the needs of these vulnerable communities.

Relevant policies on gender and climate change: Bangladesh has progressively included these issues in its climate change policies and has recognised the differential impact of climate drivers on women and on certain social groups including local tribal communities. One of the Transformation Pillars under the BCCSAP (2022) is: Education, Gender, and Inequality. The BCCSAP further recognises that ecologically critical areas – such as the CHT – often face gendered and local tribal vulnerabilities. With support from the IUCN, the MoEFCC produced a Climate Change Gender Action Plan that can be updated and used along with Bangladesh's existing policies.[41] The Gender Policy (2016) of the Department of Environment, housed within the MoEFCC, aims to create a gender-sensitive organisation. Gender has also been included as a cross-cutting factor in national climate vulnerability assessment frameworks, indicating that Bangladesh is poised to expand its current portfolio of adaptation actions towards gender-responsive programmes and activities.

This project can facilitate local access to critical adaptation investment in this context, enabling the application of locally appropriate climate-resilient knowledge. It will capitalise on opportunities for gender mainstreaming and socially inclusive practices led by local tribes and implemented by LGAs.

B. Project Objectives

Introduction:

The overall objective of the GRACE-LoCALplus initiative is to strengthen the climate resilience of vulnerable hill communities, with a special focus on empowering women and local tribal communities alongside ecosystems and economies in the CHT. The proposed project is based on the premise that when communities (particularly women and local tribal groups) and local government systems in the CHT region of Bangladesh have a better capacity to manage climate change adaptation activities and have increased access to financing to implement climate adaptation activities locally, then they will become more resilient to climate change.

Theory of change:

The scale and complexity of climate change and its effects on communities require targeted and sustained interventions to reverse existing trends and address the environmental, climate change and socio-economic challenges. Our theory of change (TOC) is based on the understanding that local governments and the communities in CHT are best placed to understand the diversity and complexity of local social, economic, and ecological systems and thus to identify bespoke solutions and concrete climate change adaptation actions that address climate vulnerabilities in their own contexts.

While local governments typically have the mandate to undertake the small- to medium-sized adaptation investments required for building climate resilience, they do not necessarily have the technical and financial resources to do so – particularly in a manner that would achieve lasting changes aligned with established local decision-making processes and planning, budgeting, and budget execution cycles. Therefore, the project will systemically address this challenge, paving the way for lasting changes.

[41] Bangladesh Climate Change Trust and UN Women Bangladesh (2024). Climate Change and Gender Action Plan. https://tinyurl.com/yp7r5z7f

The GRACE-LoCALplus project will follow a two-pronged approach – (i) enhancing the capacity of local governments and vulnerable communities to build resilience to climate change impacts, and (ii) enhancing country systems to access climate finance and deliver on locally led adaptation efforts.

This approach will ensure continuation of climate adaptation work after the funding from the project ends, while contributing to Bangladesh's climate resilience plans, policies, and strategies. To improve understanding of climate change trends and impacts, GRACE-LoCALplus will generate and utilise data and evidence to inform and support adaptation strategies, and involve local governments and communities to identify hazards, vulnerabilities and risks. The project will support the development of a package of good practices or 'basket' of options (adaptation activities). It will assist local governments and communities in the selection of suitable adaptation options while channelling financing to implement climate adaptation at the local level in target districts through the engagement of specific population groups in activities focused on adaptation and reducing climate-related risks. The project is designed to be locally led so that communities and local governments can develop and implement climate adaptation activities tailored to the local context and to maximise the project's sustainability. Furthermore, it is designed to align seamlessly with Bangladesh's climate resilience plans, policies, and strategies, thereby contribute significantly to the nation's overall climate resilience framework.

The project's TOC in Annex 1 presents the causal pathways necessary to bring about the desired outcomes, co-benefits, and impacts. The TOC includes activities that support outputs and outcomes, as well as the barriers, risks, and underlying assumptions. The expected outputs and outcomes, along with the financing details for each project component, are elaborated in **Table 2**. Additionally, the GRACE project's key milestones and completion dates are summarised in **Table 3**. These milestones include critical phases of the project such as the start of implementation, mid-term reviews, closing dates, and terminal evaluations.

The project's outcomes and outputs are outlined below:

Outcome 1: Enhanced capacity of local governments and vulnerable communities to build resilience to climate change impacts:

- **Output 1.1:** Data and evidence on local climate risks to inform local decision making
- **Output 1.2**: Capacity building of local governments and communities delivered (on the-the-job training, workshops, accessible knowledge products)
- **Output 1.3:** Local government plans and Local Adaptation Action Plans developed and updated for the selected Upazilas

Outcome 2: Enhanced country systems to access climate finance and deliver locally led adaptation:

- **Output 2.1**: Annual programmes of adaptation for targeted Upazilas identified in line with the PBCRG mechanism
- **Output 2.2:** Locally led climate adaptation interventions and investments are implemented
- **Output 2.3:** PBCRG system for local-level action, including M&E and reporting

C. Project/Programme Components and Financing:

Table 2: Project components, expected outputs and outcomes, and financing

Project Components	Expected Concrete Outputs	Expected Outcomes	*Amount (USD)*
1. Capacity building and mainstreaming Climate Change Adaptation (CCA) into local government systems for resilience interventions in line with the Performance-Based Climate Resilience Grant (PBCRG) mechanism	1.1. Data and evidence generated and shared on local climate risks to inform local decision making 1.2. Capacity building of local governments and communities delivered (on the-the-job training, workshops, accessible knowledge products) 1.3. Developed and updated local government plans and Local Adaptation Plans of Actions for the selected Upazilas	Enhanced capacity of local governments and vulnerable communities to build resilience to climate change impacts	3,161,903
2. Grant facility and PBCRG mechanism for adaptation intervention	2.1 Annual programmes of adaptation for targeted Upazilas identified in line with the PBCRG mechanism 2.2. Locally led climate adaptation interventions and investments are implemented 2.3. PBCRG system for local level action, including M&E and reporting.	Enhanced country systems to access climate finance and deliver locally led adaptation	5,486,080
3. Project/Programme Execution cost (ICIMOD 1.5%, UNCDF 9.5% of the total Project/Programme Cost)			568,607
4. Total Project/Programme Cost			9,216,590
5. Project Cycle Management Fee charged by IE (8.5% of the total Project/Programme Cost			783,410
Amount of Financing Requested			10,000,000

D. Projected Calendar

Table 3: GRACE project key milestones and completion date (48 months)

Milestones	Expected Dates
Start of Project/Programme Implementation	January 2025
Mid-term Review (if planned)	December 2026
Project/Programme Closing	Dec 2028
Terminal Evaluation	April 2029

PART II: PROJECT JUSTIFICATION

A. Project Components

GRACE-LoCALplus aims to strengthen local economies and enhance climate resilience through additional climate change investments and capacity-building support at various levels. It will do this by building on the global implementation of the Local Climate Adaptive Living (LoCAL) mechanism (or LoCAL Facility) and the experience from the LoCAL-Bangladesh Phase I (which piloted the PBCRG mechanism in three UPs) and its Phase II, under the Local Government Initiative on Climate Change (LoGIC)[42], which provided PBCRGs for climate-resilient investments.

GRACE-LoCALplus will scale up this mechanism in CHT, covering multiple NAP sectors. Given that LoGIC is active in ten Upazilas in the CHT region until 2025, GRACE-LoCALplus will roll out activities in the remaining fifteen Upazilas over the first two years of the project, then expand to build on LoGIC's work in the ten LoGIC Upazilas in the last three years of the project. The LoCAL Facility, managed by the UN Capital Development Fund (UNCDF), provides a standard and internationally recognised country-based mechanism for channelling climate finance to local authorities in developing countries.[43] LoCAL supports the Paris Agreement, promotes NAP implementation, and contributes to climate-related SDGs through concrete action at the subnational level. It combines PBCRGs, offering financial top-ups for climate change adaptation – which ensures programming and verification of climate change expenditures at the local level – with technical and capacity-building support. The LoCAL approach is shown in **Figure 4**. Recognising that solutions must be tailored to mountain communities, the investment menu will focus on mountain-specific adaptation measures that align with activities proposed in

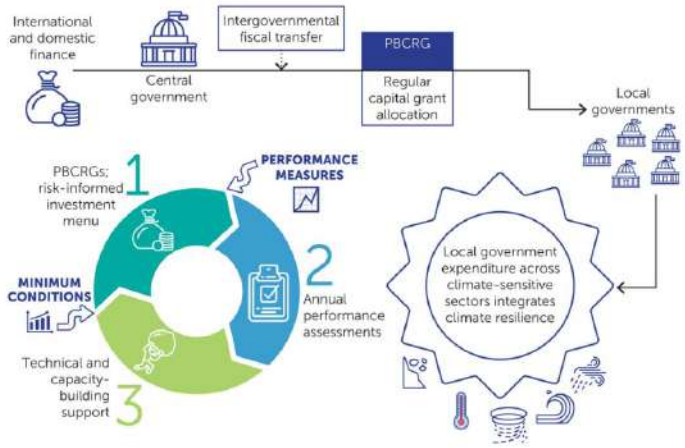

***Figure 4**. Performance-Based Climate Resilience Grant Cycle*

Bangladesh's NAP, the current Five-Year Plan and other plans and policies outlined in Section D.

- Phase I – Piloting consists of initial scoping and testing in two to four local governments. Phase I countries include Burkina Faso, Tunisia, Senegal, Lao PDR, Malawi, Nepal, Solomon Islands, and Tuvalu. Tanzania, Mali and Uganda are preparing to enter Phase II.

[42] Overview of LoGIC can be found here: http://rb.gy/8ot82
[43] UNCDF. (2023). LoCAL final report on second period of global expansion 2019–2022: realizing demand with standard and scalable locally led action https://www.uncdf.org/article/8328/local-report-2019-2022

- Phase II – Learning occurs in a country's 5–10 local governments. It involves collecting lessons and demonstrating the LoCAL mechanism's effectiveness act a larger scale. The Gambia, Ghana, Lesotho and Niger are in Phase II.
- Phase III – Scaling-up – the national roll-out of LoCAL based on the results of previous phases and lessons learned (Bangladesh, Benin, Bhutan, Cambodia, and Mozambique are currently transitioning to or are already in the third phase). During this phase, LoCAL is gradually extended to all local governments that are most at risk and becomes the national system for channelling adaptation finance to the local level. This is the phase Bangladesh is preparing to enter.

The project will enable on-granting by the Ministry of Local Government, Rural Development, and Cooperatives of Bangladesh to Upazila-level LGAs using the LoCAL mechanism. The on-granting is based on local climate change needs and performance measures for building resilience. The PBCRGs will be allocated to Upazilas in the three target districts of CHT according to their approved annual allocations, determined through the yearly assessment of LGAs. By incorporating performance metrics that involve the active participation of vulnerable groups, including at least 50% women and marginalised ethnic groups, the decision-making process for sub-projects ensures that financial flows have a significant impact on the most vulnerable communities at the local level.

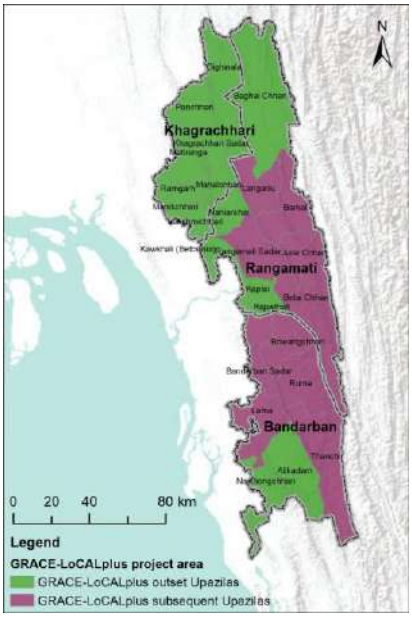

***Figure 5**. GRACE-LoCALplus project area*

The project will contribute to Bangladesh's ability to operationalise Phase III. GRACE-LoCALplus also aligns with key government documents (e.g. National Adaptation Programme of Action (NAPA) that have been recently published by the GoB, ensuring alignment with local communities' needs and government priorities. This includes the 2022 NAP for Bangladesh, which incorporates locally specific proposed adaptation interventions that will form the investment menu for this project, and the Climate Vulnerability Index prepared by MoEFCC that will be used for the PBCRG allocation; this will be done through Upazilas, strengthening technical departments at this level. Additionally, CHT District Councils will play a crucial role in planning and monitoring, further empowering local governments in climate change adaptation.

The project's beneficiaries include Upazilas in Bandarban, Khagrachhari, and Rangamati districts, along with their communities, especially marginalised ethnic groups. Various stakeholders, such as government leaders, officers, administrators, cooperatives, micro, small, and medium enterprises, civil society organisations, and other community stakeholders, will also benefit. Women-led groups are encouraged to participate in funding requests, proposal development, review, and decision-making in collaboration with district LGAs. The project aims for active participation by at least 50% of women at all levels and throughout all phases (See Annex 2 for more details on the gender assessment).

GRACE-LoCALplus will start by targeting the following 15 Upazilas (Figure 5) from the outset of the project: Alikadam, Baghaichhari, Dighinala, Kaptai, Kawkhali, Khagrachhari, Lakshmichhari, Mahalchhari, Manikchhari, Matiranga, Naikhongchhari, Naniarchar, Panchhari, Rajasthali and Ramgarh. During this time, the LoGIC project will still be covering the remaining ten Upazilas in

the CHT (from 2023–2025). Following the first two years of the project, GRACE-LoCALplus will expand to cover the additional 10 Upazilas that were initially covered by LoGIC (Barkal, Bandarban Sadar, Belaichhari, Juraichhari, Lama, Langadu, Rangamati Sadar, Rowangchari, Ruma and Thanchi). LoGIC is expected to pave the way for GRACE-LoCALplus to offer deeper and broader support across the CHT region.

Component 1. **Capacity building and mainstreaming Climate Change Adaptation (CCA) into local government systems for resilience interventions in line with the PBCRG mechanism**

Component 1, which is particularly aligned with Outcome 3 of AF's Strategic Results Framework, will be delivered through three different outputs:

- **Output 1.1. Data and evidence generated and shared on local climate risks to inform local decision making**

Understanding local climate risks demands gathering and sharing geospatial information on weather trends, vulnerable sectors, and potential impacts. This information helps visualise hotspots, prioritise adaptation, and empower communities facing the challenges of a changing climate. This project aims to incorporate geospatial information and data to pinpoint where the key problem areas lie, within the vulnerable CHT region. This includes meticulously mapping imminent threats of landslides, floods, and other natural calamities, forecasting thunderstorms, and modelling landslides to enable early warnings. Moreover, forecasting lightning strikes adds another layer to this digital information service to guard against the hazards of climate risks. This project will disseminate this invaluable information through online maps, mobile SMS and interactive workshops, which aims to empower local communities with knowledge, in order to build resilience.

The following activities support the achievement of output 1.1:

Activity 1.1.1. Undertaking one multi-district climate risk and vulnerability assessment (CRVA) to inform local adaptation and risk-informed planning and mainstreaming

This activity will focus on conducting a comprehensive climate risk and vulnerability assessment (CRVA) across multiple districts, which aims to inform local adaptation planning and mainstream climate resilience into decision-making. The assessment process will include the customisation of tools for the CRVA and carrying out identification of existing and future climate risks, determinants of vulnerability and adaptive capacity of the people in selected districts. It will involve perception mapping of communities about climate risks and vulnerability as well as analysis of climatic data. The findings of the assessment will be shared with relevant stakeholders to sensitise them and provoke informed planning and mainstreaming. This activity also seeks to create a comprehensive picture of climate risks and vulnerabilities across multiple districts. Additionally, spatial land use planning[44] will be carried out within priority settlement areas. It also aims to complement and integrate previous efforts made by the GoB, in particular the Risk Atlas and Hazard Map and the Climate Vulnerability Index.

Activity 1.1.2. Establishment of local information systems for adaptation (LISA) to complement the CRVA

Aligned with the Climate Vulnerability Index, the LISA system will be established in target districts to help strengthen community resilience to climate change impacts by providing early warnings about extreme weather events. Notably, the system will provide warnings about extreme weather, such as thunderstorms and lightning, rainfall, floods and landslides. The system can be customised to each target district's specific needs and context, along with a web-based dashboard and information/data-sharing mechanisms of government agencies for early warning and disaster risk reduction.

[44] Spatial Land-use Can Help Overcome Environmental and Development Challenges in CHT (2022) https://www.daily-sun.com/printversion/details/656926

- **Output 1.2. Capacity building of local governments and communities delivered (e.g., on-the-the-job training, workshops, accessible knowledge products)**

Building resilient communities in the climate-vulnerable CHT demands strong and knowledgeable local actors to overcome climate challenges. Recognising this, Output 1.2 focuses on increasing capacity and climate awareness through workshops, hands-on training, and knowledge sharing, in order that individuals and organisations acquire the skills and knowledge needed to effectively devise effective adaptation strategies. The aim of this multi-faceted approach is to build awareness, improve preparedness, and foster collaboration, paving the way for a resilient future. At the LGA level, representatives from various departments will participate in planning and monitoring, becoming lead trainers responsible for training community mobilisers and overseeing the implementation of PBCRG mechanisms (alongside the project team). Training sessions on social audits and fiduciary risk management will build knowledge of LGA representatives on correct reporting of locally led adaptation efforts to improve transparency and accountability by doing a pre and post training assessment. In addition to workshops and training sessions for communities and governments, component one will also include policy dialogues at local and national government levels for mainstreaming and policy influence. The project will document, archive and disseminate widely across the HKH the knowledge generated from the project.

The following activities support the achievement of output 1.2:

Activity 1.2.1: Awareness and sensitisation activities at local and national level on climate change and the role of local authorities in addressing climate change, through LoCAL

This activity aims to build widespread awareness of climate change and initiate engagement at the local and national levels (e.g. Community awareness of climate change, its impacts, the importance of adaptation strategies, strengthen the capacity of local government officials and institutions in climate change planning and implementation, and enhance the capacity of local stakeholders in using GIS and participatory mapping for climate adaptation planning, etc) . It focuses on empowering and educating local authorities to play a vital role in addressing climate challenges. Local authorities will be supported to produce locally appropriate communication and awareness-raising materials including video documentaries, stories, and social media posts on climate change impacts and adaptation measures. The project will deliver a series of events, including workshops, dialogues, and exposure visits, to bring together local and national authorities to inform them about climate risks and sensitise them about their role in addressing climate change impacts. The project will also deliver awareness-raising and capacity-building sessions for communities and disaster management committees, where they will learn about climate change and its impacts, adaptation solutions, and Nature-based Solutions. Under this activity, the project will identify community mobilisers to support vulnerable households in implementing adaptation actions. The project team will deliver training on community mobilisation for the mobiliers.

Activity 1.2.2. Assessment of needs and capacity gaps in relation to key elements of the LoCAL approach

This activity evaluates the needs and capacity gaps of the LoCAL approach, prioritising critical aspects like CRVA, multi-criteria analysis, gender inclusion, accountability, and environmental sustainability. It goes beyond assessment, providing resources and training to empower communities. Crucially, it tailors the responses to the specific needs of each community, and bridges the gaps identified in order to lay the groundwork for impactful adaptation initiatives.

Activity 1.2.3: Capacity-building activities according to needs and capacity gaps identified

This activity will provide capacity-building activities for individuals and organisations, in order to enhance tailored skills, awareness and tools usage based on community assessments, and findings and recommendations from annual performance assessments evaluations (under Outcome 2). Learning avenues include workshops, peer exchanges, knowledge-sharing platforms,

technical guidance, on-the-job learning, training sessions, technical assistance, coaching, and bespoke solutions. Prioritising sustainability and inclusivity, this activity bridges gaps in order to foster community resilience and enable proactive change. Recognising diverse needs, it celebrates targeted support, emphasising a collective approach to resilience building, and helping communities to thrive amidst climate challenges.

- **Output 1.3 Local government plans and Local Adaptation Plans of Actions developed and updated for selected Upazilas**

The project focuses on developing and consistently updating Local Government Plans and Local Adaptation Plans of Actions (LAPAs) for selected Upazilas. These plans serve as crucial blueprints, reflect community-specific vulnerabilities and needs, addressing climate change challenges. Through engagement and assessments, the project will contribute to integrating diverse adaptive strategies into these plans. The project will undertake regular revisions and monitor to ensure responsiveness to evolving climatic dynamics, in order to enable proactive risk mitigation and enhance adaptability within these localities to effectively combat the impacts of a changing environment.

The following activities support the achievement of output 1.3:

Activity 1.3.1. Review of CRVA findings and integration of climate change adaptation in local development planning and budgeting in a participatory and gender-sensitive manner

Using the multi-district CRVA findings, and aligned with the Climate Risk Index, the project will support the LGAs to organise and analyse findings and ensure integration of the priorities of each Local Adaptation Plan of Action (LAPA) in five-year and annual development plans, considering the localised context of climate vulnerability. The project will organise a stakeholder validation process to ensure broad community consensus, awareness, and ownership of the results. The project will consult with the LGAs during the LAPA development process, in order to identify needs-based community adaptation schemes, focusing on ecosystem-based adaptation initiatives. The project will support the LGAs to mainstream these plans into the local development planning process, and ensure they are regularly screened and updated against current and emerging environmental and climate risk priorities to improve climate-inclusive planning on an ongoing basis.

Component 2. Grant facility and PBCRG mechanism for adaptation intervention

Component 2, which is particularly aligned with Outcome 2 of the Adaptation Fund's Strategic Results Framework, will be delivered through three different outputs:

- **Output 2.1: Annual programmes of adaptation for targeted Upazilas identified in line with the PBCRG mechanism**

This output focuses on delivering tailored adaptation programmes for the CHT Upazilas, considering their unique climate challenges. These programmes, built on local assessments and community needs, reinforce resilience against climate stressors like erratic rainfall and landslides. The programmes will include strategic interventions in agriculture, infrastructure, and forestry, customised for each locality, in order to ensure sustainable growth and resilience amidst a changing climate.

Table 4: Investment menu: sector-wise proposed interventions in the CHT based on Bangladesh's NAP and predicted environmental benefits (interventions in bold were noted as a priority during July and November 2023 Workshop /Consultation)

Priority rank	NAP Sector	Interventions	Predicted Environmental Benefits
1	Water resources	Planned, participatory and coordinated land and water resources management	Protection of valuable land and water resources, Sustainable spatial planning for a tourism site
2	Ecosystem, wetlands and biodiversity	Revitalization of natural springs and sustainable management of waterbodies for reducing water scarcity, and the restoration and conservation of ecosystems and biodiversity	Springs and bodies of water are conserved and protected, as are ecosystems and biodiversity
3	Water resources	Community-based rainwater harvesting through indigenous techniques and conservation of wetlands, reservoirs and natural springs for drinking water supplies in hard-to-reach and water-stressed areas	Wetlands will be conserved; natural springs and reservoirs will be less stressed and more protected.
4	Ecosystem, wetlands and biodiversity	Conservation of village common forests (VCFs) through community-based spring, watershed and agricultural landscape management, and soil conservation in the CHT	Soil, water, and land resources are all protected and placed under less stress
5	Agriculture	Extension of good agricultural practices, modern agricultural technology and sloping agricultural land technology (SALT)	Protection of land resources and hills, prevention of landslides
6	Ecosystem, wetlands and biodiversity	Conservation of agroecosystems through expanded agroforestry, good agricultural practices and regenerative agriculture	Soil and land are protected
7	Ecosystem, wetlands and biodiversity	Combat desertification through planting regenerative indigenous species	Soil is protected
8	Agriculture	Increased efficiency of fertiliser use for enhancing production	Soil health is promoted
9	Water resources	Drought management measures for enhanced groundwater recharge and increased soil moisture in water-stressed areas	Groundwater will be allowed to recharge, and soil will become moister in stressed areas
10	Agriculture	Augmentation of surface water for irrigation and multipurpose use	Conservation of water resources
11	Agriculture	Crop diversification/intensification for natural resources optimization and reduction of climate stress	Stress on land and soil are reduced, promotion of soil health
12	Ecosystem, wetlands and biodiversity	Development of multifunctional hill and forest management and conservation system	Hills and forests are protected
13	Ecosystem, wetlands and biodiversity	Adopt other effective area-based conservation measures to fulfil the biodiversity framework target	Promotion of biodiversity
14	Ecosystem, wetlands and biodiversity	Development of a participatory wetlands management framework for the sustainable management of wetlands	Wetlands protected
15	Ecosystem, wetlands and biodiversity	Halda River ecosystem restoration and conservation	Ecosystem and biodiversity are conserved.

Priority rank	NAP Sector	Interventions	Predicted Environmental Benefits
NA (not prioritized)	Agriculture	Farm modernization/mechanization to reduce climate vulnerability	Reduced emissions and pollution, promotion of soil health and less stress on land
NA (not prioritized)	Agriculture	Extension of stress-tolerant, pest and disease-resistant rice and non-rice crops	Less stress placed on soil and water resources when crops are more resilient
NA (not prioritized)	Ecosystem, wetlands and biodiversity	Watershed management of Kaptai Lake for ecosystem resilience and water retention	Water resources are conserved and placed under less stress
NA (not prioritized)	Water resources	Sustainable shoreline erosion management based on eco- or bioengineering measures	Prevention of shoreline erosion, shorelines are protected
NA (not prioritized)	Water resources	Development of a basin wide and participatory watershed management framework to restore, harvest and optimize the use of water resources	Water basins are preserved, and less stress is placed on water resources
NA (not prioritized)	Water resources	Extension of climate-smart technologies for increasing irrigation water use efficiency	Water resources are conserved and input under less stress

*Table 5: List of main activities and responsibilities for prioritisation, selection and implementation of PBCRGs**

Process	Responsibilities	Notes
Identifying interventions		
Consultation process	Upazila with local leaders and NGOs	The Upazilas, local leaders and NGOs will organise sensitisation sessions in target communities, in an inclusive and gender-responsive manner
Shortlisting interventions		
Identifying local authority adaptation priorities	Upazila Parishad	Using the climate risk assessment findings, and building on UNCDF's Assessing Climate Change Adaptation Framework (ACCAF), each local authority articulates a few (three to five) local authority-level adaptation priority statements. The local authority adaptation priorities are themes or topics that reflect the most critical aspects of climate change for the local authority and the adaptation priorities that will address these concerns. They should also be aligned with the Investment Menu
Agreement on shortlist	Upazila Nirbahi Officer	Interventions must meet minimum criteria* of a) inclusion in the Investment menu (Table 4), b) address CRVA local analysis and c) inclusion in the local adaptation plan. *Other interventions that do not completely cover the criteria may be shortlisted if there is high demand and positive initial socio/env analysis

Outline design and prioritisation of shortlisted interventions (including ESMP and GAP)		
Community consultation	Managed by Upazila Parishad, Hill District Council (Rangamati) by Upazila Facilitator and traditional local representatives (Headman/Carbari) supported by UNCDF/ICIMOD	Local associations/CSOs etc. will organise participants
Intervention adaptation rationale	Managed by Upazila Parishad supported by UNCDF/ICIMOD	Once an intervention(s) has(have) been selected, the task is to articulate an adaptation rationale for it. Developing an adaptation rationale is a process, and the result is an adaptation outcome statement – a short, ideally measurable statement of what is to be achieved by the adaptation intervention, as well as outcome and output indicators, as per ACCAF building blocks. The statement should justify the intervention from a climate change standpoint.
Initial outline design of intervention	Project Engineer	
Technical analysis	Engineer of Local Government Engineering Department	
Economic analysis	District Climate Finance Coordinator with line department officials etc.	
Environmental checklist	Project Engineer / Environmental Specialists in a project with Upazila	
Gender and social checklist	Upazila Facilitator/Gender/social specialists in a project with Upazila	May involve a consultation process, e.g. NGOs
Compliance with relevant national and local policies and regulations	Relevant specialists in the project	
Selection and communication of intervention (s)		
Review and final decision	Upazila Nirbahi Officer (UNO) and Deputy Director of Local Government, District Climate Finance Coordinator	
Communication with key stakeholders	Upazila Facilitators	All those consulted will be informed of the final decision and factors affecting the decision understandably.
Implementation		
Funding		
Contracting	Upazila contracts local service providers with support from MoCHTA, CHTDB, Hill District council	Depends on the intervention type
Monitoring	Upazila Facilitators and Project Engineer using a checklist (Table 13), Relevant PMEL specialists in the project	This may include spot checks and field visits at the project sites to ensure delivery
Reporting	Upazila Facilitators and Project Engineer	Reporting on adaptation results of the funded investments will be done through the ACCAF Data.

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The following activities support the achievement of output 2.1:

Activity 2.1.1. Costing, selection, and prioritisation of adaptation interventions and investments to be financed through the PBCRGs, in a participatory and gender-sensitive manner, using multiple criteria

This activity will support prioritisation of annual adaptation initiatives from the LAPAs (under Output 1.3) through enhancing community participation, gender awareness, multi-criteria analysis, and final approval by Hill Districts Councils. One example is the case of flood-prone Upazilas, who, in order to enhance sustainability, inclusivity, transparency, and community ownership, may prioritise flood-resistant infrastructure and drought-resilient agriculture. The local population and particularly vulnerable and marginalised groups and sectors of society (women, girls, ethnic minorities, and local tribal groups) will be engaged in, and not just informed of, the needs analysis and the planning of the adaptation activities. Interventions will be prioritised in water resources, agriculture and eco-systems, wetlands and biodiversity by following both a bottom-up and top-bottom approach. In a bottom-up approach, the project will use local-level planning documents such as LAPA and local government planning processes to engage communities and help them identify their priorities in these sectors in respective Upazilas. In a top-bottom approach, the project will support officials from technical line departments to use the CRVA for location selection, technical assessment and feasibility. However, determining which intervention is appropriate for which Upazila can only be done once the CRVA is completed.

Under this activity, the project will determine formula-based grant allocations to Upazilas, taking into account specific parameters that are designed to ensure a fair and effective distribution of resources. The parameters include the Climate Change Vulnerability Index (CVI) and social and environmental safeguard considerations, adhering to the ISO 14093 standard[45] and the UNCDF operational manual for the PBCRG mechanism.

The project will utilise an investment menu (see Table 4) that lists climate adaptation and resilience-related interventions directly identified from Bangladesh's NAP. These interventions were pinpointed by the local community includes headmen, karbari, government, and NGO officials from the CHT through the consultation workshops and are aligned with the priorities of the CHT to address local adaptation challenges effectively. The NAP investment menu was prioritised by participants during the consultation workshops held in Chattogram and Rangamati. During these workshops, officials, local community and stakeholders discussed adaptation needs and priorities, as outlined in Table 7.

During the consultation workshops, participants shared their experiences and perceptions of climate change impacts at their Village/Para/Mousa and Upazila levels. They ranked the most affected Upazilas and Unions, identifying hazards that significantly impact their communities, with a focus on Gender Equality and Social Inclusion (GESI). Participants ranked the hazards that most affect their communities and identified potential investments and solutions to address the identified adaptation needs at the local level. They also ranked which NAP solutions are most needed. By gathering local insights and prioritising interventions based on these comprehensive consultations, the project aims to enhance climate resilience effectively. This participatory and gender-sensitive approach ensures that the selected interventions are relevant, feasible, and capable of addressing the unique challenges faced by different communities within the CHT region.

As part of the development of the NAP, led by the Ministry of Environment, Forest and Climate Change (MoEFCC), was supported by various government agencies, development partners, and non-governmental organizations (NGOs). Extensive consultations were held at national, regional, and local levels to gather input from a wide range of stakeholders, including

[45] ISO 14093: a global standard for financing local adaptation to climate, developed using the methodology and experience from LoCAL, provides the requirements and guidelines for establishing PBCRGs. https://tinyurl.com/2p96y6wb

government officials, civil society organizations, community groups, academia, and the private sector. NAP appraisal and prioritisation of identified interventions involved an in-depth analysis based on the Least Developed Countries Expert Group guidelines from the UNFCCC, and these eight criteria: (1) Time of action based on the emergence of adaptation projects by the 2030s, 2041 or beyond following the development vision, (2) Climate change risk reduction potential or the effectiveness of adaptation, (3) Costs of adaptation, (4) Benefits of adaptation, (5) Robustness or flexibility of adaptation, (6) Gender and social inclusiveness potential, (7) Environmental friendliness and (8) Co-benefits socially and environmentally. Consideration will be given to the interventions that were highlighted as a priority during the district- and Upazila-level National Consultation Workshop that took place in July 2023 in Chattogram.

The project will cost, select, and prioritise interventions and investments to be financed in a participatory and gender-sensitive manner, using multiple criteria (see above) and in consultation with ministries involved in the project. Implementation of PBCRG-funded projects will follow the standard procurement and implementation procedures applying to the general Upazila Parishad (UZP) planning, budget, procurement and project execution process. Projects need to adhere to the LoCAL grant Investment Menu.

Projects will be defined by the UZP, with inputs from the UPs and the communities, and should be developed with a narrative description of these linkages, and in line with LoCAL ACCAF tool. The Investment Menu (eligible expenditures) is in line with the core sectors and interventions identified in the NAP and the NDC. The climate change strategies of Upazila Parishads (UZPs) will be based on Climate Risk and Vulnerability Assessments carried out using geosocial tools. These assessments will incorporate participatory methods at the community level, ensuring local insights and knowledge are considered. Additionally, expert inputs reflecting science-based predicted climate change trends will be integrated, creating robust and comprehensive strategies that address both current and future climate risks. The strategies will identify the key threats arising from climate change, locations and communities at risk and specific vulnerable groups within the community, and key actions to build climate-resilient communities. Furthermore, the Adaptation Strategy will specifically identify the role of the UZPs and activities that can be funded through the UZP Budget, as part of the broader integrated response to climate change. The UZP Climate Change Adaptation Strategy will identify specific criteria to be used in selecting PBCRG-funded activities, and will ensure consistency with the NAP and with the objectives of LoCAL.

The LoCAL grant mechanism will target specific adaptation interventions, provide the resources to climate-proof investments and incentivise engagement in community-based adaptation. The PBCRGs will be aligned with the current system of fiscal transfers to LGAs, and finance adaptation schemes identified in the LAPAs through grants. The size of the grants could amount to between 40% and 50% of inter-governmental fiscal transfers, with an average amount per adaptation intervention of USD 50,000 (approximate amount depending on the context and intervention to be finalised during the proposal development phase), which will inform the number of grants to be provided – estimated at 100 grants. The size of the grant will be calculated according to a transparent allocation formula composed of (1) a basic allocation component to ensure predictability and promote equity and (2) performance elements to incentivise continuous performance improvement in enhanced adaptation. Local government will be selected based on a set of criteria, including administrative and management capacity as evidenced by past performance with the national system,[46] programmatic synergies with past or planned work, geographic diversity, and accessibility and feasibility.

[46] Administrative and management capabilities include (at the start and during implementation of grant): LGA holds regular monthly meetings, adopts comprehensive annual plan and budget, does not hold adverse or disclaimer audit opinions, holds evidence of compliance with Government procurement rules, prepares bi-annual reports on the fiscal and activity progress on the implementation of the annual plan and budget, has spent more than 60% of the previous fiscal year PBCR grant in lined with investment menu and ACCAF.

Activity 2.1.2. Support to target Upazilas for implementation of selected adaptation interventions and investments

This includes scheme design and estimates in collaboration with concerned government departments and private organisations experienced in related matters, procurement of contractors, and supervision of scheme implementation by relevant entities (including UP committees, Upazila administration, line government, NGO and the private sector partners), handover of schemes to operation and maintenance committee. GRACE LoCALplus will use the basic needs-based allocation formula (population, equal share, etc.) to determine 50% of the allocation; the remaining 50% will be allocated based on the relative performance of target LGAs, comprising two distinct components.

Performance measures include a combination of:

(1) Indicators of generic performance, divided into targets on governance, planning and budgeting, execution and transparency, accountability and public financial management (40% weighting in the allocation) and

(2) Indicators and performance assessment methodologies specific to climate change adaptation (60% weighting), to be further elaborated during the inception phase.

The selected interventions will be implemented by local government with active involvement from local communities, collaborating with the relevant government departments and private organisations. Implementation includes design, estimation, procurement, and supervision, with the aim of ensuring sustainability and effective adaptation strategies. UNCDF uses robust Social and Environmental Screening (SES) guidelines to ensure that the ensuing Unidentified Sub Projects (USPs) comply with Environmental and Social Safeguards. USPs within Adaptation Fund projects offer a flexible, community-driven approach to climate adaptation, allowing for real-time adjustments based on local needs and changing conditions. This adaptability ensures that interventions remain relevant, effective, and sustainable, fostering greater resilience in vulnerable communities. The SES screening tool includes parameters for environmental and social sustainability such as a human rights-based approach, gender equality, resilience, accountability. It also addresses environmental risks including biodiversity conservation and sustainable natural resource management, climate change and disaster risk. Furthermore, it covers community health, safety and security, cultural heritage, displacement and resettlement, Indigenous people, labour and working conditions, pollution prevention and resource efficiency. This comprehensive approach ensures all critical aspects of sustainability and risk are thoroughly will be considered.

- **Output 2.2: Locally led climate adaptation interventions and investments are implemented**

  This output emphasises CHT-driven adaptation efforts that will focus on traditional wisdom and local knowledge, blending modern and conventional sustainable practices and innovative ideas, and resilient infrastructure to tackle climate risks including erratic rainfall and landslides. Empowering communities through sustainable agriculture, disaster preparedness, and eco-friendly infrastructure contributes to effective adaptation, leveraging partnerships among government agencies, NGOs, and locals.

  The following activities support the achievement of output 2.2:

  Activity 2.2.1: Disbursement of PBCRGs to support the implementation of adaptation interventions and investments in the context of local authorities' annual planning and budgeting cycles

PBCRGs in CHT will empower local authorities to integrate climate adaptation seamlessly into their annual planning and budgets. These grants fund tailored projects such as flood-resistant embankments, climate resilient and nature positive livelihood practices, landslide mitigation and drought-resistant hill crops, aligning with local needs and budgets. Performance-based disbursement incentivises effective

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implementation, with a focus on water security, ecosystem conservation, fostering local ownership, accountability, and self-reliance. This approach aims to build resilience into local frameworks, foster collaboration and empower communities for sustainable development amidst growing climate threats.

Activity 2.2.2: Annual performance assessments (APA) of the participating local authorities

The performance of LGAs will be assessed annually for compliance with mandatory requirements and appraisal against performance measures (see Annex 3), including climate change resilience actions and the LAPA priorities. This will include expenditure tracking, transparency and disclosure of plans and budgets, independent expenditure tracking, and post-audit by external auditors. The Upazila Standing Committee on Environment, Forest and Climate Change (UEF&Cs) will also be engaged in monitoring the effectiveness of the mechanism and recording any grievances from the communities. The GRACE National Project Steering Committee (PSC) chaired by MoEFCC ~~The LoCAL Steering Committee, led by the Senior Secretary/Secretary of the Local Government Division (LGD), will oversee the Mechanism. The Committee will include representatives from relevant ministries and stakeholders, such as MoCHTA (as these areas are targeted), Ministry of Environment, Forests and Climate Change (MoEFCC), Ministry of Disaster Management and Relief, Ministry of Planning, and Ministry of Finance (MoF). Additionally, representatives from development partners contributing to LoCAL will be on the Committee, including ICIMOD and UNCDF. The Committee~~ will meet at least twice a year to provide strategic guidance, adopt key policy recommendations, and advocate for their implementation. It will be responsible for consensus-based management decisions for the LoCAL-Bangladesh Facility when guidance is required, including approval of project plans and revision. The LoCAL Steering Committee will oversee its implementation, conducting regular field-level monitoring. GRACE-LoCALplus will integrate lessons learned into LAPA revisions and share them to inform policies and practices at national, district, and Upazila levels. Additionally, it will gather evidence to strengthen the evidence-based business case for local adaptation that is tailored to specific locations in Bangladesh, the HKH region, and globally.

Activity 2.2.3: Definition of the PBCRG allocations (formula-based) for the subsequent year and priority capacity-building interventions

PBCRGs in CHT will be allocated using a meticulous formula, designed to ensure fair resource distribution. This formula considers, inter alia, climate risks and vulnerability, past performance, and climate impact data, as well as gender and social vulnerabilities. Nevertheless, PBCRGs extend beyond funding, addressing weaker performance areas and capacity gaps identified in Annual Performance Assessments (APAs) through tailored interventions like financial management and technical expertise training. This approach fosters a self-reliant CHT, promoting fair allocation and targeted support for improved climate resilience.

- **Output 2.3: PBCRG system for local-level action, including monitoring and evaluation and reporting**

  This output will harness the PBCRG system to deliver robust monitoring and evaluation (M&E) with the aim of ensuring transparency, accountability, and continuous improvement. Local-level project facilitation monitors investments and guides best practice for aligning with climate-adaptive activities, water security, and ecosystem conservation. The PBCRG system empowers CHT communities through tailored interventions and robust M&E. Continuous reporting triggers improvements, addressing weaknesses through targeted capacity building. This cycle incentivises learning and effective adaptation, guiding future allocations based on performance. To ensure that grants are cost effective and are used for climate actions, the following measures will be followed:

- A dedicated existing operation manual (OM), used by UNCDF, will be used by Upazilas to administer the PBCRG. The OM will describe how the Investment Menu will be used for

climate-adaptive public goods. It also indicates eligible and ineligible expenses for PBCRG funding.[47]

- Multi-layer fiduciary risk management manual will be used to ensure transparency and accountability in planning, budgeting, monitoring, and reporting for local administrations.

Local-level project facilitation will be deployed for M&E, with the aim of ensuring that investments are made in climate-adaptive activities. Detailed monitoring framework will be further elaborated during the inception phase.

The following activities support the achievement of output 2.3:

Activity 2.3.1: Reporting in line with the UNCDF ACCAF[48] tool and related learning and sharing of good practices emerging from the experience

This activity will focus on standardised reporting using the ACCAF, to contribute to comprehensive project evaluation and to foster knowledge exchange on best practices and innovative solutions for water security, ecosystem conservation, and climate adaptation.

Activity 2.3.2: Policy advice and institutional strengthening of central entities in charge of local authorities, finance, and climate change

In CHT, fostering resilience to climate change will require supporting the enabling environment alongside local action. Strengthening policy and institutions governing local authorities, finance, and climate change will be crucial. The project will develop comprehensive manuals and guidelines, which will provide officials with tools for efficient project implementation. The project will contribute to developing and improving clear regulatory frameworks and updating approval processes in order to remove hurdles, while inter-ministerial collaboration builds unified support. The project will also deliver capacity building through training programmes, in order to empower officials to guide local efforts effectively. These measures represent investments in a resilient CHT, enabling communities to thrive amid climate challenges.

[47] Ineligible expense for PBCRG funding includes salary costs, costs of water, electricity or maintenance of administrative facilities, vehicles of any type, procurement of administration equipment for Upazila Parishad, Union Parishads or technical departments, construction of administrative building of any type, religious facilities or activities, security facilities or operations costs of security services.

[48] ACCAF is a monitoring and evaluation framework that focuses on the adaptation aspects of the LoCAL mechanism. It helps ensure that the adaptation aims of LoCAL are being achieved https://tinyurl.com/3khm8bkv

Figure 6. Transforming Communities with GRACE: From dry and desolate to lush and lively, these visualisations of what adaptation could look like show the potential of springshed restoration to restore water, native species planting to overcome erosion, and eco-tourism to foster sustainable development and resilience.

B. Economic, Social and Environmental Benefits

Climate impacts

Climate change has economic, social, gendered, and environmental impacts associated with irregularities introduced by temperature and precipitation patterns. In CHT and its constituent UPs, these impacts lead to flash floods, biodiversity loss, unpredictable microclimates, wet-bulb effects, and WASH issues.

Within the CHT, climate change has a severe, multi-fold impact on local tribal communities that rely on natural resources for their livelihoods.[49] This includes drying up of streams and wells, depletion of groundwater and wildlife, crop infertility, seedling mortality, and vulnerability to disasters like irregular and heavy rainfall, storm surges, soil erosion, and landslides. Climate change also leads to diseases like respiratory dysfunction, arsenic poisoning, skin diseases, and exacerbates social competition for scarce natural resources.

The remote and underserved Upazilas where these groups reside are highly vulnerable to climate-related disasters, making humanitarian and recovery efforts challenging and costly. Women and girls are especially at risk due to traditional domestic roles, which involve climate-sensitive tasks like water and fuel provision, exposing them to location-specific climate, environmental and social dangers.

GRACE benefits

The project, aligned with Bangladesh's National Adaptation Plan (NAP) for the CHT region, the Eighth Five-Year Plan 2020–2025, and the Strategy for Water Resources in CHT, aims to deliver Gender-sensitive, Resilient, Accountable, Climate-friendly, and Equitable benefits through the Priority-Based Community Resource Grants (PBCRGs). The focus is on water management, agriculture, ecosystems, wetlands, and biodiversity. Through PBCRGs, the project will aim to generate economic, social, and environmental benefits for the target population; the three districts' population in the CHT, based on 2022 data, is included in Annex 4. GRACE-LoCALplus aims to reach 15% of the targeted LGA population, including a

[49] Atlas Institute for International Affairs. (2020). Impact of Climate Change on Indigenous Communities in Bangladesh. https://www.internationalaffairshouse.org/impact-of-climate-change-on-indigenous-communities-in-bangladesh/

proportion of marginalised ethnic and local tribal groups (see additional table in Annex 4 – overview of the population disaggregated by household, gender, and ethnic groups).

Economic benefits

The successful implementation of the GRACE project's two components includes locally determined activities that contribute to climate-resilient economics in ways that can handle climate change. Agriculture is one of the primary sources of jobs and income, and the project plans to improve farming methods to be more sustainable and responsive to climate needs, following the country's NAP. These changes, developed through early talks with local people and guided by ICIMOD's knowledge, aim to solve the unequal work and resource issues between women and men. The project will include advanced weather alert systems to help farmers better prepare for and deal with changing weather, which will protect their livelihoods and reduce economic risks. It also plans to use land more wisely and support environmentally friendly economic activities, like promoting tourism based on local homes. This strategy makes use of CHT's unique culture and natural resources, creating new ways to make money and broadening the economic base. These focused efforts aim to raise incomes and strengthen CHT's economy against climate challenges, leading to a fair and lasting future. The GRACE project offers a complete approach to adapting to climate change, improving local skills and resilience, and is an example of sustainable development in identified risk areas.

Additionally, the project will contribute to economic benefits in multiple ways. In a direct way, the project will contribute to the development of jobs in the green sector (in line with the NAP and Investment Menu priority sectors). The targeted investments and interventions aim to stimulate the relevant economic sectors and enhance support to local stakeholders through technical assistance activities, which are designed to strengthen local conditions and livelihoods, to create more dynamic local economies and support green economic recovery. This programme's interventions will focus on reducing the environmental degradation in CHT and enhancing green tourism. Emphasizing eco-friendly travel environment, green tourism supports climate change adaptation by providing shade for travellers in extreme weather and sustaining the region's natural beauty.

Furthermore, interventions to climate-proof public infrastructure aim to create economic benefits. The project seeks to prevent damage, delays, and disruptions by improving the climate resilience of critical infrastructure enhancing services and operations throughout supply chains. This will reduce loss and damage, prevent physical injuries, and contribute to avoided health costs. Since the Sub-district executive officer, or 'Upazila Nirbahi Officer' (UNO) and deconcentrated technical line departments at the Upazila level are responsible for specific service provisioning, investments in water and other public goods will help improve access to these goods by the population, thereby raising the region's performance on socioeconomic indicators. Providing sustained water availability through tailored investments, which has been an issue in CHT due to topographical difficulties, will contribute to enhancing the health of women, men, children and overall households of local tribal communities. As water is embedded in the livelihoods of these regions, improved availability of water will contribute to improved incomes. For example, better provision of water will allow women and men in target Upazilas to increase the productivity and quality of their vegetables, food crops, and animal products, which could lead to benefits through increased sales.

Technologies including solar-powered water-harvesting and sustainable irrigation will enhance agriculture and help to reduce drudgery, allowing for diversified and higher-value crop production and helping to make food systems more resilient to climate change. The renewable energy element will be crucial in the productive and sustainable use of agricultural and forest commodities throughout the value chain, contributing to climate change adaptation. The projected economic improvement will also positively affect the community's basic needs like food security, education, and medical care. Improving the capacity of LGAs, facilitated by the UNO, will contribute to increasing local revenue and income from market income tax, and will enable LGAs to access more financial resources for expanding climate change adaptation programmes. As LGAs collaborate with local contractors/SMEs to implement adaptation

investments, the local economy will be stimulated, helping to generate local jobs in the green and tourism sectors.[50] The project's economic benefits will become more evident as activities are planned in selected NAP sectors.

Environmental benefits

CHT comprises 10% of the total land area of Bangladesh and falls within the Indo-Burma Biodiversity Hotspot, characterised by its hilly terrain and biodiverse landscape which includes dense forests, rolling hills, and fertile valleys in Bangladesh.[51] However, due to limited governance and the remoteness of the region, the CHT remains the least explored area in Bangladesh. The CHT possesses unique characteristics and ecology as it is covered by Bangladesh's largest forest (43%), with mountainous, rugged terrain (**Figure 7**). Although agriculture is the primary source of livelihood, it has emerged as a threat to forest conservation efforts, creating a difficult choice between livelihoods and conserving the natural ecosystem.

This context offers an opportunity to engage with communities on non-timber forest product cultivation, especially those allowing for perishability-reducing value-added processes at the communal level. This builds on past ICIMOD experience and expertise. Providing adaptation investments to address climate change with improved livelihoods can prevent harmful deforestation practices, preserve the endemic natural ecosystems of CHT, and increase income.

While the Investment Menu has been cross-checked for environmental and social screening criteria to meet local, national, and international standards and guidelines, as well as the Environmental and Social Policy (ESP) of the Adaptation Fund, the nature of having more local engagement and input into the decision-making process of project formulation means that there are Unidentified Sub-Projects (USPs). These USPs will be formulated based on the Investment Menu and, therefore, on the NAP-proposed interventions, and will be applied to strengthen and complement the outcomes of other major project activities, or where there are clear benefits that we cannot anticipate *ex-ante*. More information on the risks of these activities is detailed in Part II Section K. All funded projects will be subject to and will follow

[50] ICIMOD. 2017. Tourism Destination Management Plan for the Bandarban Hill District, Bangladesh (2017 – 2027) https://lib.icimod.org/record/32764

[51] Preliminary Wildlife Survey of Sangu-Matamuhuri Reserve Forest, CHT, Bangladesh – Creative Conservation Alliance

Bangladesh's applicable social and environmental regulations. This will also be assessed as part of the annual performance assessments.

Social benefits

The proposed project will have several social and gender benefits for the CHT. Interventions focused on agriculture, water, ecosystems, wetlands and biodiversity provisioning will have numerous impacts on local communities in target districts. As discussed previously, CHT local tribal communities live in climate-sensitive areas and greatly depend on natural resources for their survival. Adverse climate change impacts and developmental deficits exacerbate their socio-economic challenges, impacting their livelihoods and health and, most importantly, threatening their traditional practices and cultural activities.[52] The CHT region has more opportunity to harness the collective strength of its people, leading to sustainable development and a host of social benefits that enhance the overall quality of life and especially vulnerable to the effects of climate change; an intervention like GRACE-LoCALplus has the potential to bring them important social and economic benefits. GRACE-LoCALplus's PBCRG system will enable project stakeholders to participate more actively in the project design and decision-making processes. A key element of the performance requirements of the PBCRG will include marginalised communities, women, and youth. As a result, marginalised tribal groups will gain new access to decision-making processes and local consultations they may not have been involved in before. The project will consider the unique needs of marginalised and vulnerable tribal communities by involving these groups in consultations, and targets will be set to ensure that they are actively participating in relevant project activities. Tribal groups will have the opportunity to engage in project activities including awareness, sensitisation, and capacity-building, as well as participation in locally led climate adaptation interventions. Clear and transparent criteria will be implemented, including selecting participants for the training and workshops and ensuring equitable participation. Women in local tribal communities are often subjected to multiple levels of discrimination and abuse, which include issues of gender and minority communities.

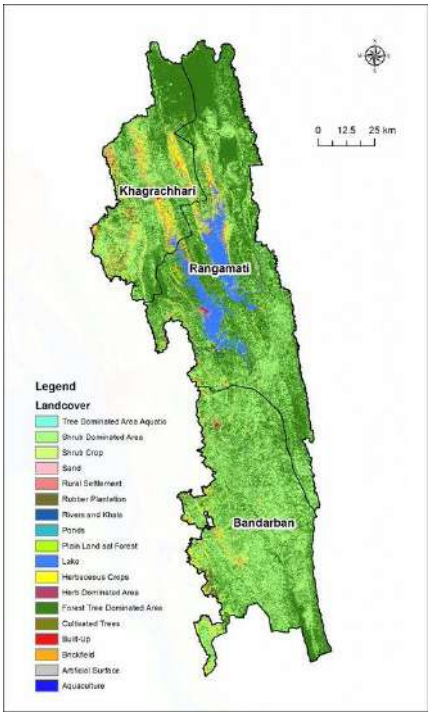

Figure 7: Land cover of the CHT (Source: ICIMOD)

Adaptation investments with gender and social inclusion considerations can yield robust results crucial for sustainable development. In the CHT area, most of the work is carried out by women in the home and agriculture fields. For instance, improving water access in the CHT can alleviate gendered time poverty in the region. [53] Women often face inequitable gender-based allocation of unpaid domestic and care work, which can impact their economic

[52] UNDRR. (2022). The impacts of human-induced climate change are exacerbating social and economic inequalities of Indigenous Peoples – A case study from Bangladesh. https://tinyurl.com/362tt998

[53] Worldbank (2021)Enhancing women's access to water, sanitation, and hygiene in Bangladesh https://tinyurl.com/4p3e46ku .

opportunities and health. One example is the collection of clean and safe water, which is traditionally a task exclusively for women and girls. As clean and safe water sources become scarce, women and girls have to travel further from their homes to collect water during the hours of darkness, which adds greater personal insecurity for the collector[54]. Addressing these issues through project interventions, training, and adaptation strategies can enhance women's climate resilience and economic opportunities.

The project will make considerable efforts to ensure the inclusion of women, youth, and ethnic/local tribal and marginalised groups, which aligns with the SDG agenda of 'leaving no one behind' and the Adaptation Fund policies. Many young people are increasingly aware of the challenges and risks of the climate crisis and the opportunities to shift their trajectory towards systemic change. Many young people are also valuable contributors to climate action and are change agents, entrepreneurs, and innovators. Through education, science, and technology, many youth groups are increasing their efforts and using their skills to accelerate climate action. The project will engage youth in various ways, including through education, awareness, advocacy activities and campaigns, training and capacity building, and directly via adaptation activities focused on livelihood development, diversification, and income generation.

The project will ensure the equitable distribution of benefits to vulnerable communities, households, and individuals in the following ways:

1. Investment schemes are envisaged to be rolled out in hard-to-reach areas where vulnerable communities reside.
2. Participation of vulnerable communities will be facilitated through developing a Local Adaptation Plan of Action (LAPA).
3. Interventions will be public goods in nature to which all members of a community will have access.

The project will apply gender mainstreaming and social inclusion best practices throughout the project, including developing specific interventions to advance gender equality and the empowerment of women and girls:

- Providing gender sensitisation workshops for project partners, including community leaders and government officials
- Promoting youth engagement in climate action at the community level
- Ensuring at least 50% women's participation in CCA meetings, dialogues, and decision-making
- Ensuring participation of local tribal groups in relevant consultations, decision-making, capacity building, and other project activities that may be relevant to them
- Capacity-building training focused on the specific needs and climate vulnerabilities of women and girls and local tribal groups
- Promoting partnerships with microfinance and other grassroots CSOs active in the CHT
- Including gender equality and social inclusion indicators as part of the PBCRG performance assessment system and awarding LGAs accordingly

Compliance with Adaptation Fund Social Policy and Gender Policy

[54] Worldbank (2021)Enhancing women's access to water, sanitation, and hygiene in Bangladesh https://tinyurl.com/4p3e46ku .

This project adheres to the Adaptation Fund Gender and Social Policy, demonstrating a commitment to gender and social considerations. This programme's core objectives and activities prioritise aiding marginalised communities severely impacted by climate change and urgently need effective adaptation strategies and solutions. GRACE-LoCALplus adheres to the social aspects of the Adaptation Fund's Environmental and Social Policy (ESP), which is evident in several key areas:

- it prioritises inclusive participation, ensuring fair and equitable access for all, particularly focusing on women, youth, and vulnerable groups in the project areas. This approach helps to mitigate potential conflicts and promotes harmonious community engagement.
- continuous community consultations are integral to its strategy, encouraging all voices to be heard, and addressing potential barriers to access and equity. These consultations are crucial for maintaining transparency and fostering a sense of ownership and involvement among all stakeholders.
- by conducting thorough risk assessments for each USP, it actively plans to identify and mitigate any social risks, so that its interventions do not inadvertently lead to social conflicts or disagreements within or between community groups. This careful consideration of the social dynamics within each project area reflects its commitment to social cohesion and harmony.
- the project's focus on community-driven solutions and the involvement of local groups in decision-making processes further strengthen its social adherence. This approach ensures that the project enhances the social fabric of the communities it works with, fostering long-term sustainable development and resilience.

Considering the project context, it's clear that, while many women in Bangladesh face challenges due to climate change, those living in the Chattogram Hill Tracts are exceptionally at risk. This increased vulnerability stems from regional factors like distinct climatic conditions, high poverty rates, and complex land tenure issues. In line with the Adaptation Fund's gender policy, this programme prioritizes approaches for addressing women's distinct challenges in climate change.

The GRACE-LoCALplus programme has two components, each carefully designed to address the unique **social dynamics of CHT**. **First,** the component on 'Capacity building and mainstreaming of Climate Change Adaptation (CCA) into the local government system' will include training local officials and community members in climate-resilient practices and disaster risk reduction. This component aims to enhance the capacity of local governments and vulnerable communities to build resilience to climate change impacts. GRACE-LoCALplus also encourages active participation and engagement of local communities in CCA and resilience-building initiatives to involve local voices and consider community-specific vulnerabilities and needs.

Second, the 'Grant facility and PBCRG mechanism for adaptation intervention' component is designed to reward and incentivise local governments to integrate climate resilience into their policies and practices. The grants can be structured to prioritise projects that directly contribute to reducing communities' vulnerability to climate change impacts. This may include initiatives that provide social protection measures, which aim to safeguard the most vulnerable populations from the adverse effects of climate change. Each of the USPs will be designed based on extensive community consultation to understand the needs and perspectives of all community members, particularly those who are socially marginalised or disadvantaged.

A significant advantage of the LoCAL PBCRG system is its facilitation of active stakeholder participation in project design and decision-making. This project is designed to include the youth, women, and marginalised local tribal groups in these processes, which aims to create

project impacts that are socially inclusive and sustainable. The project will encourage the equitable distribution of benefits to vulnerable communities, households, and individuals by:

- Implementing investment schemes in hard-to-reach areas where vulnerable communities live
- Facilitating the involvement of these communities in creating Local Adaptation Plans of Action (LAPA)
- Designing interventions as public goods, accessible to all community members

The GRACE-LoCALplus ensures that gender-responsive approaches are seamlessly integrated across all programme activities. The programme strives to encourage women's active participation, meaningful engagement, and equitable access to project benefits and decision-making processes. Gender-responsive approaches are seamlessly integrated across all programme activities, including comprehensive needs assessments, targeted capacity-building initiatives, inclusive stakeholder consultations, and robust M&E mechanisms.

Both components of the GRACE-LoCALplus programme adopt **gender-responsive approaches**. **First,** the component on 'Capacity building and mainstreaming of Climate Change Adaptation (CCA) into the local government system' aims to integrate gender considerations into local government policies and planning processes related to climate change adaptation. This involves mainstreaming gender-responsive approaches into local development plans, environmental impact assessments, and other relevant documents. This aims to encourage local government institutions to adopt community-based adaptation strategies that consider gender dynamics. This might involve projects that empower women in natural resource management, agriculture, or other sectors vulnerable to climate change impacts. This component will also build the capacity for local government officials to understand and address social and cultural norms that may impact gender equality.

Second, the GRACE-LoCALplus Grant facility and PBCRG mechanism for the adaptation intervention component will be designed to facilitate community awareness programmes that focus on gender equality and women's rights in climate change. In the long run, this component aims to facilitate the shift of societal norms towards more gender-sensitive climate change adaptation approaches. The project's methodology for participant selection in training and workshops is set to be transparent and equitable, aligning with the Adaptation Fund's commitment to gender equality and social inclusion.

This approach is particularly crucial as it addresses the double marginalisation faced by women in local tribal communities, who are often subject to layered discrimination and mistreatment related to both their gender and minority status. By implementing comprehensive and inclusive strategies, the project not only conforms to the Adaptation Fund's gender and social policy but also actively contributes to promoting gender equality and empowering women in the face of climate change challenges.

The gender strategy of this project, crafted by specialists from ICIMOD, further acknowledges the multifaceted nature of achieving gender equality. For instance, the project specifically addresses the needs of marginalised and vulnerable tribal communities. This involves including these groups in consultations and setting precise objectives to ensure their active engagement in all relevant project activities. In this way, it aims to empower these communities through various activities, including awareness creation, sensitisation, capacity building, and direct involvement in climate adaptation efforts led at the local level. In addition, this project is committed to the inclusive participation of women, youth, and ethnic/local tribal and marginalised groups, aligning with the Sustainable Development Goals' ethos of inclusivity and the Adaptation Fund's policies.

The programme will empower adolescent girls and youth climate action groups through meaningful participation. Adolescent girls often face unique challenges during disasters, such

as inadequate toilet and sanitation facilities and a lack of fuel wood for cooking at the disaster shelters. The project will engage the youth in various ways, including education, awareness, advocacy activities and campaigns, training and capacity building. Additionally, it will involve them directly in adaptation activities focused on livelihood development, diversification, and income generation. By integrating gender mainstreaming and social inclusion best practices, the project with the Adaptation Fund's gender and social policy, ensuring equitable and effective climate action. This includes:

- conducting gender sensitisation workshops for project partners, community leaders, and government officials
- encouraging youth participation in community-level climate initiatives
- aiming for at least 50% women's participation in Climate Change Adaptation (CCA) meetings, dialogues, and decision-making processes
- involving local tribal groups in consultations, decision-making, capacity building, and other relevant activities
- providing capacity-building training tailored to the specific needs and climate vulnerabilities of women, girls, and local tribal groups
- fostering partnerships with microfinance institutions and grassroots Civil Society Organizations (CSOs) active in the CHT
- incorporating GESI indicators in the PBCRG system and recognising LGAs accordingly.

Both the project components aim to foster gender equality and encourage social inclusion. This approach is pivotal in enhancing vulnerable communities' resilience and adaptive capacity, ultimately driving sustainable development to achieve equitable outcomes.

Cost-benefit analysis

A 2022 cost-benefit analysis of the LoGIC investments, carried out by UNCDF, reveals that for USD 1 invested, the benefit was USD 3.91.[55] The analysis also concluded that LoGIC's use of results-based payments is a relevant incentive model to bring about both liquidity for investments and knowledge and capacity derived from implementing those measures locally. Extensive implementation of the LoCAL model globally, as evidenced in monitoring reports for implementation of LoGIC, has demonstrated that if targeted technical assistance is delivered and PBCRGs are implemented, performance improvements in enhanced resilience are possible. Climate funds are effectively and efficiently channelled to the local level with ownership of climate responses. Feedback from current initiatives shows that:

- the PBCRG incentive system works and contributes better consideration of climate issues at the local level, the amount of year-to-year grants being impacted by the relative scores of the previous year
- integrating the mechanism into government systems avoids the creation of parallel planning and funding management systems
- integrating the mechanism into government systems allows efficient scaling (geographic expansion) and facilitates national ownership of the mechanism
- using performance measures ensures a progressive reinforcement of the capacities of the local governments.

[55] UNCDF LoCAL. 2022. Cost-Benefit Analysis of Climate Adaptive Infrastructures of Local Government Initiative on Climate Change (LoGIC) Project https://tinyurl.com/2sdp7s5j

C. Cost-Effectiveness Analysis

GRACE-LoCALplus has been designed based on solid evidence and proof of concept that LoGIC projects have demonstrated over six years in seven districts in Bangladesh, as well as on the 12 years of experience from the LoCAL facility. The overarching project goal is to ensure that local governments have the ability and the financial resources to implement interventions that will strengthen local communities' resilience to climate adaptation. To do so, the project uses performance-based climate resilience grants for climate finance as an incentive to increase liquidity for the investment and also develop knowledge and capacity in the design and implementation of resilience measures at the local level. Moreover, it provides targeted TA to local governments to ensure that the institutional and technical capacity is in place. The project implementation of LoGIC in Bangladesh and LoCAL globally demonstrate that targeted TA and PBCRGs lead to performance improvements in resilience building so that climate finance is effectively and efficiently channelled for local-level ownership of climate change issues, with recognised gains in efficiency and effectiveness.

Lessons from ongoing initiatives, including LoGIC, to which GRACE-LoCALplus builds on, show that: (i) the PBCRG incentive system contributes to better consideration of climate issues at the local level, with annual grant sizes being determined by prior performance; (ii) integrating the PBCRG facility into government systems avoids the creation of parallel planning and funding management systems; (iii) integration with government systems allows efficient scaling and facilitates ownership of the facility; and (iv) performance measures ensure progressive reinforcement of local governments' capacities.

A key advantage of LoGIC/LoCAL model is that it requires few specific systems and procedures, building on existing systems and being embedded within national and local processes, thus limiting transaction costs and institutionalising results over time.

The proposed approach has been found to be preferable to other possible approaches for financing the activities and achieving the transformational objectives of the project. Other financial instruments, such as non-performance-based grants, payments for ecosystem services, debt-for-climate, nature swaps, etc., have been considered, but the LoCAL mechanism provides a series of advantages in terms of both effectiveness and efficiency to achieve the GRACE-LoCALplus outcomes. In addition to the advantages mentioned above, the LoCAL PBCRG mechanism is key in providing the vehicle to achieve a wide range of small and medium range adaptation interventions at local scale, while at the same time providing the incentives and the mechanism for local governments to increase their capacity to meaningfully address adaptation challenges. By embedding the system in the existing intergovernmental transfer systems, GRACE-LoCALplus will provide a vehicle for continuous improvement of the local governments' capacity. Moreover the mechanism, will support the operationalisation of national level adaptation plans to local needs, and through the international standard (ISO 14093) allow governments to be more successful in ensuring adaptation financing and effectively utilising the available resources.

The mid-term evaluation of LoGIC was conducted using a value-for-money analysis. The average cost of each PBCRG scheme is USD 8,382, which is considered relatively low and highlighted by national and local stakeholders as needing to be more significant to attract additional private or national government investment. The same evaluation showed LoGIC's total cost-to-transfer ratio to be 1:1.5, comparable to cash transfer programmes globally. This ratio is even better because LoGIC not only provides cash transfers (e.g., capacity building and policy support). The mid-term evaluation also found that all 72 targeted UPs could secure PBCRG funding to support adaptation interventions, which met their target, financing 653 infrastructure and other interventions. 74% of beneficiary households reported gaining economic benefits from participating in climate adaptive livelihood options activities.

An evaluation of the global LoCAL Facility, in which the GRACE-LoCALplus builds on, revealed that PBCRG investments have successfully reduced the loss and damage of assets and income in communities where interventions have been implemented, strengthening livelihoods in communities, and widening access to essential services. The LoCAL facility has leveraged around 13% of its resources from country governments. The average utilisation rate is about 87%, showing that the facility is forecasted and budgeted efficiently. Expenditure analysis of outputs shows that the expenses for mainstreaming, e.g., PBCRG investments, have increased more than what had been budgeted. In contrast, other expenses, such as project office, M&E, learning, etc., are less than what was budgeted. An increase in allocation and disbursement on mainstreaming and PBCRG means more money is channelled into investments, which is a positive outcome.

The added value of the LoCAL model applied by GRACE-LoCALplus compared to other mechanisms directly targeting local governments is the institutionalisation of the mechanism, which guarantees its appropriation, sustainability, and effective scaling up. Successful implementation of the PBCRG system means that cost-effectiveness can be built into the dispersal of funds as a Performance Measure (PM), and LGAs can be rewarded for running the most cost-effective adaptation activities. The PBCRG facility is designed to maximise the impact of funding disbursed to Local Governments while minimising transaction costs as it is aligned with existing country systems, particularly the established intergovernmental fiscal transfer mechanism. The project will maximise the investment in concrete interventions chosen by local communities. Direct partnering with local communities will also increase their ownership, build their capacity, and reduce the costs of interventions. The anticipated benefits from implementing project components include the aim of significantly exceeding the costs and preventing climate change-induced losses. The 2022 cost-benefit analysis of the LoGIC investments reveals that for USD 1 invested, the benefit was USD 3.91.

Climate funds will be effectively and efficiently channelled locally with ownership of climate responses. Feedback from current initiatives shows that (i) the PBCRG incentive system works and contributes better consideration of climate issues at the local level, the amount of year-to-year grants being impacted by the relative scores of the previous year; (ii) integrating the facility into government systems avoids the creation of parallel planning and funding management systems; (iii) integrating the facility into government systems allows efficient scaling (geographic expansion) and facilitates national ownership of the facility; (iv) using performance measures builds a progressive reinforcement of the capacities of the local governments. LoCAL is now joined by 38 countries around the globe, consolidating its proven track record with 18 countries already implemented or currently implementing Phases 1 to Phase 3. Global programme results can be found in the UNCDF LoCAL final report on the second period of global expansion 2019–2022.[56]

LoCAL top-up grants are disbursed as part of a local government's regular budget envelope. They can thus finance the adaptation element of more significant investments, allowing for holistic responses to climate change. The funds incentivise local governments to integrate adaptation and climate-proof local development and, therefore, a cost-effective approach to adaptation interventions. In addition, by tracking small funds allocated at the local level, LoCAL helps improve transparency and allows for more targeted activities with public input and local co-benefits.

GRACE-LoCALplus will maximise the amount of investment in concrete interventions, where approximately 70% of the project's implementation budget will be directed to interventions under component 2. Approximately 30% of the project's implementation budget will be dedicated to capacity building of LGAs and communities, technical assistance and adaptation planning to support the effective direct implementation of adaptation interventions. **Table 6**

[56] UNCDF (2023). LoCAL final report on second period of global expansion 2019–2022: realizing demand with standard and scalable locally led action. Accessible from https://www.uncdf.org/article/8328/local-report-2019-2022

provides an alternative analysis of the proposed components (e.g., alternative interventions and trade-offs) and averted losses.

Table 6: Proposed project's tangible adaptation benefits, averted losses, and alternative interventions and trade-offs.

Project component	Tangible adaptation benefits	Averted losses	Alternative interventions and trade-offs
Component 1: Capacity building and mainstreaming Climate Change Adaptation (CCA) into local government system for resilience interventions in line with the Performance-Based Climate Resilience Grant (PBCRG) mechanism.	• Capacity building at local institutional and community levels, with learning components. • Strengthened capacity of local governments and their respective communities allow for sustainability of project activities and outcomes after phase-out. • Climate change adaptation is mainstreamed into local government plans and budgets. • Local community members, and particularly women and other groups most vulnerable to climate change, have more opportunity to participate in the planning and implementation of climate change projects.	• Investing in capacity building has high benefit to cost ratios. It also enhances the effectiveness and efficiency of other aspects of the project. • Local governments and communities have no voice in the prioritisation of adaptation activities. • Continued disparities between men and women.	*Capacity building and the implementation of large-scale interventions at the national level.* **Trade-offs** • Gap in knowledge and understanding between the national level and at the local level where key decisions are made and resources deployed. • Large-scale interventions are expensive and do not necessarily address problems that would be prioritised at the local level.
Component 2: Grant facility and PBCRG mechanism for adaptation intervention.	• Climate change funds are targeted at local levels. • Incentives are in place for interventions to be implemented efficiently and effectively. • PBCRGs for locally led adaptation are scaled up to other areas of Bangladesh. • Enhancing soil resilience mitigates land pressure, boosting agricultural productivity and environmental stability for communities in CHT.	• Losses due to inefficiencies, ineffectiveness, or corruption. • CHT faces land pressure due to population growth, deforestation, land conversion, unsustainable practices, and climate change impacts.	*One-off grant without performance measures or minimum conditions* **Trade-offs:** • More risks of interventions being ineffective in terms of building climate resilience. • More difficult to scale up into other areas of Bangladesh. • Limited tracking of finance directed to climate change adaptation.

Regarding the cost-effectiveness of component 1, LoCAL has been evaluated as an effective programme that "contributed to changes in the capacity of national and local governments to plan, budget, and manage climate-adaptive investments across the countries in which it is operating" (Mid Term Review, 2018). Regarding the cost effectiveness of component 2, the global evaluation of LoCAL (2022) suggests "larger climate adaptation investments which would cater to a greater population segment and become more cost-effective concerning economies of scale". This recommendation has been incorporated into the programme's design, influencing the average size of grants.

Economic Analysis

The economic analysis of the GRACE project aims to assess viability by measuring both private and socio-economic benefits to the national economy. This analysis focuses on quantifying the project's costs and benefits, comparing the net economic benefits of scenarios with and without the project. Economic analysis evaluates the impact of both the private and socio-economic benefits on the national economy, while financial analysis assesses the

financial profitability of the project operating entity. Economic analysis captures positive externalities, which are appropriately measured, and the resulting economic benefit streams are discounted using a social discount rate to calculate the Economic Internal Rate of Return (EIRR). If the EIRR exceeds the social discounting rate threshold the project considered economically viable. Identifying the economic costs and benefits is essential for calculating the EIRR. A key aspect of this process is comparing the without-project and with-project seminaries to estimate net economic benefits. Cost and benefits are quantified and valued as accurately as possible. If the EIRR is higher than the social discount rate, the project's economic viability ensured.

Economic Assessment refers to valuing and comparing investment package costs and benefits at economic prices. The project's investment, operation, and maintenance costs are incurred over time, and benefits are derived from project interventions over the project life. Usually, the costs and benefits are expressed in financial prices. To reflect economic values of costs and benefits, the financial prices of tangible items have to be adjusted using Conversion Factors to eliminate transfer payments and distortions. This project's financial and economic values have been computed, processed and analysed using standard procedures.

Key Assumptions for the Analysis

Key assumptions and methodology for the GRACE project are outlined below to provide a comprehensive understanding of the economic analysis:

- all costs, benefits and revenues are expressed as of 2024 prices
- the implementation period of this project is four years covering all the interventions proposed within the project
- the project life for economic analysis is assumed to be 30 years
- the real opportunity cost of the capital investment adopted in this analysis is assumed as 12% per annum, which represents the social opportunity cost of capital (SOCC) for Bangladesh. A Standard Conversion Factor of 0.90 and other specific conversion factors used in the study have been developed in recent studies.
- the foreign exchange rates used for the analysis is USD 1= BDT 120.00 (June 2024)
- the Shadow Exchange Rate Factor (SERF) used for analysis is 1.0128
- for civil works VAT, TAX and Duties used 15%
- for Consultancy service VAT, TAX and Duties used 27%
- for other activities VAT, TAX and Duties used 10%
- physical contingencies are not included for all development programmes
- price contingencies are not included for all civil works and development programmes.

Decision Criteria for Economic Analysis

- **Net Present Value (NPV):** The NPV reflects the difference between the present value of benefits and costs accrued over the project's life span. A positive NPV indicates economic profitability.
- **Economic Internal Rate of Return (EIRR):** The EIRR is the discount rate that equates the present value of benefits with the present value of costs, resulting in a zero NPV. If the EIRR is higher than the social discount rate, the project is economically feasible.
- **Economic Benefit-Cost Ratios (B/C Ratio):** To ensure the economic feasibility of the project, the EIRR must meet or exceed the opportunity cost of capital in Bangladesh. The Economic Benefit-Cost Ratios (B/C Ratio) have been calculated to assess this feasibility.

Project Cost Summary

Table 7: Project components, expected outputs and outcomes, and financing

Component	Output	Outcome	Budget amount (USD)
Component 1. Capacity building and mainstreaming Climate Change Adaptation (CCA) into local government system for resilience interventions in line with the Performance-Based Climate Resilience Grant (PBCRG) mechanism	1.1. Data and evidence generated and shared on local climate risks to inform local decision making.	Enhanced local resilience and informed decision-making through shared climate risk data in CHT.	583,000
	1.2. Capacity building of local governments and communities delivered (on the-the-job training, workshops, accessible knowledge products).	Strengthened capacity of local governments and their respective communities to sustain project activities and outcomes after phase-out.	1,319,800
	1.3. Local government plans and Local Adaptation Actions Plans developed and updated for selected Upazilas.	Strengthened local resilience via updated climate adaptation plans in selected Upazilas	1,259,103
Component 2: Grant facility and PBCRG mechanism for adaptation intervention	2.1 Annual programmes of adaptation for targeted Upazilas identified in line with the PBCRG mechanism.	Local government climate adaptation planning framework and budget systems are strengthened	859,191
	2.2. Locally led climate adaptation interventions and investments are implemented	Compliance, performance, and allocation of funds are effectively linked, with a robust eligibility criterion for projects	4,078,600
	2.3. PBCRG system for local level action, including M&E and reporting.	Local government investments contribute to climate-resilient development and economic growth	548,289
3. Project/Programme Execution cost (ICIMOD 1.5%, UNCDF 9.5% of the total Project/Programme Cost)			**568,607**
4. Total Project/Programme Cost			**9,216,597**
5. Project Cycle Management Fee charged by IE (8.5% of the total Project/Programme Cost			**783,410**

D. Alignment with National or Sub-national Policies and Sustainable Development Strategies

Over the last three decades, Bangladesh has implemented various initiatives to address climate change impacts, including progressive policies and action plans. In a multi-level governance arrangement, addressing climate change impacts can often be constrained by limited mainstreaming across overlapping mandates, particularly regarding decentralisation and public finance management issues. GRACE-LoCALplus has been designed to align with national and sub-national policies, strategies, and plans on development, climate change, and disaster resilience[57]. A summary is in Table 8, and more details on each policy are provided.

Table 8: Alignment of project with national and subnational policies and plans

Policy name and date	Project outcomes/outputs relevant to policy*
National Adaptation Plan (NAP) 2023–2050[58]	The CHT project area was selected as one of 11 climate stress zones identified in the NAP. The GRACE-LOCALplus Investment Menu (Table 4) is in line with the priority adaptation sectors and interventions identified in the NAP and the NDC Direct contributions to NAP. As outlined in the Investment Menu, the project will fund outputs relevant to climate-resilient agriculture (NAP Goal 2), climate-resilient infrastructure (NAP Goal 3), Nature-based Solutions (NAP Goal 4) and integration of CCA into government planning processes (Nap Goal 5).
Nationally Determined Contributions (NDCs – Updated) 2021[59]	Climate adaptation: GRACE-LOCALplus will fund direct contributions to early warning systems, disaster management, water resources management, climate-resilient agriculture, and surface water use (adaptation measures specified in NDC) Climate mitigation: GRACE-LOCALplus will fund forest planting activities that help reduce emissions
Bangladesh Climate Change Strategy and Action Plan[60]	GRACE-LOCALplus will fund contributions to five of the six pillars in the Plan (1,2,3,5,6), and introduce an innovative climate action financing model in the CHT.
Bangladesh Country Investment Plan for Environment, Forestry and Climate Change (EFCC CIP)[61]	GRACE-LOCALplus will fund interventions for sustainable development and management of natural resources (pillar 1), and adaptation and resilience to climate change (pillar 3).
Mujib Climate Prosperity Plan (MCPP)[62]	The project will provide support and capacity development for local government bodies to effectively access and utilize climate finance, aligned with MCPP.
Bangladesh Climate Fiscal Framework – 2014[63]	GRACE-LOCALplus will work within the national climate fiscal framework to support local government bodies to develop and monitor a local climate fiscal framework
Bangladesh 8th Five Year Plan[64]	Project outputs (resilient infrastructure and livelihoods), will contribute primarily to the core plan area of: "a sustainable development pathway that is resilient to disaster and climate change, with sustainable use of natural resources"

[57] For additional strategies, please consult: https://tinyurl.com/yz5aed74
[58] http://rb.gy/o1yoh
[59] https://unfccc.int/sites/default/files/NDC/2022-06/NDC_submission_20210826revised.pdf
[60] http://nda.erd.gov.bd/en/c/publication/bangladesh-climate-change-strategy-action-plan-bccsap-2009https://tinyurl.com/5n7uchwz
[61] https://tinyurl.com/5n72j9u2 http://cuts2.com/oYSdS
[62] http://cuts2.com/qaIkkhttps://tinyurl.com/279mznhj
[63] http://nda.erd.gov.bd/en/c/publication/bangladesh-climate-fiscal-framework-cff-2014
[64] https://www.prb.org/wp-content/uploads/2022/03/8th-Five-Year-Plan-compressed.pdf

National Adaptation Plan (NAP) 2023–2050

Carefully aligned with Bangladesh's 2023–2050 NAP[65], the CHT project area is among eleven climate stress zones in the country. While Bangladesh has made progress in adaptation planning, implementing the National Adaptation Plan of Action (NAPA – see the section below), establishing climate change trust funds, and pioneering community-based adaptation, there remains a lack of institutional arrangements and a coordinated strategy for mid- and long-term climate change investment. The NAP outlines proposed interventions for specific domains and sectors (e.g., water resources, agriculture, ecosystems, wetlands, and biodiversity) as investment options for the project's grant mechanism. GRACE-LoCALplus will contribute to achieving NAP goals of developing climate-resilient agriculture for food, nutrition, and livelihood security (Goal 2), develop climate-resilient infrastructures (Goal 3), promotion of nature-based solutions for the well-being of vulnerable communities and conservation of biodiversity (Goal 4), integration of CCA into the planning process for good governance (Goal 5). The Investment Menu (eligible expenditures under the proposed project) is in line with the priority adaptation sectors and interventions identified in the NAP and the NDC, ensuring policy alignment and advancing implementation of the NAP at the subnational level.

Nationally Determined Contributions (NCDs – Updated) 2021

Bangladesh's updated NDCs submitted to UNFCCC in March 2021, commit to a 7% reduction in greenhouse gas emissions from its business-as-usual (BAU) scenario by 2030 (unconditional contribution), which could be increased to 15% with international support (conditional contribution). Mitigation measures include promoting renewable energy, energy efficiency, electric vehicles, and reducing transport emissions. Afforestation and reforestation will help reduce emissions from forestry and land-use sectors. Adaptation measures in the NDCs involve enhancing early warning systems, disaster management, water resources management, climate-resilient agriculture, and surface water use.

The Bangladesh Climate Change Strategy and Action Plan

The GoB aims to eradicate poverty and achieve economic and social wellbeing for all Bangladeshis through a pro-poor Climate Change Strategy. This strategy prioritises adaptation, disaster risk reduction, low carbon development, mitigation, technology transfer, and adequate finance. The Climate Change Action Plan[66] focuses on six pillars: 1) food security, social protection, and health; 2) comprehensive disaster management; 3) infrastructure; 4) research and knowledge management; 5) mitigation and low carbon development; and 6) capacity building and institutional strengthening. GRACE-LoCALplus will contribute to five of the six pillars and introduce an innovative financing model in the CHT.

The Bangladesh Country Investment Plan for Environment, Forestry and Climate Change (EFCC CIP)

The EFCC CIP[67] is a cross-sectoral and whole-of-government investment framework for mobilizing and delivering effective, coordinated, sustainable and country-driven investment programs in environmental protection; sustainable forest management; climate change adaptation and mitigation; and environmental governance. It is a tool to translate government policies into investment programs and projects. It responds to the urgent need to address environmental degradation in Bangladesh and improve its ability to meet the threats posed by climate change. It lays out priority investment areas organized into four pillars. GRACE-LoCALplus will contribute to sustainable development and management of natural resources (pillar 1), and adaptation and resilience to climate change (pillar 3).

[65] http://rb.gy/o1yoh
[66] http://nda.erd.gov.bd/en/c/publication/bangladesh-climate-change-strategy-action-plan-bccsap-2009
[67] https://faolex.fao.org/docs/pdf/bgd189714.pdf

Mujib Climate Prosperity Plan (MCPP)

Under the MCPP[68], Bangladesh aims to enhance resilience, grow the economy, create jobs, and increase renewable energy to 30% by 2030. CVF countries are reviewing MCPP as a blueprint for their CPP. The project aligns with MCPP and supports SDGs. It has a strategic investment framework to mobilise renewable energy and climate resilience finance. GRACE-LoCALplus supports local government bodies to effectively access and utilize climate finance, building climate-resilient local economies, infrastructure, and communities.

Bangladesh Climate Fiscal Framework (CFF) – 2014

The Climate Fiscal Framework[69], published by the Ministry of Finance, provides principles and tools for climate fiscal policymaking (CFP), helping to identify the demand and supply sides of climate fiscal funds (expenditures vis-à-vis revenue or finance, respectively), and to ensure that CFP is transparent and sustainable in the longer term. The CFF determines the equitable division of climate funds and their allocation to relevant sectors; the division of services, identification of the demand for climate funds, and expenditure areas of financial authority for raising revenue, for national and international financing options, and for fiscal tools; and a governance framework for climate change funds under the national fiscal policy. GRACE-LoCALplus will contribute to local climate fiscal framework as envisaged in the National Climate Fiscal Framework.

8th Five Year Plan (8FYP)

8FYP[70] has been formulated to bring Bangladesh closer to attaining Upper Middle Income Country status, achieving primary SDG targets, and eliminating extreme poverty by FY2031. Against the backdrop of these factors, the 8th Plan on six core themes: one of the six core areas is a sustainable development pathway that is resilient to disaster and climate change, entails sustainable use of natural resources. GRACE-LoCALplus will contribute to this goal of the 8FYP.

E. Compliance with National Technical Standards and the Adaptation Fund Environmental and Social Policy

The GRACE project will comply with the Environmental and Social Policy of the Adaptation Fund. All activities will adhere to the Fund's Environmental and Social Principles. The project will also align with ICIMOD's Environmental and Social Safeguards Policy 2020, which aims to maximize the sustainable benefits of ICIMOD's work and prevent harm to the environment and affected communities.

Moreover, the project will strictly comply with the Government of Bangladesh's environmental and social protection regulations throughout its implementation. Given the project's location in a biodiversity hotspot inhabited by local tribal populations, relevant national statutes and laws will ensure robust safeguarding. It will also follow gender-related legislation and policies to promote a gender-responsive agenda. Additionally, GRACE will adhere to governmental technical rules, guidelines, and orders related to the funded interventions listed in the investment menu (see Annex 5). The project will also utilize data managed by the Government of Bangladesh, such as Climate Change Information Knowledge Management (https://ccikm.gov.bd/home/). Here's a breakdown of how the project aligns with these standards and ensures compliance with the Environmental and Social Policy (ESP) of the Adaptation Fund (AF):

[68] http://cuts2.com/qaIkk https://tinyurl.com/279mznhj

[69] http://nda.erd.gov.bd/en/c/publication/bangladesh-climate-fiscal-framework-cff-2014
https://lpr.adb.org/sites/default/files/resource/968/bangladesh-climate-fiscal-framework.pdf.pdf

[70] https://www.prb.org/wp-content/uploads/2022/03/8th-Five-Year-Plan-compressed.pdf

Constitutional provisions and rights

The Constitution of Bangladesh ensures affirmative action and prohibits discrimination based on race, religion, or place of birth. Article 23A mandates that the State shall take steps to protect and develop the unique culture and traditions of tribes, minor races, ethnic sects, and communities. Article 28(4) also allows for special provisions in favor of women, children, or any disadvantaged groups. Key legislative frameworks addressing the rights of local tribal peoples in the Chittagong Hill Tracts (CHT) include the CHT Regulation (1900), CHT Development Board Ordinance (1976), Hill District Council Acts (1989), CHT Regional Council Act (1998), and CHT Land Disputes Resolution Commission Act (2001).

Environmental standards and regulations

The project will adhere to Bangladesh National Environmental Policy[71],national environmental policies and standards to ensure sustainable practices throughout its implementation. It aligns with foundational documents such as the National Environmental Policy 1992 and the National Environmental Management Action Plan 1995, emphasizing ecological balance, preventing environmental degradation, and conducting Environmental Impact Assessments (EIA) for all activities. The Environment Conservation Act 1995 mandates obtaining Environmental Clearance Certificates and complying with regulations to protect air, water, and soil quality. Additionally, the National Biodiversity Strategy and Action Plan 2004 focuses on conserving local biodiversity, preventing invasive species, and safeguarding endangered species. Compliance with the National Water Bodies Protection Act 2000 and the National Water Act 2013 ensures the protection of water bodies and sustainable water resource management.

The project also respects forestry and land use regulations, including the Forest Act 1927 and the National Forest Policy 1994, by securing permissions for non-forest activities and promoting afforestation. In line with the Right to Information Act 2009, the project commits to maintaining transparency and accountability by providing stakeholders and the public with access to relevant information, thereby enhancing good governance and reducing corruption.

Environmental and social safeguards

The GRACE project will utilize robust environmental and social safeguard screening tools and guidelines developed under the LoGIC initiative, with support from the UNCDF. The project adheres to government systems and procedures, offering substantial incentives to follow best practices through specific minimum conditions for grant access and performance measures. These measures ensure that projects meet high environmental and social screening standards and define eligible expenditures. The standard process for project screening and prioritization, as outlined in Table 11, is incorporated into annual performance assessments, M&E systems, and capacity building/technical assistance (CB/TA) support. Local government teams (UZP) will play a key role in preventing negative impacts from investments, ensuring adherence to the investment menu, and promoting sensitive environmental handling and vulnerability assessments. While smaller investments are generally considered lower risk, the project provides incentives, capacity support, and guidelines to enhance current practices and systems progressively. This includes the use of screening tools and incentives in the Performance-Based Climate Resilience Grants (PBCRG), along with CB/TA, staffing, and guidelines. The project will also be complemented by the ACCAF, which emphasizes climate change adaptation and vulnerabilities, offering a comprehensive screening tool to ensure the climate relevance of all additional funds from the PBCRG.

In sum, GRACE-LoCALplus will undertake the following activities to ensure compliance with environmental standards and promote sustainable environmental practices:

[71] http://nda.erd.gov.bd/en/c/publication/environment-policy-1992#:~:text=The%20objectives%20of%20the%20policy,are%20identified%20in%20the%20document

- Uphold affirmative actions and special provisions outlined in Article 23A and Article 28(4) to safeguard the unique cultures and traditions of tribal communities and advance gender equality.
- Align with the critical legislative frameworks, including the CHT regulations and acts, to respect and protect the rights and customs of local communities.
- The PBCRG will include performance measures addressing Environmental and Social Safeguards (ESS) and the menu of investments will include ecosystem-based adaptation and green technologies.
- Investment menu will exclude interventions with negative impact on environment and social safeguards, and the manuals will include an ESS screening tool.
- Technical assistance will ensure enhanced capacities to address these issues.

F. Assessment of Duplication with other Funding Sources

Bangladesh has several climate change and water management-related projects and initiatives; however, only some focus on creating a system of climate resilience investments at the local government level, and there is as yet no evidence of those that are performance based. The proposed concept will be able to avoid duplication and maximise results through synergies, leveraging resources and lessons learned with other projects. The proposed project will build on, complement, learn from, and augment the results of other projects listed in the table below. Initial screening for potential overlaps has yet to suggest any issue between existing projects and the proposed pilot in technical, spatial, and/or temporal dimensions. This is particularly the case regarding the PBCRG system, which is unique to this project. At the implementation stage and under the responsibility of the Project Implementation Committee, regular dialogues with all other relevant climate resilience projects in the hill regions of Bangladesh will be further coordinated to ensure best alignment and screen for more parallel initiatives at regional and global levels. The main complementary projects are listed in below Table 9.

Table 9: Relevant projects/programmes in the target areas

No	Relevant Project / Programme	Description	Lesson Learned	Complementary potential	Project Timeline
1	Local Government Initiatives on Climate Change (LoGIC)	Focuses on local CCA in 7 climate districts of Bangladesh. LoGIC is designed to enhance the capacity of LGAs, vulnerable communities, and civil society to engage in effective and inclusive local-level planning and financing. Joint UNCDF/UNDP project with funding from EU and Sweden.	Following an earlier pilot of LoCAL over 2014-2016, LoGIC has been operating over 4 years at UP level The extension of LoGIC (2023-2025) is planned to channel PBCRGs to Upazilas. By targeting 10 Upazilas of the CHT: Banbarban District: Bandarban Sadar, Lama, Rowangchari, Ruma, Thanchi; Rangamati District: Rangamati Sadar, Juraichhari, Belaichhari, Langadu, Barkal), LoGIC is expected to pave the way for the GRACE-LoCALplus to operate in CHT while deepening the approach (e.g., in regard to CCVA) and expanding to additional Upazilas not covered by LoGIC.	GRACE-LoCALplus will be a scaling-up phase of LoGIC, while incorporating lessons learned from the first phases of LoGIC.	2018–2025
2	Adaptation Initiative for Climate Vulnerable Offshore Small Islands and Riverine Charland in Bangladesh	AF project implemented by UNDP and executed by the MoEFCC with objective of enhancing the climate resilience of vulnerable communities in coastal islands and riverine chars in Bangladesh.	Ggeographic focus doesn't overlap with GRACE-LoCALplus focus on CHT. Some interventions are aligned with GRACE-LoCALplus, allowing for opportunity for exchange of best practices and lessons. Initial discussions with UNDP took place and continued engagement will be sought to ensure synergy.	The proposed concept can learn from the project about climate-resilient housing, infrastructure, livelihoods, and development, and to incorporate lessons learned into the CHT region, where applicable.	2019–2024
3	Adaptation to Climate Change into the National and Local Development Planning II	Commissioned by BMZ and executed by Bangladesh Planning Commission, Ministry of Planning, Government of Bangladesh to strengthen the climate resilience of public investments.	Even though the project seeks to improve the development and investment planning by considering the impact of climate change, the project has limited overlap with GRACE-LoCALplus.	Focus on urban areas to ensure that investment projects consider climate risks, whereas the proposed concept will be able to build on this while adding in performance measures and also working in rural areas.	2019–2023
4	GEF Project 8036: Integrating Climate Change Adaptation into Sustainable Development Pathways of Bangladesh	UNDP-led project, which seeks to support the National Adaptation Plan process in Bangladesh by strengthening climate and socio-economic information databases, as well as mainstreaming climate change adaptation across policies, plans, strategies, with a special focus on sensitive agro-ecosystems.	Even though the project seeks to support the National Adaptation Plan at the country level, the project is working at the agro-ecological zone rather than at the Upazila level. There is some limited overlap with GRACE-LoCALplus, particularly in terms of increasing the technical capacity of relevant local government and sectoral line departments to plan and implement adaptation interventions. However, GRACE-LoCALplus will be much focused on building capacity in support of the systems for accessing and deploying climate finance for locally-led adaptation. There are opportunities for sharing lessons learned and best practices.	The proposed concept will be able to build on the coordination mechanisms and knowledge management systems and on lessons learned from their work on mainstreaming climate change adaptation across policies, plans and strategies. There will also be opportunities to share lessons learned and best practices related to capacity building activities.	2021–2025

No	Relevant Project / Programme	Description	Lesson Learned	Complementary potential	Project Timeline
			Initial discussions with UNDP have taken place and continued engagement will be sought to ensure synergies are identified during the implementation phase.	UNDP is also an implementing partner for LoGIC, allowing complementarity potential.	
5	GEF Project 10207: Building climate resilient livelihoods in vulnerable landscapes in Bangladesh (BCRL)	GEF project run by FAO along with the Department of Environment (DoE) and the Department of Agricultural Extension (DAE) an objective to improve the resilience of people, communities, and ecosystems to climate change, and improve livelihoods through increased value addition in the agricultural food systems of Bangladesh.	Some overlap in terms of geographic focus – one district – Khagrachhari. The project's focus is more at the national rather than Upazila level with 4 pilots in four climate vulnerable landscapes of Bangladesh. Some proposed interventions to be tested in the pilots are aligned with those of GRACE-LoCALplus under the agriculture sector, allowing for opportunity for exchange of best practices and lessons. Financial instruments considered under the GEF project are more focused on promoting private sector investment and engagement. Engagement with FAO will be sought to ensure synergies are identified during the implementation phase.	The project will work in three Upazilas of the CHT: Manikchhari, Khagrachhari Sadar, and Kawkhali Upazilas. The proposed concept will be able to incorporate lessons learned agroforestry and to consider its inclusion in GRACE-LoCALplus investment menu. GRACE-LoCALplus can also make use of the knowledge and evidence created under this project, particularly the local gender-differentiated participatory adaptation plans associated with the pilots	2021–2026
6	GCF FP004: Climate Resilient Infrastructure Mainstreaming (CRIM)	This KfW Development Bank-led project and executed by the Local Government Engineering Department (LGED) in Bhola, Barguna, and Satkhira. It integrates climate change adaptation systematically into decision-making for infrastructure planning, supervision and maintenance of the LGED, which is responsible for local infrastructure across Bangladesh	No overlap in terms of geographic focus. Limited overlap with GRACE-LoCALplus given the significant focus on large infrastructure.	While the proposed concept will work in different areas of Bangladesh with communities who will have different infrastructure needs for adaptation. Lessons learned from the project could be useful for GRACE-LoCALplus.	2018–2024

No	Relevant Project / Programme	Description	Lesson Learned	Complementary potential	Project Timeline
7	GCF FP069: Enhancing adaptive capacities of coastal communities, especially women, to cope with climate change induced salinity	GCF project run through UNDP and executed by the Ministry of Women and Children Affairs (MoWCA) with the objective of strengthening the adaptive capacities of coastal communities, especially women, to cope with impacts of climate change-induced salinity on their livelihoods and water security.	No overlap in terms of geographic focus. Some proposed interventions are aligned with those of GRACE-LoCALplus, allowing for opportunity for exchange of best practices and lessons. Initial discussions with UNDP have taken place and continued engagement will be sought to ensure synergies are identified during the implementation phase.	GRACE-LoCALplus could benefit from lessons learned about enhancing adaptive capacities at the local level. UNDP is also an implementing partner for LoGIC, allowing for complementarity potential.	2018–2024
8	GEF 9913: Implementing Ecosystem-based Management in Ecologically Critical Areas in Bangladesh	UNDP-led project, which seeks to apply an ecosystem-based framework for managing Ecologically Critical Areas (ECAs) in Bangladesh to enhance the conservation of globally significant biodiversity and support local livelihoods. It is aimed at addressing the increased degradation of wetland habitats from unsustainable development and local community practices that is leading to biodiversity loss.	Broad geographic focus with limited specific overlap with GRACE-LoCALplus. Some proposed activities related to the design and application of ecosystem-based frameworks to effectively plan may have some elements of complementarity with those of GRACE-LoCALplus, allowing for opportunity for exchange of best practices and lessons. Initial discussions with UNDP have taken place and continued engagement will be sought to ensure synergies are identified.	Given the project's focus on ecosystem-based frameworks, lessons and best practices may be useful in the implementation of related interventions aligned with the investment menu, particularly under the NAP sector on ecosystems, wetlands and biodiversity. UNDP is also an implementing partner for LoGIC, allowing for complementarity potential.	2020–2024
9	Strengthening inclusive development in CHT (SID-CHT)	Multi-funder, UNDP-led project which seeks to improved positive impact on ecosystems, social development and development of institutions. Includes extreme urban, rural poor and vulnerable groups. Increase access to resilient livelihoods and improved opportunities and access to basic services and savings schemes.	Direct overlap in terms of geographic focus. Some proposed interventions under the NAP ecosystem, wetlands and biodiversity sector (e.g., conservation of village common forests, landscape restauration, nature-based solutions) are aligned with those of GRACE-LoCALplus, allowing for opportunity for exchange of best practices and lessons. However, GRACE-LoCALplus is more focused on building locally-led adaptation. Initial discussions with UNDP have taken place and continued engagement will be sought to ensure synergies are identified during the implementation phase.	Given the project's focus on inclusive development on broad set of areas, lessons and best practices may be useful in the implementation of related interventions aligned with the investment menu, particularly under the NAP sector on ecosystems, wetlands and biodiversity. UNDP is also an implementing partner for LoGIC, allowing for complementarity potential.	2016–2023

G. Learning and Knowledge Management

Effective knowledge management is woven throughout the project design, leveraging ICIMOD's 40 years of experience as a regional knowledge, research and development organisation. Lessons learned will be captured and disseminated as part of the project's second component on learning and knowledge management. By using the performance measure indicators of the LoCAL model, this project aims to ensure efficient knowledge management. As an incentive, during the Annual Performance Assessment, LGAs performing well in knowledge management and other indicators will receive increased PBCRG allocation for the following year. In contrast, underperforming LGAs must implement corrective measures to access a new PBCRG allocation. The Ministry of Planning/Planning Commission, Ministry of Finance, and the Auditor General will be involved in linking LoCAL lessons to ongoing public finance reform efforts, enhancing decentralised management.

Knowledge will be co-created with stakeholders, including the national government, the CHT Development Board, LGAs, and target beneficiaries, including women and youth. The proposed project will take advantage of the global LoCAL network to learn lessons from other projects for the successful implementation of this pilot, and to disseminate its lessons to other established LoCAL projects globally, as well as for integrating LoCAL into other country systems.

Demonstrating proven solutions in community 'knowledge parks' would also encourage peer-to-peer learning and increase the potential of adopting and scaling climate-resilient solutions by local communities and governments. ICIMOD's experience in Nepal reiterates the importance of peer-to-peer learning in spawning community-led adaptation interventions. Specifically, ICIMOD's Living Mountain Lab at Godavari, 17 kilometres to the south of Nepal's capital, Kathmandu, can be seen as an example of the impact generated through this methodology.[72] Since being set up in 1993, this site has been a scientific and technological hub, where over 90 sustainable, innovative and easily replicable technologies, practices and approaches are prototyped, tested and demonstrated with a view to scaling their use across the Hindu Kush Himalaya. With a focus on agriculture, aquaculture, biodiversity conservation, disaster risk reduction, forestry, livestock, soil and water management, and renewable energy, these solutions address a number of challenges faced by mountain communities – in ways that benefit both people and nature.

Some of the methods developed and piloted are of particular relevance: the improved nitrogen-fixing and erosion reduction through hedgerows in sloped agriculture or improved kiwi and avocado cultivation technologies. These are examples of ICIMOD's expertise in identifying context and climate suitability mapping across communities to generate climate-neutral improved livelihoods.

In GRACE LoCALplus, it is proposed to apply a similar learning and knowledge managementapproach , including developing relevant and strategic knowledge products and organising workshops, training, and policy dialogues at the local and national government levels for mainstreaming and policy influence. From a gender and social inclusion perspective, the project will apply a gender transformative approach, keeping in mind that the impacts of climate change are largely gendered, exacerbating pre-existing inequalities and deeply entrenched regressive gender norms. As stated, the project is to be implemented in CHT, encapsulating some of the remotest parts of the country, supporting the most climate-vulnerable, marginalised populations in each district and undertaking the capture of lessons learned from these populations whilst disseminating knowledge amongst them.

Lessons and best practices from the first phases of LoGIC will also be considered, particularly the widespread communication and visibility efforts. LoGIC organised 16 community radio programmes across four districts featuring local celebrities, officials, and beneficiaries to raise climate change awareness. These programmes shared success stories, adaptive livelihoods, and climate resilience efforts. LoGIC's social media presence also reached a broad audience, with 315,956 Facebook

[72] ICIMOD. (2024). *Living Mountain Lab by ICIMOD* [Brochure]. https://lib.icimod.org/record/36481

members and active Twitter (now X) engagement. The project's website (https://logicbd.org) served as a knowledge hub for climate action, and was regularly updated to provide the latest information. LoGIC's visibility extended through local and national media, including TV news, radio channels, and online platforms. Quarterly newsletters kept stakeholders informed about project highlights, achievements, and media coverage. Blogs and human-interest stories showcased the project's progress and accomplishments.

H. Consultative Process

The consultative process and stakeholder engagement for the GRACE-LoCALplus project was designed to be inclusive and participatory, ensuring active involvement from a diverse array of stakeholders from the outset. This approach prioritized engagement with national and local government agencies, community organizations, development partners, representatives from tribal groups and civil society, fostering collaboration and a sense of ownership. Key national government bodies such as the Ministry of Environment, Forest and Climate Change, the CHT Development Board, and the Local Government Engineering Department played critical roles, along with local authorities, including the Hill District Councils of Khagrachari, Rangamati, and Bandarban, and Upazila and Union Parishads. Additionally, civil society organizations and NGOs, such as Development Associates, the University of Chattogram, ICIMOD, and UNDP, contributed valuable expertise and diverse perspectives, guiding the formulation of the project's proposed activities.

As well as ensuring inclusiveness and ownership, the additional purpose of the consultative process was to ensure alignment of the project's objectives with the specific climate adaptation needs of the CHT region. Engaging stakeholders to identify climate vulnerabilities and discuss targeted adaptation interventions was crucial for shaping sustainable development and resilience strategies tailored to the region's unique challenges. By involving women, tribal communities, and other vulnerable groups, the process ensured that the proposed interventions are equitable, responsive, and resilient.

From March 2022 to November 2023, consultations were conducted across national, district, Upazila, and community levels to ensure broad participation and relevance. Early consultations (March 2022 – August 2022) focused on adaptation investments, climate finance, and lessons from previous projects, emphasizing the importance of reducing duplication, enhancing accountability, and fostering cross-sectoral collaboration. Mid-stage consultations (August 2022 – August 2023) engaged local government representatives in identifying region-specific vulnerabilities—such as floods, landslides, and droughts—and incorporating local preferences into the adaptation actions. The final consultations (July 2023 – November 2023) refined key adaptation priorities and validated the overall project design.

By November 2023, the final consultations played a critical role in refining the project proposal, ensuring comprehensive coverage of key sectors such as water resource management, infrastructure development, and early warning systems. Workshop participants actively contributed their insights by understanding the project's approach and prioritising the inclusion of vulnerable groups, including women and tribal communities. This collaborative process resulted in a community-driven proposal that is both contextually relevant and responsive to the unique climate adaptation needs of the CHT region.

The GRACE-LoCALplus project will benefit 276,222 individuals in total (this data represents 15% of the total population of the CHT's targeted Upazila) and includes both direct and indirect beneficiaries. Of this total, 110,500 people are direct beneficiaries, while 165,722 are indirect beneficiaries. A detailed population data table, including direct and indirect beneficiary statistics, men, women and transgender, is inserted in Annex 4.

Consultations and meetings conducted for the proposal development purposes.

Table 10: Report of consultations with stakeholders

Date	Beneficiaries/ Stakeholder(s)	Consultation objective	Outcome	Conclusion
Mar 2022	MoEFCC and MoCHTA (convened a meeting with 7 officials: comprising 3 women and 4 men; among them all are direct stakeholders)	- Shared the preliminary idea on a pre-concept note for AF and highlighted opportunities for both national and regional AF, positioning ICIMOD as the Regional Implementing Entity (RIE).	- MoEFCC was keen on climate finance via AF, endorsing ICIMOD's pre-concept notes. - MoEFCC urged ICIMOD for an AF proposal with CHT region resource mapping. - ICIMOD was advised to engage with Hill District Councils and Rangamati Science and Technology University.	MoCHTA, and MoEFCC are key stakeholders in the GRACE project providing policy oversight, environmental and cultural integration, and facilitating funding and community engagement to ensure the project aligns with national standards and local needs and promises to enhance sustainable development in CHT region.
Aug 2022	MoEFCC representatives (convened a meeting with 3 officials: comprising 1 woman and 2 men; among them all are direct stakeholders)	- Scoping workshop to introduce the proposed project idea. - Advice on adaptation intervention and target areas. - Ensure coordination with other ministries and alignment with projects.	- MoEFCC agreed to support the project design - CHT was identified as an area requiring increase support, given climate vulnerabilities faced by communities	- MoEFCC will act as designated authority and will be consulted throughout the project design As a direct stakeholder, MoEFCC is responsible for ensuring that project activities comply with national environmental policies and regulations
Aug 2022	- Bagerhar Upazila representatives - Baraikhali UnP representatives - Local women's representatives - Bangladesh Climate Change Trust (convened a meeting with 12 officials: comprising 5 women and 7 men; among them 10 direct and 2 indirect beneficiaries)	- Consultation meeting to understand the success and lessons from the application of UNCDF's PBCRG Facility.	- Success: PBCRG Facility noted as a solid model to channel climate funds for public goods at the local level - Benefits were noted in terms of improved water access - Lesson: crucial to have key representatives from Upazilas involved, particularly in decisions to ensure financial accountability of the funds	- Lessons included in project design
Aug 2022	UNDP (convened a meeting with 3 officials: comprising 1 woman and 2 men; among them 3 indirect stakeholders)	- Discussions on relevant ongoing and planned projects taking place in CHT to ensure synergies, minimize duplication and plan for ongoing engagement	- Agreement on the importance of ensuring minimal duplication and sharing lessons learned and best practices to ensure effective project implementation for all parties - Lessons shared on implementation in CHT, including the importance of on-the ground partners and solid engagement with government representatives at all levels	- Lessons included in project design - Ongoing dialogue to continue during proposal design and implementation phases

Date	Beneficiaries/ Stakeholder(s)	Consultation objective	Outcome	Conclusion
Aug 2022	FAO (convened a meeting with 4 officials: comprising 2 women and 2 men, among them 4 indirect beneficiaries and stakeholders; among them all are indirect stakeholders)	- Discussions on relevant ongoing and planned projects taking place in CHT to ensure synergies, minimize duplication and plan for ongoing engagement	- Agreement on the importance of ensuring minimal duplication and sharing lessons learned and best practices to ensure effective project implementation for all parties - Lessons shared on implementation in Bangladesh, with a particular focus on financial instruments, including the importance of having solid relationships with government representations, including at the department level (e.g., Agriculture Department)	- Lessons included in project design - Ongoing dialogue to continue during proposal design and implementation phases
Aug 2022	UNCDF LoGIC team (convened a meeting with 3 officials: 3 men; among them all are direct stakeholders)	- Discussions on relevant ongoing and planned projects taking place in CHT to ensure synergies, minimize duplication and plan for ongoing engagement	- Agreement on the importance of ensuring minimal duplication and sharing lessons learned and best practices to ensure effective project implementation for all parties - Lessons shared on implementation of the Facility, including the importance of having criteria for selecting Upazilas, using the NAP and other governmental documents as foundational sources of information for the design of the project	- Lessons included in project design - Ongoing dialogue to continue during proposal design and implementation phases, especially considering that the 10 Upazilas under LoGIC will be phased-in to GRACE-LoGIC-plus
Feb, March, May, July 2023	MoEFCC representatives MoCHTA representatives Ministry of Local Government, Rural Development and Cooperatives (convened a meeting with 7 officials, including 3 women and 4 men; among them all are stakeholders)	- Several inter-ministerial consultations with the main three Government of Bangladesh ministries	- MoEFCC agreed to endorse the concept note and to prepare the official endorsement letter to the Adaptation Fund - MoTCHA and the Ministry of Local Government, Rural Develoment and Cooperations agreed to the design and submission of the project to Adaptation Fund - Advice was received during these consultations, including: importance to building awareness against environmental pollution and degradation in addition to climate change; ecosystem and natural resource management must be included in terms of potential interventions; recommendation to consult with Environment, Forest and Agriculture departments; project must	- Endorsement by MoEFCC received as designated authority, including official endorsement letter - Endorsement by MoCHTA for the design of the project - Endorsement by the Ministry of Local Government, Rural Development and Cooperations for the design of the project - Advice received and taken into consideration in the project design

Date	Beneficiaries/ Stakeholder(s)	Consultation objective	Outcome	Conclusion
			ensure complementarity with other projects taking place in CHT	
May 2023	Bangladesh Forest Department (convened a meeting with 10 officials, including 4 women and 6 men; among them all are direct stakeholders)	- Discussions to receive their advice and recommendations in terms of the NAP sectors, and proposed intervention menu	- Advice was received during these discussions, including: water access and water quality is of high importance for CHT - strong focus should be made to water management interventions; agriculture interventions should be minimized as these contribute to the water issues; forest management interventions should be a large focus	- Advice received and taken into consideration in the project design
July 2023	Department of Environment (convened a meeting with 3 officials, including 1 woman and 2 men; among them all are indirect stakeholders)	- Discussions to receive their advice and recommendations in terms of the NAP sectors, and proposed intervention menu	- Advice was received during these discussions, including: all three NAP sectors are of importance for CHT and should be included in the investment menu; water access and water quality is of high importance and should be prioritized	- Advice received and taken into consideration in the project design
July 2023	Department of Agriculture Extension (convened a meeting with 5 officials, comprising 2 women and 3 men; among them all are direct stakeholders)	- Discussions to receive their advice and recommendations in terms of the NAP sectors, and proposed intervention menu	- Advice was received during these discussions, including: all three NAP sectors are of importance for CHT and should be included in the investment menu; water access and water quality is of high importance and should be prioritized	- Advice received and taken into consideration in the project design
July 2023	Representatives (41 total participants - 5 women and 36 men, including representation from tribal groups; among them all are 11 direct and 30 indirect stakeholders) from: (A) CHT Development Board; Bandarban Hill District Council Office; Khagrachari Hill District Council Office; Rangamati Hill District Council Office; District Council Office, Bandarban; District Council Office, Khagrachari; Forest Division, Khagrachari - (B) Department of Environment, Bandarban; Department of Agriculture and Extension, Bandarban; Department of Agriculture Extension, Khagrachari; Department of Agriculture and Extension, Rangamati; Department of Forest, Rangamti; District Education Office, Bandarban; Local Government Engineering Department, Khagrachari -	- Comprehensive district and Upazila levels consultation workshop jointly organized by MoEFCC, MoCHTA, UNCDF and ICIMOD to consult with CHT district and Upazila level representatives, bringing together government officials, non-state institutions and experts with interests in the CHT region and build a common understanding of the unique vulnerabilities and opportunities there with respect to climate change.	- The session was an opportunity to facilitate discussions on adaptation actions that would be most effective in the CHT region, co-explore potential sectorial interventions, and better understand the adaptation needs of Upazilas in the three target districts in the CHT. - Together, participants ranked vulnerabilities; target Upazilas by vulnerability, and discussed their preferences for the adaptation actions that they would find most needed. - Top climate challenges for Upazilas (from more significant to least): landslides, rainfall variability, extreme heat waves, drought, extreme cold, lightning, tropical cyclone, flashfloods, storm surges) - 12 interventions from the investment	- Feedback received and taken into consideration in the project design

Date	Beneficiaries/ Stakeholder(s)	Consultation objective	Outcome	Conclusion
	(C) Upazila Parishad; Upazila Laxmichair; Upazila Mamikchair; Upazila Guimara; Upazila Matioranga; Upazila Naniarchar; Upazila Ruma - (D) Rangamati Women Chamber; University of Chattogram; Bandarban Association; Bangladesh Parjatan Corporation, Khagrachari; Xen Office, Rangamati; Parjatan Motel, Bandarban; ASHIKA Development Associates, Rangamati; Progressive - (E) MoEFCC; MoCHTA; LGD; UNCDF; ICIMOD		menu were recommended by participants to be prioritized. - Participants also prioritized the Upazilas where adaptation actions could make a significant contribution to building a green, resilient, and adaptative economy in CHT.	
November 2023	A total of 58 participants attended (7 women and 51 men; among them all are direct beneficiaries and stakeholders) in the local community consultation workshop, including 50 Mauza Headmen from Khagrachchi, Rangamati, and Bandarban districts, ensuring tribal group representation. Additionally, key representatives from organizations such as CHT Development Board, Rangamati Hill District Council, MoCHTA, UNCDF, and ICIMOD were also present, fostering diverse perspectives.	The Local Community Consultation and Interaction Workshop aims to bring together representatives of local communities, tribal groups and stakeholders supporting the GRACE program to understand the unique vulnerabilities and opportunities of CHT. Its facilitated discussion opportunity, identifies innovative adaptations, and prioritizes NAP solutions to address climate change challenges, emphasizing gender equality, sustainable livelihoods, ecosystem conservation, and adaptation investments needed at the Union or local level.	The Local Community Consultation and Interaction Workshop brought together diverse local stakeholders to comprehensively assess CHT's climate change vulnerabilities and opportunities for adaptation. Through collaborative ranking, participants (Headmen) identified key climate challenges for Unions and prioritized adaptation actions crucial for each vulnerability. They recommended 12 interventions from the investment menu for prioritization. (including three that were different from those prioritized in the July workshop). The participants also prioritized the Union where adaptation actions could make a significant contribution to building a green, resilient, and adaptative economy in CHT.	Received valuable feedback and considered it in the project design, specifically the importance of early warning systems and Timely dissemination of hazard info, updated risk assessments, expanded early warning system benefiting targeted population groups
November 2023	Bangladesh Meteorological Department (convened a meeting with 1 man; direct and stakeholders)	Discussions to receive their advice and recommendations in terms of the NAP sectors and proposed intervention menu	The advice received during these discussions, NAP sectors into CHT's investment menu is crucial. Particularly, prioritizing water resources, disaster readiness, and social safety is necessary. Urgent action on early warning in landslide mitigation are specifically needed for climate change adaptation.	Advice received and taken into consideration in the project design, specifically on potential linkages with the landslide early warning system and thunderstorm monitoring systems

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I. Justification for Funding Requested

Bangladesh is one of the countries most vulnerable to climate change, yet one of the countries least responsible for the causes of climate change. It is the 8th most populous country in the world and is currently in the process of changing from a Least Developed Country (LDC) to a lower-middle income country by 2025, which demands enormous investments focused on development goals such as income and employment. Bangladesh urgently needs more resources to invest in other areas, such as climate change. Despite its extreme and documented vulnerability and its large population, Bangladesh has the same funding cap as countries that are less vulnerable, and with smaller populations. Within Bangladesh, the CHT is particularly vulnerable to erosion, landslides, and floods. Heavy seasonal rainfall and steep topography mean that only 5–6% of the region is suitable for intensive agricultural cultivation. Climate-exacerbated topsoil erosion and escalating rainfall periods are increasing food insecurity. The population in the area already has higher poverty levels than the national average. Local people are also economically vulnerable to climate change.

Despite their mandates, convening power, and being on the frontline of climate change, close to communities, local governments are unable to contribute effectively to climate change adaptation and resilience building due to a lack of awareness and incentives to focus on the issue of climate change adaptation. They are also unable to finance the incremental costs of climate change adaptation and lack appropriate budgetary allocations from the national level. LGAs in these districts need more capacity and access to finance to lead adaptation interventions. Since LoCAL interventions and benefits are local, inclusive, and for the public good, non-refundable subsidies to local governments are the most suitable mechanism to fund adaptation investments to cover the costs and risks of the proposed outputs.

AF support is necessary for the project's proposed interventions to be identified, designed, and financed. This situation justifies using non-repayable grants deployed as technical assistance, capacity-building grants, and results-based payments in PBCRGs. PBCRGs cover the additional costs of making investments climate resilient or the full costs of climate investments justified by climate risks. PBCRGs are large enough to lead to impactful investments, but are small enough so they do not substitute for development grants. Ultimately, the project embeds technical, institutional, and operational sustainability at local levels, while performance-based finance incentivises improvements in efficiency and effectiveness. The approach outlined ultimately reduces incremental cost or risk premiums and the dependence on grant finance for adaptation.

No co-financing is being sought at this stage of the project. Implementing the LoCAL PBCRG system allows for delivering this project's outcomes and outputs regardless of co-financing from other sources. Once the system is in place, the greater the amount of funding, the greater the number of climate-resilient subprojects that can be carried out, and the wider their impact can be. The proposed project is well-aligned with the AF's investment priorities, and successful implementation should contribute to the achievement of improved climate resilience:

Component 1: Capacity building and mainstreaming CCA into the local government system for resilience interventions aligned with the PBCRG mechanism.

Baseline: GRACE project's Upazila/sub-district-level CCA planning, and coordination needs to be consistent across Bangladesh and requires additional awareness, institutional structures, capacity building, and procedures. Local governments need more financial resources and capacity to initiate adaptation projects themselves, so CCA needs to be better integrated into the plans and budgets of LGAs.

Adaptation alternative: All Upazilas in the CHT have established a formalised structure for coordinated and vertically integrated CCA planning, increased their understanding of local climate change adaptation, and established new procedures. Climate change adaptation is mainstreamed into the planning and budgeting processes, and the voices of the communities and the most vulnerable inform LGA plans and investments.

Component 2: Grant facility and PBCRG mechanism for adaptation intervention.

Baseline: Financial resources for climate investments at the local level are extremely limited to non-existent, requests for such resources are backlogged, and if it takes place, distribution of such resources is most often done through project approaches or parallel systems. LGAs cannot use their systems for planning, budgeting, and execution of climate investments. There are no systematic processes and procedures to enable local climate-resilient financing through a dedicated facility.

Adaptation alternative: LGAs of CHT have increased access to climate finance for locally led adaptation in a predictable, transparent, and accountable manner. As they work through the PBCRGs, they have improved their operational preparedness to integrate the PBCRG into local planning and budgeting processes to enable climate-resilient financing and deliver and report on climate investments.

J. Sustainability Considerations

Focusing on performance-based and bottom-up approaches, the project aims to build legitimacy, opportunities, and technical, institutional, and operational sustainability locally. This will encourage continuous improvements over time and aims to attract private-sector co-finance for enhanced resilience. Sustainability will be ensured through establishing institutional processes for climate change adaptation at the Upazila/sub-national level, strengthening capacity of local governments, better managing climate risks to make local investments more attractive to financial institutions, and leveraging lessons learned for further methodology improvement.

The success of this approach from a sustainability point of view can be further illustrated with the examples from the Global LoCAL programme. LoCAL has provided a framework to pursue access to international climate finance through a country-owned facility to localise climate action and introduce a learning approach through PBCRGs accompanied by annual performance assessments. The facility has incentivised local governments to pursue higher standards in climate resilience planning, budgeting and management, governance, and public financial management in general. Learning increases as LoCAL is deployed, as follows: Phase I: Test. The aim is to test the mechanism in several local governments (between two and four) for 1–2 investment cycles; Phase II: Consolidate. This phase integrates the lessons of the first phase. It is deployed to at least 5–10 local governments in different regions and/or ecosystems; and Phase III: Systematise. This phase progressively covers all vulnerable local governments of a national territory. The success of this approach from a sustainability point of view can be illustrated with the example of Bhutan, one of the first countries to benefit from LoCAL and is also in the process of deploying phase III. The mechanism initially covered two gewogs (LGAs), then gradually fourteen. It has been expanded to 100 out of 105 gewogs as part of the national roll-out, with support from the European Union. Building on the Upazilas covered by LoGIC, this project will scale up to 25 X Upazilas within the three districts of the CHT.

As the LoCAL programme continues to scale up in Bangladesh, emphasis will be placed on mobilising additional domestic and external resources and the ownership of processes – particularly the PBCRG system – by national and local governments, communities, and the private sector to secure sustainability. The capacity of actors will be strengthened for climate-informed planning, implementation of the PBCRGs, and management of investments.

Sustainability will again be ensured using the PBCRG system. One of the Performance Measure indicators is the “extent to which project investments incorporate sustainability concerns.” LGAs will be rewarded for their performance on environmental screening, assessments, and whether investments have integrated sustainability and management plans. The better an Upazila performs in sustainability performance measures in its Annual Performance Assessment (APA), the more PBCRG it will be allocated in the subsequent year. Upazilas that fail to meet sustainability standards can only receive a new grant allocation if they take appropriate corrective actions. So, not only will there be assurances that minimum conditions are met to include sustainability in local plans, but there will also be incentives for Upazilas to perform to a high a standard as sustainability measures.

Technical sustainability: During the project, sub-district technical staff will be engaged and they will receive capacity strengthening, particularly in climate change adaptation. The aim is to empower experts who will continue to provide technical support to communities beyond the project's duration. The project will also disseminate lessons learned to other Upazilas and districts in Bangladesh, promoting successful interventions elsewhere. Through participatory approaches, local community members will receive training in order to gain technical knowledge and skills, fostering ownership and sustained engagement in climate change adaptation beyond the project's lifespan.

Financial sustainability: Financial sustainability will be enhanced by concentrating AF funding on the higher-cost initial capital expenditures required to set up the LoCAL mechanism in the Upazilas of the project area's three districts. Subsequently, annual operating costs reduce substantially as they become part of ongoing local budgetary commitments. Once the system for intergovernmental fiscal transfers is established and LGAs perform credibly, any donor or the government can channel additional resources for climate resilience enhancement through the system with no additional overhead cost. Financial sustainability will be ensured for each intervention at the local level with user fees, as done in the previous two phases of LoCAL in Bangladesh.

Environmental sustainability: Locally determined project activities chosen from the Investment Menu for LoCAL Bangladesh, will contribute to environmental sustainability. These activities have already been cross-checked for environmental screening criteria (see section A for details on the criteria). Upazila LGAs will be rewarded for their performance on environmental screening and assessments and whether investments have integrated sustainability and management plans.

Institutional sustainability: The project interventions will be based on a deep understanding of local realities in Bandarban, Khagrachhari, and Rangamati districts. Collaborative interventions and local participation will be facilitated through thorough knowledge of the areas and local people. Marginalised groups, local government officials, and other development actors will actively participate. The project will leverage local tribal knowledge, successful experiences, and lessons from other projects to enhance climate resilience and adaptative capacity of communities and ecosystems. Critical stakeholders, including villagers, will identify, plan, implement, monitor, and evaluate community-based initiatives. Existing government and community infrastructures will be used, with the government providing technical support. Each Upazila's community members and local government officials will take ownership of the interventions, and project assets will be handed over to local institutions for ongoing management and operations.

Economic sustainability: This project will provide capacity support for LGAs to effectively plan and mainstream adaptation. Implementing the PBCRG system also improves the financing of each Upazila's needs for adaptation. The project also demonstrates an alternative path for donor funding to address development challenges through adaptation and capacity development at the local level, close to the needs of the communities. Once the PBCRG system has been operationalised, LGAs can continue to use it to fund adaptation activities using other funding sources beyond the project's lifetime.

Social sustainability: The project will include a participatory process of development and decision-making in the design of local interventions. This will include LGAs, local stakeholders, and project beneficiaries, particularly women and local tribal groups. This will lead to attitudinal support from the people and enhance a sense of ownership of the project's interventions amongst the stakeholders and sustainability beyond the project's lifetime.

K. Environmental and Social Impacts and Risks

The entire project was screened for environmental and social risks against the 15 principles outlined in the AF's Environmental and Social Policy, as set out in the table below. The project builds on the global implementation of the Local Climate Adaptive Living mechanism, managed by UNCDF, which provides a standard and internationally recognised country-based mechanism for channelling climate finance to local authorities in developing countries.

The project also builds on the experience from the LoCAL-Bangladesh Phase I (which piloted the PBCRG mechanism in one district in Bangladesh) and the Local Government Initiative on Climate Change (LoGIC), which builds on the LoCAL model, in seven districts (Bagerhat, Barguna, Bhola, Khulna, Kurigram, Patuakhali, Sunamgani) of Bangladesh. The project districts have been identified based on the outcomes of detailed stakeholder consultation during FP development.

The project is not expected to generate any significant environmental/social impacts or risks. The project components are intrinsically risk averse with respect to social and environmental impacts. Component 1 of the project focuses on capacity building and mainstreaming CCA into the local government system for resilience interventions in line with the PBCRG mechanism. Component 2 activities will provide a grant facility and PBCRG mechanism for adaptation intervention.

The project is designed to have a positive environmental and social impact based on lessons learned and synergies with other projects and through consultations with stakeholders and target communities. Communities will select the locally appropriate activities supporting adaptation in their contexts. Based on the initial risk screening, some inherent risks may come into play throughout the project's life, especially because the project targets vulnerable and marginalised groups, including tribal groups, women, and remote communities of people living in poverty. The Investment Menu items for the top-up grant for project activities have been cross-checked for environmental and social screening criteria as part of the NAP development process to meet local and national standards. The project activities will be designed to create a positive environmental impact with attention to minimising any collateral environmental effects.

The project is classified as category B due to the inclusion of USPs, and the exact localities to be covered under the LoCAL initiative have not yet been identified. Because this project includes USPs that cannot be screened or assessed at this time, a review process and risk assessment will be conducted for each sub-project as they arise, to screen for environmental and social risks, plan mitigation measures, and identify any required safeguards and monitoring processes. This will address and mitigate risks inherent to each USP's unique environment and social setting and ensure the overall project risk category B is not exceeded. The project will uphold the ESP by ensuring that: (1) All MoUs and agreements of cooperation under the project will include detailed reference to the Environmental and Social Management Plan (ESMP), including the 15 ESP Principles; (2) The terms of reference of project committees and project team members will include detailed reference to the ESMP, including the 15 ESP Principles; (3) the project's M&E framework will integrate the ESMP, align with the ACCAF, and receive approval from the project's governing committees; and (4) a grievance mechanism will be adopted, through the Upazila Standing Committee on Environment, Forest and Climate Change (UEF&Cs) to ensure that affected stakeholders can raise concerns, anonymously and transparently.

All funded USPs will be subject to and follow Bangladesh's applicable social and environmental regulations. This will also be reviewed as part of the annual performance assessments. Nevertheless, all potential activities under Component 2 are small in scale (managed at the household or community level), and these activities are likely to enhance environmental and social conditions; their potential negative impacts are very limited and can be readily mitigated.

Table 11: Checklist of environmental and social principles

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
Compliance with the law		**Risk**: low **Impact**: low This project is structured to align with Bangladesh's legal and regulatory frameworks. In its development phase, thorough consultations with relevant national, regional, and district authorities have been conducted, covering every aspect of the project's adherence to the legal standards. This consultative approach will be consistently maintained throughout the project implementation, with continuous engagement of authorities to confirm compliance with all pertinent laws. The project will require a description of the legal and regular frameworks for all interventions and grantees in order to meet compliance throughout the implementation of the project. This will further ensure that every project step, from planning to execution, meets the necessary legal compliance standards.
Access and equity		**Risk**: low **Impact**: low The project's Component 1 will focus on building capacity for stakeholders to improve effective participation in the project and ability to apply for grants. The project's Component 2 is designed to promote equitable access to its activities, particularly for women and tribal groups in the targeted Upazilas. Information about the project and its grant application process will be made widely accessible, including through translating the information into local languages, to improve understanding and participation among all community members. It is important to note that the Grant facility and PBCRG mechanism for adaptation intervention selection criteria will focus on enhancing participation from different vulnerable communities (women and tribal groups). While aiming to benefit these groups economically, the project will also implement measures to prevent any disadvantages or conflicts that might arise from these interventions. Regular consultations with communities will be conducted to address any access and equity barriers in line with the AF's ESP, ensuring that the project's benefits are distributed fairly and inclusively.
Marginalised and vulnerable groups		**Risk**: low **Impact**: low In this project, particular emphasis is placed on engaging marginalised and vulnerable populations, including women and tribal groups. Through the LoCAL PBCGF mechanism, these groups will be given a voice in the intervention design and decision-making processes. Besides that, the project's initiatives are shaped to empower these

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
		groups, acknowledge their unique knowledge, and improve their access to necessary resources. For instance, initial consultations during proposal development were tailored to inform and encourage their active participation.
Human rights		**Risk**: low **Impact**: low The IE and its partners affirm the fundamental human rights of all people. In compliance with laws, regulations, and LGA guidelines, the project ensures that its operations and all associated activities fully adhere to established human rights principles. The project will ensure that a description of the legal and regular frameworks will be required for all interventions and grantees to ensure compliance is met throughout the implementation of the project. There is no identified risk of the project violating any human rights aspect, underlining its commitment to ethical and respectful engagement with all stakeholders and communities.
Gender equality and women's empowerment		**Risk**: low **Impact**: low This project emphasises gender equality, aiming for at least 50% of women beneficiaries. A gender assessment has been conducted, and women and women's groups have been consulted during the community and stakeholder consultations and will continue to be consulted during the project implementation. During full proposal development, more detailed information on the differentiated impacts between women and men at the target district level was gathered through community consultations, based on which the project activities have been developed. Consultations with gender equality experts during proposal development ensured the project's responsiveness to gender-specific needs and roles. The implementation strategy involves gender mainstreaming and social inclusion practices, focusing on gender equality and women's empowerment. This approach ensures equitable engagement and benefits from project activities, particularly in empowering women and addressing gender-specific challenges in climate-vulnerable areas.
Core labour rights		**Risk**: low **Impact**: low This project safeguards core labour rights in accordance with laws, regulations, and LGA guidelines. In addition, the project ensures compliance with national and international labour standards, particularly focusing on the protection of labour rights in all its activities. The project will have a zero-tolerance policy for child labour.

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
Indigenous Peoples		**Risk**: low **Impact**: low This project is designed to inclusively reach 15% of the population, specifically focusing on integrating local tribal groups. In its commitment to social inclusion, the project applies best practices to ensure that the design and implementation stages are sensitive to the needs and perspectives of different Indigenous communities of CHT. Specificl interventions are planned with the direct involvement of tribal groups, ensuring that their unique cultural, social, and economic characteristics are integrated into project activities. The project further acknowledges the importance of these groups in the local ecosystem and aims to support their sustainable development while preserving their cultural heritage. Participation of tribal groups is encouraged in decision-making processes, in order to equitably distribute the project's benefits and uphold their rights and traditional knowledge.
Involuntary resettlement		Risk: low Impact: low The project is not expected to lead to involuntary resettlement.
Protection of natural habitats		**Risk**: low **Impact**: high For this project, safeguarding natural habitats is integral, particularly concerning the USPs. An in-depth review process and risk assessment will be conducted for each USP to screen for environmental and social risks, plan mitigation measures, and identify any required safeguards and monitoring processes. This assessment ensures that each USP's unique environmental and social contexts are taken into account and that mitigation measures and necessary precautions are in place. The USPs will be designed in such a way that their environmental impact is minimal (building upon features of the environment that are already present without introducing new elements). The project also emphasises the adoption of Nature-based Solutions for achieving adaptation goals and fostering habitat restoration. This approach is crucial in minimising impacts on natural habitats and aligning the project's activities with environmental sustainability. The project will implement specific avoidance measures for USPs to protect natural habitats. These include avoiding interventions that could harm sensitive ecological areas or introduce invasive species and ensuring that any development is harmonious with the existing natural environment.
Conservation of biological diversity		**Risk**: low

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
		Impact: high For each USP in this project, a rigorous review and risk assessment will be conducted to address the conservation of biological diversity. This involves assessing environmental and social risks, focusing on potential impacts on local ecosystems. To mitigate risks, the project will avoid interventions that might disrupt local biodiversity, such as introducing non-native species. Instead, it will focus on leveraging indigenous species and diverse ecological practices. Furthermore, regular monitoring and safeguarding measures will be in place for each USP to prevent any adverse effects on biodiversity. Lastly, the project will emphasise Nature-based Solutions, prioritising habitat restoration and adaptation methods that support biodiversity. Through these strategies, the project will avoid harm and actively contribute to ecological enhancement in the project areas.
Climate change		**Risk**: medium **Impact**: high In this project, each USP will undergo a detailed review and risk assessment process, taking into account environmental and social factors, particularly those related to climate change. The climate rationale will be critically reviewed for each USP. This assessment process will ensure that each USP is designed with an understanding of its unique environmental and social context and the specific climate risks it faces. In addition, the project will use updated climate data and information to design and implement each USP, focusing on mitigating the impacts of climate change. This approach will include planning for adaptation measures and identifying safeguards to address the anticipated climate-related risks. Moreover, it will prioritise interventions that are resilient to climate variability and changes, ensuring that the activities of each USP contribute to reducing vulnerability to climate change. Lastly, there will be monitoring mechanisms to continuously evaluate the effectiveness of the implemented climate adaptation and mitigation strategies. The aim is to ensure that each USP addresses current climate challenges and is equipped to handle future climate scenarios, thereby contributing to the long-term resilience of the communities and ecosystems involved.
Pollution prevention and resource efficiency		**Risk**: low **Impact**: medium Each USP) in this project will be thoroughly assessed for pollution risks and resource efficiency. This process will ensure that environmental impacts are minimised. Further emphasis will be given to preventing air, soil, and water pollution and employing Nature-

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
		based Solutions for adaptation goals. Additionally, by promoting the circular economy concept, the project will prioritise resource efficiency, with strategies to reduce waste and promote sustainable resource use.
Public health		**Risk**: low **Impact**: high The project is designed to prioritise public health, incorporating safeguards and mitigation measures to prevent any detrimental health impacts. Health considerations will be integrated into the planning and implementation of each USP, ensuring that public health risks are minimized. Considering the above objectives, under this project, each USP will undergo an extensive review and risk assessment, including a health impact screening. This process will ensure compliance with laws, regulations, and local government authority guidelines regarding public health. The assessment will also identify and address any potential health risks associated with each USP's environmental and social context.
Physical and cultural heritage		**Risk**: low **Impact**: low This project places significant importance on complying with laws, regulations, and local guidelines concerning preserving physical and cultural sites. During the proposal development stage, thorough consultations are conducted to identify the presence of any physical and cultural heritage sites, especially cultural heritage sites of Indigenous community members. This identification process is crucial for incorporating these strategies into the project intervention design process. Through continuous engagement with stakeholders and communities during implementation, the project will ensure that any physical and cultural heritage present at project sites is protected. The project's design and activities are also tailored to avoid potential negative impacts on these heritage sites, thereby maintaining their integrity and value. In addition, the project is designed to respect and preserve the cultural heritage of the communities involved. Interventions are planned and implemented in a manner that does not disrupt or harm any identified physical or cultural sites.
Land and soil conservation		**Risk**: medium **Impact**: high

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
		In this project, particular emphasis has been provided on ensuring compliance with land use laws, regulations, and local government authority guidelines. The project will conduct an in-depth review and risk assessment for each USP. This process will specifically focus on land and soil conservation, screening for environmental and social risks, and planning appropriate mitigation measures. Also, the project is designed to consider each USP's unique environmental and social settings, prioritising Nature-based Solutions to promote land and soil conservation. The interventions will focus on preventing land degradation and encouraging sustainable land management practices. The project's emphasis on Nature-based Solutions aligns with its adaptation and environmental sustainability goals. All activities within the USPs will be regularly monitored to ensure that their impact on land and soil is minimal, manageable, and, where necessary, easily remediable. This approach ensures that the project avoids negative impacts on land and soil and actively contributes to their enhancement and protection.

The risks identified in the table above have been further analysed during the environmental and social risks screening that is included in Annex 7. This consists of further consideration of indirect and cumulative risks. Mitigation measures have been identified and are included in the Environmental and Social Management and Monitoring Plan (Annex 7).

Once the USPs of Component 2 are defined during project implementation, environmental and social risk screening will be carried out at the community level and in consultation with the beneficiaries. The implementers will duly seek coordination with GoB agencies, especially environmental-related agencies (see Annex 7). Activities with a medium or high risk will not be considered for implementation under Component 2. The project will include a Grievance Mechanism for the beneficiaries and affected populations described in Annex 8.

Compliance with AF's USP guidance

The USPs are partially unidentified: the general type of activity is limited to an agreed Investment Menu within the NAP, and the general area (municipality) is also known, but the specific location and specific activity will be agreed in the local planning process.

The project is compliant with the AF's USP guidance. The overall project Environmental and Social Risk Management Plan (ESMP) can be found in Table 13. A very detailed social and environmental screening checklist will be used for each locally agreed USP, in accordance with national and local regulations and UN procedures. UNCDF as the executing entity will be responsible for managing the ESMP. More specifically, to further comply with the AF ESMP for each USP funded by this project, there will be two major strategies. One is through human resources, and the other is through using UNCDF's Social and Environmental Screening (SES) safeguards screening tool (please refer to Annex 7, Table A7.4). On the ground for each Upazila, there is an Upazila Facilitator, who will be an engineer by training having knowledge of national infrastructural safeguards and codes. For each USP, a SES framework

will be developed to ensure compliance with national technical standards. The SES will address potential social and environmental risks associated with each USP, assess the significance of those risks, and outline management measures for risk classified as moderate, substantial or high. Based on the identified risks and risk categorisation, requirements of the SES are triggered. Four overarching principles of SES are human rights, gender equality, women's empowerment, sustainability, resilience and accountability. USP-level standards include: biodiversity conservation and sustainable NRM, climate change, community health, safety and security, cultural heritage, displacement and resettlement, Indigenous peoples, labour and working conditions, pollution prevention and resource efficiency. The three-step process that is followed in applying the SES are: screening, assessment and management, with stakeholder engagement throughout.

A detailed grievance mechanism has also been included in this proposal to comply with AF's USP guidance. M&E arrangements are in alignment with the Fund's results framework.

PART III: IMPLEMENTATION ARRANGEMENTS

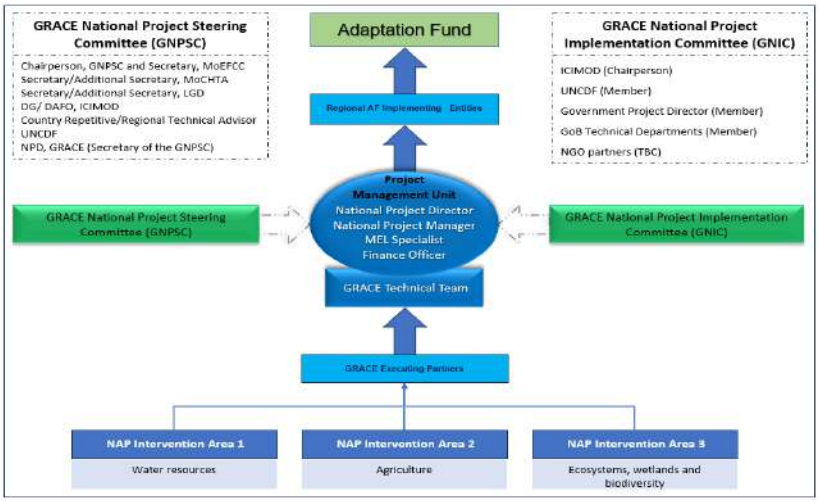
A. Arrangements for Project Implementation

National-level project management and coordination

Project Governance

At the ~~the~~ national level, UNCDF and ICIMOD will serve as the Executing Entity for the GRACE-LoCALplus project, overseeing all aspects of project management. ICIMOD follows globally recognised project management standards, in tandem with a set of rigorous internal checks and balances, to ensure efficiency, effectiveness, control, compliance, and robust monitoring and reporting. These rigorous standards will be applied throughout the GRACE business services (e.g., Business Development and Resource Mobilisation, Finance and Administration, including Human Resources; and Strategic Planning, Monitoring, and Evaluation, Learning [SPM&EL] and Communications), which will provide comprehensive advice and expertise. These professional units utilise standard delivery and management approaches, processes, guidelines, and tools to ensure the successful implementation of all ICIMOD projects and programmes, including GRACE-LoCALPlus.

The project will operate under a three-tiered governance structure, as illustrated in Figure 8. This structure comprises the GRACE National Project Steering Committee (PSC), GRACE National Project Implementation Committee (PIC), and the Project Team.



~~Figure 8:~~ ~~GRACE-LoCALplus Project Management Structure~~

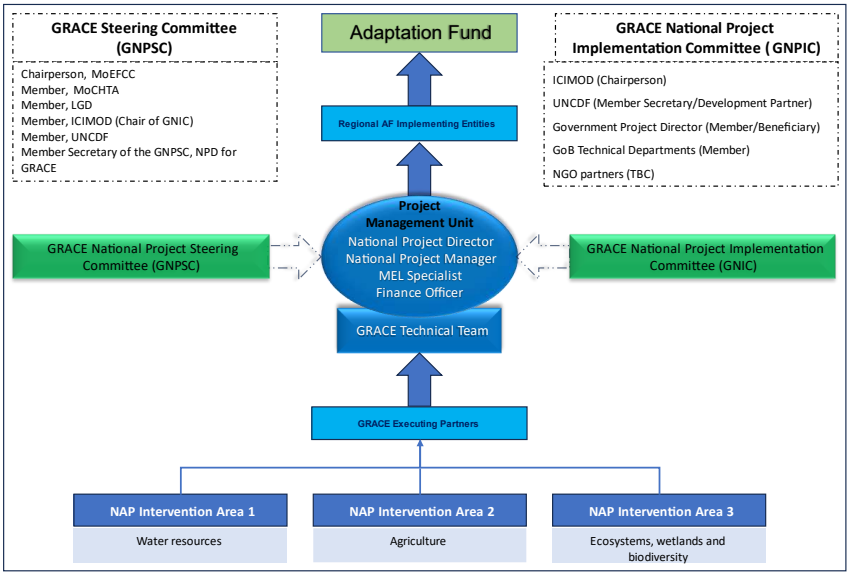


Figure 8: GRACE LoCALplus Project Management Structure

The **Project Steering Committee (PSC)** is a high-level body responsible for overseeing the implementation of the GRACE project in CHT. The PSC, will be chaired by the MoEFCC, includes representatives from key government agencies, ICIMOD and UNCDF. Both ICIMOD and UNCDF will have national staff dedicated to a national office for this project. As the Designated Authority, a representative from MoEFCC will oversee the country's engagement with the AF. This PSC plays a vital role in ensuring the project's success by providing strategic guidance, reviewing progress, and addressing environmental and social safeguard risks. The PSC meets twice a year to maintain effective oversight and ensure the project aligns with national priorities and international best practices.

The GRACE GNPSC will comprise the following members:

Chairperson: Secretary and Designated Authorities, MoEFCC.

Members:

Deputy Director, Directorate, ICIMOD
Country Lead for Bangladesh, UNCDF
Additional or Joint Secretary, Dev. MoCHTA
Additional or Joint Secretary, Dev. LGD
Local community representative (e.g. Chairman, KHDC, RHDC, BHDC and Headman and Karbaris)

NGO Partner representative

A Project **Implementation Committee (PIC)**, consisting of representatives from ~~LGD/National Project Director (chair)~~, ICIMOD (Chair), UNCDF (Member Secretary), LGD and National Project Director, and government technical departments/NGO partners, will play a critical role in incorporating gender-responsive elements throughout the project. The PIC will include women vice-chairpersons from local government/upazilas to represent the views of the beneficiaries. This Committee will meet regularly (at least quarterly) and will coordinate annual work planning, governance agreements, track project progress (technical and financial), and facilitate implementation. It also ensures compliance with all AF requirements, including Environmental and Social Safeguards.

The project will be committed to gender equality and women's empowerment at every level of its implementation. By ensuring women's representation in key decision-making bodies such as the PIC, the project seeks to integrate gender-responsive strategies into planning, execution, and evaluation processes. The project's governance structure promotes inclusive participation, ensuring that women and other marginalized groups have an active role in shaping project outcomes. Additionally, all activities under the project will be designed and monitored with a gender-sensitive lens, ensuring that the needs and priorities of women are addressed, and that they benefit equally from the project's interventions.

The **Designated Authority** for this project is the Ministry of Environment, Forest and Climate Change MoEFCC. The project will strictly follow the rules and regulations, policies, and procedures set forth by the GoB, ICIMOD, and UNCDF. In this regard, GoB will designate a **National Project Director (NPD)** who will be a Senior Government Official from the LGD providing up to 30% of their time, responsible for overall direction and strategic guidance to the Project Management Unit for timely delivery of project outputs.

The **Project Management Unit (PMU)** will be located in Bangladesh, and will function as the operational point of the GRACE project. Leading this unit will be the Project Managers, responsible for the overarching management of the project. This encompasses overseeing daily operations, managing both professional and technical staff and ensuring efficient budget utilization. Crucial to the role is maintaining close communication and collaboration with the NPD. The Project Coordinator's responsibilities extend to guaranteeing high-quality project delivery, comprehensive progress and results reporting, adherence to established standards, proactive management of fiduciary risks, and nurturing effective relationships with ICIMOD and UNCDF. Furthermore, the Manager will regularly engage with relevant Bangladeshi government ministries to discuss project progress, identify and address risks and issues, conduct annual reflections, and collaboratively decide on any necessary project adjustments. The selection of the Project Manager will be a collaborative effort between ICIMOD and UNCDF. Both ICIMOD and UNCDF will assume a Project Assurance role, which entails overseeing the management of funds, upholding project quality

through technical support to the project team, mitigating related risks, ensuring the timely delivery of financial and project reports to development partners, and managing project staff.

Project Steering Committee
Members: MoEFCC (Chair), MoCHTA, LGD, ICIMOD, UNCDF, Local community representative
Frequency of meetings: Twice a year
Role: Oversight of annual work planning, implementation and project progress, and reviews and ensures that Environmental and Social Safeguard risks are addressed

Project Implementation Committee
Members: National Project Director, (chair), ICIMOD, UNCDF and Government Technical Departments/Government Project Director/NGO partners (TBC)
Frequency of meetings: Regularly – at least quarterly
Role: Coordinates annual work planning, governance agreements, tracks project progress, facilitate implementation, and ensures compliance with all AF requirements, including Environmental and Social Safeguards

Project Team
Members: Project Manager, Project Officer and Specialists/Analyst in climate change and adaptation, capacity building, policy advocacy, climate-resilient grants, DRR, Geospatial, MEL, knowledge management, communication, finance management
Role: Manages project activities on a day-to-day basis, coordinates compliance with all AF requirements, including Environmental and Social Safeguards, monitors project implementation progress, manages and responses to risks accordingly, and reports on progress. Project Manager will receive additional support from the ICIMOD and UNCDF technical experts.

~~***Figure 9**. Project organogram*~~

Project Steering Committee
Members: MoEFCC (Chair), MoCHTA, LGD, ICIMOD, UNCDF, Local community representative
Frequency of meetings: Twice a year
Role: Oversight of annual work planning, implementation and project progress, and reviews and ensures that Environmental and Social Safeguard risks are addressed

Project Implementation Committee
Members: ICIMOD (Chair), Na t onal Project Director, UNCDF, and Government Technical Departments/Government Project Director/NGO partners (TBC)
Frequency of meetings: Regularly - at least quarterly
Role: Coordinates annual work planning, governance agreements, tracks project progress, facilitate implementation, and ensures compliance with all AF requirements, including Environmental and Social Safeguards

Project Team
Members: Project Manager, Project Officer and Specialists/Analysts in climate change and adaptation, capacity building, policy advocacy, climate-resilient grants, DRR, Geospatial, MEL, knowledge management, communication, finance management
Role: Manages project activities on a day-to-day basis, coordinates compliance with all AF requirements, including Environmental and Social Safeguards, monitors project implementation progress, manages and responses to risks accordingly, and reports on progress. Project Manager will receive additional support from the ICIMOD and UNCDF technical experts.

***Figure 9**. Project organogram*

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The GRACE **Project Team** will comprise professionals with a diverse array of skills and expertise, ensuring comprehensive coverage across several critical areas, and will seek to promote a gender-balanced team. This includes climate change adaptation, geospatial analysis, disaster risk reduction (DRR), capacity building, policy advocacy, climate-resilient grants, monitoring, evaluation, and learning (MEL), knowledge management, communication, and financial management. The recruitment of the Project Team will be undertaken by both the UNCDF and ICIMOD. The responsibilities of the Project Team will encompass the delivery of day-to-day project activities, ensuring compliance with all AF requirements, including Environmental and Social Safeguards. Additionally, the team will monitor project implementation and progress, manage and mitigate risks in accordance with the risk management plan, and report on progress regularly. They will also coordinate annual reflections on project progress and propose any necessary deviations to the work plans. A participatory approach will be used to coordinate the programme to make use of all the team's strengths. Regular meetings and communication mechanisms will be used to monitor the successful completion of GRACE-LoCALplus activities, outputs, and outcomes and discuss risks and adjustments as needed. These will also serve as forums to discuss potential risks and necessary adjustments, ensuring that the project remains on track and any issues are promptly addressed.

The **Project Office**, where the Project team will be located, will be in secure premises, preferably within a GoB office or any other UNDSS security-cleared premises for the project implementation period. The Project Office will perform, be responsible for, and oversee the following: (a) Operational functions, (b) Equipment and furniture (c) Vehicle management including fuel and maintenance, (d) Stationery (e) ICT supplies (f) Printing and publishing (g) Office maintenance and utilities (h) Contingency (i) Travel (j) Audit (k) Spot checking (l) Monitoring and (m) Evaluation. Procurement, which involves construction, physical work, and public works, will be done by the PMU following the government's Public Procurement Regulation 2010. All other goods and services (e.g., Human Resources, Consultants, and Office Equipment) will be procured by ICIMOD and UNCDF following respective procurement policies.

Table 12. Parties responsible for completing work for each project's work component

Component	Output	Activity	Responsible party	Implementation Modality
Component 1	1.1. Data and evidence generated and shared on local climate risks to inform local decision making.	1.1.1. Undertake Climate Risk, Vulnerability and Adaptation Assessments (CRVA) for subnational adaptation including gender, social and environmental related indicators as part of the vulnerability and exposure analysis, and dissemination of results	ICIMOD	ICIMOD staff/ Outsourced consultants with ICIMOD technical supervision
		1.1.2. Establishment of local information systems for adaptation (LISA) to complement the CRVA.	ICIMOD	ICIMOD staff/ Outsourced consultants with ICIMOD technical supervision
	1.2. Capacity building of local governments and communities delivered (on the-the-job training, workshops, accessible knowledge products).	1.2.1: Awareness and sensitization activities at local and national level on climate change and the role of local authorities in addressing climate change, through LoCAL (e.g., communication materials, social media, videos, stories, and workshops).	ICIMOD	ICIMOD staff/ Outsourced communication service provider/NGOs
		1.2.2. Assessment of needs and capacity gaps in relation to key elements of the approach (e.g., CRVA, adaptation planning and mainstreaming, multi-criteria analysis for prioritisation and selection of adaptation interventions, gender, accountability and transparency, and environmental safeguards).	ICIMOD	Consultants, field staff
		1.2.3: Capacity-building activities according to needs and capacity gaps identified (e.g., on-the-job learning; training sessions; technical assistance; coaching)	ICIMOD	Consultants, field staff, outsourced, government/NGO training provider
	1.3. Local government plans and Local Adaptation Actions Plans developed and updated for selected Upazilas	1.3.1. Review of CRVA findings and integration of climate change adaptation in local development planning and budgeting in a participatory and gender-sensitive manner	ICIMOD	Facilitation by field staff with upazilas
Component 2	2.1 Annual programmes of adaptation for targeted Upazilas identified in line	2.1.1. Costing, selection, and prioritization of adaptation interventions and investments to be financed through the PBCRGs, in a participatory and gender-sensitive manner, using multiple criteria (e.g., climate risks; LGA capacities; programmatic synergies; geographic diversity; cost-effectiveness of proposed intervention)	UNCDF	Performance-based Agreement with Local Government Division

	with the PBCRG mechanism	Activity 2.1.2. Support to target Upazilas for implementation of selected adaptation interventions and investments (including scheme design and estimates in collaboration with concerned government departments and private organizations experienced in related matters, procurement of contractors, and supervision of scheme implementation by Upazila parishad committees, handover of schemes to operation and maintenance committee).	UNCDF	Agreement with upazilas, field staff
	2.2. Locally led climate adaptation interventions and investments are implemented.	2.2.1. Disbursement of PBCRGs to support the implementation of adaptation interventions and investments in the context of local authorities' annual planning and budgeting cycles	UNCDF	Central bank treasury, Local Government Division, upazilas
		2.2.2: Annual performance assessments (APA) of the participating local authorities, including compliance with minimum conditions for the subsequent year, appraisal against the performance measures, and compliance with the menu of eligible investments	UNCDF	Outsourced third party audit firms
		2.2.3: Definition of the PBCRG allocations (formula-based) for the subsequent year and priority capacity-building interventions designed to address weaker performance areas identified under the APA.	UNCDF	Facilitation through field staff and outsourced government/NGO training providers
	2.3. PBCRG system for local level action, including M&E and reporting.	Activity 2.3.1: Reporting in line with UNCDF's Assessing Climate Change Adaptation Framework (ACCAF) and related learning and sharing of good practices emerging from the experience	UNCDF	Project Management Unit (PMU) staff, field staff
		Activity 2.3.2: Policy advice and institutional strengthening of central entities in charge of local authorities, finance, and climate change (e.g., manuals, guidelines, regulatory environment).	UNCDF	Consultants, Local Government Division, Ministry of Environment, Forest and Climate Change

Official Collaboration Arrangements

ICIMOD and UNCDF LoCAL signed a Memorandum of Understanding (MoU) in February 2023 that provides a framework and guiding principles for non-exclusive cooperation and facilitates and strengthens collaboration between the Parties in the areas of common interest, including promoting awareness and cooperation, technical collaboration, capacity development, knowledge development and joint resource mobilisation (as seen in this proposal). We will collaborate closely in delivery of the components.

MoCHTA serves as one of the nodal ministries for ICIMOD and plays a pivotal role by providing a core contribution to ICIMOD's endeavours. ICIMOD will coordinate the signing of a Letter of Intent (LoI) with MoCHTA, which will provide the endorsement to implement the project in the CHT. The LoI will specify in detail the activities to be implemented by the project, the timeframe, and the expected deliverables.

UNCDF LoCAL has an MoU with the Ministry of Local Government, Rural Development Cooperation in support of the establishment, financing and management of the LoCAL Climate Adaptive Living – LoCAL II-based grant facility under the LOGIC Project. This MoU remains relevant for this project and will ensure continued collaboration with LGD.

B. Financial and Project Risk Management

The status of financial and project risks, including those measures required to avoid, minimise, or mitigate these risks, will be monitored throughout the project, in addition to environmental and social risks.

Table 13: Project/Programme Risk Management

Risk	Predicted Likelihood (1-Rare, 2-Unlikely, 3-Possible, 4-Likely, 5-Almost Certain)	Predicted Impact (1-Low, 2-Minor, 3-Moderate, 4-Major, 5-Severe)	Management/Mitigation Strategy
1. **Environmental**: extreme weather events or natural disasters affect progress of adaptation interventions, or hamper progress of other activities like capacity building, workshops, etc.	3	3	Seasonal changes in weather will be taken into account when planning any physical activities under climate adaptation interventions. Climatic variability will also be closely monitored
2. **Political**: Turnover in key government positions that are critical to project's success, like local government leadership	2	2	Flexibility can be maintained in training budget to train new government staff
3. **Social**: Disagreement among local governments and communities/ stakeholders on selection of adaptation interventions	3	3	Set criteria will be used by local communities to select adaptation interventions, and a participatory process will be used with communities in the development and design of interventions. Awareness raising will also be done to ensure communities are aware of the importance of climate adaptation activities
4. **Financial**: Improvements in Government Public Financial Management (PFM) processes do not take place to the extent expected, affecting the availability of finance at local levels.	3	4	Capacity building support for LGA on government system and financial audits will be undertaken.
5. **Social**: Lack of commitment or long-term buy-in from communities. Communities may not continue adaptation work after the project closes	3	2	Interventions will be institutionalised in local governments, and governments and communities will be trained on the importance of climate adaptation. Communities will be involved

Risk	Predicted Likelihood (1-Rare, 2-Unlikely, 3-Possible, 4-Likely, 5-Almost Certain)	Predicted Impact (1-Low, 2-Minor, 3-Moderate, 4-Major, 5-Severe)	Management/Mitigation Strategy
			throughout the project to maximise buy-in and increase ownership. Communities have already been consulted on the project and will continue to have an active role.
6. Institutional Upazilas in the CHT region are under the Local Government Division, while the CHT Regional Councils are under the Ministry of CHT Affairs.	3	2	Project steering Committee will have representatives from both ministries.

C. Environmental and Social Risk Management

Based on the initial risk screening below, there are some inherent risks that may come into play throughout the life of the project, especially because the project targets minority, vulnerable and marginalised groups, including tribal groups, women, and remote communities of people living in poverty. While the Investment Menu items for the top-up grant for project activities has been cross-checked for environmental and social screening criteria to meet local and national standards and the ESP of the AF, the project is classified as category B due to the inclusion of USPs. As these USPs cannot be screened or assessed at this time, a review process will be conducted for each USP as they arise, to screen for environmental and social risks, plan mitigation measures, and identify any required monitoring processes. This will ensure that risks inherent to the unique environment and social setting of each USP are taken into consideration, and the USP will not go ahead if the risks are deemed unacceptable.

In addition to the more specific mitigation measures and monitoring activities described in Table 14, the project will coordinate with national and local governments to ensure compliance with national and local standards and laws. Stakeholder consultations will be conducted with community groups, local tribal groups, and women's groups in proposed project areas, with the aim of developing project activities in a participatory manner and in order to include the views of marginalised and vulnerable groups that may be directly or indirectly affected by the project. Ongoing engagement will continue with project participants even after projects are funded by PBCRG to ensure that no unintended consequences are arising and that risks are managed.

A grievance mechanism will be put in place, via the Upazila Standing Committee on Environment, Forest and Climate Change. and made accessible to all communities and stakeholders affected by project activities: this will consider the unique needs of all community members (i.e. literacy rates, languages, mobility, etc.). The grievance mechanism will be advertised at all project touchpoints such as training sessions, workshops, etc. as well as during community consultations for the project. Project staff will also be prepared and given direction on how to recognise signs of grievances, and directed to manage and report the grievance appropriately. The mechanism will protect anonymity of reporters.

Table 14: Environmental and Social Risk Management and Mitigation Plan (ESMP)

Environmental and social principles	No further assessment required for compliance	Potential risks – requires further mitigation or monitoring for compliance	Risk Assessment	Mitigation Measures (if needed)	Risk Monitoring Plan (if needed)
Compliance with the law	**X**		A description of the legal and regulatory framework will be required for interventions that may require prior permission (such as planning permission, environmental permits, construction permits, etc.)		
Access and equity		**X**	While every household in the project area will have equal opportunity to engage with project interventions, there is a low risk that priority setting will be done inadequately and prevent access of some to the project, including women, youth, and people from local tribal groups.	Clear and transparent criteria will be put in place including the selection of participants for the trainings and workshops and ensure equitable participation. A description of the project, its benefits, and the process by which the project aims to ensure fair and impartial access to benefits (such as statement of non-discrimination) will be produced and communicated within each Upazila. Information about the project will be translated into all relevant local languages, and special effort will be made to ensure that this information reaches women and local tribal groups.	Monitoring will be done to assess level of awareness about the project among minority groups like women and tribal groups. Targets for inclusion of women and local tribal groups will be set for all project activities to better assure participation of minority groups. All data collected on participation of communities in any project activity will also be disaggregated by gender and tribal group to monitor the situation.
Marginalized and Vulnerable Groups		**X**	This project aims to support marginalised and vulnerable groups, including women, local tribal groups and people living in extreme poverty in remote areas.	One of the benefits of the LoCAL PBCRG system is that it enables more active participation of project stakeholders in the project design and decision-making processes, and this project	Targets for inclusion of women and local tribal groups will be set for all project activities to better assure participation of minority groups.

Environmental and social principles	No further assessment required for compliance	Potential risks – requires further mitigation or monitoring for compliance	Risk Assessment	Mitigation Measures (if needed)	Risk Monitoring Plan (if needed)
			While efforts will be made to ensure that marginalised and vulnerable groups are included and can benefit from the project, there may be low risks of these efforts not functioning properly, or being insufficient. The highest risk to marginalised and vulnerable groups is that of exclusion from activities- no other risks of project activities to vulnerable groups have been identified at this stage. This is a risk that will be monitored to assure effectiveness of mitigation measures.	will include youth, gender and marginalised Local tribal groups in these processes so that the impacts of the projects are socially inclusive and sustainable. This MEL will be vetted by communities and LGAs to ensure that mitigation strategies take into account real needs or marginalised and vulnerable groups.	All data collected on participation of communities in any project activity will also be disaggregated by gender and tribal group to monitor the situation.
Human rights	**X**		The proposed project respects and adheres to all relevant conventions on human rights, national and local laws. All interventions will respect and promote human rights, including equality, freedom of expression, association, education, and access to information. When assessing projects, such human rights principles will be considered.		

Environmental and social principles	No further assessment required for compliance	Potential risks – requires further mitigation or monitoring for compliance	Risk Assessment	Mitigation Measures (if needed)	Risk Monitoring Plan (if needed)
Gender equality and women's empowerment		**X**	Women and girls are priority targets of this project, due to their specific vulnerability to the effects of climate change due to their traditional role in domestic tasks, which keeps them home and implies climate-sensitive work (water, fuel provision). These tasks lead them into increasingly risky areas, exposing them to many location-specific climate-caused dangers. Efforts will be made to ensure that women can benefit equally from this project and that there are no adverse effects that unequally impact women. Nevertheless, should inclusion efforts have unintended consequences or be insufficient, or should project activities have unintended consequences, there may be risks that women are not reached by activities and can't benefit as much as men or that they are negatively impacted. As such, special attention will be paid to monitoring this risk.	This project aims for at least 50% of beneficiaries to be women. The full consultative process for the project will be carried out with the participation of gender experts to ensure that the proposed AF project is responsive to various gender needs and roles such that project activities effectively respond to the unique needs of women and men. The project will apply gender mainstreaming and social inclusion best practices throughout the project, including developing specific interventions to advance gender equality and the empowerment of women and girls: provisioning for gender sensitisation workshops for project partners, including community leaders and government officials promoting youth engagement in climate action at the community level aiming for at least 50% women's participation in CCA meetings, dialogues and decision-making capacity-building training focused on the specific needs and climate	Indicative targets for inclusion of women will be set for all project activities to encourage taking measures to support their participation.

Environmental and social principles	No further assessment required for compliance	Potential risks – requires further mitigation or monitoring for compliance	Risk Assessment	Mitigation Measures (if needed)	Risk Monitoring Plan (if needed)
				vulnerabilities of women and girls promoting partnerships with microfinance and other grassroots CSOs active in the CHT including gender equality and social inclusion indicators as part of the PBCRG performance assessment system and awarding LGAs accordingly.	
Core labour rights	**X**		Upazilas will need to adhere to the Labour Standards of Bangladesh and the core labour standards of the International Labour Organisation in the design and implementation of the project in order to receive PBCRGs. Grantees of PBCRGs will be required to prepare, adopt, and implement occupational, health and safety (OHS) measures for every intervention.		
Local tribal peoples		**X**	There are about 45 distinct local tribal communities in Bangladesh, accounting for 1.8% of the total population, and the largest concentration is in CHT. The communities where tribal groups reside are particularly at risk of climate-related disasters and the subsequent humanitarian and recovery work is significantly more difficult and expensive.	The design of all the components, activities, and interventions will ensure that local communities and local tribal people involved are consulted and can benefit from the interventions according to their needs. This will include translations if needed.	Indicative targets for inclusion of local tribal groups will be set for all project activities to better assure participation of minority groups. All data collected on participation of communities in any project activity will also be disaggregated by

Environmental and social principles	No further assessment required for compliance	Potential risks – requires further mitigation or monitoring for compliance	Risk Assessment	Mitigation Measures (if needed)	Risk Monitoring Plan (if needed)
			While these communities are specifically targeted by this project, there is a risk that adaptation efforts have unintended negative consequences or efforts to include local tribal groups are insufficient in some way. As such, special attention will be paid to monitoring this risk and monitoring inclusion of tribal peoples and effects of project activities on tribal people.		tribal group to monitor the situation.
Involuntary resettlement	**X**		There will be no involuntary resettlement in this project. All infrastructure interventions will be small-scale and the land to be used for these interventions will come from public land.		
Protection of natural habitats	**X**		The implementation of ecosystem-based adaptation activities such as tree planting for erosion protection should have positive effects on the protection of natural habitats. However, an Environmental and Social Impact Assessment will be conducted to inform and strengthen the minimisation of impacts on natural habitats from the implementation of activities and interventions.		
Conservation of biological diversity	**X**		Some project activities such as EbA interventions are more likely to have a positive effect on the conservation of biological diversity. However, additional assessments will be conducted on all USPs to inform and		

Environmental and social principles	No further assessment required for compliance	Potential risks – requires further mitigation or monitoring for compliance	Risk Assessment	Mitigation Measures (if needed)	Risk Monitoring Plan (if needed)
			strengthen the minimisation of impacts on biological diversity from project activities and interventions.		
Climate change		**X**	The proposed project activities should not generate nor emit any significant greenhouse gases nor exacerbate climate change. On the contrary, project activities such as tree planting will help to mitigate the impacts of climate change in the selected areas However, there is a risk that if any of the investments were to be unsuccessful, they could be maladaptive – either by failing to bring benefits or by shifting climate change related risks and vulnerabilities to other areas. Therefore, this risk will be monitored.	Should any activities or interventions show risks of generating emissions, a risk assessment will be conducted to ensure the project adequately addresses the causes or impacts of climate change brought about by project implementation and ensure pathways to low carbon development.	This risk will be monitored closely
Pollution prevention and resource efficiency	**X**		The proposed project will not release pollutants, and energy and material resource efficiency will be embedded in project design.		
Public health	**X**		The proposed project will not have deleterious impacts on public health. On the contrary, project activities will be more likely to improve air and water quality and have the potential to improve public health measures. The project will ensure that the targeted populations will not face restrictions on their access to public healthcare. The project will also promote social distancing and safe		

Environmental and social principles	No further assessment required for compliance	Potential risks – requires further mitigation or monitoring for compliance	Risk Assessment	Mitigation Measures (if needed)	Risk Monitoring Plan (if needed)
			farming and sanitary measures in line with national requirements to prevent the spread of COVID-19.		
Physical and cultural heritage	**X**		Initial consultations have not identified the presence of physical and cultural heritage sites. However, further assessment will be done to verify this. All projects and interventions will be designed and implemented in a way that avoids the alteration, damage, or removal of any physical cultural resources, cultural sites, and sites with unique natural values recognised as such at the community, national or international level. Additionally, interventions will not prevent access and use of such physical and cultural heritage sites.		
Lands and soil Conservation	**X**		The project activities aim to avoid negative impacts on lands and soil. Project activities such as tree planting aim to have positive effects on land and soil conservation.		

D. Monitoring and Evaluation Arrangements and Budget

The GRACE-LoCALPlus project has been developed in line with the AF's Strategic Results Framework and Gender Policy, as well as the UNCDF's LoCAL Results and Resources Framework, and ICIMOD's Medium-Term Action Plan (MTAP) V.

Monitoring will also cover tracking of the environmental and social risks and any project or financial risks and flagging any issues to the Project Coordinator, to ensure that the project is not having any unintended negative consequences, that mitigation plans are functioning well, and no unexpected new risks have arisen. Participation of local people in monitoring and oversight has been shown to be critically important in ensuring effective, efficient climate change projects in Bangladesh[73]. Part of component two is the development of a monitoring system at the local level, and participatory planning, accountability and budgeting for climate change adaptation in local communities.

The project will assign a dedicated monitoring, evaluation and learning (MEL) officer, who will be responsible along with the Project Coordinator for all MEL activities as defined in the MEL plan in table 13. The MEL officer will be responsible for:

- contracting and hiring of external consultants to conduct the mid-term review and the final evaluation, following the AF's M&E Guidelines and Gender Policy closely.
- refining the MEL plan upon inception of the project, for conducting the data collection to define baselines for all indicators, and reporting regularly against indicators in the results framework and the core indicators in the results tracker.

To align with the Gender Policy, all relevant indicators and targets will be gender disaggregated to specifically assess effects of the project on women and men, ensure that women are able to benefit equally from the project.

Part of Component two is the development of a performance measurement system at the local level, and participatory planning, accountability and budgeting for CCA in local communities. This system and the data collection processes that are put in place will feed into annual project reporting. Local governments will be supported to improve mechanisms for monitoring investments and adaptation measures. This will be carried out through training workshops on the management of adaptation investments and the establishment of investment monitoring mechanisms. Under this activity, local government financial management procedures and a monitoring and reporting system will be applied and strengthened for annual adaptation plan implementation and to ensure adequacy to generate LoCAL monitoring data. The activity will support local government staff through TA concerning guideline development, contracting procedures and implementation oversight to ensure the proper realisation of impacts from investments at the ground level. Local governments will also be supported to ensure that monitoring protocols, as well as operations and maintenance mechanisms, are in place to sustain investments in the long term. M&E systems will be developed on a national level that will allow the monitoring of investments and adaptation measures by the local governments. M&E systems will be aligned with the LoCAL ACCAF methodologies and tools. The TA will ensure that local governments will have the capacity to implement ACCAF tools and will support the gradual integration and institutionalisation of the ACCAF as a planning and M&E system for the adaptation benefits.

PBCRG grants are based on local climate change needs and performance measures for building resilience. The PBCRGs will be allocated to Upazilas in the three target districts of CHT according

[73] https://www.tandfonline.com/doi/full/10.1080/17565529.2022.2027741

to their approved annual allocations, determined through the yearly assessment of LGAs. By incorporating performance metrics that involve the active participation of vulnerable groups, including at least 50% women and marginalised ethnic, the decision-making process for sub-projects ensures that financial flows have a significant impact on the most vulnerable communities at the local level.

Annual performance assessments of each target local government will be undertaken annually and will report on information related to financial data, procurement, risk assessment, rating, progress against output and outcome indicators, and any relevant lessons learned. The LoCAL Steering Committee will oversee programme implementation, requesting reports and information as deemed needed to the PMU, in additional to period meetings that will ensure endorsement and validation of key decisions and documents. In line with its role as AE, ICIMOD will closely collaborate with the MPU to ensure compliance with AF reporting requirements and timelines.

A mid-term and final evaluations will be undertaken. Evaluation reports will be produced in coherence with the international evaluation benchmarks and will take into account the AF impact and results indicators. Reports will be shared with programme partners. These reports will be sent to the AF, once validated by ICIMOD and the LoCAL Steering Committee; where appropriate, adjustments and follow-up measures will be implemented. Evaluations will be carried out by independent experts to ensure neutrality and objectivity. The MEL officer will be responsible for contracting and hiring of external consultants to conduct the mid-term review and the final evaluation, following the AF's M&E Guidelines and Gender Policy closely.

The Strategic Planning, Monitoring, Evaluation and Learning (SPMEL) unit within ICIMOD will provide MEL oversight and advice to the project on all key MEL activities, including development of the MEL plan and framework, the mid-term review, and the final evaluation.

The documents that will be prepared specifically in the context of the M&E are:
(i) the M&E plan
(ii) the project inception report
(iii) the annual, and final project performance reports
(iv) the technical reports.
A participatory MEL approach will be employed, whereby local governments will be consulted during inception of the MEL plan and included in data collection activities. The inclusion of local government in the MEL process will contribute to the sustainability of the project, by building capacity of local government in monitoring, evaluation and learning, with the intention that government will be able to continue these efforts following the closure of the project.

Results-based management will be a cornerstone of the monitoring process; regular reports and check-ins against output and outcome indicators and targets will allow the Project Team to assess progress and identify any issues early. If the project is not meeting expected targets for any reason, issues will be managed early and effectively. Any issues discovered during risk monitoring will be flagged to the Project Coordinator to ensure the project does not have any unintended negative consequences, that mitigation plans are functioning well, and that no new risks have arisen.

Table 15: Budgeted MEL Plan

Monitoring, Evaluation or Reporting Activity	Description	Frequency/Timeframe	Indicators&Targets	Responsible	Budget
Inception workshop and report	Add in baseline data to results tracker for core indicators that are aligned with the project, including sex disaggregated data	Within first two months of start (baseline) Report: within first semester	Number of local government staff with increased awareness of adaptation issues Target: at least 10 local officials per target LGI, per year	Project Coordinator and Chief Strategic Planning Monitoring Evaluation and Learning	
Establish appropriate designs with relevant baselines to evaluate the progress against fund's outcomes and associated indicators			Number of communities reached through awareness raising campaigns and advocacy work Target: at least 30 community members per target LGI, per year, of which at least 50% are vulnerable groups such as women, youth (combined)		230,415
Establish relevant monitoring evaluation and learning systems	Realtime monitoring, reporting and learning (ACCAF)	Within the first 12 months of inception (set up)	Indicator: Number of LGs that have institutionalised and embedded the ACCAF tool/methodology and are monitoring adaptation impact Target: 15 LGIs by year 2 and 25 by the end of the programme	Project Coordinator Chief Strategic Planning Monitoring Evaluation and Learning	
Quarterly progress reports	Internal- for updates to project management team	Quarterly	Quarterly progress reports Target: 1 internal progress report per quarter		460,830
Annual Project Performance Review (PPR)	The annual Project Performance Review will report on information related to financial data, procurement, risk assessment, rating, progress against output and outcome indicators, and any relevant lessons learned.	Annually	Annual Project Performance Review Target: 1 Project Performance Review produced per year	Project Coordinator	

Monitoring, Evaluation or Reporting Activity	Description	Frequency/Timeframe	Indicators&Targets	Responsible	Budget
Annual technical reports	Annual technical reports will be submitted to cover all detailed aspects of project management and progress not included in the PPR, such as technical data, analyses, and assessments related to project implementation, and information on any technical problems encountered and how they were resolved. Technical reports will also provide detailed information on the project's monitoring and evaluation framework, including any updates or modifications to the framework.	Annually	Annual Technical report Target: 1 technical report produced per year	Project Coordinator	
Mid-term evaluation	*Mandatory for projects over 3 years Should measure progress against stated targets, also covering environmental and social risks, management issues, etc.	October 2025	Mid-term evaluation Target: 1 Mid-term evaluation produced	Chief, Evaluation and Learning, ICIMOD	115,207
Fill in results tracker at mid-term	Report in results tracker on core indicators against baseline data and targets	January 2026	Report in results tracker on core indicators against baseline data and targets Target: 1 results tracker report produced/updated	Project Coordinator	
Final Evaluation	Must be completed at least three months before the end of project implementation	February 2029	Final evaluation Target: 1 final evaluation produced	Chief, Evaluation and Learning, ICIMOD	115,207
Fill in results tracker at project completion	Report in results tracker on core indicators	February 2029	Report in results tracker on core indicators against	Project Coordinator	

Monitoring, Evaluation or Reporting Activity	Description	Frequency/Timeframe	Indicators&Targets	Responsible	Budget
	against baseline data and targets		baseline data and targets Target: 1 results tracker report produced/updated		
Final audited financial statements	Submit audited financial statement to the adaptation fund at project closure	February 2029	Audited financial statement submitted to the adaptation fund Target: 1 final audited financial statements submitted to the AF	Project Coordinator	

E. Results Framework

Table 16: GRACE results framework

Expected Result	Indicators	Baseline Data	Targets	Risks and Assumptions	Data collection method	Frequency
Project Objective: To strengthen the climate resilience of vulnerable hill communities (particularly women and local tribal communities), ecosystems, and economies in the CHT region of Bangladesh by establishing a performance based climate resilience top-up financing mechanism targeting concrete climate change adaptation interventions						
Increased	AF core indicator: Number of beneficiaries (disaggregated by sex)	In 2022, the CHT population was 1,842,815 (937,011 male, 904,717 female, 101 transgender): Bandarban 481,109, Khagrachhari 714,119, Rangamati 647,587	276,222 people (110,500 direct, 165,722 indirect, with half being women.	If women are not engaged throughout project implementation it may affect their ability to access and benefit from the project's interventions. The project will place focus on ensuring participation of vulnerable groups throughout the whole implementation cycle, ensuring equal participation of both women and men.	Survey	End of project
	AF core indicator: Assets produced, developed, improved or strengthened to withstand conditions resulting from climate change and variability (by sectors and scale).	0	20 participating Upazilas have a LAPA in place.	If CRVAs are not used systematically and consistently, this can lead to maladaptation. The project will be addressing this by ensuring the consistent use of CRVAs as part of the LAPA development and prioritization	CRVA report, and LAPAs	End of project

Expected Result	Indicators	Baseline Data	Targets	Risks and Assumptions	Data collection method	Frequency
Project Component 1: Capacity building and mainstreaming Climate Change Adaptation (CCA) into local government systems for resilience interventions in line with the Performance-Based Climate Resilience Grant (PBCRG) mechanism						
Outcome 1: Enhanced capacity of local governments and vulnerable communities to build resilience to climate change impacts	# of projects, policies and strategies in related Climate Change adaptation implemented by LGs % of people reporting reduction in climate change vulnerabilities (disaggregated by sex)	0	To be elaborated at inception	It is possible that the duty bearers/LG officers cannot meet their obligations during the project implementation, which may cause delays. The project will provide regular TA/CB to local stakeholders to enhance their capacities around climate change	Project reporting Survey	End of project
Output 1.1. Data and evidence generated on local climate risks to inform local decision making	# of local governments that regularly collect, update and analyze climate change information for planning, budgeting and execution of adaptation investments (by type, sector and scale)	0	75% of targeted local governments	There is a risk that the LG officers in charge of the data collection are not informed on the latest Climate Change and Climate Finance trends and are unable to make timely decisions which may hinder the achievement of project objectives. The project will ensure up-to-dated climate information through the development of a local information system for adaptation (LISA)	local information systems, project reports	Annual
Output 1.2. Capacity building of local governments and communities delivered (on the-the-job training, workshops, accessible knowledge products)	Number of targeted local governments officials that participated in awareness and capacity-building activities (disaggregated by sex and subject area) to respond to, and mitigate impacts of, climate related events (by gender).	to be assessed at inception: community size and number of targeted local government officails	To be elaborated at inception (30% women)	Lack of ability/interest/attention from target audience to understand climate change issues. To address this, the project will ensure effective engagement methods and tools are used to meet the target audience's attention deficiencies.	training attendance sheets, workshop documentation, project reports	Annual
	Number of community members (disaggregated by sex and subject area) that	to be assessed at inception- how many community members are targeted to	To be elaborated at inception (50% women, 50%		project reports	Annual

Expected Result	Indicators	Baseline Data	Targets	Risks and Assumptions	Data collection method	Frequency
	participated in awareness and capacity-building activities (to identify and respond to adverse impacts of climate change)	participate in these activities	tribal community representatives)			
	Adaptation Fund Indicator: 3.1.1 No. of news outlets in the local press and media that have covered the topic (climate resilience, climate financing)	to be assessed at inception- how many news outlets are there in target regions	to be elaborated at inception	There is a possibility that there is no media presence in the project area, which may affect the projects visibility in the community. The project will ensure implementation of a comms and visibility strategy at each LGI	project reports	Annual
	Number of vulnerable community mobilizers trained to conduct community mobilization (disaggregated by sex)	0	to be elaborated at inception		project reports	Annual
Output 1.3. Local government plans and Local Adaptation Action Plans developed and updated for the selected Upazilas	# of Upazilas' annual plans and budgets updated and compliant with PBCRG system and the use of ACCAF tool for CCA, with CCA rationale and justification for CCA relevance	0 LAPAs	All target Upazilas' plans and budgets aligned with ACCAF adaptation planning standard	Influence of power dynamics deviating attention from climate issues to other development interventions.	local government plans	Annual
	Number of policy dialogues held at local and national government levels	0	1 local per year, per community	To revert this, the project will ensure appropriate instructions and advice available from the concerned ministries.	project reports	Annual
Project Component 2: Grant facility and PBCRG mechanism for adaptation intervention						
Outcome 2: Enhanced country systems to access climate finance and deliver locally led adaptation	# sources of climate finance channelled/leveraged through LoCAL's PBCRG system	0	2	R: There might be a risk that Political commitment to climate resilience and locally led decision making diminishes which may lead to delayed implementation of PBCRG	Project documents	Mid-term and end of project

Expected Result	Indicators	Baseline Data	Targets	Risks and Assumptions	Data collection method	Frequency
	(disaggregated by source)			system in the country. A: Local governments are mandated to undertake small- to medium-sized adaptation investments required for building climate resilience. A: Performance-based incentives coupled with targeted technical assistance will lead to accelerated capacity development for local governments A: Increased capacity of local government and performance incentives will lead to mainstreaming adaptation into local development planning.		
	Number of policy, institutional or regulatory reforms which benefit climate-resilience in CHT (disaggregate by Upazila, district and national levels)	0	To be elaborated at inception	There is a risk that LG is not open to reforms, which may lead to delayed implementation.	PBCRG documentation and performance measurement	Mid-term and end of project
	Total value of climate grants disbursed through the PBCRG system	0	USD 4 million		PBCRG performance assessments and documentation	Mid-term and end of project
Output 2.1 Annual programmes of adaptation for targeted Upazilas identified in line with the PBCRG mechanism	Number of local government authorities that have integrated climate change challenges, risks and considerations into annual planning & budgeting processes	10	Up to 25	There might be a risk that government priorities are not same as of the communities. Which may lead to a lack of community trust and acceptance of the project. To minimize this risk, the Project will ensure a consultative process, bringing together both LGIs and communities to agree on common priorities.	Performance assessments of local authorities (PBCRG requirement)	Annual

Expected Result	Indicators	Baseline Data	Targets	Risks and Assumptions	Data collection method	Frequency
				In addition, lack of co-finance from other sources. As a mitigation measure, the Project will coordinate with other levels of local governments and technical line departments have resources to provide co-finance.		
Output 2.2. Locally led climate adaptation interventions and investments are implemented	Number of climate-interventions approved under the PBCRG system (disaggregated by type – capacity building / equipment / infrastructure and ecosystem-based, sector and ecosystem)	0	100	There is a possibility of delays in operational procedures e.g. delayed signing of agreements, which may lead to delayed implementation. Project's field officers playing strong facilitation role in complying with implementation deadlines will be posted at Upazila level.	Project reports, PBCRG documentation	Annual
	% of funded investments targeting explicitly women	0	15%		Project reports, PBCRG documentation	Annual
	% of participating local government authorities meeting the minimum conditions without need for corrective action	0	60%		Project reporting	Annual
Output 2.3. PBCRG system for local-level action, including M&E and reporting	Evidence of the contribution to the institutionalization of the PBCRG system in Bangladesh through policy, regulatory or institutional reforms	None	1 case study showing evidence of the contribution to the PBCRG institutionalization	Capturing information may be delayed because of difficult geographical location. IT-based tracking and monitoring will be established and operational, mitigating such risks.	Case study	End of project

F. Alignment with the Results Framework of the Adaptation Fund

Table 17. GRACE-LoCALplus alignment with Adaptation Fund Results Framework

Project Objective(s)[74]	Project Objective Indicator(s)	Fund Outcome	Fund Outcome Indicator	Grant Amount (USD)
To strengthen the climate resilience of vulnerable hill communities (particularly women and local tribal communities), ecosystems, and economies in the CHT region of Bangladesh by establishing a performance based climate resilience top-up financing mechanism targeting concrete climate change adaptation interventions	Number of beneficiaries (disaggregated by sex) Assets produced, developed, improved or strengthened to withstand conditions resulting from climate change and variability (by sectors and scale).	Outcome 2: Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses	2.1. Capacity of staff (government, NGO, private) to respond to, and mitigate impacts of, climate-related events from targeted institutions increased	Overall project component (s) Cost: $8,647,983
		Outcome 3: Strengthened awareness and ownership of adaptation and climate risk reduction processes at the local level	3.1. Percentage of targeted population aware of predicted adverse impacts of climate change, and of appropriate responses	
			3.2. Percentage of targeted population applying appropriate adaptation responses	
Project Outcome(s)	**Project Outcome Indicator(s)**	**Fund Output**	**Fund Output Indicator**	**Grant Amount (USD)**
Component 1: Capacity building and mainstreaming CCA into local government systems for resilience interventions in line with the PBCRG mechanism				
Enhanced capacity of local governments and vulnerable communities to build resilience to climate change impacts (Component 1)	# of projects, policies and strategies in related Climate Change adaptation implemented by LGs	2.1. Strengthened capacity of national and sub-national centres and networks to respond rapidly to extreme weather events	2.1.1. No. of staff trained to respond to, and mitigate impacts of, climate-related events (by gender) 2.1.2 No. of targeted institutions with increased capacity to minimize exposure to climate variability risks (by type, sector and scale)	$3,161,903
	% of people reporting reduction in climate change vulnerabilities (disaggregated by sex)			
	# of local governments that regularly collect, update and analyse climate change information for planning, budgeting and execution of adaptation investments (by type, sector and scale)			

[74] The AF utilized OECD/DAC terminology for its results framework. Project proponents may use different terminology, but the overall principle should still apply

Component 2: Grant facility and PBCRG mechanism for adaptation intervention				
Enhanced country systems to access climate finance and deliver locally led adaptation (Component 2)	# sources of climate finance channeled/leveraged through LoCAL's PBCRG system (disaggregated by source)	Output 2.2: Increased readiness and capacity of national and sub-national entities to directly access and program adaptation finance	2.2.1 No. of people benefitting from the direct access and enhanced direct access modality	$5,486,080,
	Number of policy, institutional or regulatory reforms which benefit climate-resilience in CHT (disaggregate by Upazila, district and national levels)			
	Total value of climate grants disbursed through the PBCRG system			

Table 18: Alignment with the Adaptation Fund's Core Impact Indicators

Adaptation Fund Core Indicators	Alignment with GRACE LOCAL	Indicative Target
Number of beneficiaries	Yes	15% of the population of the targeted Upazilas benefit directly, with half of the beneficiaries are women
Early warning systems	Yes, but dependent on the adaptation interventions selected under the PBCRGs	Dependent on the adaptation interventions selected under the PBCRGs
Assets produced, developed, improved or strengthened	Yes- the project will produce assets (under the AF definition of indicator (development sector services), like strengthened climate adaptation frameworks Plan and laws	20 participating Upazilas have a (local adaptation plan (LAPA) in place.
Increased income or avoided decrease in income	Yes- avoid decrease in income- the project is aiming to provide financing to improve the economic resilience of communities in the CHT region	15% of funded investments targeting explicitly women (will help increase women's income)

Alignment with the ICIMOD's Results Framework

Table 19: GRACE alignment with expected outcomes and outputs of ICIMOD's MTAP V Action Plan

MTAP V Action Area	MTAP V Intervention	Relevant MTAP V Outcome	Relevant MTAP V Outcome targets	Aligned GRACE Local Outcomes/Outputs
Action area A: Managing cryosphere and water risks	Promoting innovative and inclusive approaches to DRR in policies, plans, and investments	Relevant RMC institutions, private sector and other partners integrate multi-hazard risk assessment into their DRR policies, approaches and guidelines in the context of climate change and biodiversity loss	At least 4 RMCs, national DRR authorities use multi-hazard risk assessment in their DRR policies, planning and management	Outcome 1: Enhanced capacity of local governments and vulnerable communities to build resilience to climate change impacts Output 1.1. Data and evidence generated and shared on local climate risks to inform local decision making
Action area C: adapting and transforming livelihoods and economies	Intervention: AAC 1 Foresight and policy scenarios for adaptation in mountain economies	Decision makers respond to evidence and adopt approaches that enable just transitions to green, resilient, gender responsive, and circular mountain economies under different climate change scenarios	Evidence for anticipatory adaptation developed through foresight assessment and scenario planning for climate and non-climatic changes in the HKH region.	Outcome 1: Enhanced capacity of local governments and vulnerable communities to build resilience to climate change impacts Output 1.2. Capacity building of local governments and communities (on the-the-job training, workshops, accessible knowledge products)
	Intervention AAC2: Enabling environment for green, resilient, GESI responsive, and circular mountain economies	Wider adoption of GESI responsive and innovative, green and climate resilient solutions at scale for HKH mountain products and services	Evidence and knowledge generated on GESI responsive solutions on sustainable livelihoods and its enabling environment	Outcome 2: Enhanced country systems to access climate finance and deliver locally led adaptation Output 2.2: Locally led climate adaptation interventions and investments are implemented
		Robust and highly responsive institutional and policy environment for gender responsive, green, and circular mountain entrepreneurship	Enabling environment for green and GESI responsive enterprises assessed, and business solutions codeveloped, incubated and shared for improving capacities and leveraging investments	Outcome 2: Enhanced country systems to access climate finance and deliver locally led adaptation Output 2.2: Locally led climate adaptation interventions and investments are implemented Output 2.3: PBCRG system for local-level action, including M&E and reporting

MTAP V Action Area	MTAP V Intervention	Relevant MTAP V Outcome	Relevant MTAP V Outcome targets	Aligned GRACE Local Outcomes/Outputs
Action area D: Restoring and Regenerating Landscapes	Regenerate and manage springsheds and wetlands for multiple social and ecosystem benefits	Springshed management policies adopted at national and sub-national levelst Strengthened capability of RMC institutions across HKH for sustainable and inclusive management of springsheds	At least 3 RMCs include springshed management in their national policies (water, environment and NRM) and 4 RMCs include springshed management in their sub-national level policies (water, environment and NRM) and strategies At least one mandated institute per country (3 RMCs) includes integrated springshed management in their plans and strategies, with adequate resources and linkages with other organisations 3 RMCs put modified spring revival protocols into practice	Outcome 1: Enhanced capacity of local governments and vulnerable communities to build resilience to climate change impacts
Action Area F: strengthening global leadership	Intervention AAF2: Leveraging investment flows for scaling solutions	Collaborations and partnerships that enable investment in HKH specific climate and environmental priorities, supporting RMCs to meet targets (e.g. within NBSAPs, NDCs) for green, resilient and GESI responsive mountain development	Investor Alliance established as having potential for investment at scale for Mountain of Opportunity Investment Framework (MOIF)	Outcome 2: Enhanced country systems to access climate finance and deliver locally led adaptation

G. Detailed Budget (in USD)

Table 20: Detailed breakdown of the GRACE project budget

Project: GRACE (LoCAL Plus) - Multi-year Budget - Bangladesh										
Components	**Outputs**	**Planned Activities**	**Budget account description**	**Multiyear Budget**				**Total by activity**	**Total by output**	**Notes**
				Year 1	**Year 2**	**Year 3**	**Year 4**			
Component 1. Capacity building and mainstreaming Climate Change Adaptation (CCA) into local government system for resilience interventions in line with the Performance-Based Climate Resilience Grant (PBCRG) mechanism	1.1. Data and evidence generated and shared on local climate risks to inform local decision making.	1.1.1. Undertake Climate Risk, Vulnerability and Adaptation Assessments (CRVA) for subnational adaptation including gender, social and environmental related indicators as part of the vulnerability and exposure analysis, and dissemination of results	Staff/ External Experts	149,500	49,500	30,000	30,000	**259,000**	**583,000.00**	ICIMOD, as a knowledge learning center, possesses technical expertise in Component 1. Investments in data tools ensure accurate assessments, while community engagement and dissemination efforts effectively involve local stakeholders and share results. The budget for this activity includes engaging qualified staff and external experts to carry out the CRVA, encompassing data collection, data compilation, geospatial analysis, and report preparation. This involves engaging climate risk experts, geospatial specialists, gender and social inclusion experts, contracting environmental analysts and data analysts, and providing administrative and logistical support staff.
			Supplies/ Goods	20,000	5,000	2,000	2,000	**29,000**		To support the CRVA process, necessary supplies and goods will be procured, including data collection tools such as tablets, GPS devices, and a remote sensing capability drone. Additionally, software licenses for data analysis, climate data, satellite images, office supplies, printing materials for reports, and miscellaneous items such as fieldwork essentials will be acquired.
			Workshops/ Meetings/ Trainings	20,000	15,000	5,000	5,000	**45,000**		Workshops, meetings, and training sessions will be organized to ensure comprehensive stakeholder engagement and capacity building throughout the CRVA process. These activities will include inception workshops to introduce the CRVA framework and objectives, training sessions for local staff on data collection and analysis methodologies, and stakeholder consultation meetings to gather input and feedback. Additionally, dissemination workshops will be conducted to present findings and recommendations to the community and other relevant stakeholders. This approach ensures that all participants are well-informed and equipped to contribute effectively to the CRVA process.

		1.1.2. Establishment of local information systems for adaptation (LISA) to complement the CRVA.	Staff/ External Experts	30,000	130,000	30,000	30,000	**220,000**		To establish LISA effectively, it is essential to engage qualified staff and external experts. This includes involving geospatial information system specialists, climate adaptation experts, data management professionals, and web application development experts. These experts will be responsible for designing, developing, and implementing the LISA and providing ongoing support and training to local stakeholders. Administrative and logistical support staff will also be necessary to ensure smooth operation and coordination.
			Supplies/ Goods	12,000	3,000	2,000	2,000	**19,000**		Developing a user-friendly dashboard is essential to complement LISA, providing data visualization, real-time updates, and comprehensive information access. This facilitates decision-making, stakeholder engagement, and effective monitoring. The budget includes servers, computers, networking equipment, office supplies, printing materials, and backup storage devices.
			Workshops/ Meetings/ Trainings	2,000	5,000	2,000	2,000	**11,000**		To ensure the effective implementation and utilization of LISA, a series of workshops, meetings, and training sessions will be organized. These activities will include initial workshops to introduce the LISA framework and objectives, training sessions for local staff and stakeholders on using the information systems, and regular meetings to monitor progress and address any issues. Dissemination workshops will also be conducted to share the benefits and outcomes of LISA with the broader community.
	1.2. Capacity building of local governments and communities delivered (on the-the-job training, workshops, accessible knowledge products).	1.2.1: Awareness and sensitization activities at local and national level on climate change and the role of local authorities in addressing climate change, through LoCAL (e.g., communication materials, social media, videos, stories, and workshops).	Workshops/Training	5,000	5,000	5,000	5,000	**20,000**	**1,319,800.00**	Raise awareness and conduct sensitization activities at local and national levels on climate change and the role of local authorities in addressing climate change, through GRACE. Local awareness raising sessions, including on gender issues, targeting local stakeholders (target LGs, communities, etc) on the effects of climate change and associated vulnerabilities (e.g. men/women; ecosystems) and on participatory and inclusive local planning. Inputs from these sessions will inform the development of the local adaptation plans of action (LAPAs). Assumptions are based on an approximately 30 participants per local event.

			Workshops/Training	25,000	20,000	15,000	15,000	**75,000**		Salaries cover experts for content creation and workshops. Investments in training manuals, communication materials, and media outreach are crucial. Travel and accommodation enable field visits. Local and national workshops maximize the campaign's impact. Training of trainers (ToT) targeting national and local government officials on public financial management, on LoCAL and on its PBCRG system, climate change and associated risks/CRVA, SES, gender and social inclusion and related adaptation options to be funded by the Project. Assumptions include approximately 50 participants per event/year.
			Grants	17,500	17,500	17,500	17,500	**70,000**		Operational grant to government institution (LG Division) for the execution of capacity building and technical assistance activities under Output 1.2, as well support to target LGs in the execution, monitoring and reporting; provide advice on government guidelines and process, on LoCAL related parts of the general PBGS; support overall operations; development or updating of performance assessment guidelines; ensure reporting on activities and inspection of compliance by participating LGs.
			Printing and Communication material	7,500	7,500	7,500	7,500	**30,000**		Production, graphic design, translation and printing of Leaflet / banner / printed material / infographic / one pagers. Communication material to promote the activities of the project and disseminate knowledge.
			Travel	20,000	12,000	16,000	16,000	**64,000**		Travel costs for project teams and contractors for provision of TA/CB support, as well as follow up/monitoring of implementation throughout PBCRG cycle (at least once per quarter) and will cover all activities under Output 1.2.
			Technical Assistance	113,500	113,500	113,500	113,500	**454,000**		Local Staff/ Consultants/service contractors will be engaged to provide techincal assistance, capacity building and quality assurance necessary for successfully implement the PBCRG cycle, including ensuring compliance with SES and gender guidelines, national budget and planning procedures and LoCAL standards. This includes technical experts on PFM, climate, project management and operations. This also include cost of drivers which will be deployed for field missions/delivery of CB/TA sessions. It is estimated that they will dedicate 50% of a full-time contract to Component 1 and 25% to Component 2.

										The 25% reamining of manpower time equivalent/proforma cost will be dedicated for project management, support and monitoring under PMC.
		1.2.2. Assessment of needs and capacity gaps in relation to key elements of the approach (e.g., CRVA, adaptation planning and mainstreaming, multi-criteria analysis for prioritisation and selection of adaptation interventions, gender, accountability and transparency, and environmental safeguards).	Grants	25,000	25,000	25,000	25,000	**100,000**		Operational Grants for the Ministry of Environment, Forests and Climate Change for the execution of activities related to capacity building support to target LGs on climate information, mainstreaming and resilience planning tools (including concerns related to marginalised groups, environmental screening and assessments, and preliminary findings of the CC risk assessment), as well as sensitization of communities on CCA and on LoCAL. It also will support the vertical integration of LAPAs through LoCAL with national climate related policies (e.g. NDC and NAP), legislative documents, regulations and guidelines.
			Staff/ External Experts	10,000	10,000	10,000	10,000	**40,000**		Travel and accommodation enable field visits. Meetings with stakeholders and local authorities ensure a thorough assessment. Community engagement provides valuable input and feedback, while reporting and dissemination effectively communicate the findings. Staff/ External Experts/Trainer to be hired to undertake capacity assessments & trainings if needed.
			Project equipment and office facilities	15,000	10,000	5,000	5,000	**35,000**		Office facilities, equipment and communications costs necessary for the implementation of the project activities. This includes costs related to project vehicles, laptops and ITC equipment, office rent, utilities and communications.
		1.2.3: Capacity-building activities according to needs and capacity gaps identified (e.g., on-the-job learning; training sessions; technical assistance; coaching)	Workshops/Training	5,000	5,000	5,000	5,000	**20,000**		Implementing capacity-building activities includes on-the-job learning, training sessions, technical assistance. Salaries cover planning and training expertise. Investments in materials ensure quality. Travel and accommodation enable trainers to reach locations. Pre and post training assessment ensure effective capacity-building. Targeted capacity building for the deployment of the PBCRG system, including performance measures and gender-responsive / nature/biodiversity investment/grant criteria, building on needs assessment and annual perfomance assessment

			Grants	4,950	4,950	4,950	4,950	**19,800**		Operational grant to government institution (LG Division) for the execution of capacity building and technical assistance activities under Output 1.2, as well support to target LGs in the execution, monitoring and reporting under the Project and pursuant with government regulations and guidelines and with the LoCAL standards. The TA/CB support will also ensure training on and compliance with relevant SES and gender standards.
			Field technical assistance	98,000	98,000	98,000	98,000	**392,000**		TA to be provided by upazila field level facilitators who will be hired to work directly with the target local governments and communities and will ensure delivery of local level activities. This will include overseeing project implementation, building local capacity, engaging communities, ensuring participation of vulnerable groups in project activities (in particular women), monitoring progress, and facilitating knowledge sharing.
	1.3. Local government plans and Local Adaptation Actions Plans developed and updated for selected Upazilas.	1.3.1. Review of CRVA findings and integration of climate change adaptation in local development planning and budgeting in a participatory and gender-sensitive manner	Workshops/Training	34,730	25,000	25,000	25,000	**109,730**	**1,259,103.00**	Review CRVA findings and integrate climate change adaptation into local development planning and budgeting in a participatory and gender-sensitive manner. Workshop targeting local governments officials for participatory and gender-sensitive adaptation planning, building on the Assessing Climate Change Adaptation Framework (ACCAF) methodology and applying a ESS and gender screening tool. This TA/CB will also cover support LGs in designing and costing the investments, ensuring the budgets and investment plans integrate the effects of climate change and related SDG co-benefits (e.g. SDG5, SDG 15). Assumptions include approximately 50 participants per event/year.
			Grants	47,450	47,450	47,450	47,450	**189,800**		Operational Grants for government institutions (LG Division and Ministry of Environment, Forests and Climate Change) for the execution of activities related to CCA mainstreaming into local plans and development of LAPAs (for all target Upazilas), in a gender-responsive and inclusive manner, which will be based on findings of the CRVA and LISA developed under Output 1.1 and building on trainings under Output 1.2.
			Travel	8,370	8,370	8,370	8,370	**33,480**		Workshops and meetings facilitate stakeholder and community engagement will be for Activity 1.3.1. Travel costs for project teams and contractors for provision of TA/CB support, as well as follow up/monitoring of implementation

									throughout PBCRG cycle (at least once per quarter).
			Technical Assistance	119,331	119,333	119,333	119,333	**477,330**	Local Staff/ Consultants/service contractors will be engaged to provide techincal assistance, capacity building and quality assurance necessary for successfully implement the PBCRG cycle, including ensuring compliance with SES and gender guidelines, national budget and planning procedures and LoCAL standards. This includes technical experts on PFM, climate, project management and operations. This also include cost of drivers which will be deployed for field missions/delivery of CB/TA sessions. It is estimated that they will dedicate 50% of a full-time contract to Component 1 and 25% to Component 2. The 25% reamining of manpower time equivalent/proforma cost will be dedicated for project management, support and monitoring under PMC.
			Field technical assistance	102,193	102,190	102,190	102,190	**408,763**	TA to be provided by upazila field level facilitators who will be hired to work directly with the target local governments and communities and will ensure delivery of local level activities. This will include overseeing project implementation, building local capacity, engaging communities, ensuring participation of vulnerable groups in project activities (in particular women), monitoring progress, and facilitating knowledge sharing.
			Project equipment and office facilities	15,000	10,000	10,000	5,000	**40,000**	Office facilities, equipment and communications costs necessary for the implementation of the project activities. This includes costs related to project vehicles, laptops and ITC equipment, office rent, utilities and communications.
Subtotal Output 1				**907,024**	**848,293**	**705,793**	**700,793**	**3,161,903**		
Component 2: Grant facility and PBCRG mechanism for adaptation intervention	2.1 Annual programmes of adaptation for targeted Upazilas identified in line with the PBCRG mechanism	2.1.1. Costing, selection, and prioritization of adaptation interventions and investments to be financed through the PBCRGs, in a participatory and gender-sensitive manner, using multiple criteria (i.e., climate risks; LGA capacities; programmatic synergies; geographic diversity; cost-effectiveness of proposed intervention)	Technical Assistance	108,500	108,500	108,500	32,202	**357,702**	**859,191.00**	TA and CB support for LGs on the development of cost-benefit assessment of interventions, prioritisation analysis factoring SDG cobenefits (e.g. SDG 1, SDG 5 amd SDG 15), feasibility studies, specification identification for technical compliance, and effective budget utilisation for short-, medium- and long-term adaptation response. In addition, the support will cover development of Annual Adaptation Investment Plans (AAIPs) with specific gender and nature/biodiversity targets for adaptation investment programming. This includes technical specialists on PFM, Climate, project management and operations.

									This also include cost of drivers which will be deployed for field missions/delivery of CB/TA sessions. It is estimated that they will dedicate 50% of a full-time contract to Component 1 and 25% to Component 2. The 25% reamining of manpower time/proforma cost will be dedicated for project management, support and monitoring under PMC.
		Activity 2.1.2. Support to target Upazilas for implementation of selected adaptation interventions and investments (including scheme design and estimates in collaboration with concerned government departments and private organizations experienced in related matters, procurement of contractors, and supervision of scheme implementation by Upazila parishad committees, handover of schemes to operation and maintenance committee).	Grants	12,189	5,100	5,100	5,100	**27,489**		Operations agreement with government institution for TA and support for LGs on the implementation of selected adaptation investments, ensuring compliance with national guidelines and formats, as well as applicable social and environmental standards and gender responsiveness of funded interventions.
			Project equipment and office facilities	10,000	10,000	10,000	-	**30,000**		Office facilities, equipment and communications costs necessary for the implementation of the project activities. This includes costs related to project vehicles, laptops and ITC equipment, office rent, utilities and communications.
			Field technical assistance	118,000	118,000	118,000	90,000	**444,000**		TA to be provided by upazila field level facilitators who will be hired to work directly with the target local governments and communities and will ensure delivery of local level activities. This will include overseeing project implementation, building local capacity, engaging communities, ensuring participation of vulnerable groups in project activities (in particular women), monitoring progress, and facilitating knowledge sharing.
	2.2. Locally led climate adaptation interventions and investments are implemented	2.2.1. Disbursement of PBCRGs to support the implementation of adaptation interventions and investments in the context of local authorities' annual planning and budgeting cycles	Grants	750,000	750,000	1,250,000	1,250,000	**4,000,000**	**4,078,600.00**	Transfer of PBCRG allocations to local governments (up to 25 by end of the project) for implementation of local adaptation investments which comply with the Investment Menu and minimum conditions of access, including a set of gender-responsive investment criteria
		2.2.2: Annual performance assessments (APA) of the participating local authorities, including compliance with minimum conditions for the subsequent year, appraisal against the performance measures, and compliance with the menu of eligible investments	Professional Services - Companies/Firm	16,200	16,200	16,200		**48,600**		Specialized company to be contracted to undertake independent annual performance assessments (APA) of target Upazilas.
			Project equipment and office facilities	10,000	10,000	10,000	-	**30,000**		Office facilities, equipment and communications costs necessary for the implementation of the project activities. This includes costs related to project vehicles, laptops and ITC equipment, office rent, utilities and communications.

	2.2.3: Definition of the PBCRG allocations (formula-based) for the subsequent year and priority capacity-building interventions designed to address weaker performance areas identified under the APA.	Professional Services - Companies/Firm					-		No costs involved. This information will be provided as part of the APA report undertaken under 2.2.2
2.3. PBCRG system for local-level action, including M&E and reporting.	Activity 2.3.1: Reporting in line with UNCDF's Assessing Climate Change Adaptation Framework (ACCAF) and related learning and sharing of good practices emerging from the experience	Technical Assistance	15,833	15,833	15,833	15,833	**63,332**	**548,289.00**	Support the roll out of a common monitoring and evaluation framework, i.e. the Assessing Climate Change Adaptation Framework (ACCAF), which includes gender-specific and nature/biodiversity tagging. This TA also includes support for the implementation of the Gender Action Plans (GAP), including a Gender Sub-grant Screening and Assessment Tool for PBCRGs (grants)
		External Experts	38,750	38,750	38,750	38,750	**155,000**		National country PFM/LG finance expert (one) to provide TA/CB to target national institutions in charge of the operationalisation and management of the PBCRG system with the needed institutional frameworks to deploy the PBCRG in line with existing transfer systems to local governments, as well as ensuring futher institutionalization of the mechanism with the country's systems. They also will be responsible for the overall execution of PFM/LoCAL related activities througout the PBCRG cycle.
	Activity 2.3.2: Policy advice and institutional strengthening of central entities in charge of local authorities, finance, and climate change (e.g., manuals, guidelines, regulatory environment).	Professional Services - Companies/Firm	17,000	11,920			**28,920**		Service provider hired to update the PBCRG design document and related guidelines and/or support with developing funding proposal to ensure sequencing of climate finance being chanelled through the PBCRG mechanism (post AF support)
		Travel	20,833	20,833	20,833	20,833	**83,332**		Travel related cost of national and subnational stakeholders to share and communicate the knowledge and experience from the project implementation in national and international events, e.g. the LoCAL Board, UNFCCC related events, etc.
		Project equipment and office facilities	10,000	10,000	10,000	7,500	**37,500**		Office facilities, equipment and communications costs necessary for the implementation of the project activities. This includes costs related to project vehicles, laptops and ITC equipment, office rent, utilities and communications.

			Technical Assistance	45,052	45,051	45,051	45,051	**180,205**		Technical assistance and quality assurance will be provided for PBCRG implementation, ensuring effective project outcomes and quality delivery. UNCDF will deploy its readily avalailable technical assistance capacity to provide essential expertise and capacity-building support to national and local governments and stakeholders, facilitating project design, implementation, and monitoring. It wil also ensure activities are implemented in compliance with LoCAL standards (ISO14093), national regulations, and best practices throughout the PBCRG cycles. This includes costs of personnel responsible for regional and global TA/CB activities at UNCDF/LoCAL Facility. They will also ensure country access to a global network/community of practice that aims to enhance national and local government capacities to manage and implement adaptation investments and in promoting climate resilient local economies, through the use of PBCRG systems.
Subtotal Output 2				**1,172,357**	**1,160,187**	**1,648,267**	**1,505,269**	**5,486,080**		
		TOTAL PROJECT COMPONENTS		**2,079,381**	**2,008,480**	**2,354,060**	**2,206,062**	**8,647,983**		
		Project/ Programme Execution Cost		162,459	162,459	162,459	81,230	568,607		
		Total Project/ Programme Cost		2,241,840	2,170,939	2,516,519	2,287,292	9,216,590		
		Project/Programme Cycle Management Fee		223,831	223,831	223,831	111,916	783,410		
		Total Amount of Financing Requested		2,465,672	2,394,771	2,740,351	2,399,207	10,000,000		

Table 21: Breakdown of Project Execution Cost (ICIMOD)

Description	Year 1	Year 2	Year 3	Year 4	Total
ICIMOD 1.5%					
Staff - Project Support (Finance, Communication, logistic, Admin)	5,386	5,386	5,386	2,693	**18,850**
Project financial audit	4,286	4,286	4,286	2,143	**15,000**
Travel related to project execution	1,429	1,429	1,429	714	**5,000**
Office facilities, equipment and communications	2,451	2,451	2,451	1,226	**8,579**
Sub-Total	**13,551**	**13,551**	**13,551**	**6,776**	**47,429**

Table 22: Breakdown of Project Execution cost (UNCDF)

Description	Year 1	Year 2	Year 3	Year 4	Total

UNCDF 9.5%)					
Staff - Project Manager	36,000	36,000	36,000	18,000	**126,000**
Staff - Project Support (Communication, logistic, Admin)	18,000	18,000	18,000	9,000	**63,000**
Staff - MEL and Gender	6,735	6,735	6,735	3,367	**23,572**
Staff - Project Finance	20,400	20,400	20,400	10,200	**71,400**
Project financial audit	5,714	5,714	5,714	2,857	**20,000**
Travel related to project execution (RBM, Action Tracker and Financial review)	42,857	42,857	42,857	21,429	**150,000**
Project supervision missions and steering committee meetings	2,857	2,857	2,857	1,429	**10,000**
Environment and Social (E&S) Risk Monitoring	5,714	5,714	5,714	2,857	**20,000**
Office facilities, equipment and communications	10,630	10,630	10,630	5,315	**37,206**
Sub-Total	**148,908**	**148,908**	**148,908**	**74,454**	**521,178**

Table 23: Breakdown of Project Cycle Management Fee

Description	Year 1	Year 2	Year 3	Year 4	Total
Staff - Project Manager	36,000	36,000	36,000	18,000	**126,000**
Staff - Project Support (Communication, logistic, Admin)	36,000	36,000	36,000	18,000	**126,000**
Staff - Project Finance	30,000	30,000	30,000	15,000	**105,000**
Staff - Communication, M & E and GESI	17,143	17,143	17,143	8,571	**60,000**
Staff - Management Support, Technical Advisory and expert support	27,429	27,429	27,429	13,714	**96,000**
Project financial audit and compliance	5,714	5,714	5,714	2,857	**20,000**
Travel related to project execution (RBM, Action Tracker and Financial review)	42,857	42,857	42,857	21,429	**150,000**
Project supervision missions and steering committee meetings	7,143	7,143	7,143	3,571	**25,000**
Environment and Social (E&S) Risk Monitoring	5,714	5,714	5,714	2,857	**20,000**
Office facilities, equipment and communications	15,831	15,831	15,831	7,916	**55,410**
Total Project Cycle Management Fee	**223,831**	**223,831**	**223,831**	**111,916**	**783,410**

Disbursement Schedule

Table 24: GRACE project budget breakdown by year with implementing entity fees

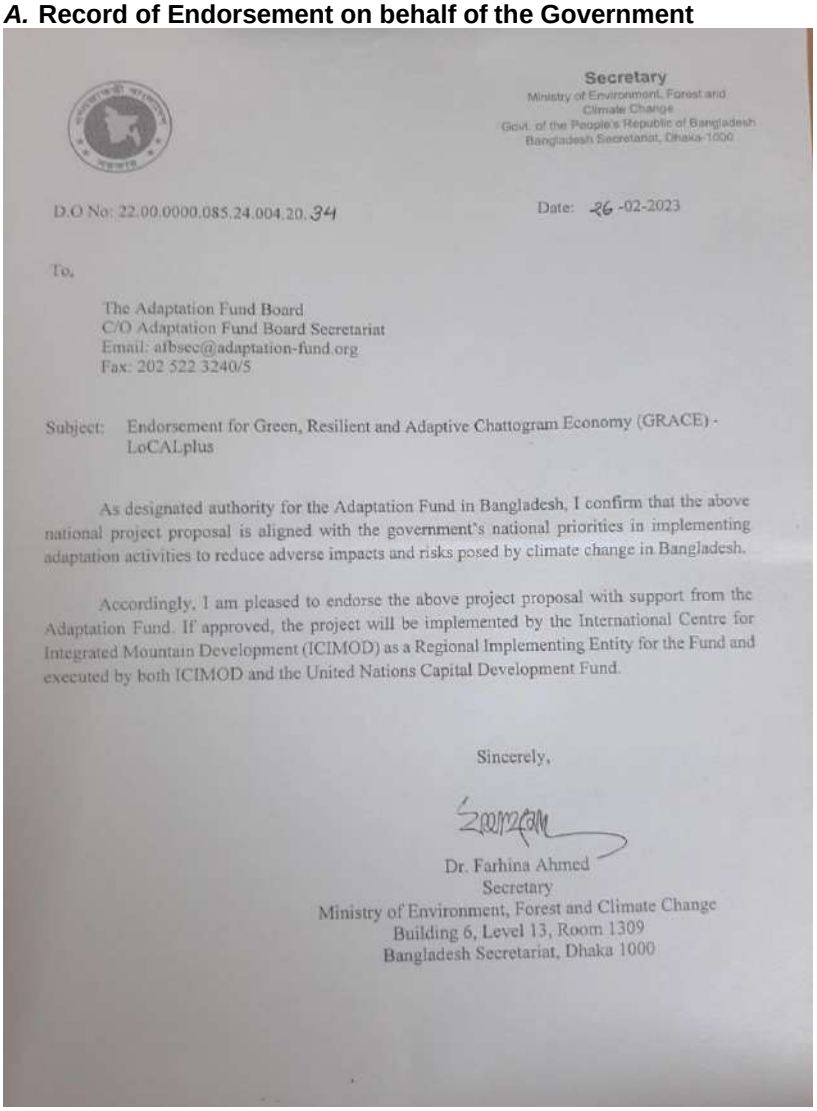
Project period: 1 January 2025 to 31 December 2028 (subject to approval)

Particulars	Upon signature of Agreement Year 1	One Year after Project Start (Year 2)	Year 3a	Year 3b	Year 4	Total
Scheduled date	1-Jan-25	1-Jan-26	1-Jan-27	30-Nov-27	1-Apr-28	NA
Project Funds	1,382,489	2,304,147	2,304,147	2,304,147	921,660	9,216,590
Implementing Entity Fees	117,511	195,853	195,853	195,853	78,340	783,410
Total	**1,500,000**	**2,500,000**	**2,500,000**	**2,500,000**	**1,000,000**	**10,000,000**
	15%	25%	25%	25%	10%	100%

PART IV: ENDORSEMENT BY GOVERNMENT AND CERTIFICATION BY THE IMPLEMENTING ENTITY

Endorsement certification

A. Record of Endorsement on behalf of the Government



Secretary
Ministry of Environment, Forest and Climate Change
Govt. of the People's Republic of Bangladesh
Bangladesh Secretariat, Dhaka-1000

D.O No: 22.00.0000.085.24.004.20.34

Date: 26-02-2023

To,

The Adaptation Fund Board
C/O Adaptation Fund Board Secretariat
Email: afbsec@adaptation-fund.org
Fax: 202 522 3240/5

Subject: Endorsement for Green, Resilient and Adaptive Chattogram Economy (GRACE) - LoCALplus

As designated authority for the Adaptation Fund in Bangladesh, I confirm that the above national project proposal is aligned with the government's national priorities in implementing adaptation activities to reduce adverse impacts and risks posed by climate change in Bangladesh.

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the project will be implemented by the International Centre for Integrated Mountain Development (ICIMOD) as a Regional Implementing Entity for the Fund and executed by both ICIMOD and the United Nations Capital Development Fund.

Sincerely,

Dr. Farhina Ahmed
Secretary
Ministry of Environment, Forest and Climate Change
Building 6, Level 13, Room 1309
Bangladesh Secretariat, Dhaka 1000

B. Implementing Entity Certification

I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans, which includes Bangladesh's National Adaptation Plan 2023-2050, the Bangladesh Climate Change Strategy and Action Plan, Mujib Climate Prosperity Plan, Bangladesh Delta Plan 2100 and the Bangladesh's Perspective Plan 2021-2041 but not limited to: and subject to the approval by the Adaptation Fund Board, commit to implementing the project/programme in compliance with the Environmental and Social Policy and the Gender Policy of the Adaptation Fund and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.

Name and Signature

Izabella Koziell,

Deputy Director General, Acting Head of Business Development and Resource Mobilisation

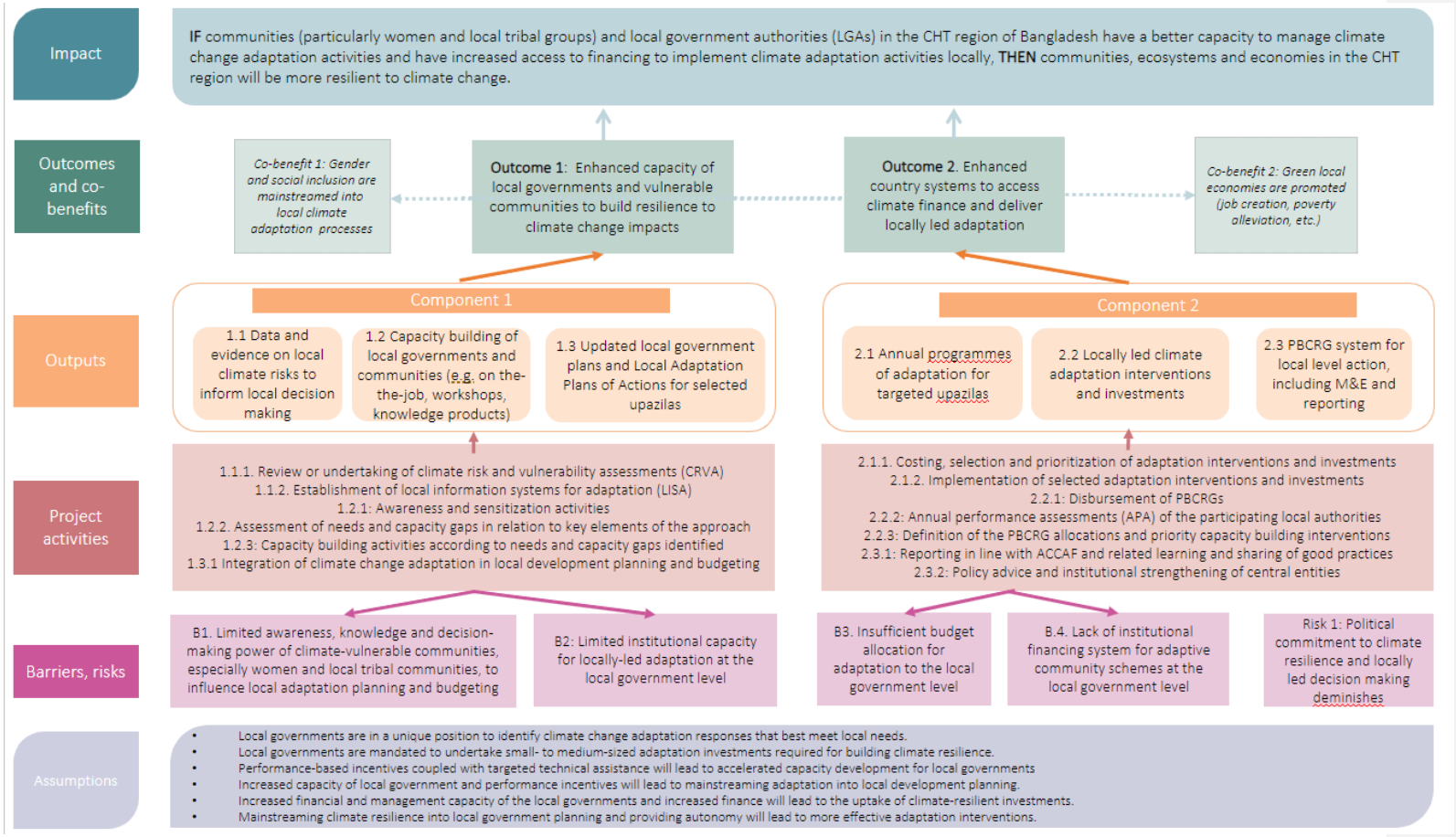
International Centre for Integrated Mountain Development

Date: 08 September 2024	Tel: +977-1-5275222 - Email: Izabella.Koziell@icimod.org

Project Contact Person: Kabir Uddin, GIS and Remote Sensing Specialist/ Bangladesh Country Focal Point

Tel: +977-1-5275222 - Email: Kabir.uddin@icimod.org

Annex 1: Project's Theory of Change



Green, Resilient, and Adaptive Chattogram Economy (GRACE) - LoCALplus

Gender Assessment and Gender Action Plan

Abbreviations

ADB: Asian Development Bank
CCA: Climate Change Adaptation
CHT: Chattogram Hill Tracts
CSOs: Civil Society Organisations
FAP: Food and Agriculture Organizati
FCDO: Foreign, Commonwealth and Development Office
GAP: Gender Action Plan
GAAP: Gender Assessment and Action Plan
GoB: Government of the People's Republic of Bangladesh
GP: Gender Policy
HDI: Human Development Index
ICIMOD: International Centre for Integrated Mountain Development
LoCAL: Local Climate Adaptive Living
MCPP: Mujib Climate Prosperity Plan
MIS: Management Information System
MoCHTA: Ministry of Chattogram Hill Tracts Affairs
MoEFCC: Ministry of Environment, Forests and Climate Change
NAP: National Adaptation Plan
NAPA: National Adaptation Programme of Action
NGOs: Non-Governmental Organisations
PBCRG: Performance-Based Climate Resilience Grants
UNCDF: United Nations Capital Development Fund
UNDP: United Nations Development Programme
UNICEF: United Nations International Children's Emergency Fund
UNPs: Union Parishads
UPs: Upazila Parishads
ZPs: Zila Parishads

Figures, Maps, and Tables

Maps

Tables

Glossary

To ensure a baseline understanding of climate issues, and the development of the analysis based on impact and exposure on women, men, girls and boys, the following definitions, are provided as reference for this report:

Term	Definition
Gender	Is the set of culturally specific characteristics that define the social behaviours of women and men (including female and male children) and the relationships between them. Social perceptions of gender vary across cultures, social classes, time and degree of urbanization and serve to include or exclude particular people from particular activities.
Gender Equality	Means that women and men have equal value, equal rights and equal opportunities to participate in programs and services. To ensure equity, specific interventions called affirmative actions are often needed to compensate for historical, social and economic disadvantages that prevent women and men from otherwise operating on an equal footing. Affirmative actions are designed to "level the playing field" and correct existing inequities. An equal number of women and men participants by itself, is not always an accurate measure of gender equity: factors related to power balance also need to be considered.
Gender Balance	Requires that men and women be equally represented - either in equal numbers or in proportion to their presence - in particular settings.
Gender Neutral	Are project designs and activities that ignore gender factors including roles and relations and can lead to reinforcement of gender-based discrimination and existing inequities.
Gender Responsive	Are programs and interventions that create opportunities for individuals to actively challenge gender norms, promote positions of social and political influence for women in communities, and address power inequities between persons of different genders.
Gender Considerations	Refers to the cultural, social, economic and political conditions on which certain norms, values and behavioral patterns related to men and women are based, and how these could be utilized to strengthen the capacity of men and women in the performance of their roles and responsibilities. The "gender differential impact of climate change" refers to the different impact of climate change on men and women because of their socially ascribed roles and responsibilities.
Gender Mainstreaming	Is a strategy for considering and addressing the different roles, needs, perspectives, responsibilities and experiences of women, men, children, people with disabilities, ethnic minorities and other socially excluded people in all aspects of program and policy assessment, design, implementation and evaluation.
Gender Socioeconon Analysis	Is the process of collecting information about gender, age and other social differences and analyzing the impacts of changing circumstances (e.g., climate change) on specific groups of people. This type of analysis provides the basis for identifying key gender considerations and designing a "socially inclusive approach" that responds to the unique circumstances and needs of all project beneficiaries.

1. Introduction

1.1 Objective: of the Report

Map 1 - Project area

This Gender Assessment and Action Plan (GAAP) has been developed to support the design of the proposed Adaptation Fund (AF) project: *Green, Resilient, and Adaptive Chattogram Economy (GRACE) -LoCALplus*, in Bangladesh. The International Centre for Integrated Mountain Development (ICIMOD) is the Accredited Entity (AE), which is a Regional Implementing Entity (RIE) and will manage the project. The project will have several executing entities, including the Ministry of Environment, Forests and Climate Change of Bangladesh (MoEFCC), Ministry of Local Government, Rural Development and Cooperatives of Bangladesh, Ministry of Chattogram Hill Tracts Affairs (MoCHTA), Chattogram Hill Tracts Development Board, United Nations Capital Development Fund (UNCDF). Bangladesh's three hill district councils, including Bandarban, Khagrachari, and Rangamati district, will also be the executing agencies for this Multisector project.

The proposed project has been designed to be gender-transformative[75]and is based on the understanding that local governments and the communities in Chattogram Hill Tracts (CHT) are best placed to understand the diversity and complexity of local social, economic, and ecological systems. With the necessary support, they can identify mountain-specific

[75] There is increasing evidence that adopting social science methods, and situating resilience and adaptation practice within a broader science-policy interface and right-based perspectives, can gear projects towards environmental and socioeconomic co-benefits. Particularly, this could better prepare communities to avoid resource strife and respond to the complexity of social arrangements, reducing far-reaching impacts of climate risks.
See Butterfield, R. (2018) 'Bringing rights into resilience: revealing complexities of climate risks and social conflict' in Disasters. Journal Article.

solutions and concrete climate change adaptation actions that best meet local needs and address climate vulnerabilities specific to mountain-vulnerable groups. While local governments typically have the mandate to undertake the small- to medium-sized adaptation investments required for building climate resilience, they do not necessarily have the technical and financial resources to do so – particularly in a manner that would achieve lasting changes aligned with established local decision-making processes and planning, budgeting, and budget execution cycles.

The primary objective of this study is to assess the gendered factors and vulnerabilities that need to be considered while considering the relevance and effectiveness of the project's design. This study has to be considered in tandem with the project's pre-feasibility study since the project is gender-transformative and women-centered in design. The present study has been carried out from November to December 2023. It is also informed by the stakeholder consultation held in Bangladesh, at project area levels, in November 2023. The consultation findings are captured in Section H: Stakeholder Consultations, and the questionnaires used are annexed to this document. This Section (K) should be reviewed in tandem with Sections B that contains information on safeguarding, and Section H: Stakeholder consultations. *This project will have the following two Outcomes:*

- **Outcome 1: Enhanced capacity of local governments and vulnerable communities to build resilience to climate change impacts**
- **Outcome 2: Enhanced country systems to access climate finance and deliver locally-led adaptation**

The overarching objective of the GRACE-LoCALplus project is to strengthen the climate resilience of vulnerable mountain communities (particularly women and local tribal communities), ecosystems, and economies in the CHT. The proposed project is based on the assumption that if communities (particularly women and local tribal groups) and local government systems in the CHT region of Bangladesh have a better capacity to manage climate change adaptation activities and have increased access to financing to implement climate adaptation activities locally, then communities, ecosystems and economies in the CHT region will be more resilient to climate change.

By building the capacity of local governments and including communities to build resilience to climate change impacts (Outcome 1) and by enhancing country systems to access climate finance and delivering on locally-led adaptation (Outcome 2), the project ensures that there will be the institutional capacity to continue climate adaptation work after the funding from the project ends, all while contributing to Bangladesh's climate resilience plans, policies, and strategies.

1.2 Context: Bangladesh and the GRACE -LoCALplus

Bangladesh is a South Asian country located on the Bay of Bengal, sharing borders with India to the west, north, and east, and Myanmar (Burma) to the southeast. Positioned between latitudes 20°34' and 26°38' N and longitudes 88°01' and 92°41' E[76]. Bangladesh is characterized by its predominantly low-lying riverine topography formed by the extensive

[76] Rahman, M.R. and Lateh, H., 2017. Climate change in Bangladesh: a spatio-temporal analysis and simulation of recent temperature and rainfall data using GIS and time series analysis model. *Theoretical and applied climatology*, *128*, pp.27-41.

delta of the Ganges, Brahmaputra, and Meghna rivers[77]. As the country is situated in the delta of three large rivers, flooding is a regular natural disaster in this low-lying delta. With a significant portion of its landmass barely above sea level, Bangladesh is facing the consequence of sea-level rise and salination. Bangladesh also frequently experiences tropical cyclones originating in the Bay of Bengal. Despite these challenges, the country has experienced remarkable economic growth in the last few decades, and women played a crucial role in this transformation.

Bangladesh is renowned for its successful microfinance program, and microfinance has empowered countless women in rural areas to start small businesses. The government has taken proactive measures to increase female literacy rates, ensuring girls have equal access to quality education. In rural areas, women actively participate in agriculture, a crucial sector of Bangladesh's economy. The country has experienced substantial growth in the textile sector, and a large portion of this industry's workforce comprises young women.

The provided figures illustrate the changes in labor force participation rates by gender.[78] There has been a slight decrease in the participation rate of men, dropping from 82.5 percent in 2010 to 80 percent in 2022.[79] In contrast, women's labor force participation has gradually increased from 36 percent in 2010 to 42.77 percent in 2022.[80] On a national level, there has been an overall increase in the labor force participation rate, reaching 61.2 percent in 2022.[81]

Figure 34 Trends of LFPR by sex (million)[82]

From a regional perspective, the labor force participation rate in rural areas increased from 60% in 2010 to 65.5 in 2022. The labor force participation rate is much higher in rural areas than urban regions.[83]

Table-1 Trends of LFPR by Area (%)[84]

	2010	2013	2015-16	2016-17	2022
Urban	57.3	56.7	56	55.7	51.17
Rural	60	57.3	59.6	59.3	65.5
Total	59.3	57.1	58.5	58.2	61.2

[77] Islam, S.N., 2016. Deltaic floodplains development and wetland ecosystems management in the Ganges–Brahmaputra–Meghna Rivers Delta in Bangladesh. *Sustainable Water Resources Management*, *2*, pp.237-256.
[78] Bangladesh Bureau of Statistics (BBS) (2023). *Labour Force Survey 2022 Bangladesh*.
[79] Bangladesh Bureau of Statistics (BBS) (2023). *Labour Force Survey 2022 Bangladesh*.
[80] Bangladesh Bureau of Statistics (BBS) (2023). *Labour Force Survey 2022 Bangladesh*.
[81] Bangladesh Bureau of Statistics (BBS) (2023). *Labour Force Survey 2022 Bangladesh*.
[82] Bangladesh Bureau of Statistics (BBS) (2023). *Labour Force Survey 2022 Bangladesh*.

[83] Bangladesh Bureau of Statistics (BBS) (2023). *Labour Force Survey 2022 Bangladesh*.
[84] Bangladesh Bureau of Statistics (BBS) (2023). *Labour Force Survey 2022 Bangladesh*.

Despite the increase in women's empowerment, challenges persist. Socio-cultural norms, gender stereotypes, and economic disparities continue to pose obstacles to the full realization of women's potential. In rural areas, women's participation has increased in the agriculture sector and rapidly decreased in the industrial sector. In the agriculture sector, women often receive minimum wage. These women working in agriculture have limited access to education and skill development opportunities. This can result in a lack of specialized skills that could enhance their productivity in agriculture, potentially justifying higher wages.

Table-2 Distribution of rural workers by sector of employment (percent)

Sector of Employment	Male workers		Female workers	
	2013	**2022**	**2013**	**2022**
Agriculture	52.81	39.3	65.21	85.1
Industry	29.48	19.2	24.12	4.7
Service	17.7	41.5	10.66	10.2
Total	**100.00**	**100.00**	**100.00**	**100.00**

While it is likely that most of the women across Bangladesh encounter these challenges, those residing in the Chattogram Hill Tracts are particularly more vulnerable. This vulnerability is partly associated with this region's unique climatic conditions, poverty level, and disputed land tenure system. **First,** the Chattogram Hill Tracts in Bangladesh face multidimensional vulnerabilities stemming from climate impacts. Characterized by rugged terrain and diverse ecosystems, this region is particularly susceptible to the effects of climate change. Increased temperatures and altered precipitation patterns contribute to shifts in agricultural practices, affecting the livelihoods of the indigenous communities dependent on subsistence farming[85].

Moreover, the area is prone to extreme weather events such as floods and landslides, exacerbating vulnerabilities. The degradation of natural resources further compounds challenges, leading to issues like deforestation and soil erosion. As a result, the Chattogram Hill Tracts confront a complex web of climate-induced adversities, demanding comprehensive strategies for adaptation, sustainable resource management, and resilience-building within these marginalised communities.

Second, over 62% of rural households in the Chattogram Hill Tracts live below the absolute poverty line, which is 1.6 times higher than the rate in rural Bangladesh overall[86]. The situation is particularly dire for women, with the majority living under the poverty line according to the National Social Security Strategy (NSSS) of Bangladesh (Planning Commission 2015). Poverty levels vary significantly among different ethnic groups in the area. In ethnic communities such as the Lushai, Bawm, Chak, Khyang, and Pangkhua, between 80 and 93% of households are classified as absolute poor.[87]

[85] Manusher Jonno Foundation (MJF) (2020). *Climate Change Trends, Situation and Impacts in Chittagong Hill Tracts of Bangladesh*. [online] Available at: http://www.manusherjonno.org/wp-content/uploads/2021/01/Climate-Change-Report-2020.pdf.

[86] Rasul, G. and Tripura, N.B.K., 2016. *Achieving the Sustainable Development Goals in Chittagong Hill Tracts: Challenges and Opportunities*. Ministry of Hill Tracts Affairs, Government of the People's Republic of Bangladesh.

[87] Rasul, G. and Tripura, N.B.K., 2016. *Achieving the Sustainable Development Goals in Chittagong Hill Tracts: Challenges and Opportunities*. Ministry of Hill Tracts Affairs, Government of the People's Republic of Bangladesh.

Table 3 Household poverty by community (DCI Method)[88,89]

Poverty Level	Absolute poor	Non-poor
Indigenous people (Overall)	65.1	34.9
Bawn	90.7	9.3
Chak	83.7	16.3
Chakma	60.1	39.9
Khyang	80.9	19.1
Lushai	93.3	6.7
Marma	61.2	38.8
Mro	66.7	33.3
Pangkhua	80	20
Tanchangya	63.3	36.7
Tripura	71.9	28 .1
Bangali Population (non-indigenous)	58.7	41.3
All CHT Rural (Overall)	62.2	37.8
National Rural	39.5	60.5

This high poverty level is mainly due to the limited diversification in the local economy and a heavy reliance on agriculture. While agriculture is the primary livelihood for most rural residents in the CHT, the land is often unsuitable for intensive farming, leading many families to rely on wage labor for income. However, opportunities for wage labor are scarce, demand is low, and unemployment rates are alarmingly high. This combination of unemployment, economic struggles, and limited options has led to social conflicts and heightened ethnic tensions in the region.[90]

Third, in the Chattogram Hill Tracts, a complicated land tenure dispute involving the indigenous community and Bengali people has grown over the past century. In the CHT region, the Indigenous peoples constituted 97.5% of the total population in 1947, but this ratio decreased to around 51% in 2014. There are approximately two million indigenous people in Bangladesh, and the largest concentration of indigenous people lives in the CHT area. Eleven major Indigenous ethnic groups reside in this region, including Chakma, Marma, TTripura, Tanchangya, Mro, Lushai, Khumi, Chak, Khiyang, Bawm, and Pangkhua who collectively identify themselves as the Jumma people (High Landers). They have been living in the CHT for centuries[91].
Despite their long history in the region, the number of non-Indigenous people increased unexpectedly through a government-supported population transfer ('rehabilitation') program. The military and civil administration organized significant waves of transmigration of Bengali

[88] Rasul, G. and Tripura, N.B.K., 2016. *Achieving the Sustainable Development Goals in Chittagong Hill* Tracts*: Challenges and Opportunities*. Ministry of Hill Tracts Affairs, Government of the People's Republic of Bangladesh.

[89] Barkat, A., Halim, S., Poddar, A., Badiuzzaman, M., Osman, A., Khan, MS., Rahman, M., Majid, M., Mahiyuddin, G., Chakma, S. and Bashir, S. (2009) Socio-economic baseline survey of Chittagong Hill Tracts. Dhaka: Human Development Research Centre (HDRC)/Chittagong Hill Tracts Development Facility (CHTDF)/UNDP

[90] Rasul, G. and Tripura, N.B.K., 2016. *Achieving the Sustainable Development Goals in Chittagong Hill Tracts: Challenges and Opportunities*. Ministry of Hill Tracts Affairs, Government of the People's Republic of Bangladesh.

[91] Dhamai, B.M., 2014. An overview of indigenous peoples in Bangladesh. *Survival under threat: Human rights situation of indigenous peoples in Bangladesh*, pp.10-26.

settlers during 1979–85[92]. Even before the independence of Bangladesh from Pakistan, the government actively promoted the transmigration of outsiders into the CHT. This transmigration has created tension and land disputes in the region, resulting in large-scale protests and violence. The land dispute conflict in the Chattogram Hill Tracts has especially severely impacted the indigenous women and made it even more difficult for them to address the ongoing challenges posed by diverse climatic factors and socio-cultural norms.

1.3 Methodology Note

The methodology employed in this study combined literature reviews and direct consultations with stakeholders. To collect secondary information and literature, the gender expert conducted an in-depth desktop review in tandem with the primary and formative remote research. The literature review focused on gender mainstreaming, agriculture and gender, and resilience as a broader topic, drawing from key players in the sector, such as the Food and Agriculture Organization (FAO), World Bank, Foreign, Commonwealth and Development Office (FCDO), United Nations Development Programme (UNDP), United Nations International Children's Emergency Fund (UNICEF), and Asian Development Bank (ADB).

One field consultation was conducted with stakeholders in the CHT region to ensure a holistic and reliable view. The consultation was designed to be gender-responsive and included representatives from the Ministry of Chattogram Hill Tracts Affairs and Chattogram Hill Tracts Development Board. In addition, community members from different indigenous communities participated in this consultation along with representatives from Civil Society Organisations (CSOs), Non-Governmental Organisations (NGOs), and representatives of groups in varied situations of vulnerability, such as women and young people. The consultation session encouraged community members to share their previous challenges related to climate change and their existing adaptation practices. Subsequently, the moderators conducted brainstorming with the community members to prioritize vulnerabilities, identify common themes of vulnerabilities, and brainstorm adaptation strategies by incorporating traditional knowledge. The literature review and field consultation provided a robust and contextualized understanding of the region. It also ensured that the planned project is aligned with the needs of beneficiaries and the policy priorities of the Bangladeshi government.

[92] Dhamai, B.M., 2014. An overview of indigenous peoples in Bangladesh. *Survival under threat: Human rights situation of indigenous peoples in Bangladesh*, pp.10-26.

2. Analysis of the policy landscape, treaties, and laws in Bangladesh

2.1 National-level policy framework and international/regional commitments in Bangladesh

The Government of Bangladesh has shown a strong commitment to addressing gender issues, recognizing the importance of gender equality as a fundamental pillar of sustainable development. Over the years, different policy initiatives have been made for empowering women and ensuring their equal participation in all facets of society. Bangladesh has implemented various legislative measures to protect women's rights, including laws against domestic violence and harassment in the workplace[93].

Moreover, the government has actively enhanced women's access to education and healthcare, contributing to a more inclusive and equitable society. Initiatives promoting economic empowerment, such as microfinance programs, have been championed to uplift women economically. Notably, the commitment to gender-responsive climate action and disaster resilience is evident. The government acknowledges women's unique vulnerabilities in such situations through several policy documents. Bangladesh's dedication to achieving Sustainable Development Goal 5 on gender equality underscores its commitment to fostering a society where the rights and opportunities of all genders are upheld and promoted[94].

Bangladesh's domestic laws and policies strongly support gender equality. This commitment is evident in the Constitution, with Article 19 (3) assigning the state the duty to ensure women's equal participation in all national life. Articles 27 and 28 affirm legal equality and prohibit gender discrimination, allowing the state to enact special measures for women's advancement. Article 29 further upholds this commitment by ensuring non-discrimination in public employment and permitting the reservation of positions for women.[95] Some of the key national laws and policies on gender equality are listed below.

Table-4 National Laws and Policies on Gender Equality[96]

Year	Laws and Policies
1972	Representation of the People Order
1985	Family Courts Ordinance
2000	Nari-O-Shishu Nirjaton Domon Ain, or Violence against Women and Children Restraining Act
2004	National Parliament (Reserved Women Seat) Election Act
2006	Bangladesh Labour Act

[93] Naved, R., Rahman, T., Willan, S., Jewkes, R. and Gibbs, A., 2018. Female garment workers' experiences of violence in their homes and workplaces in Bangladesh: A qualitative study. *Social Science & Medicine*, *196*, pp.150-157.

[94] Paul, K., 2022. Sustainable Development Goals and Social Service Programs in Bangladesh: An Analysis. *Space and Culture, India*, *10*(2), pp.7-15.

[95] Asia & Pacific Office (2022) State of Gender Equality and Climate Change in Bangladesh. Available at: https://wedocs.unep.org/20.500.11822/40845 (Accessed: 14 December 2023)

[96] Asia & Pacific Office (2022) State of Gender Equality and Climate Change in Bangladesh. Available at: https://wedocs.unep.org/20.500.11822/40845 (Accessed: 14 December 2023)

2009	Local Government (Pouroshova) Act, Local Government (Union Parishad) Act, and Local Government (City Corporation) Act
2010	Domestic Violence (Prevention and Protection) Act
2011	National Women Development Policy
2012	National Labour Policy
2013	Domestic Violence Prevention and Protection Rules

Women also play a pivotal role in shaping and implementing Bangladesh's national climate policy, reflecting the government's recognition of their unique perspectives and vulnerabilities in climate change. The National Women Development Policy (2011) emphasized extending all kinds of support and assistance to women to eliminate bottlenecks created due to climate change [97]. Bangladesh's Climate Change Strategy and Action Plan (2009) also incorporates a gender perspective, recognizing women as key stakeholders in climate resilience. The plan emphasizes integrating gender considerations into all policy development and implementation phases, ensuring women's unique needs and contributions are considered[98].

The government's commitment to gender-inclusive climate policies is also evident in the National Adaptation Programme of Action (NAPA), which identifies gender as a cross-cutting issue. NAPA outlines strategies for addressing the vulnerabilities of various population groups, specifically focusing on empowering women to cope with the adverse impacts of climate change. A comprehensive list of other key policy documents related to climate change and gender integration in Bangladesh is presented in the following table:

Table-5 Gender in National Environment and Climate Change-Related Laws and Policies[99]

No	Key national laws and policies
i.	**National Adaptation Programme of Action (NAPA), 2009** Proposes targeted strategies for adaptation, including 15 projects aimed at enhancing immediate and critical adaptation efforts to combat present and expected negative impacts of climate change, including extreme events.
ii.	**Bangladesh Climate Change Gender Action Plan, 2013** • Developed to guarantee the incorporation of gender equality in climate change-related policies, strategies, and actions. The major action steps taken under its objectives are as follows: **Objective 1:** Ensure women's involvement in efficient water management.[100] **Action Steps:** Make an alliance of women's associations to create a movement for keeping the water bodies (rivers, canals, lakes, and wetlands) usable.[101] **Objective 2:** Integrate Climate Change and gender into national health policy and programs.[102]

[97] Ministry of Women and Children Affairs (2011) *National Women Development Policy 2011*. Available at: https://mowca.portal.gov.bd/sites/default/files/files/mowca.portal.gov.bd/policies/64238d39_0ecd_4a56_b00c_b834cc54f88d/National-Women-Policy-2011English.pdf [Accessed December 15, 2023].

[98] MoEF (2009) *Bangladesh Climate Change Strategy and Action Plan 2009*. Ministry of Environment and Forests, Government of People's Republic of Bangladesh. Available at: http://nda.erd.gov.bd/files/1/Publications/CC%20Policy%20Documents/BCCSAP2009.pdf[Accessed December 15, 2023].

[99] Asia & Pacific Office (2022) State of Gender Equality and Climate Change in Bangladesh. Available at: https://wedocs.unep.org/20.500.11822/40845 (Accessed: 14 December 2023)

[100] Ministry of Environment of Forest (2013). Bangladesh Climate Change and Gender Action Plan. Dhaka.

[101] Ministry of Environment of Forest (2013). Bangladesh Climate Change and Gender Action Plan. Dhaka.

[102] Ministry of Environment of Forest (2013). Bangladesh Climate Change and Gender Action Plan. Dhaka.

No	Key national laws and policies
	Action Steps:[103] • Revise the current health policy framework to incorporate connections between gender and climate change. • Implement strategies to enhance and share relevant knowledge at both national and local levels through campaigns, training programs, field visits, and research initiatives. • Enhance the expertise of healthcare professionals and management committees in community clinics, Upazila, and union-level health complexes through targeted training, effectively enabling them to serve grassroots-level females, including adolescent girls. Strengthen the capabilities of local health institutions, community health workers, and other non-governmental organization stakeholders in rural regions, particularly in coastal, haor, Char land, and hill tracts areas.
iii.	**National Biodiversity Strategy and Action Plan (2016-2021)** • Advises acknowledging and integrating women's current contributions to biodiversity preservation, ensuring equal opportunities for them. • Seeks to enhance the capabilities of rural women, empowering them to participate in biodiversity conservation at home and within their communities.
iv.	**National Plan for Disaster Management (2016-2020)** This plan includes guidelines for incorporating gender considerations in all plans and actions. However, the integration of gender in DRR is general, with a notable absence of detailed gender-specific references and strategies.
v.	**Bangladesh Delta Plan 2100** • The document makes only slight reference to gender, labeling women as "vulnerable" without recognizing their potential role as catalysts in achieving climate and disaster resilience. It also lacks distinct strategies or plans focused on promoting gender equality.
vi.	**Perspective Plan of Bangladesh, 2021-2041** • The Perspective Plan of Bangladesh treats both gender and environmental issues as crucial aspects of development, dedicating separate chapters in the document to address each.
vii.	**Mujib Climate Prosperity Plan (MCPP) – Decade 2030** • Aims to support climate financing for at-risk communities and promote women's empowerment.
viii.	**Bangladesh Climate Change Strategy and Action Plan, 2020 revision** • The government developed the Bangladesh Climate Change Strategy and Action Plan (BCCSAP) in 2009[104] and updated it in 2022 to integrate climate adaptation and mitigation with sustainable development. • The 2020 revision of BCCSAP promises a more comprehensive integration of gender-responsive actions across nearly all 11 thematic areas, with many proposed activities, including explicit gender components, thereby enhancing gender mainstreaming. It also explicitly calls for the development of practical measures to incorporate gender issues into climate-sensitive development

[103] Ministry of Environment of Forest (2013). Bangladesh Climate Change and Gender Action Plan. Dhaka.
[104] Bangladesh Climate Change Strategy and Action Plan (BCCSAP): http://cuts2.com/CtuOc

No	Key national laws and policies
	projects, including government Development Project Proforma, and emphasizes the need for capacity building.

2.2 Land Tenure and Customary Land Ownership

Despite these policy initiatives, there is a stark difference between men's and women's opportunities. In CHT, a large proportion of the population is from the Indigenous community, and in Bangladesh, Indigenous women are one of the most vulnerable segments of the population for being women and Indigenous. Being an agrarian region, women in the Chattogram Hill Tract heavily rely on their land inheritance, as land is often linked with opportunities. Indigenous women's right to land is repeatedly denied by customary laws or practices in many tribal communities. The land inheritance situation varies across diverse communities in CHT[105].

In some tribal communities, for instance, in the Khumi community, the family's daughter gets no share of family property. A similar situation can be found in the Khyang community, where women do not inherit their parents' property despite not having rights over their husbands' property. This applies to the Mro and the Chak communities; in the latter, the son-in-law inherits the property without male heirs[106]. The state has indirectly patronized these practices through its non-interference stance on tribal matters[107].

In some tribal communities, the land inheritance has undergone some reforms. For instance, in the Tripura community, previously, daughters used to get no share in their father's property after his death. Gradually, this system is changing, and nowadays, Tripura women are receiving at least some rights over their family property. According to the customary social system of the Bawm community, previously, only the sons of a family inherited property. Recently, the provision for providing one-fourth of the family property to the daughter has been legitimized in the Bawm community[108].

2.3 Relevant policies of the Adaptation Fund

The Adaptation Fund and its implementing partners seek to ensure that the projects supported by the Adaptation Fund are sensitive to gender considerations. The fund aims to facilitate transformative changes in addressing gender-related aspects where feasible. The Adaptation Fund, dedicated to financing climate adaptation projects in vulnerable communities of developing countries, adheres to a Gender Policy (GP) and Gender Action Plan (GAP) established in 2016 and updated in 2021. These policies ensure that all Fund-supported projects offer equal opportunities for women and men of diverse backgrounds to enhance their resilience and ability to adapt to climate change[109].

The Fund and its partners are committed to gender equality and empowerment, actively addressing gender-related vulnerabilities and striving for gender-transformative changes. The Fund's approach includes addressing power imbalances and gender gaps that affect adaptation needs and

[105] Barkat, A., Halim, S., Osman, A., Hossain, I. and Ahsan, M., 2010. *Status and Dynamics of Land Rights, Land Use and Population in Chittagong Hill Tracts of Bangladesh*. Human Development Research Centre.
[106] Barkat, A., Halim, S., Osman, A., Hossain, I. and Ahsan, M., 2010. *Status and Dynamics of Land Rights, Land Use and Population in Chittagong Hill Tracts of Bangladesh*. Human Development Research Centre.
[107] Barkat, A., Halim, S., Osman, A., Hossain, I. and Ahsan, M., 2010. *Status and Dynamics of Land Rights, Land Use and Population in Chittagong Hill Tracts of Bangladesh*. Human Development Research Centre.
[108] Barkat, A., Halim, S., Osman, A., Hossain, I. and Ahsan, M., 2010. *Status and Dynamics of Land Rights, Land Use and Population in Chittagong Hill Tracts of Bangladesh*. Human Development Research Centre.
[109] Updated gender guidance document for implementing entities on compliance with the adaptation fund gender policy. (2022). Available at: https://www.adaptation-fund.org/wp-content/uploads/2022/10/AF-gender-guidance_Sep-2022.pdf [Accessed 13 Dec. 2023].

capabilities. It seeks to ensure that funded activities are gender-responsive and, where possible, support transformative changes. This approach also considers intersectional factors that contribute to gender-based inequalities[110].

[110] Updated gender guidance document for implementing entities on compliance with the adaptation fund gender policy. (2022). Available at: https://www.adaptation-fund.org/wp-content/uploads/2022/10/AF-gender-guidance_Sep-2022.pdf [Accessed 13 Dec. 2023].

3. Macro- and Meso-level analysis: gender and socioeconomic trends in Bangladesh and The Chattogram Hill Tracts

3.1 Demographics

The CHT is situated in the southeastern corner of Bangladesh and is characterized by extensive hilly areas, many scattered springs, and mountain streamlets. This is the only vast hilly area in Bangladesh. The area of the CHT is 13,344.28 km^2, which is approximately 9% of Bangladesh's total area[111]. The CHT consists of the Bandarban, Khagrachari, and Rangamati districts in southeastern Bangladesh.[112] It is a diverse region with a population of 1.6 million, including 11 ethnic groups alongside the Bengali community. Each group preserves distinct languages, cultures, and traditions.[113]

Table -6 – Demographic Overview

	Khagrachhari	Rangamati	Bandarban
Total population	6,68,944	6,50,079	4,36,950
Total under-eighteen population	2,65,391	2,57,907	1,73,351
Total under-five population	69,948	67,976	45,690
Population density per sq. Km.	243	106	98
Infant mortality rate (per 1.000 live births)	117	61	35

CHT remains a disadvantaged region in Bangladesh.[114] National studies show that around 52% of the CHT population lives below the poverty line, and 21% are multidimensionally poor, compared to 32% and 18% in rural and urban Bangladesh. In CHT, socioeconomic hardships are concentrated among local tribal communities, making them more vulnerable to extreme weather events due to their reliance on climate-sensitive areas and natural resources for survival.

[111] Bala, S., 2022. State Actors and Implementation of the CHT Peace Agreement. In *Politics of Peace Agreement Implementation: A Case Study of the Chittagong Hill Tracts (CHT) in Bangladesh* (pp. 95-118). Singapore: Springer Nature Singapore.

[112] United Nations Development Programme (2020). 'Women and Girls Empowerment Through Education and Skills in the Chittagong Hill Tracts'. [online] Available at: https://info.undp.org/docs/pdc/Documents/BGD/Annual%20report-GAC_%20April%202020.pdf.

[113] United Nations Development Programme (2020). 'Women and Girls Empowerment Through Education and Skills in the Chittagong Hill Tracts'. [online] Available at: https://info.undp.org/docs/pdc/Documents/BGD/Annual%20report-GAC_%20April%202020.pdf.

[114] International Centre for Integrated Mountain Development – ICIMOD. (2015). A Strategic Framework for Sustainable Development in the CHT of Bangladesh. https://lib.icimod.org/record/31134

A socioeconomic survey[115] in the CHT showed around 62% of households in the region, irrespective of ethnicity, to be below the absolute poverty line in terms of daily calorie intake per capita (below 2,122 kcal) and 36% to be severely poor (below 1,805 kcal). The annual household income in CHT is around BDT 66,000 (approximately USD 850), which is considerably lower than the national average for rural areas of BDT 84,000 (approx. USD 1,080), as reported by the UNDP and FAO.

3.2 Composite Indices

Recently, Bangladesh has achieved a persistent improvement in several key composite indices. For instance, its HDI scores have gradually improved over the past consecutive years. With a current value of 0.661, Bangladesh ranks 129 out of 191 countries. This value places Bangladesh among medium human-development countries. Bangladesh is also one of South Asia's better performers, with its HDI value above the regional value of 0.632. However, inequality is a major challenge for Bangladesh as the country's HDI value falls to 0.503 when adjusted for inequality[116].
The following table provides scores of different UNDP composite indices: the Human Development Index (HDI), Gender Inequality Index (GII), and Gender Development Index (GDI), as well as the World Economic Forum (WEF) 's Global Gender Gap Index (GGGI).

Table 7 –Overview of UNDP Composite Indices

INDEX (SCALE, ORGANIZATION)	RANK (YEAR)
Human Development Index, out of 189 countries (UNDP)	129 (2021) [117]
Gender Inequality Index, out of 162 countries (UNDP)	131 (2021) [118]
Gender Development Index clustered with group (UNDP)	Group 4 (2019)[119]
Global Gender Gap Index out of 153 countries (WEF)	71 (2022)[120]

Gender parity is an area where Bangladesh has significant room for improvement. A closer look into the Gender Development Index – a measure of disparities in the HDI by gender – presents stark findings[121]. While women are likely to live longer than men, they trail behind regarding education and income per capita. Moreover, Bangladesh ranks 131 on the Gender Inequality Index (GII), a measure of gender inequality along the dimensions of reproductive health, empowerment, and the labor market[122].

[115] Barakat, A; Halim, S; Poddar, A; Badiuzzaman, M; Osman, A; Khan, MS; Rahman, M; Majid, M; Mahiyuddin, G; Chakma, S; Bashir, S (2009) Socioeconomic baseline survey of Chattogramg Hill Tracts. Dhaka, Bangladesh: Human Development Research Center.

[116] Conceição, P., 2022. Human Development Report. uncertain times, unsettled lives: shaping our future in a transforming world.

[117] Liller, S. (2022) *Human Development Report 2021-22: Takeaways for Bangladesh.* Available at: *https://www.undp.org/bangladesh/blog/human-development-report-2021-22-takeaways-bangladesh*

[118] Conceição, P., 2022. Human Development Report. uncertain times, unsettled lives: shaping our future in a transforming world.

[119] The 2019 female HDI value for Bangladesh is 0.596 in contrast with 0.660 for males, resulting in a GDI value of 0.904, placing it into Group 4. In comparison, GDI values for Nepal and Pakistan are 0.933 and 0.745. Ibid.

[120] In the GGGI report by the WEF, South Asia ranks the lowest among the eight regions, despite Bangladesh and Nepal leading in closing their gender gap. WEF (2022), available at: http://cuts2.com/DhnmV

[121] Liller, S. (2022) *Human Development Report 2021-22: Takeaways for Bangladesh.* Available at: *https://www.undp.org/bangladesh/blog/human-development-report-2021-22-takeaways-bangladesh*

[122] Conceição, P., 2022. Human Development Report. uncertain times, unsettled lives: shaping our future in a transforming world.

3.3 Health

Bangladesh's government, non-governmental organizations, and international agencies have implemented different initiatives to improve healthcare services in the CHT area. Indigenous communities in the CHT often reside in remote and hilly areas, making access to healthcare facilities a significant challenge. Linguistic diversity among indigenous groups constantly challenges effective communication between healthcare providers and indigenous women. Indigenous women commonly face issues like malnutrition, anemia, and malaria in the hilly areas where they reside.[123] A 2009 UNDP report highlighted that six out of 10 households in the Chattogram Hill Tracts, regardless of ethnicity, fall below the national absolute poverty line, with each member consuming less than 2,100 calories per day, while the remaining four households live in extreme poverty, with less than 1,800 calories per day. This situation significantly and negatively impacts their health.[124]

Research specifically focused on the health of Indigenous women is scarce and mainly carried out by international development organizations.[125,126] Studies conducted among Indigenous Mru women in the Bandarban Hill district revealed that cultural factors, distance, infrastructure, and socioeconomic status significantly influenced the use of MHC services.[127,128] Major obstacles for Indigenous women in accessing MHC services include the distance to healthcare facilities, language barriers, and associated costs.[129]

Due to limited investment and research in the health issues of Indigenous women, they face the poorest health outcomes in the country.[130] [131] UNICEF reports that CHT has the highest percentage of low-birth-weight newborns in Bangladesh, a factor closely linked to maternal health during pregnancy and childbirth.[132]In 2014, the Human Development Research Centre surveyed the interventions of the CHT Development Facility (CHTDF).[133] This survey found that Indigenous women's understanding of basic Maternal Health Care (MHC)

[123] State Of Indigenous Women And Girls In Bangladesh: Issues And Concerns At A Glance. (2016). Available at: https://www.iwgia.org/images/publications/0753_Briefing_Paper_State_of_indigenous_omen_and_girls_in_Bangladesh_October_2016.pdf.

[124] State Of Indigenous Women And Girls In Bangladesh: Issues And Concerns At A Glance. (2016). Available at: https://www.iwgia.org/images/publications/0753_Briefing_Paper_State_of_indigenous_omen_and_girls_in_Bangladesh_October_2016.pdf.

[125] Kamal, S.M. and Hassan, C.H., 2013. Socioeconomic correlates of contraceptive use among the ethnic tribal women of Bangladesh: does sex preference matter?. Journal of family & reproductive health, 7(2), p.73.

[126] Tuhin, M.A.A., 2015. Health discourse in Chittagong Hill tracts in Bangladesh (Master's thesis, UiT Norges arktiske universitet).

[127] Islam, R.M., 2017. Utilization of maternal health care services among indigenous women in Bangladesh: A study on the Mru tribe. Women & health, 57(1), pp.108-118.

[128] Islam, M.R. and Odland, J.O., 2011. Determinants of antenatal and postnatal care visits among Indigenous people in Bangladesh: a study of the Mru community. Rural and remote health, 11(2), pp.112-124.

[129] Akter, S., Rich, J.L., Davies, K. and Inder, K.J., 2019. Access to maternal healthcare services among Indigenous women in the Chittagong Hill Tracts, Bangladesh: A cross-sectional study. BMJ open, 9(10), p.e033224.

[130] state of indigenous women and girls in bangladesh: issues and concerns at a glance. (2016). Available at: https://www.iwgia.org/images/publications/0753_Briefing_Paper_State_of_indigenous_omen_and_girls_in_Bangladesh_October_2016.pdf.

[131] Roy, P. and Promila, M., 2014. Quest for security, equality, equity and integration: Locus of Indigenous women in Bangladesh. Prof. Chowdhury Mong Shanoo, editor. Thailand: Asia Indigenous Peoples Pact (AIPP) and Kapaeeng Foundation, pp.99-118.

[132] Roy, P. and Promila, M., 2014. Quest for security, equality, equity and integration: Locus of Indigenous women in Bangladesh. Prof. Chowdhury Mong Shanoo, editor. Thailand: Asia Indigenous Peoples Pact (AIPP) and Kapaeeng Foundation, pp.99-118.

[133] Dhaka, U.N.D.P., 2009. Socio-Economic Baseline Survey of Chittagong Hill Tracts

services was less than that of their Bengali counterparts.[134] However, evaluations from two UNDP-CHTDF program household surveys (2008 and 2013) showed an increase in MHC service utilization among both Indigenous and non-Indigenous women in the areas where interventions occurred.[135]

3.4 Gender-based violence (GBV)

In the Chattogram Hill Tracts, domestic violence emerged as the most prevalent form of gender-based violence (GBV). A survey conducted by "Gender-Based Violence and Access to Justice for Indigenous Women and Girls in the Chattogram Hill Tracts" revealed that 44% of respondents had endured various kinds of GBV within their homes. Of these, about 33% suffered physical abuse, 38% mental abuse, around 19% economic abuse, and 5% faced sexual harassment in their household.[136] In the majority of domestic violence cases, 82% identified the husband as the primary aggressor. The Mro (59%) and Tripura (57%) communities reported the highest rates of domestic GBV, followed by the Chakma (46%), Marma (40%), and Tanchangya (21%). GBV was less prevalent in Rangamati compared to the other two hill districts. Only a small portion, less than 4%, of participants here reported that their family members had experienced various forms of domestic violence.[137] This might be due to underreporting, as women are often scared to speak out.

The study also suggests that the causes of GBV at the domestic level are multifaceted and interconnected, with factors such as patriarchal dominance, economic dependence, lack of control over resources, discriminatory inheritance practices, and limited education being major contributors. Indigenous women who were impoverished, uneducated, residing in remote areas with poor connectivity, and subjected to early marriage were found to be most at risk of GBV. Additionally, families of alcohol addicts were more susceptible to such violence.[138]

On the other side, data from the Kapaeeng Foundation show that from January 2007 to September 2016, there were at least 466 reported cases of violence against indigenous women and girls in Bangladesh. In 2014 the Kapaeeng Foundation reported 50 cases of rape, attempted rape, and gang rape among indigenous women and girls. Ain O Salish Kendra (ASK) reported 615 such cases among mainstream Bengali women and girls. Notably, 7.52% of the victims/survivors in 2014 belonged to indigenous communities, which make up only 1.8% of the country's total population, whereas 92.48% of victims were from the Bengali community, which constitutes 98.2% of the population. This data suggests that indigenous women face a disproportionately higher risk of sexual and physical violence compared to Bengali women. The alarming trend of violence against indigenous women and girls is further aggravated by the impunity often enjoyed by perpetrators. A report by the

[134] Dhaka, U.N.D.P., 2009. Socio-Economic Baseline Survey of Chittagong Hill Tracts

[135] Badiuzzaman, M., Murshed, S.M. and Rieger, M., 2020. Improving maternal health care in a post conflict setting: evidence from Chittagong Hill tracts of Bangladesh. The Journal of Development Studies, 56(2), pp.384-400.

[136] Naher, A., Khan, R. and Chakma, S. (2020). Gender-Based Violence and Access to Justice for Indigenous Women and Girls in Chittagong Hill Tracts. [online] Available at: http://www.manusherjonno.org/wp-content/uploads/2019/04/Study-Report-GBV-on-CHT.pdf.

[137] Naher, A., Khan, R. and Chakma, S. (2020). Gender-Based Violence and Access to Justice for Indigenous Women and Girls in Chittagong Hill Tracts. [online] Available at: http://www.manusherjonno.org/wp-content/uploads/2019/04/Study-Report-GBV-on-CHT.pdf.

[138] Naher, A., Khan, R. and Chakma, S. (2020). Gender-Based Violence and Access to Justice for Indigenous Women and Girls in Chittagong Hill Tracts. [online] Available at: http://www.manusherjonno.org/wp-content/uploads/2019/04/Study-Report-GBV-on-CHT.pdf.

CHT Commission highlighted that out of 215 cases documented in the CHT, not a single conviction had been secured.[139]

3.5 Education

At the national level, compared to men, women have lagged in terms of education opportunities. On average, women receive 6.8 years of schooling compared to eight years for men[140]. Bangladesh's functional literacy rate (7+above years) is now 62.92%, but in many areas of CHT, the functional literacy rate of women is much below the national average. For instance, in Upazila like Ruma and Thanchi, the female functional literacy rate is just 40.35% and 39.16%. A similar situation prevails in Belaichhari, where the female functional literacy rate is 43.69%. Areas like Ruma, Belaichhari, and Thanchi are located in the remote regions of CHT[141].

Table 8 – Literacy Rate in Different Upazilas of CHT[142]

Upazila	Literacy Rate (7+ yrs.)		
	Total	Male	Female
Bandarban District	**63.74**	**68.97**	**58.22**
Alikadam	57.14	63.01	50.69
Bandarban Sadar	73.86	78.62	68.59
Lama	65.73	69.71	61.68
Naikkhongchhari	64.11	66.36	61.86
Rowangchhari	55.27	65.14	45.2
Ruma	50.26	59.30	40.35
Thanchi	50.68	60.8	39.16
Khagrachhari District	**71.8**	**77.2**	**66.41**
Dighinala	69.94	76.69	62.93
Guimara	66.41	72.09	60,69
Khagrachhari Sadar	77.36	82.39	72.17
Lakkhichhari	62.59	70.89	54.03
Mahalchhari	71.2	76.63	65.73
Manikchhari	72.44	76.41	68.7
Matiranga	71.59	76.01	67.35
Panchhari	68.01	74.79	61.28
Ramgarh	76.08	80.14	72.09
Rangamati District	**71.41**	**77.79**	**64.64**
Baghaichhari	67.72	74.92	59.88
Barkal	70.15	79.48	59.77
Kawkhali	71.18	77.51	64.79
Belaichhari	55.88	66.74	43.69

[139] State Of Indigenous Women And Girls In Bangladesh: Issues And Concerns At A Glance. (2016). Available at: https://www.iwgia.org/images/publications/0753_Briefing_Paper_State_of_indigenous_omen_and_girls_in_Bangladesh_October_2016.pdf.

[140] Conceição, P., 2022. Human Development Report. uncertain times, unsettled lives: shaping our future in a transforming world.

[141] Bangladesh Bureau of Statistics (BBS) (2023). *Labour Force Survey 2022 Bangladesh*.

[142] Bangladesh Bureau of Statistics (BBS) (2023). *Labour Force Survey 2022 Bangladesh*.

Upazila	Literacy Rate (7+ yrs.)		
	Total	Male	Female
Kaptai	73.24	79.51	66.73
Jurachhari	61.17	72.2	48.81
Langadu	70.63	74.71	66.43
Naniarchar	69.18	75.83	62.34
Rajasthali	68.02	75.48	60.37
Rangamati Sadar	80.51	84.7	75.99

In Chattogram Hill Tracts, because of the remoteness and the hilly terrain, girls must also travel great distances by foot to reach schools. Historically, women's education in CHT has faced challenges, including cultural, social, and economic factors. Education is especially challenging for indigenous girls, as instruction is provided in Bengali, not indigenous languages. A survey of tribal women living in the CHT revealed that 22% of those surveyed had never attended school.[143]

The literacy rate in CHT, especially among ethnic minorities, is much lower than the national average, despite Bangladesh's adherence to global education declarations and its National Education Policy 2010. A study by HDRC found that 55.2% of CHT households have no formal schooling, with less than 8% completing primary education and only 2% secondary education. To promote universal primary education, the Bangladesh government has implemented several phases of the Primary Education Development Programme (PEDP), complemented by the UNDP's efforts in establishing non-government primary schools, including nationalizing 228 schools.[144] However, women in CHT continue to face socioeconomic and educational marginalization and discrimination.[145] The educational attainment of tribal women in the CHT is also hindered due to limited access to essential resources such as transportation, educational institutions, hospitals, and roads. This lack of infrastructure and facilities impedes their ability to pursue development opportunities comparable to those available in the plains of Bangladesh.[146] Some key issues in the education sector are briefly discussed below:

High Dropout Rates: Both primary and secondary levels in CHT experience high dropout rates, with about 52% at the primary level and even higher at the secondary level. Causes include poverty, early marriage, transportation, and communication challenges due to geography, lack of safety, inadequate health and hygiene facilities for girls at school, disconnect between education and career opportunities, and low parental awareness.[147]

[143] Decision-Making Ability of Tribal Women in Chittagong Hill Tracts of Bangladesh, ResearchGate. http://cuts2.com/YHhyG

[144] United Nations Development Programme (2020). 'Women and Girls Empowerment Through Education and Skills in the Chittagong Hill Tracts'. [online] Available at: https://info.undp.org/docs/pdc/Documents/BGD/Annual%20report-GAC_%20April%202020.pdf.

[145] United Nations Development Programme (2020). 'Women and Girls Empowerment Through Education and Skills in the Chittagong Hill Tracts'. [online] Available at: https://info.undp.org/docs/pdc/Documents/BGD/Annual%20report-GAC_%20April%202020.pdf.

[146] Moon, M. (2023). Decision-Making Ability of Tribal Women in Chittagong Hill Tracts of Bangladesh.

[147] United Nations Development Programme (2020). 'Women and Girls Empowerment Through Education and Skills in the Chittagong Hill Tracts'. [online] Available at: https://info.undp.org/docs/pdc/Documents/BGD/Annual%20report-GAC_%20April%202020.pdf.

High Absenteeism: Students often miss school due to long distances, limited transport, natural disasters, and socioeconomic factors. In Bilaichhari Upazila, absenteeism can reach 60-70% in the rainy season, sometimes leading to school closures for over two months.[148]

Inadequate Accommodation: The challenging geography of CHT means long travel times to school, leading parents to prefer boarding or hostel options near schools.[149] However, hostels' availability, capacity, and quality are insufficient, particularly for students preparing for major examinations like PECE, JSC, SSC, and HSC.[150]

3.6 Economic empowerment

At the national level, compared to men, women have lagged in terms of economic empowerment opportunities. For instance, the gross national income per capita for Bangladeshi women is USD 2,811, compared to USD 8,176 for men[151]. In Chattogram Hill Tracts, women's economic empowerment opportunities are even more scarce as they receive minimal education opportunities. The challenging geographical terrain of the hill tracts can affect women's mobility and access to economic opportunities. Land tenure issues and limited property rights for women also restrict their access to resources for economic empowerment.

Therefore, poverty in the CHT is more prevalent than in other parts of Bangladesh and is severely influenced by ethnicity, geographic location, market distance, and gender. Indigenous populations in CHT experience higher poverty levels than the Bengali residents. A 2008 Socioeconomic Baseline Survey[152] by UNDP revealed that the average annual income for a family in the CHT region is approximately Tk66,000 (825 USD), significantly lower than the national average of Tk84,000 (1050 USD) in Bangladesh.

In a separate study by the Asian Development Bank (ADB) covering 60 villages and 6,040 individuals likely to be included in a specific project, it was found that 53% of households (47% in valley regions and 61.2% in hill areas) were classified as very poor.[153] Additionally, 37.3% were considered poor (43.4% in valley regions and 29.4% in hill areas), and 9.5% were better off (9.6% in valley regions and 9.3% in hill areas). The study also noted two key trends:[154] (i) villages with less connectivity experienced higher poverty rates, and (ii) the proximity to markets correlated with a decrease in poverty levels and an increase in the relative middle-class population.

Among these indigenous groups, those living in valleys are generally better off than their counterparts in the hills. Additionally, poverty in CHT has a distinct gender aspect, with

[148] United Nations Development Programme (2020). 'Women and Girls Empowerment Through Education and Skills in the Chittagong Hill Tracts'. [online] Available at: https://info.undp.org/docs/pdc/Documents/BGD/Annual%20report-GAC_%20April%202020.pdf.

[149] United Nations Development Programme (2020). 'Women and Girls Empowerment Through Education and Skills in the Chittagong Hill Tracts'. [online] Available at: https://info.undp.org/docs/pdc/Documents/BGD/Annual%20report-GAC_%20April%202020.pdf.

[150] United Nations Development Programme (2020). 'Women and Girls Empowerment Through Education and Skills in the Chittagong Hill Tracts'. [online] Available at: https://info.undp.org/docs/pdc/Documents/BGD/Annual%20report-GAC_%20April%202020.pdf.

[151] Liller, S. (2022) *Human Development Report 2021-22: Takeaways for Bangladesh.* Available at: *https://www.undp.org/bangladesh/blog/human-development-report-2021-22-takeaways-bangladesh*

[152] UNDP (2009). Socio-Economic Baseline Survey of Chittagong Hill Tracts. Dhaka

[153] Asian Development Bank (2011). Proposed Loan People's Republic of Bangladesh: Second Chittagong Hill Tracts Rural Development Project.

[154] Asian Development Bank (2011). Proposed Loan People's Republic of Bangladesh: Second Chittagong Hill Tracts Rural Development Project.

women, both indigenous and Bengali, being poorer (measured by calorie intake) compared to men in their communities.[155] Women in CHT are among the most marginalized and vulnerable populations in Bangladesh. They face multiple levels of minority status under current social and political structures. In a society where patriarchy and male dominance prevail, they are marginalized based on gender. Traditional gender roles confine them to a life of gender-based inequality and poverty.[156] Similar to women in other developing regions, those in the remote areas of CHT are primarily responsible for domestic duties and income-generating activities, a situation exacerbated by both poverty and gender disparities.[157]

3.7 Political participation and empowerment

In national socio-political structures, Indigenous women are often excluded from the role of administrative and political leadership. Participation of Indigenous women in the governance system of the country is extremely limited. Indigenous women and girls in Bangladesh not only trail behind men in public and professional life and decision-making, but they also lag behind their non-indigenous female counterparts. [158] For instance, of the 350 seats in the National Parliament, where 50 are reserved to boost female representation in national policymaking, none are allotted explicitly to indigenous women.[159]

Even within CHT, women have limited political participation and empowerment opportunities. While CHT's governance mechanism differs from the rest of the country, this difference has not resulted in any opportunity for indigenous women. The Chattogram Hill Tracts has always had a special position in the country's governance system. The CHT practices a traditional power system based on the customs and practices of the indigenous peoples.

Based on the CHT Regulation 1900, popularly known as the CHT Manual, the CHT administration was stratified into three circles named the Chakma, the Bohmang, and the Mong, each of which is administrated by a Raja, the responsible person for adjudicating the issues of social justice, land and natural resource management, and maintenance of law and order. Only in exceptional cases are Indigenous women seen as acting Chiefs (a Chakma Chief in the mid19th century and a Mong Chief in the 1980s)[160]. The Circle Chiefs are members of their relevant Hill District Council(s) and play a crucial role in other formal governance networks. Under this regime, subsequently, Headmen and Karbaris are appointed. The Deputy Commissioners appoint headmen based on recommendations from the Circle Chiefs, and the Circle Chiefs appoint Karbaris. The administrative units of the CHT is provided below:

[155] Asian Development Bank (2011). BAN: Second Chittagong Hill Tracts Rural Development Project. [online] Available at: https://www.adb.org/sites/default/files/linked-documents/42248-013-ban-ippab.pdf.

[156] United Nations Development Programme (2020). 'Women and Girls Empowerment Through Education and Skills in the Chittagong Hill Tracts'. [online] Available at: https://info.undp.org/docs/pdc/Documents/BGD/Annual%20report-GAC_%20April%202020.pdf.

[157] United Nations Development Programme (2020). 'Women and Girls Empowerment Through Education and Skills in the Chittagong Hill Tracts'. [online] Available at: https://info.undp.org/docs/pdc/Documents/BGD/Annual%20report-GAC_%20April%202020.pdf.

[158] State Of Indigenous Women And Girls In Bangladesh: Issues And Concerns At A Glance. (2016). Available at: https://www.iwgia.org/images/publications/0753_Briefing_Paper_State_of_indigenous_omen_and_girls_in_Bangladesh_October_2016.pdf.

[159] State Of Indigenous Women And Girls In Bangladesh: Issues And Concerns At A Glance. (2016). Available at: https://www.iwgia.org/images/publications/0753_Briefing_Paper_State_of_indigenous_omen_and_girls_in_Bangladesh_October_2016.pdf.

[160] Dhamai, B.M., 2014. An overview of indigenous peoples in Bangladesh. *Survival under threat: Human rights situation of indigenous peoples in Bangladesh*, pp.10-26.

Table 9 Administrative Units of the CHT

	Upazila/Thana	Union	Mouza/Moholla	Village	Pourashava	Wards
Bandarban	7	30	201	1554	2	18
Khagrachari	8	38	276	1702	3	27
Rangamati	10	49	252	1555	2	18
Bangladesh	545	4543	66926	87223	316	3161

Source: Population & Housing Census 2011, Statistical Pocket book 2020.

The Headmen (mouza chief) and Krabaris (village chief) are subsequently responsible for maintaining peace and order at the village level. Generally, the Karbaris resolve conflicts within a village. If they fail to do so, the cases are usually taken to the Headmen. In both cases, the disputes are discussed openly with male village elders advising the Karbaries and Headmen. In this system, the Circle Chief is the final arbiter of justice. Indigenous women are seldom consulted in political matters concerning the community and are far less involved at the central decision-making level[161].

There are 369 Headmen of 369 mouzas in three circles and approximately 3,500 Karbaris in three hill districts of the CHT. However, out of them, only around two dozen of Headmen are female, demonstrating that women rarely get this leadership position. This picture illustrates how disproportionately Indigenous women are represented even in traditional leadership. Usually, the Headmen and Karbaris' position is transferred from father to son[162].

3.8 Access to resources

The history of conflict and displacement in the CHT has had lasting effects on the socioeconomic fabric of the region. Displacement and insecurity have disrupted economic activities and disproportionately impacted women's access to resources. In remote hill areas, skill development programs are minimal for women, hindering their capacity to acquire new skills and qualifications necessary for diverse economic roles.

In the Chattogram Hill Tracts, only about one-fifth of the women have the right to inherit property, which is almost non-existent among women in the Mro and Khyang communities. In the Mro and Khyang communities, usually, women do not receive any right to inherit property. However, even these 20% of women do not enjoy an equal share of property with their male siblings. Women's influence over significant decisions is minimal, affecting areas such as enrolling children in school, participating in non-governmental organizations, engaging in income-generating activities, or even in matters related to family planning.[163]

Despite these challenges, the women in the CHT area are industrious in their agricultural activities, including Jhum farming, tending to various animals like chickens, pigs, goats, and cows, and gathering firewood and water. They manage different household chores, transport their agricultural produce to local markets, and weave their own clothing using threads from their harvested cotton. Additionally, they craft items from bamboo and rattan. Despite their crucial role in managing natural resources, these women receive negligible assistance from agricultural extension services, financial credit, marketing, or other institutional supports. They are also notably excluded from community decision-making. With limited access to information and minimal connections to external communities, these women endure challenges stemming from the difficult socio-political environment, yet their concerns and opinions are often overlooked. Furthermore, their opportunities to own land or

[161] Dhamai, B.M., 2014. An overview of indigenous peoples in Bangladesh. *Survival under threat: Human rights situation of indigenous peoples in Bangladesh*, pp.10-26.
[162] Dhamai, B.M., 2014. An overview of indigenous peoples in Bangladesh. *Survival under threat: Human rights situation of indigenous peoples in Bangladesh*, pp.10-26.
[163] Rasul, G. and Tripura, N.B.K., 2016. *Achieving the Sustainable Development Goals in Chittagong Hill Tracts: Challenges and Opportunities*. Ministry of Hill Tracts Affairs, Government of the People's Republic of Bangladesh.

other properties are restricted, as is their access to non-agricultural hospitality, retail, and office work jobs. [164]

3.9 Youth

The CHT previously had considerable forest cover, but the recent deforestation has threatened the livelihood of the hill people of Bangladesh[165]. Previously, these forests facilitated water infiltration into the soil, promoting groundwater recharge. As these forests have been cleared, surface runoff has intensified, and groundwater recharge has decreased. This limited groundwater recharge has impacted the daily life of all the women in the region, including adolescent girls who are often responsible for collecting drinking water for their families.

Indigenous people and mostly school-going girls of the CHT have to walk long hours to collect water from sources some 1–2.5 km away, with earthen pots or plastic buckets to carry 10–15 liters. They often have to miss school or spend less time on schoolwork as they prioritize collecting water. Due to widespread deforestation leading to the depletion of water sources, adolescent girls are increasingly forced to spend longer hours fetching water from increasingly distant locations.[166] This issue has multiple adverse effects, including disrupting their childhoods and reducing their time for education.[167]

In recent days, the traditional livelihoods of rural indigenous communities have become increasingly vulnerable due to land dispossession, conflict, land grabbing, and climate change.[168] This situation has also led many young indigenous women to migrate to urban areas, where they often find employment in unstable, low-paying jobs, perpetuating their marginalization and poverty. They face identity-based discrimination and human rights violations. For example, Garo women moving to cities for work typically receive lower wages than their Bengali counterparts for similar jobs, such as domestic work or beauty Parlour. Additionally, many indigenous women are employed in garment factories near Dhaka and Chattogram, where they are often underpaid and lack union representation.[169]

3.10 People with Disabilities

In Bangladesh, 2.80% of the population lives with disabilities. Among these, the prevalence is 3.28% for males and 2.32% for females. Rural areas have a slightly higher disability rate (2.89%) compared to urban areas (2.45%)[170]. Among different divisions of Bangladesh, the incidence of disability is relatively lower in the Chattogram division.

[164] Rasul, G. and Tripura, N.B.K., 2016. *Achieving the Sustainable Development Goals in Chittagong Hill Tracts: Challenges and Opportunities*. Ministry of Hill Tracts Affairs, Government of the People's Republic of Bangladesh.

[165] Jannat, M., Hossain, M.K., Uddin, M.M., Hossain, M.A. and Kamruzzaman, M., 2018. People's dependency on forest resources and contributions of forests to the livelihoods: a case study in Chittagong Hill Tracts (CHT) of Bangladesh. *International Journal of Sustainable Development & World Ecology*, *25*(6), pp.554-561.

[166] Tancred, A. (2019). MANY TRACTS ONE COMMUNITY UNICEF'S Work in the Chittagong Hill Tracts. UNICEF Bangladesh.

[167] Tancred, A. (2019). MANY TRACTS ONE COMMUNITY UNICEF'S Work in the Chittagong Hill Tracts. UNICEF Bangladesh.

[168] Chakma, T., 2020. A rapid assessment report: the impact of COVID-19 on indigenous and tribal peoples in Bangladesh. *International Working Group on Indigenous Affairs (IWGIA)*, *10*.

[169] Chakma, T., 2020. A rapid assessment report: the impact of COVID-19 on indigenous and tribal peoples in Bangladesh. *International Working Group on Indigenous Affairs (IWGIA)*, *10*.

[170] Bangladesh Bureau of Statistics (BBS) (2021) Report on National Survey on Persons with Disabilities (NSPD) 2021

Table -10 Percentage distribution of persons with at least one type of disability by sex[171]

Background characteristics	Sex of persons with at least one type of disability		
	Male	Female	Both
Total	3.28	2.32	2.8
Area			
Rural	3.44	2.35	2.89
Urban	2.69	2.2	2.45
Division			
Barishal	2.8	2.03	2.42
Chattogram	2.84	2	2.41
Dhaka	3	2.01	2.51
Khulna	4.31	2.92	3.62
Mymensingh	2.76	2.13	2.45
Rajshahi	3.74	2.86	3.3
Rangpur	4.07	3	3.54
Sylhet	2.62	1.69	2.15
Age group (in the year)			
0-4 yr	0.91	0.74	0.83
2-4 yr	1.17	0.94	1.05

The incidence of disability varies with age; it is 0.83% among children aged 0-4 years, 2.24% among adults aged 18-49 years, and 9.83% among those aged 65 years and above.[172] There is a notable inverse correlation between disability and household wealth; the incidence of disability is higher among the poorest population at 3.79%, decreases to 2.77% in the middle wealth quintile, and is lowest among the richest population at 1.97%.[173]

Table -11 Disability Profile of Different Age Groups

	Sex of persons with at least one type of disability (In percentage)		
Background characteristics	**Male**	**Female**	**Both**
5-17 yr	2.28	1.67	1.98
18-49 yr	2.82	1.7	2.24
50-64 yr	5.53	4.03	4.8
65 and above	9.59	10.14	9.83

[171] Bangladesh Bureau of Statistics (BBS) (2021) Report on National Survey on Persons with Disabilities (NSPD) 2021

[172] Bangladesh Bureau of Statistics (BBS) (2021) Report on National Survey on Persons with Disabilities (NSPD) 2021

[173] Bangladesh Bureau of Statistics (BBS) (2021) Report on National Survey on Persons with Disabilities (NSPD) 2021

4. Micro-level analysis: gender, agriculture, water management and ecosystem in Chattogram Hill Tracts

4.1 Context: The Chattogram Hill Tracts

Chattogram Hill Tracts is a unique region in Bangladesh, differing topographically, hydrologically, ethnically, and culturally from the other areas of the country. The diverse region has a population of 1.84 million (2022 Census), including twelve ethnic communities with unique cultures and traditions. The region has rich natural and environmental resources with hills, forests, rivers, and lakes, and a diverse flora and fauna. The scenic beauty of the hilly region is also outstanding. The CHT ecosystem is vital to the local community's economic development and environmental protection. The forest occupies an area of 319,614 ha of land in the CHT, which is about 40% of Bangladesh's forest area. The forests also play a significant role in biodiversity conservation, erosion prevention, maintaining water quality, reducing the severity of floods, and regulating water flow.

Table -12: Household, Population, Household Size and Literacy Rate by Upazila, 2022[174]

Upazila	Total Household	Population		
		Total	Male	Female
Bandarban District	**106155**	**481093**	**246947**	**234146**
Alikadam	12708	63799	33315	30484
Bandarban Sadar	25874	111096	58191	52905
Lama	30437	139681	70526	69155
Naikkhongchhari	16186	76475	38282	38193
Rowangchhari	7317	27719	13989	13730
Ruma	7323	32533	16948	15585
Thanchi	6310	29790	15696	14094
Khagrachhari District	**169526**	**714085**	**357521**	**356564**
Dighinala	28053	115436	58758	56678
Guimara	12361	53256	26754	26502
Khagrachhari Sadar	32555	136134	69095	67039
Lakkhichhari	6509	27148	13838	13310
Mahalchhari	11576	49076	24704	24372
Manikchhari	17695	77024	37653	39371
Matiranga	29998	126604	62310	64294
Panchhari	17173	68673	34278	34395
Ramgarh	13606	60734	30131	30603
Rangamati District	**153482**	**647560**	**333204**	**314356**
Baghaichhari	24788	106282	55248	51034

[174] Bangladesh Bureau of Statistics and Informatics Division (2023). *Population and Housing Census 2022 National Report (Volume I)*.

Upazila	Total Household	Population		
		Total	Male	Female
Barkal	11244	49707	26077	23630
Kawkhali	15384	66309	33343	32966
Belaichhari	7372	29540	15543	13997
Kaptai	13134	55408	28218	27190
Jurachhari	6510	26932	14197	12735
Langadu	20823	90406	45877	44529
Naniarchar	11621	48521	24615	23906
Rajasthali	6992	27864	14131	13733
Rangamati Sadar	35614	146591	75955	70636

4.2 Key issues for the GRACE -LoCALplus: Agriculture, Water Management, Ecosystems, wetlands and biodiversity

4.2.1 Agriculture

One of the most common and suitable forms of cultivation in the CHT is Jum cultivation (shifting cultivation). Besides the Jums, plow cultivation is also practiced by the Indigenous people in the plain lands, which are primarily in the river valleys[175]. In Bangladesh, agriculture and women have been correlated since its independence. Previously, women used to work in the agricultural fields mainly during the post-harvest season. However, because of rapid urbanization and industrialization, there is a rapid migration in rural areas[176]. Along with seasonal migration, people are permanently migrating to urban areas and outside of the country.

This migration has transformed Bangladesh's agriculture sector and created male labor scarcity in rural Bangladesh. Bangladesh Labor Force Survey data indicate that the share of agriculture in rural employment for men has fallen from 52.81 percent in 2013 to 39.3 percent in 2022. Over the same time frame, the percentage of female workers in agriculture has increased from 65.21 percent to 85.1 percent[177].

Table 13 Distribution of rural workers by sector of employment (percent)[178]

Sector of Employment	Male workers		Female workers	
	2013	2022	2013	2022
Agriculture	52.81	39.3	65.21	85.1
Industry	29.48	19.2	24.12	4.7

[175] Dhamai, B.M., 2014. An overview of indigenous peoples in Bangladesh. *Survival under threat: Human rights situation of indigenous peoples in Bangladesh*, pp.10-26.
[176] Afsar, R., 2003, June. Internal migration and the development nexus: the case of Bangladesh. In *Regional conference on migration, development and pro-poor policy choices in Asia* (pp. 22-24).
[177] Bangladesh Bureau of Statistics and Informatics Division (2023). *Population and Housing Census 2022 National Report (Volume I)*.

[178] Bangladesh Bureau of Statistics and Informatics Division (2023). *Population and Housing Census 2022 National Report (Volume I)*.

Service	17.7	41.5	10.66	10.2
Total	**100.00**	**100.00**	**100.00**	**100.00**

The male labor scarcity has, in turn, materialized and shifted the role of women in agriculture from unpaid family workers to farm managers, a recent phenomenon termed the "feminization of agriculture." Despite this change, in Bangladesh, there are stark differences between the access, control, and opportunities of men and women on land, resources, work opportunities, and wages.

As described above, Bangladeshi women have very limited enjoyment of property rights, resulting in the marginalization of women in terms of agricultural decision-making and receipt of agricultural extension. Although both men and women in the household are engaged in farming, the government defines a farmer as 'one who owns land.' The national policy directs extension services to 'farmers,' often targeting just men. Financial and resource constraints also hamper women's adaptive ability because of male domination in receiving information and extension services and also because available adaptation strategies tend to create higher labor loads for women.

In this regard, the Adaptation Fund's Updated Gender Guidance Document for Implementing Entities on compliance with the Adaptation Fund Gender Policy emphasized providing targeted support to women and girls with deep knowledge of adaptation-relevant systems, such as those related to food[179]. To address this issue, empowering women with training, including new agricultural techniques and technologies for cultivation in the CHT, can play a crucial role. In addition, it is also essential to support local women, especially tribal women, in enterprise development and facilitate their active participation in Farmer Field Schools. It is also essential to link female farmers to key agriculture-related government agencies and NGO bodies.

4.2.2 Water Management

The people of the CHT region mostly depend on natural water sources such as springs as water supply sources. CHT's rivers and tributaries are simply the confluence of hundreds of springs in this region. Unfortunately, these springs are gradually drying out due to certain human and natural interventions.

Securing water is a significant challenge in the remote regions of Chattogram Hill Tracts, predominantly home to indigenous communities. These communities rely on natural water sources like waterfalls, creeks, and 'chhoras'—small streams flowing from hills. However, these sources are increasingly drying up because forest encroachment leads to deforestation.[180] This problem intensifies from February to May during the dry season as natural stream flows decline.[181] In the monsoon season, heavy siltation in the streams further restricts access to water.

Consequently, the area experiences growing water scarcity, particularly in the dry season, as the groundwater levels drop annually. Women and children, who are responsible for water collection, are most affected by this crisis. They often venture far from their villages to

[179] Adaptation Fund, Updated Gender Policy and Gender Action Plan of the Adaptation Fund (2021), available at https://www.adaptation-fund.org/wp-content/uploads/2016/04/OPG-Annex-4_GP-and-GAP_approved-March2021pdf1.pdf

[180] Shachi, S.M. (2022). Hydram -- a potential solution for the water starved hilltacts. *Dhaka Tribune*. [online] 31 Jul. Available at: https://www.dhakatribune.com/opinion/op-ed/291416/hydram-a-potential-solution-for-the-water.

[181] Rahman, M.L. (2022). Ensuring water security for ethnic minority communities in CHT. *The ethnic minority people of the Chittagong Hill Tracts already apply the methodology of Nature Based Solutions and Locally Led Adaptation in order to adapt to climate change*. Available at: https://www.icccad.net/blog/ensuring-water-security-for-ethnic-minority-communities-in-cht/.

collect water, navigating deep forests. In some regions, this quest for water can consume almost half a day, involving a strenuous journey up and down steep hills. Additionally, the water they find is frequently contaminated, as latrines are typically located near streams without sewage treatment or water purification facilities. This situation leads to a high prevalence of waterborne diseases in the CHT.[182]

Potential solutions like rainwater harvesting require substantial investment and strong management,. Additionally, constructing tube-wells is difficult due to the rocky terrain and the significantly low water levels in these hilly areas.[183] However, the ethnic minority communities in these regions, at the forefront of climate change, have innovatively adapted to water scarcity using local knowledge. They collect water year-round from natural streams, even during dry periods. This involves constructing a small water reservoir tank with a filtered pipe at the top of a hill near the stream's origin. Water is then channeled from this main reservoir to a secondary one at a lower elevation, with pipelines extending from the second tank to different community locations.[184] To sustain this system, a fee is collected from those using the communal water source, with the funds allocated for maintenance and repairs.[185]

This approach, termed Locally Led Adaptation (LLA), leverages local knowledge and community participation and could be broadly applied to climate change adaptation and water management. However, several prerequisites exist for scaling up these methods. For instance, external financial and technical support is essential for broader application and sustainability. Additionally, long-term planning, local engagement, and opportunities to increase private sector investment in local adaptation efforts are necessary. The Adaptation Fund's Updated Gender Guidance Document for Implementing Entities on compliance with the Adaptation Fund Gender Policy emphasizes providing targeted support to women and girls with deep knowledge of adaptation-relevant systems, such as those related to water[186].

4.2.3 *Ecosystems, wetlands, and biodiversity*

CHT's three districts comprise an area of 13,343 sq. km, with an important ecosystem with dense forest cover and high tropical biological diversity[187]. However, the forest area has rapidly declined in recent years due to large-scale deforestation. Forest experts attribute this rapid reduction of hill forests primarily to their exploitation for expanding agricultural land, driven by the growing population in the hill tracts. This need for more land results in the gradual encroachment and eventual loss of forest areas. Furthermore, illegal logging and the rise in tobacco farming, which requires significant amounts of wood for tobacco curing, contribute to this swift deforestation.[188] Additionally, altered rainfall patterns due to global

[182] Shachi, S.M. (2022). Hydram -- a potential solution for the water starved hilltacts. *Dhaka Tribune*. [online] 31 Jul. Available at: https://www.dhakatribune.com/opinion/op-ed/291416/hydram-a-potential-solution-for-the-water.
[183] Shachi, S.M. (2022). Hydram -- a potential solution for the water starved hilltacts. *Dhaka Tribune*. [online] 31 Jul. Available at: https://www.dhakatribune.com/opinion/op-ed/291416/hydram-a-potential-solution-for-the-water.
[184] Rahman, M.L. (2022). Ensuring water security for ethnic minority communities in CHT. *The ethnic minority people of the Chittagong Hill Tracts already apply the methodology of Nature Based Solutions and Locally Led Adaptation in order to adapt to climate change*. Available at: https://www.icccad.net/blog/ensuring-water-security-for-ethnic-minority-communities-in-cht/.
[185] Rahman, M.L. (2022). Ensuring water security for ethnic minority communities in CHT. *The ethnic minority people of the Chittagong Hill Tracts already apply the methodology of Nature Based Solutions and Locally Led Adaptation in order to adapt to climate change*. Available at: https://www.icccad.net/blog/ensuring-water-security-for-ethnic-minority-communities-in-cht/.
[186] Adaptation Fund, Updated Gender Policy and Gender Action Plan of the Adaptation Fund (2021), available at https://www.adaptation-fund.org/wp-content/uploads/2016/04/OPG-Annex-4_GP-and-GAP_approved-March2021pdf1.pdf
[187] Dhamai, B.M., 2014. An overview of indigenous peoples in Bangladesh. *Survival under threat: Human rights situation of indigenous peoples in Bangladesh*, pp.10-26.
[188] Siddique, A. (2017). How deforestation damaged water sources in CHT. *Dhaka Tribune*. [online] 8 Jun. Available at: https://www.dhakatribune.com/magazine/weekend-tribune/22120/how-deforestation-damaged-water-sources-in-cht.

warming, wildfires sparked by heatwaves, and reduced rainfall further exacerbate the deforestation problem in the region. [189]

In CHT, women are often responsible for collecting and managing forest products essential to the daily lives of their households. However, they are often neglected in the decision-making process within community-level institutions devoted to managing natural resources. Recognizing women's essential role in ecosystems and biodiversity management can make a crucial difference in overall project success. Better ecosystem management can directly affect the livelihood and the welfare of many vulnerable indigenous communities who rely on forest resources.

In Bangladesh, Indigenous women's land rights and management systems are primarily based on their customs and traditions and are not necessarily associated with any written documents for land tenure. However, Indigenous practices, rules, and customary laws for land rights passed down from generation to generation are often unrecognized. Thus, in Bangladesh, lands belonging to Indigenous peoples have often been declared as "Khas" land or state land. These state lands are sometimes unfairly classified as reserve forests or eco-parks.

This practice of ignoring traditional custodians' land rights has led to the widespread depletion of wetlands and biodiversity in the CHT. In this regard, it is crucial to recognize the importance of engaging and empowering local communities, particularly women, in ecosystem decision-making processes. Given the unique ecosystem and socioeconomic context of the Chattogram Hill Tracts, AF project initiatives must be sensitive to the diverse needs of women within these communities. This involves considering women's roles in the ecosystem and other vital sectors and tailoring interventions to enhance their resilience and adaptive capacity.

[189] Siddique, A. (2017). How deforestation damaged water sources in CHT. *Dhaka Tribune*. [online] 8 Jun. Available at: https://www.dhakatribune.com/magazine/weekend-tribune/22120/how-deforestation-damaged-water-sources-in-cht.

5. Gender Action Plan

The entirety of the proposed project has been designed to deliver activities that prioritize women's empowerment and genders-responsiveness, leading to the direct integration of the proposed gender action plan into the project's Theory of Change (ToC) and Logical Framework (see Annex 2A). The table below emphasizes the alignment between the project activities.

Given the disparities and obstacles encountered by women and youth, the project will take into account their unique needs and priorities when it comes to developing, implementing, and monitoring the project. The project has been designed to also be responsive to the needs and urgencies of the southwestern region of Angola, where food and water insecurity is impacted by the geography and intensifying climate impacts, particularly in the form of drought and increased evapotranspiration as well unpredictable precipitation patterns. The gender action plan (and the Logical Framework) encompasses the following specific measures:

Table 14 - Gender Action Plan

Outputs/Objectives	Activities	Performance targets/Indicators	Responsible	Timeframe
Component 1: Capacity building and mainstreaming Climate Change Adaptation (CCA) into local government system for resilience interventions in line with the Performance-Based Climate Resilience Grant (PBCRG) mechanism				
1.1. Data and evidence generated and shared on local climate risks to inform local decision making	1.1.1. Undertaking of one multi-district climate risk and vulnerability assessment (CRVA) to inform the local adaptation and risk-informed planning and mainstreaming; 1.1.2. Establishment of local information systems for adaptation (LISA) to complement the CRVA	1.1.1.1 One multi-district CRVA developed (baseline: 0); 1.1.2.1 At least one (1) LISA established, with efforts made to ensure the sustainability and institutionalization of LISA within the community, including women.	PMU Technical specialists	Q3 2024-Q3 2025
1.2. Capacity building of local governments and communities delivered (on	1.2.1: Awareness and sensitization activities at local and national level on	1.2.1.1 Training needs assessment of men and women with relation to	PMU Technical specialists	Q4 2024 – Q4 2026

the-the-job training, workshops, accessible knowledge products)	climate change and the role of local authorities in addressing climate change, through LoCAL (e.g., communication materials, social media, videos, stories, and workshops); 1.2.2. Assessment of needs and capacity gaps in relation to key elements of the approach (e.g., CRVA; adaptation planning and mainstreaming; multi-criteria analysis for prioritization and selection of adaptation interventions; gender; accountability and transparency; environmental safeguards); 1.2.3. Capacity building activities according to needs and capacity gaps identified (e.g., on-the-job learning; trainings; technical assistance; coaching)	climate change and the role of local authorities in addressing climate change identified (baseline: N/A); 1.2.1.2 At least 50% women and girls trained on climate change awareness (baseline: 0). 1.2.2.1 Training needs assessment of men and women with relation to key elements of the approach identified (baseline: N/A); 1.2.2.2. Assessment of key capacity gaps in relation to the project approach (baseline: N/A). 1.2.3.1 At least 50% women and girls trained to address the capacity gaps identified in 1.2.2.1 and 1.2.2.2 (baseline: 0).		
1.3. Developed and updated local government plans and Local Adaptation Plans of Actions (LAPAs) for selected Upazilas	1.3.1. Review of CRVA findings and integration of climate change adaptation in local development planning and budgeting in a participatory and gender-	1.3.1.1 A gender analysis conducted to understand how climate risks and vulnerabilities affect different genders (baseline: N/A);	PMU Technical specialists	Q1 2027 – Q1 2028

	sensitive manner	1.3.1.2 Women's specific concerns and experiences are adequately captured in the CRVA and are integrated in climate change adaptation in local development planning and budgeting (baseline: N/A); 1.3.1.3 An inclusive budgeting process adopted that allows community members, including women, to contribute to decisions on allocating resources for climate adaptation (baseline: N/A).		
Component 2: Grant facility and PBCRG mechanism for adaptation intervention				
2.1: Annual programmes of adaptation for targeted Upazilas identified in line with the PBCRG mechanism	2.1.1. Costing, selection, and prioritization of adaptation interventions and investments to be financed through the PBCRGs, in a participatory and gender-sensitive manner, using multiple criteria (e.g., climate risks; LGA capacities; programmatic synergies; geographic diversity; cost-effectiveness of proposed intervention) with Upazila Block grants Coordination Committee and	2.1.1.1 At least 50% of women engaged in a diverse group of stakeholders, including community members, local authorities, NGOs, women's groups, and other relevant entities, in the process (baseline: 0); 2.1.2.1 At least 50% women and girls engaged in training and implementation of selected adaptation interventions (baseline: 0)	PMU Technical specialists and field officers	Q1 2026 – Q4 2029

	endorsement by the Hill Districts Councils; 2.1.2. Support for implementation of selected adaptation interventions and investments with the involvement of local communities (including scheme design and estimates in collaboration with concerned government departments and private organizations experienced in related matters, procurement of contractors, and supervision of scheme implementation by Upazila parishad committees, handover of schemes to operation and maintenance committee).			
2.2: Locally led climate adaptation interventions and investments	2.2.1: Disbursement of PBCRGs to support the implementation of adaptation interventions and investments in the context of local authorities' annual planning and budgeting cycles; 2.2.2: Annual performance assessments (APA) of the participating local authorities, including	2.2.1.1 Gender-responsive budgeting principles integrated, ensuring that the budget accounts for the specific needs and priorities of different genders within the community (baseline: N/A); 2.2.1.2 At least 50% women engaged in the community meeting in the participatory budgeting	PMU Technical specialists	Q1 2026 – Q1 2029

	compliance with minimum conditions for the subsequent year, appraisal against the performance measures, and compliance with the menu of eligible investments; 2.2.3: Definition of the PBCRG allocations (formula-based) for the subsequent year and priority capacity-building interventions designed to address weaker performance areas identified under the APA.	process (baseline: 0); 2.2.2.1Gender-Disaggregated Participation Rates: Measure the participation of women and men in community meetings, decision-making processes, and consultations related to climate resilience projects, with at least 50% of women participating (baseline: 0) 2.2.3.1 Gender-Disaggregated Participation in Budget Formulation, with at least 50% women (baseline: 0); 2.2.3.2 PBCRG allocations consider and address the specific needs of women and men, ensuring that funds are distributed equitably and respond to gender-specific vulnerabilities (baseline: N/A); 2.2.3.3. Gender considerations are integrated into the criteria used for formula-based PBCRG allocations (baseline: N/A).		
2.3: PBCRG system for	2.3.1: Reporting in line with	2.3.1.1 All reports to	PMU Technical specialist	Q1 2027 – Q1 2029

local-level action, including M&E and reporting	UNCDF's Assessing Climate Change Adaptation Framework (ACCAF) and related learning and sharing of good practices emerging from the experience; 2.3.2: Policy advice and institutional strengthening of central entities in charge of local authorities, finance, and climate change (e.g., manuals, guidelines, regulatory environment)	include gender disaggregated data; gender analysis, and gender responsive indicators (baseline: 0); 2.3.1.2. All learning and knowledge sharing events have at least 50% of women participants (baseline: 0); 2.3.2.1 100% of Manuals and Guidelines include Gender Considerations (baseline: 0)	and Project Coordinator	

Annex 3: Draft Performance Measures for local government for PBCRG

Performance measures shall include a combination of: (1) Indicators of generic performance and (2) Indicators specific to climate change adaptation. They will be further elaborated during the proposal design phase,based on the experience of LoGIC and other LOCAL projects, and may be further modified based on initial experience in CHT.

Generic Performance Indicators

Performance Area	Performance Measure / Indicator
I. DEMOCRATIC GOVERNANCE (4 indicators)	
1. Functioning of the standing committees	All Upazila Parishad / Pourshava Standing Committees (as per the Act No. 21, point 29) are established
	Committees conduct regular meetings with representatives from Upazila Parishad / Pourshava members and line departments as per the rules in the Act, 2009.
2. Functioning of the Upazila Parishad / Pourshava - Compliance with the working processes:	1. Invitation of participants for meetings 2 weeks in advance,
	2. Minutes of annual meeting(s) on planning show that substantial service delivery issues and priorities across Ups and Line Agencies have been discussed,
	3. Line Agencies are observers in the meetings
	4. Meetings chaired by the chairman
	5. Minimum 80 % of the members attended all meetings,
	6. Regular monthly meetings (12 per year) conducted in the Upazila Parishad / Pourshava premises.
3. Open Budget Meeting	1. Open budget meeting[190] has been conducted in conjunction with discussions of the priorities of funds for the ADP, UZGP grants and other resources.
	2. Meeting attended by Upazila Parishad / Pourshava members, line ministry officials and other local notables (school teachers, rural doctors, businessmen), notables tax payers and NGO officials operating locally
	3. Stakeholders need to be invited/and or public announcement of the event.
4. Active participation of Women members in Upazila Parishad / Pourshava meetings	1. All women members were present in at least 2/3 of the regular monthly Upazila / Parishad Pourshava council meetings held, and
	2. Women members raised issues for debate – minimum one per meeting.
II. PLANNING AND BUDGETING (7 indicators)	
1. Five-year development plan	3. Five-year plan is formulated
	4. Plan disclosed in accordance with the 2009 Act, Art 39.
5. Quality of the Five-Year Planning Document:	1. Upazila Parishad / Pourshava carried out an exercise of poverty and vulnerability profiling,
	2. Listing of poverty-stricken Ups/areas of the Upazila Parishad / Pourshava and/or social /economic mapping, taken variations in Ups into account, etc.;
	3. Used the same in the planning process and/or allocation of resources
2.A – Poverty targeting	4. Planned for use of the resources on the defined poor groups /areas (from mapping) and this is reflected in the five-year Plan Document
2.B – MDG targeting	1. Five-year plan has clear linkage, analysis and description of core MDG sectors and identified projects related with this (health, education, water & sanitation)
	2. Minimum 50 % of the resources planned for these core sectors
2.C- Women/gender issues addressed	Five-year plan has considered issues related with women groups and planned strategies for how to improve access to services and general conditions for women.
3. Existence of an integrated annual plan	1. Upazila Parishad / Pourshava has an annual plan with some planning inputs from Line Departments with clearly outlined objectives, outputs, activities and inputs and time-frames,
	2. Plan has been publicly disclosed
4. Quality of the annual planning document 4.1- MDG targeting:	1. MDG mapping and targeting of plan towards MDG core sectors applied (with core focus on health, education, water and sanitation).
	2. Minimum 50 % of the resources planned for these core sectors.
4.2- Gender Issues addressed	Evidence of women representatives' participation in planning meetings on the annual plan

[190] after the legally described *disclosure* of the draft budget (Art. 38, in the Act)

Performance Area	Performance Measure / Indicator
4.3. Inputs from UZP standing committees	1. Evidence that there is input from the standing committees to the annual Upazila Parishad / Pourshava plans
	2. There is linkage between line department plans and activities and the Upazila Parishad / Pourshava plans
5. Annual budget developed.	1. Availability of a budget document for the Upazila Parishad / Pourshava encompassing grants, other source of revenues (revenue and revenue sharing etc.)
	2. All Upazila Parishad / Pourshava expenditures and revenues with linkage to the annual plan.
	3. The budget has been disclosed at the notice board according to the Art. 38 of the Upazila Act.
6. Consolidated budget encompassing inputs from line departments.	1. Composite budget for the Upazila Parishad / Pourshava, encompassing budget of line departments has been produced based on input from Line Departments.
	2. Regular budget and expenditure overviews are shared with Upazila Parishad / Pourshava and used for discussions during the Upazila Parishad / Pourshava operations in the council meetings.
7. ZP projects finance UPZ level functions	1. At least 65% of Upazila Parishad / Pourshava resources (ADP + UZGP performance- based grants) are planned on projects which are larger than BDT 1,000,000.
	2. At least 65% of the projects are planned to benefit more than one UP.
III. IMPLEMENTATION PERFORMANCE IN ACCORDANCE WITH PLAN AND BUDGETS (3 indicators)	
1. Project implementation	Number (share) of projects as per the annual plan for the previous FY actually implemented
2. Share of projects targeting cross UP activities or more significant UZP investments on UZP functional assignments (as opposed to UP functions) – actual use of funds.	1. At least 65% of the resources (ADP + UZGP performance based development grants) are actually spent on projects which are larger than BDT 1 Million Or
	2. At least 65% of the projects actually benefit more than one UP.
3. Actual Investment expenditure in social sectors / MDG areas	1. Actual expenditures show that a certain amount of the Upazila Parishad / Pourshava's development budget (total resources for development) has been used for the following (social) areas (in sum) a) health, b) education and c) water & sanitation to ensure diversity in implementation and promote MDGs.
VI. TRANSPARENCY and ACCOUNTABILITY (incl. FINANCIAL MANAGEMENT) (6 indicators)	
1. Access to Information	Notice boards in/outside of the Upazila Parishad / Pourshava office with information about: a) Grants from central government received last year, b) Projects supported, c) Statement of Upazila Parishad / Pourshava /UP tax revenue sharing, also showing the tax amounts shared with each UP and implemented during the year d) Revenue and expenditure overview for the previous FY e) Plans for the current FY
2. Publication of core information	Publication/dissemination of: a) Plans and budgets b) Final accounts (use of previous years funds) Financial statement Upazila Parishad / Pourshava Development Fund account c) Audit reports, d) Upazila Parishad / Pourshava annual report / progress reports about the development in projects.
3. Publication of performance assessments	Publication / dissemination of assessment results from the annual Performance Assessments (previous year)
4. Organization of public hearings/social audits/discussion fora	1. Minimum two open meetings per year involving community to be organized by the Upazila Parishad / Pourshava
	2. Meetings to be at the Upazila Parishad / Pourshava premise
	3. During meetings, information is provided to interested stakeholders about on-going projects and overall performance of the Upazila Parishad / Pourshava and/or social audit /Public hearings etc.
5. Level of revenue mobilization to ensure accountability	Own source revenues (Schedule 4 in the Upazila Act) as shown in Upazila Parishad / Pourshava income register have increased by >5% from previous year

Performance Area	Performance Measure / Indicator
6. Financial management	1. Cashbooks and Bank reconciliations up to date (within 1 month)
	2. Register of letters received up – to date
	3. A sample of 3 ledgers (up-to-date)
	4. Income and expenditure vouchers kept and up-to data, numbered, etc. related with the Upazila Parishad / Pourshava funds, including the use of the UZGP performance-based development grants.

Climate Change Adaptation Indicators

Climate Change Adaptation - Specific performance measures are intended to assess the effort deployed by local governments in climate change resilience good practices, including raising awareness among local communities on the climate change adaptation challenges and their own performance in addressing climate change.

Area		Performance Measures
1	CC Resilience Strategy or equivalent	Upazila / Pourshava CCR strategy is updated on annual basis ahead of the annual planning-budgeting process
2	Consistency with CC Adaptation Policy	Activities funded in the budget from PBCR grant is consistent with CCR strategy
3	Citizens Participation	UP have been actively involved in the planning for and allocation of PBCR Grant resources
6	CC Feasibility Studies	Feasibility studies of local infrastructure schemes are conducted, integrating considerations on climate change adaptation/mitigation proofing
7	Environment Impact	Investment schemes are systematically cleared for environmental impact
9	Adherence to CC menu of eligible expenditures	% of PB-CR Grant actually allocated for climate change adaptation activities in adherence with the mandatory menu of CC eligible expenditures
10	CC Activities Implantation	CC projects are implemented on time and according to original design and costing, and/or % of CC activities implemented as per the plan
11	Reporting	Tracking and reporting on the utilization of the PBCR Grant in accordance with established format and schedule
12	Planning	CC challenges and risks are well integrated in the statutory planning process and reflected in the plan document

Annex 4: Population Data - CHT

Population Data 2022				
	Total	**Male**	**Female**	**Trans-gender**
Bandarban	481,109	246,590	234,035	17
Khagrachhari	714,119	357,406	356,477	51
Rangamati	647,587	333,015	314,205	33
Total	**1,842,815**	**937,011**	**904,717**	**101**
15% of total population identified as beneficiaries	276,222	140,552	135,708	15

Population Data – CHT - Source: Bangladesh Population & Housing Census 2011								
Upazila	**Households**	**Population**			**Ethnic Population in Main Groups**			
		total	**Male**	**Female**	**Chakma**	**Marma**	**Tanchaynga**	**Others**
Bandarban Zila	**36676**	**172401**	**87670**	**84731**	**77477**	**38021**	**20685**	**36218**
Alikadam	4021	21327	10955	10372	4046	11599	3079	2603
Bandarban Sadar	8887	39812	20167	19645	22978	5829	1423	9582
Lama	5802	27006	13630	13376	13752	7267	5314	673
Naikhongchhari	2399	11582	5817	5765	4351	1822	305	5104
Rowangchhari	5719	24745	12617	12128	14300	1292	2019	7134
Ruma	5427	26503	13618	12885	9598	5364	3002	8539
Thanchi	4421	21426	10866	10560	8452	4848	5543	2583
Khagrachhari Zila	**70460**	**316987**	**159310**	**157677**	**161960**	**86196**	**67011**	**1820**
Dighinala	14518	65389	33147	32242	57598	7444	93	254
Khagrachhari Sadar	15304	68952	34313	34639	31431	24300	12939	282
Lakshmichhari	4849	20913	10653	10260	14680	159	5823	251
Mahalchhari	7953	35252	17879	17373	20526	3869	10707	150
Manikchhari	3760	17690	8857	8833	1101	3574	12837	178
Matiranga	8779	40020	20047	19973	5484	27223	7180	133
Panchhari	9669	41797	20912	20885	28302	11204	1917	374
Ramgarh	5628	26974	13502	13472	2838	8423	15515	198
Rangamati Zila	**77353**	**356153**	**181820**	**174333**	**260445**	**51235**	**27052**	**17421**
Baghaichhari	15359	72837	37520	35317	67279	43	19	5496
Barkal	7182	35763	18649	17114	34408	676	3	676
Kawkhali	7672	34954	17561	17393	16617	17450	681	206
Belai Chhari	5278	24707	12763	11944	7359	2704	11480	3164
Kaptai	5849	24852	12465	12387	1114	16841	6414	483
Jurai Chhari	5891	26331	13563	12768	25199	68	928	136
Langadu	4751	20882	10755	10127	20510	21	3	348
Naniarchar	7876	36290	18428	17862	35314	854	6	116
Rajasthali	4308	18702	9527	9175	200	10269	4369	3864
Rangamati Sadar	13187	60835	30589	30246	52445	2309	3149	2932

Annex 5: Sector-wise standards aligned with proposed interventions

Sector	Interventions	Standards
Water resources	Community-based rainwater harvesting through indigenous techniques and conservation of wetlands, reservoirs, and natural springs for drinking water supplies in hard-to-reach and water-stressed areas	• The Ministry of Water Resources (MoWR) Guidelines for Rainwater Harvesting: These guidelines provide detailed technical specifications for the design, installation, and operation of rainwater harvesting systems. The guidelines also state that rainwater harvesting is mandatory for all government buildings in Bangladesh. • The Ministry of Environment and Forests (MoEF) Guidelines for Rainwater Harvesting: These guidelines provide general information about rainwater harvesting and encourage the use of rainwater harvesting in both urban and rural areas.
	Planned, participatory, and coordinated land and water resources management	• National Water Policy (2012): This policy sets out the government's vision for managing water resources in Bangladesh. The policy emphasizes the need for planned, participatory, and coordinated management of water resources. • National Water Management Plan (2015): This plan provides a framework for implementing the National Water Policy. The plan identifies the key challenges facing water resources management in Bangladesh and sets out several strategies for addressing these challenges.
	Development of a basin-wide and participatory watershed management framework to restore, harvest, and optimize the use of water resources	• The need to consider the social and environmental impacts of watershed management Watershed Management Guideline for Bangladesh (2009): This guideline provides a framework for developing and implementing watershed management plans in Bangladesh. Ministry of Water Resources (MoWR), 2009 • The need to ensure that watershed management plans are implemented in a sustainable way National Water Resources Management Strategy (2016): This strategy identifies several specific actions that need to be taken to improve the management of water resources in Bangladesh. MoWR, 2016. National Water Resources Management Strategy, Government of the People's Republic of Bangladesh. • The need to build capacity for watershed management Integrated Watershed Management Project (IWMP): This project is funded by the World Bank and is implemented by the MoWR. The project aims to improve the management of water resources in four watersheds in Bangladesh. World Bank, 2016. Integrated Watershed Management Project
	Sustainable shoreline erosion management based on eco or bioengineering measures	• Bangladesh Environmental Guidelines for Coastal Development (BEGCD): The BEGCD guides the sustainable development of coastal areas in Bangladesh. It includes a section on shoreline erosion management, which states that "eco- and bioengineering measures should be used in preference to hard engineering measures whenever possible". • National Action Plan for Protection and Management of Coastal Ecosystems of Bangladesh (NAPM): The NAPM is a government plan that outlines the priorities for protecting and managing coastal ecosystems in Bangladesh. It includes a section on shoreline erosion management stating that "eco- and bioengineering measures should be used to protect and restore shorelines". • Guidelines for Sustainable Shoreline Management in Bangladesh (GSM): The GSM guides the sustainable management of shorelines in Bangladesh. It includes a section on eco- and bioengineering measures, which states that "these measures are more sustainable than hard engineering measures and can be used to protect and restore shorelines".
Agriculture	Extension of climate-smart technologies for increasing irrigation water use efficiency	• National Adaptation Programme of Action (NAPA) outlines Bangladesh's climate change adaptation priorities. It includes a section on water resources management, emphasizing the need to improve irrigation water use efficiency. • National Water Management Plan (NWMP): This plan outlines the priorities for water resources management in Bangladesh. It includes a section on irrigation water use efficiency, emphasizing the need to promote climate-smart technologies. • Guidelines for Irrigation Water Use Efficiency Improvement in Bangladesh (GWUEI): These guidelines guide improving irrigation water use efficiency in Bangladesh. They emphasize the need to use climate-smart technologies, such as drip and sprinkler irrigation. • The National Irrigation Policy, 2015: This policy provides the overall framework for irrigation in Bangladesh. It includes provisions for the promotion of climate-smart technologies. • The National Agricultural Policy, 2018: This policy provides Bangladesh's overall framework for agriculture. It includes provisions for the promotion of climate-smart technologies. • The Bangladesh Climate Change Act, 2019: This law provides the legal framework for climate change adaptation and mitigation in Bangladesh. It includes provisions for the promotion of climate-smart technologies

Sector	Interventions	Standards
	Augmentation of surface water for irrigation and multipurpose use	• The Water Resources Act, 2013: This law provides the legal framework for water resources management in Bangladesh. It includes provisions for the augmentation of surface water. • The National Irrigation Policy, 2015: This policy provides the overall framework for irrigation in Bangladesh. It includes provisions for the augmentation of surface water. • The National Agricultural Policy, 2018: This policy provides Bangladesh's overall framework for agriculture. It includes provisions for the augmentation of surface water. • Water Act, 2013: This act provides the overall framework for water management in Bangladesh. It includes provisions for regulating the use of water in irrigation.
	Extension of stress-tolerant, pest and disease-resistant rice and non-rice crops	• National Agricultural Policy, 2018: This policy provides Bangladesh's overall framework for agriculture. It emphasizes the need to promote stress-tolerant, pest, and disease-resistant crops. • National Seed Policy, 2018: This policy provides the overall framework for seed production and distribution in Bangladesh. It emphasizes promoting quality, stress-tolerant, pest, and disease-resistant seeds. • Guidelines for the Development and Promotion of Stress-Tolerant, Pest and Disease-Resistant Crops in Bangladesh (GTPDR): These guidelines guide developing and promoting stress-tolerant, pest and disease-resistant crops in Bangladesh. They emphasize the need to consider a range of factors, including the climate, the problems and diseases prevalent in Bangladesh, and the requirements of farmers.
	Crop diversification/intensification for natural resources optimization and reduction of climate stress	• National Agricultural Policy, 2018: This policy provides Bangladesh's overall framework for agriculture. It emphasizes the need to promote crop diversification and intensification. • National Adaptation Programme of Action (NAPA) outlines Bangladesh's climate change adaptation priorities. It emphasizes the need to promote crop diversification and intensification to reduce the impacts of climate change on agriculture. • Guidelines for Crop Diversification and Intensification in Bangladesh (CDI): These guidelines guide how to promote crop diversification and intensification in Bangladesh. They emphasize the need to consider a range of factors, including the climate, the soil, and the requirements of farmers.
	Farm modernization/mechanization to reduce climate vulnerability	• National Agricultural Policy, 2018: This policy provides Bangladesh's overall framework for agriculture. It emphasizes the need to promote farm modernization and mechanization to reduce the impacts of climate change on agriculture. • National Adaptation Programme of Action (NAPA) outlines Bangladesh's climate change adaptation priorities. It emphasizes the need to promote farm modernization and mechanization to reduce the impacts of climate change on agriculture. • Guidelines for Farm Modernization and Mechanization in Bangladesh (FMM): These guidelines guide how to sustainably promote farm modernization and mechanization in Bangladesh. They emphasize the need to consider a range of factors, including the climate, the soil, and the requirements of farmers.
	Increased fertilizer use efficiency for enhancing production	• National Agricultural Policy, 2018: This policy provides Bangladesh's overall framework for agriculture. It emphasizes the need to promote increased fertilizer use efficiency to enhance production. • National Fertilizer Policy, 2018: This policy provides the overall framework for fertilizer use in Bangladesh. It emphasizes the need to promote efficient application methods and soil testing. • Guidelines for Increased Fertilizer Use Efficiency in Bangladesh (IFE): These guidelines guide how to sustainably promote increased fertilizer use efficiency in Bangladesh. They emphasize the need to consider a range of factors, including the climate, the soil, and the requirements of farmers. • Environmental Protection Act, 1995: This act provides the overall framework for environmental protection in Bangladesh. It includes provisions for regulating the use of pesticides and fertilizers in agriculture.
	Extension of good agricultural practices, modern agricultural technology, and sloping agricultural land technology (SALT)	• The National Agricultural Technology Policy, 2018 (NATP) outlines the government's vision for developing agricultural technology in Bangladesh. The vision is to create a "technology-enabled agriculture" that is "productive, sustainable, and competitive."
Ecosystems, wetlands, and biodiversity	Development of multifunctional hill and forest management and conservation system	• National Forest Policy, 2016. This policy provides a framework for the management of forests in Bangladesh. The policy includes several provisions for the development of multifunctional hill and forest management and conservation systems, such as: • The establishment of a national forest management authority • The development of management plans • The promotion of sustainable forest management practices
	Adopt other effective area-based conservation measures to fulfill the	National Biodiversity Strategy and Action Plan (NBSAP). This plan provides a framework for the conservation of biodiversity in Bangladesh. The plan includes several provisions for the adoption of other effective area-based conservation measures (OECMs), such as:

Sector	Interventions	Standards
	biodiversity framework target	• The identification of OECMs • The development of management plans for OECMs • The provision of financial assistance for OECMs
	Combat desertification by planting regenerative indigenous species	• The Bangladesh National Action Plan for Combating Desertification and Land Degradation (NAP-CDDL): The NAP-CDDL provides a framework for combatting desertification and land degradation in Bangladesh. The NAP-CDDL includes provisions for the planting of regenerative indigenous species.
	Conservation of agroecosystems through expanded agroforestry, good agricultural practices, and regenerative agriculture	• See above – under the agriculture sector
	Development of a participatory wetlands management framework for the sustainable management of wetlands	• The National Wetland Policy of Bangladesh (2012) states that "the government will promote the participation of local communities in the management of wetlands." • The National Wetland Action Plan of Bangladesh (2013) identifies participatory management as one of the critical strategies for sustainable wetland management. • The Guidelines for Participatory Wetland Management in Bangladesh (2014) provides a framework for developing and implementing participatory wetland management plans.
	Conservation of village common forests (VCFs) through community-based spring, watershed and agricultural landscape management, and soil conservation in the CHT	• See above – under the agriculture sector
	Halda River ecosystem restoration and conservation	• The National Wetland Policy of Bangladesh (2012): This policy states that the government will promote the restoration and conservation of wetlands, including the Halda River. • The National Biodiversity Strategy and Action Plan of Bangladesh (2015): This plan identifies the Halda River as a priority area for biodiversity conservation.
	Watershed management of Kaptai Lake for ecosystem resilience and water retention	• The National Water Policy of Bangladesh (1999): This policy states that the government will promote the restoration and conservation of water bodies, including Kaptai Lake.
	Revitalization of natural springs and sustainable management of water bodies for reducing water scarcity, and the restoration and conservation of ecosystems and biodiversity	• The National Biodiversity Strategy and Action Plan of Bangladesh (2015): This plan identifies the restoration and conservation of water bodies as one of the key strategies for biodiversity conservation.

Annex 6: Checklist – potential social and environmental risks

ES Principles	Compliance	Potential risk, impact	Details of potential risks	Measures to address risks
1. Compliance with the Law	X	Risk: low Impact: Impact	Lack of compliance - possible lack of compliance with laws, regulations, and LGA rules and guidelines (e.g., no planning permission, environmental permits, or construction permits) by grantees during the implementation of interventions	The project will ensure that a description of the legal and regular frameworks will be required for all interventions and grantees to ensure that compliance is met throughout the implementation of the project
2. Access and equity	X	Risk: low Impact: low	Lack of capacity – some stakeholders may not have the technical capacity to participate in the project. Inadequate representation and participation – if stakeholders do not see the value of participating, some communities may not be adequately represented. Competitive access – intense competition for funding among communities may lead to conflicts over resource allocation.	The project's Component 1 will focus on building capacity for stakeholders to ensure they can effectively participate in the project and apply for grants. Awareness building of the project based on transparent information will be produced and shared with Upazilas, including translated into relevant local languages. Transparent criteria will be used for the selection of interventions, with a focus on ensuring greater participation by vulnerable communities (women and tribal groups).
3. Marginalized and vulnerable groups	X	Risk: low Impact: low	See above under 2. Exclusion and marginalization – despite the project's aim to support marginalized and vulnerable groups, there is a risk that certain groups may still be excluded. Power imbalances and lack of participation – groups may face power imbalances making it difficult for them to participate meaningfully in the projects.	See above under 2. The LoCAL PBCGF mechanism ensures the active participation of project stakeholders in the design of the interventions and decision-making, including marginalized and vulnerable groups (including women and tribal groups), providing a safe space for engagement and participation. Consultations during the proposal development stage to inform such groups of the project and participation opportunities.
4. Human rights	X	Risk: low Impact: low	Inadequate consideration of human rights – there is a risk that interventions may not adequately consider the human rights implications of their activities, which could lead to unintended negative impacts on vulnerable communities.	See above under 1, which includes ensuring compliance with laws, regulations, and LGA guidelines regarding human rights.
5. Gender equality and women's empowerment	X	Risk: low Impact: low	See above under 2 and 3. Superficial integration: despite the project's aim to target women and girls, there is a risk that gender considerations are integrated superficially without valuing their input and leadership, which could lead to ineffective outcomes. Unequal distribution of benefits – there is a risk that the interventions may inadvertently benefit men more than women if gender-specific needs are not adequately addressed, leading to further gender	See above under 2 and 3. The project aims for at least 50% of women beneficiaries. Consultations with gender equality experts during the proposal development stage to ensure the project is responsive to various gender needs and roles. The project will apply gender mainstreaming and social inclusion best practices throughout the design and implementation of the project, including focusing on gender equality and women's empowerment-specific interventions.

			disparities.	
6. Core labor rights	X	Risk: low Impact: low	Inadequate consideration of core labor rights – there is a risk that interventions may not adequately consider the core labor rights implications of their activities, which could lead to unintended negative impacts on vulnerable communities.	See above under 1, which includes ensuring compliance with laws, regulations, and LGA guidelines regarding core labor rights.
7. Indigenous Peoples	X	Risk: low Impact: low	See above under 2 and 3. Superficial integration: despite the project's aim to target Indigenous Peoples, there is a risk that considerations are integrated superficially without valuing their input and leadership, which could lead to ineffective outcomes. Unequal distribution of benefits – there is a risk that the interventions may inadvertently benefit other communities than Indigenous Peoples if their needs are not adequately addressed, leading to further disparities.	See above under 2 and 3. The project aims to reach 15% of the population, including the proportion of local tribal groups. The project will apply social inclusion best practices throughout the design and implementation of the project, including focusing on specific interventions with the involvement of tribal groups.
8. Involuntary resettlements	No observed risks	Risk: low Impact: low	Not anticipated, as there will be no involuntary resettlement in this project	N/A
9. Protection of natural habitats	X	Risk: low Impact: high	Unintended ecosystem disturbances – some intervention activities may inadvertently disturb natural habitats, leading to unintended negative ecological impacts. Trade-offs – balancing adaptation needs with habitat projection can lead to conflicts between the desire to protect natural areas and the urgency of addressing climate impacts.	Because this project includes USPs, an in-depth review process and risk assessment will be conducted for each USP to screen for environmental and social risks, plan mitigation measures, and identify any required safeguards and monitoring processes. This will ensure that risks inherent to each USP's unique environment and social setting are considered, and the USP will not go ahead if the risks are deemed unacceptable. Consideration will be provided to prioritize nature-based solutions to achieve adaptation goals and habitat restoration efforts.
10. Conservation of biological diversity	X	Risk: low Impact: high	Inadequate understanding of biodiversity – some interventions may not fully consider the complexity of local biodiversity and ecosystems, leading to unintended negative impacts on species and habitats. Trade-offs – balancing adaptation needs with the conservation of biological diversity can lead to conflicts between the desire to protect natural areas and the urgency of addressing climate impacts.	Because this project includes USPs, an in-depth review process and risk assessment will be conducted for each USP to screen for environmental and social risks, plan mitigation measures, and identify any required safeguards and monitoring processes. This will ensure that risks inherent to each USP's unique environment and social setting are considered, and the USP will not go ahead if the risks are deemed unacceptable. Consideration will be provided to prioritize nature-based solutions to achieve adaptation goals and habitat restoration efforts.
11. Climate change	X	Risk: medium Impact: high	Proposed project interventions are not expected to generate significant greenhouse gases or	Because this project includes USPs, an in-depth review process and risk assessment will be conducted for each

			exacerbate climate change. Maladaptation and limited effectiveness – there are risks that adaptation interventions are not well-planned or based on a solid understanding of local contexts, which can lead to maladaptation and inadequate outcomes. Uncertain future conditions – climate change impacts are uncertain and can change over time; there is a risk that interventions don't take complete account of these uncertainties, leading to challenges as conditions evolve.	USP to screen for environmental and social risks, plan mitigation measures, and identify any required safeguards and monitoring processes. This will ensure that risks inherent to each USP's unique environment and social setting are considered, and the USP will not go ahead if the risks are deemed unacceptable. Updated data and information from various sources will be used for project design and implementation, including each USP's in-depth review process and risk assessment.
12. Pollution prevention and resource efficiency	X	Risk: low Impact: medium	Unintended outcomes – efforts to prevent pollution or enhance resource efficiency might inadvertently lead to other negative impacts, especially if the full environmental context is not considered. Trade-offs – balancing adaptation needs with pollution prevention and resource efficiency can lead to conflicts between the desire to protect natural areas and the urgency of addressing climate impacts.	Because this project includes USPs, an in-depth review process and risk assessment will be conducted for each USP to screen for environmental and social risks, plan mitigation measures, and identify any required safeguards and monitoring processes. This will ensure that risks inherent to each USP's unique environment and social setting are considered, and the USP will not go ahead if the risks are deemed unacceptable. Consideration will be provided to prioritize nature-based solutions to achieve adaptation goals.
13. Public health	X	Risk: low Impact: high	Inadequate consideration of public health – there is a risk that interventions may not adequately consider the public health implications of their activities, which could lead to unintended negative impacts on vulnerable communities.	See above under 1, which includes ensuring compliance with laws, regulations, and LGA guidelines regarding public health. Because this project includes USPs, an in-depth review process and risk assessment (including health impact screening) will be conducted for each USP to screen for environmental and social risks, plan mitigation measures, and identify any required safeguards and monitoring processes. This will ensure that risks inherent to each USP's unique environment and social setting are considered, and the USP will not go ahead if the risks are deemed unacceptable.
14. Physical and cultural heritage	X	Risk: low Impact: low	Initial consultations have not identified the presence of physical and cultural sites. However, further assessment will be conducted during the project proposal phase. Trade-offs – balancing adaptation priorities with the preservation of physical and cultural heritage can be challenging, leading to potential tensions within communities.	See above under 1, which includes ensuring compliance with laws, regulations, and LGA guidelines regarding preserving physical and cultural sites. Consultations during the proposal development stage to identify any presence of physical and cultural sites to be included as a consideration when developing interventions under this project.
15. Lands and soil	X	Risk: medium Impact: high	Land-use conflicts – balancing different land uses for conservation and development purposes can	See above under 1, which includes ensuring compliance with laws, regulations, and LGA guidelines regarding land

conservation			lead to a risk of conflict among stakeholders with varying interests, including trade-offs with agriculture. Unintended hydrological impacts – some soil conservation measures can affect local hydrology, leading to risks of water availability and quality changes, which is already a significant issue for the region.	use. Because this project includes USPs, an in-depth review process and risk assessment will be conducted for each USP to screen for environmental and social risks, plan mitigation measures, and identify any required safeguards and monitoring processes. This will ensure that risks inherent to each USP's unique environment and social setting are considered, and the USP will not go ahead if the risks are deemed unacceptable. Consideration will be provided to prioritize nature-based solutions to achieve adaptation goals.

Annex 7: Environmental and Social Screening and Environmental and Social Management Plan

This annex contains the following sections:

1. Summary description of the project
2. Screening and Categorization of the project
3. Environmental and Social Management and Monitoring Plan

1. Summary description of the project

The overarching objective of the GRACE-LoCALplus project is to strengthen the climate resilience of vulnerable mountain communities (particularly women and local tribal communities), ecosystems, and economies in the CHT. The project aims to establish a performance-based climate resilience top-up financing mechanism targeting concrete climate change adaptation interventions. The project aims to achieve the following two objectives:

- Enhanced capacity of local governments and vulnerable communities to build resilience to climate change impacts
- Enhanced country systems to access climate finance and deliver locally-led adaptation

Component 1 of the project focuses on capacity building and mainstreaming Climate Change Adaptation (CCA) into the local government system for resilience interventions in line with the Performance-Based Climate Resilience Grant (PBCRG) mechanism. The following activities are included under Component 1:

- 1.1.1. Undertaking of one multi-district climate risk and vulnerability assessment (CRVA) to inform the local adaptation and risk-informed planning and mainstreaming;
- 1.1.2. Establishment of local information systems for adaptation (LISA) to complement the CRVA;
- 1.2.1: Awareness and sensitization activities at local and national level on climate change and the role of local authorities in addressing climate change, through LoCAL (e.g., communication materials, social media, videos, stories, and workshops);
- 1.2.2. Assessment of needs and capacity gaps in relation to key elements of the approach (e.g., CRVA; adaptation planning and mainstreaming; multi-criteria analysis for prioritization and selection of adaptation interventions; gender; accountability and transparency; environmental safeguards);
- 1.2.3: Capacity building activities according to needs and capacity gaps identified (e.g., on-the-job learning; trainings; technical assistance; coaching);
- 1.3.1. Review of CRVA findings and integration of climate change adaptation in local development planning and budgeting in a participatory and gender-sensitive manner.

Component 2 activities will provide a grant facility and PBCRG mechanism for adaptation intervention. The project builds on the experience from the LoCAL I project

(piloted the PBCRG mechanism in one district in Bangladesh) and the Local Government Initiative on Climate Change (LoGIC) project in seven districts (Bagerhat, Barguna, Bhola, Khulna, Kurigram, Patuakhali, Sunamgani) of Bangladesh[191]. Component 2, which is particularly aligned with Outcome 2 of AF's Strategic Results Framework, will have the following activities:

- 2.1.1. Costing, selection, and prioritization of adaptation interventions and investments to be financed through the PBCRGs, in a participatory and gender-sensitive manner, using multiple criteria (e.g., climate risks; LGA capacities; programmatic synergies; geographic diversity; cost-effectiveness of proposed intervention) with Upazila Block grants Coordination Committee and endorsement by the Hill Districts Councils.
- 2.1.2. Support for implementation of selected adaptation interventions and investments with the involvement of local communities (including scheme design and estimates in collaboration with concerned government departments and private organizations experienced in related matters, procurement of contractors, and supervision of scheme implementation by Upazila parishad committees, handover of schemes to operation and maintenance committee).
- 2.2.1: Disbursement of PBCRGs to support the implementation of adaptation interventions and investments in the context of local authorities' annual planning and budgeting cycles.
- 2.2.2: Annual performance assessments (APA) of the participating local authorities, including compliance with minimum conditions for the subsequent year, appraisal against the performance measures, and compliance with the menu of eligible investments.
- 2.2.3: Definition of the PBCRG allocations (formula-based) for the subsequent year and priority capacity-building interventions designed to address weaker performance areas identified under the APA.
- 2.3.1: Reporting in line with UNCDF's Assessing Climate Change Adaptation Framework (ACCAF) and related learning and sharing of good practices emerging from the experience.
- 2.3.2: Policy advice and institutional strengthening of central entities in charge of local authorities, finance, and climate change (e.g., manuals, guidelines, regulatory environment)

2. Screening and Categorization of the project

The project was screened against the 15 Environmental and Social Principles of the Adaptation Fund, using the screening tool presented below. This screening tool consists of a list of around 20 general level 1 questions (indicated with two digits, e.g. 3.1) and around 60 detailed level 2 questions (indicated with three digits, e.g. 3.1.1), corresponding to the 15 principles of the Adaptation Fund Environmental and Social Policy. The level 1 questions need to be answered first and they need to be answered ALL. If a level 1 question is answered with a 'yes', it leads to more detailed questions of level 2. All level 2 questions under a level 1 question that triggered a 'yes' need to be answered. If a level 1 question is answered with a 'no', then the corresponding level 2 questions do not need to be answered.

[191] Overview of LoGIC can be found here: http://rb.gy/8ot82

Answers to the detailed Level 2 questions result in one of three degrees of concern. If any Level 2 question is answered with a 'yes', the indicated degree of concern will determine the degree of concern for the whole activity. This means that if a single question indicates a high degree of concern, the activity is classified as an activity of high concern, and appropriate measures must be taken. If no question is answered with a high degree of concern, but at least one medium-level concern is raised, then the activity is a medium-concern activity. If no Level 1 or Level 2 questions are answered with a 'yes', then the activity is of low concern and no further action is required.

It is possible that a level 1 question is answered with a 'yes' and all associated level 2 questions are answered 'no' as they are more detailed and specific questions of the same issue. If all the level 2 questions are answered 'no', then this area will be of low concern, even if the level 1 questions was answered with a 'yes'. If a potential impact is not covered by any of the L1 or L2 questions, it can be added in the empty box at the end of each of the sections.

Table A7.1: AF Screening Questionnaire

1. Compliance with the law			
		Risk Significance	Mitigation measures
1.1 Is there a risk that the activity would not comply with an applicable domestic or international law?	NO	Low	ICIMOD is committed to complying with both international and national laws. This commitment extends to its partners and contracted service providers, who are also mandated to adhere to these legal standards. To further ensure compliance, ICIMOD has actively involved relevant authorities from the national, departmental, and district levels in the development of its proposals. These authorities will continue to play a crucial role in the project implementation, guaranteeing that all activities align with the applicable laws and regulations. An exhaustive list of laws and regulations the project must ensure compliance with is provided in Part II E and in Annex 6.
1.1.1 Is there a risk that the activity would not comply with an applicable international law?			
1.1.2 Is there a risk that the activity would not comply with an applicable national or local law?			
2. Access and Equity			
2.1 Could the activity lead to changes in local tenure arrangements for existing resources or resources created by the activity?	NO		The project's objective is to strengthen the climate resilience of vulnerable mountain communities. This project is primarily designed to enhance participation and provide equitable access, especially for women and tribal groups in the targeted Upazilas of CHT. The project emphasizes transparency in its intervention selection criteria and aims to ensure understanding and participation among all community members through measures like translations into local languages and regular community consultations. However, the project does not intend to make changes in local tenure arrangements for existing resources or resources created by the activity. The project's goals are more centered around providing equitable access to its activities and preventing disadvantages or conflicts rather than altering existing resource ownership or management structures.
2.1.1 Could the activity lead to changes in tenure arrangements that potentially could put groups or individuals at a disadvantage or could lead to disagreements and conflicts?			
2.2 Could the activity create or exacerbate intra- or inter- community conflicts?	YES	Medium	By prioritizing vulnerable communities, such as women and indigenous groups, the project demonstrates a commitment to addressing the needs of marginalized groups. However, if not managed carefully, this focus could lead to perceptions of favoritism or unequal treatment, which could fuel intra-community conflicts. To mitigate these risks, the project is being carried out in coordination with relevant government entities and stakeholders at the institutional and community levels. This collaboration is aimed at preventing any potential escalation of conflicts, whether within or between communities. Additionally, it ensures that the selection of beneficiaries is equitable and focuses on vulnerable groups such as youth and women. Integral to this process is implementing a grievance mechanism (Complaints and Feedback Mechanism) designed to consistently address, resolve, and monitor any

				grievances, incidents, suggestions, or accidents that may arise during the project's implementation. This mechanism is vital in maintaining transparency and responsiveness throughout the project, further contributing to conflict prevention and the fair distribution of benefits.
	2.2.1 Could activities lead to opening up of existing or creating new minor conflicts or disagreements within or between groupings or communities?	NO	Low	The project activities are expected to facilitate better inclusion and participation among the targeted vulnerable communities. To avoid the potential for minor conflicts or disagreements within or between community groups, the project has set up robust measures to ensure fair and equitable access for all, mainly focusing on women, youth, and other vulnerable groups in the project areas. Besides that, throughout the development of the Funding Proposal (FP) and continuing into the implementation phase, in-depth consultations with communities and stakeholders have been conducted and will be maintained. These consultations are crucial for identifying and overcoming barriers to access and equity. This approach aligns with the Adaptation Fund's Environmental and Social Policy (ESP), ensuring that project activities do not inadvertently create or escalate conflicts or disagreements within or between community groups. By maintaining a consistent and transparent dialogue with all stakeholders and ensuring equitable participation, the project aims to foster a harmonious implementation that benefits all involved parties without causing discord.
	2.2.2 Could activities lead to opening up of existing or creating new conflicts or disagreements within or between groupings or communities which potentially could become entrenched, violent, or spread to additional groups or communities?	NO	Low	As above. The project aims to foster greater inclusion and active participation within the CHT community members. Community members will design the USPs and play a leading role in the project implementation process. With active coordination of the government agencies, robust measures will be implemented to minimize the potential for minor conflicts or disagreements within or between community groups, ensuring equitable access for everyone, with a particular emphasis on women, youth, and other vulnerable demographics in the project areas. There is no existing evidence of entrenched or violent conflict or disagreement within or between communities in CHT, which the project could exacerbate.
	2.2.3 Could the activity bring unequal economic benefits to a limited subset of the target group?	YES	Medium	Given the project's focus on equitable access for women and tribal groups in targeted Upazilas, there's a possibility that the activities might bring unequal economic benefits to these groups. To mitigate this risk, the project implementers will strengthen coordination with relevant governmental and community stakeholders to ensure inclusive and fair selection criteria for beneficiaries. This approach aims to ensure that all segments within the vulnerable groups receive equitable economic benefits. A grievance mechanism (Complaints and Feedback Mechanism) will be established, via the Upazila Standing Committee on Environment, Forest and Climate Change, to continuously monitor and address any grievances, incidents, or suggestions, ensuring fair distribution of economic benefits during the project's design and implementation phases.
	2.2.4 Could the activity lead to increased un-employment that would not be absorbed by other sectors or activities?	NO	Low	The project activities are not designed to directly increase or decrease employment but to enhance local capacities and resilience to climate risks. The focus on collecting data and evidence on climate risks, building capacity, updating local plans, and implementing climate adaptation interventions primarily aims to improve decision-making and planning for climate change. The project will also

				design PBCRG based on active community consultation. The project's activities, such as capacity building for local governments and communities and developing local adaptation plans, are more likely to shift the nature of employment rather than reduce it.
2.3 Could the target beneficiaries or stakeholders be dissatisfied due to limited consultation during activity design or implementation (including due to inadequate Complaints and Feedback Mechanisms)?		NO	Low	In-depth consultations have been conducted during the Concept Note (CN) and Funding Proposal (FP) phases and will be maintained throughout the project implementation. An independent grievance and feedback system will be available to support the project, its beneficiaries, and other relevant stakeholders. Details about this mechanism will be broadly distributed to ensure stakeholders have straightforward access. The Grievance Mechanism is described in Annex 8.
	2.3.1 Could the activity lead to dissatisfaction or negative impacts due to lack of beneficiary or other stakeholder participation in planning, design, implementation, or general decision making?			
	2.3.2 Is there a risk that not all relevant stakeholders, and especially marginalised or vulnerable groups, have been identified and consulted or that they have been exposed to internal or external pressure or coercion or not able to comprehend the consultations?			
	2.3.3 Could there be negative impacts due to an inadequate Complaints and Feedback Mechanism during project implementation?			
3. Marginalized and Vulnerable Groups				
3.1 Could the activity impose disproportionate adverse impacts on marginalized and vulnerable groups?		NO	Low	Given the project's exclusive focus on engaging and empowering marginalized and vulnerable groups, including women and tribal communities, and the tailored measures like the PBCGF framework and specialized consultations, it appears unlikely that the activities would impose disproportionate adverse impacts on marginalized and vulnerable groups. The project's approach is intentionally designed to support and benefit these communities, reducing the risk of disproportionate adverse effects.
	3.1.1 Is there a likelihood that the activity would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups?			
	3.1.2 Could the activity potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?			
	3.1.3 Could the activity aggravate the situation of vulnerable, marginalised, or otherwise disadvantaged individuals or groups?			
3.2 Could the activity lead to influx of a temporary or permanent alien workforce?		NO	Low	This project emphasizes local capacity building, engagement of marginalized and vulnerable groups, and the development of local adaptation plans. Also,

				the project's focus is on leveraging and enhancing local knowledge and skills, particularly among women and indigenous groups in the targeted areas, rather than relying on external labor. Therefore, it does not appear that the activities would lead to an influx of a temporary or permanent alien workforce.
	3.2.1 Could the activity lead to influx of a temporary or permanent alien workforce of relatively small size in a relatively isolated or culturally sensitive community?			
	3.2.2 Could the activity lead to influx of a relatively large temporary or permanent major alien workforce (>10% of existing community) or a smaller group which could be expected to have important cultural, health, or socio-economic impact on a local community?			
4. Human Rights				
4.1. Could the activity fail to respect human rights?		NO	Low	The ICIMOD and its partners affirm the fundamental human rights of all people. The project and its intended activities do not risk violating any human rights pillar.
	4.1.1 Could the activity lead to violation of fundamental human rights as defined by international, national or local law?			
	4.1.2 Could the activity of partners, contractors, or suppliers, lead to violation of fundamental human rights as defined by international, national or local law?			
5. Gender Equality and Women's Empowerment				
5.1 Could the activity lead to gender-based inequality, discrimination, exclusion, unwanted workload, or violence?		NO	Low	Considering the project's emphasis on gender equality, aiming to include at least 50% of women beneficiaries, and the integration of gender mainstreaming and social inclusion in its implementation strategy, it is unlikely that the activities would lead to gender-based inequality, discrimination, exclusion, increased workload, or violence. The project has been designed to empower women and ensure equitable benefits from its activities. The involvement of gender equality experts in the proposal development phase and the commitment to gender-sensitive practices mitigate the risks of gender-based adverse outcomes. This approach, centered around gender equality and addressing women's challenges in climate resilience, aims to ensure balanced and safe participation for all genders in the project's activities.
	5.1.1 Could the activity lead to gender-based violence?			
	5.1.2 Could the activity create or amplify conditions for gender-based inequalities?			
	5.1.3 Could the activity lead to gender inequities in who makes decisions?			
	5.1.4 Could the activity lead to increased unpaid work for women and girls?			
6. Core Labour Rights				
6.1 Could the activity fail to respect		NO	Low	Given the project's commitment to adhering to laws,

core labour rights?				regulations, and local government authority guidelines and its specific focus on complying with national and international labor standards, it is unlikely that the activities would fail to respect core labor rights. The IE and its partners also respect international and national labor laws and codes. ICIMOD recognizes the principles and international standards on the matter established by the AF and the relevant international legal framework and applies them internally and in its relationships with third parties.
	6.1.1 Does the activity involve support for employment or livelihoods that may fail to comply with national and international labour standards (e.g. principles and standards of ILO fundamental conventions)?			
	6.1.2 Could the activity, or that of partners, contractors, or suppliers, involve use of child (<14y) or forced labour?			
7. Indigenous Peoples				
7.1 Does the activity involve indigenous peoples or could it affect indigenous peoples?		Yes	Low	The project activities involve indigenous peoples and are designed to affect them positively. The project specifically focuses on integrating local indigenous groups, ensuring their direct involvement in special interventions, and respecting their unique cultural, social, and economic characteristics. This approach indicates a clear involvement of indigenous peoples in the project.
	7.1.1 Could the activity negatively affect indigenous peoples, culturally or otherwise, without their specific Free, Prior, Informed Consent (FPIC)?	No	Low	Through the LoCAL PBCGF mechanism, indigenous people will be given a voice in the intervention design and decision-making processes. FPIC will be obtained from all the participating members during the consultation process with the indigenous community. Besides that, the project's initiatives are shaped to empower indigenous community members and acknowledge their unique knowledge about the CHT ecosystem.
8. Involuntary Resettlement				
8.1. Could the activity lead to resettlement?		NO	Low	The project is not expected to lead to involuntary resettlement, either in physical or economic terms.
	8.1.1 Could the activity lead to involuntary economic or physical resettlement of households or individuals?			
9. Protection of Natural Habitats				
9.1 Could the activity lead to negative impacts on natural habitats?		NO	Low	By conducting detailed reviews and risk assessments for each Unidentified Sub-Project (USP), the project will actively work to protect natural habitats. These assessments will be tailored to each USP's unique environmental and social contexts, ensuring that any potential impacts are thoroughly evaluated and addressed. Additionally, the project prioritizes nature-based solutions for adaptation and habitat restoration, minimizing the risk of negative impacts on natural habitats. Conversely, the project's activities are specifically designed to align with environmental sustainability. This includes implementing avoidance measures for USPs to ensure they do not harm sensitive ecological areas or introduce invasive species. These measures ensure the project's development activities are harmonious with existing natural environments. In the project, there is a provision for regular monitoring and safeguarding measures for each USP to prevent any adverse effects on natural habitats.

				Moreover, the project's careful planning and proactive environmental strategies suggest that its activities are not expected to impact natural habitats adversely. The focus on avoiding interventions in sensitive areas and the commitment to preserving the integrity of natural ecosystems underlines this approach. Furthermore, the project's small-scale nature and local adaptation focus implies that any residual impact on the environment or habitats would likely be minimal and manageable. Avoidance measures in place include: • Avoiding interventions in sensitive ecological areas. • Extensive community consultation during the PBCGF mobilization Ensuring that development is compatible with the existing natural environment.
	9.1.1 Could there be negative impacts on critical migration corridors of endangered or otherwise or important animal or insect species?			
	9.1.2 Could the activity lead to increase in unregulated or unlicensed collecting, hunting, or fishing?			
	9.1.3 Could a natural habitat be significantly degraded, fragmented, or more than half of extent destroyed?			
	9.1.4 Could a natural habitat be almost fully destroyed or degraded so that it no longer could function as natural habitat for the original fauna/flora?			
9.2 Could the activity lead to negative impacts in protected or internationally recognised areas?		NO	Low	The project's approach, particularly in avoiding interventions in sensitive ecological areas based on community consultation, is designed to minimize potential adverse impacts on protected or internationally recognized areas. Although the project includes USPs and these USPs cannot be screened or assessed at this time, a review process and risk assessment will be conducted for each USP to screen for any negative impacts in protected or internationally recognized areas. If such risk is identified, the project will initiate mitigation measures and identify any required safeguards and monitoring processes. This will ensure that risks inherent to each USP's unique project setting are considered and mitigated. In the project, there is a provision for regular monitoring and safeguarding measures for each USP to avoid any negative impacts in protected or internationally recognized areas.
	9.2.1 Will any major constructions be located close (<200m) to critical habitats, protected areas, or areas of particular or locally recognised ecological significance?			
	9.2.2 Could the activity lead to negative impacts on protected or internationally recognised areas?			
10. Conservation of Biological Diversity				
10.1 Could the activity lead to negative impacts on biodiversity or endangered species?		NO	Low	Considering the project's thorough review and risk assessment process for each Unidentified Sub-Project (USP), with a special emphasis on assessing environmental and social risks and their potential impacts on local ecosystems, it is unlikely

				that the activities would negatively impact biodiversity or endangered species. Although these USPs cannot be screened or assessed at this time, a review process and risk assessment will be conducted for each USP to screen for environmental and social risks, plan mitigation measures, and identify any required safeguards and monitoring processes. This will ensure that risks inherent to each USP's unique environment and biodiversity setting are considered, mitigated and the overall project risk category B is not exceeded. The project's strategy to avoid interventions that might disrupt local biodiversity, such as introducing non-native species, and its focus on leveraging indigenous species and diverse ecological practices further mitigates this risk. Regular monitoring and safeguarding measures for each USP are also in place to prevent any adverse effects on biodiversity. Additionally, the project's emphasis on nature-based solutions, prioritizing habitat restoration and adaptation methods that support biodiversity, ensures the avoidance of harm and a positive contribution to ecological enhancement in the project areas.
	10.1.1 Could the activity lead to degradation of biodiversity or significant reduction in one or more common animal, insect, or plant species?			
	10.1.2 Could the activity lead to loss (eradication or removal from local area) of one or more animal, insect, or plant species?			
	10.1.3 Could there be negative impact on any endangered or critically endangered animal, insect, or plant species?			
	10.1.4 Could the activity lead to introduction of invasive alien varieties or species which could influence local genetic resources?			
	10.1.5 Could the activity lead to introduction of invasive alien varieties or species which potentially could eradicate, change, or significantly reduce local naturally occurring varieties or species?			
	10.1.6 Could the activity introduce genetically altered organisms?			
11. Climate Change				
11.1 Could the activity lead to increased exposure, increased vulnerability, or reduced resilience of beneficiaries to the effects of climate change?		NO	Low	Given the project's detailed focus on assessing and mitigating climate risks for each Unidentified Sub-Project (USP), along with the use of updated data and information to design climate-resilient interventions, it is unlikely that the activities would lead to increased exposure, increased vulnerability, or reduced resilience of beneficiaries to the effects of climate change. The project aims to strengthen the climate resilience of vulnerable mountain communities. The project's approach, which includes planning for adaptation measures and continuous monitoring of climate adaptation and mitigation strategies, is specifically aimed at reducing vulnerability and

				enhancing the resilience of beneficiaries to climate change.
	11.1.1 Could the activities result in increased exposure to climate induced hazards?			
	11.1.2 Could the activity result in beneficiaries being more vulnerable to climate-related stresses?			
	11.1.3 Could the activity lead to beneficiaries having less means or options to withstand shocks resulting from extreme weather events (floods, storms, drought)?			
11.2 Could the activity lead to increases in greenhouse gas (GHG) emissions or to reduction of carbon sinks?		NO	Low	Considering the project's emphasis on climate change mitigation and adaptation in its design and implementation, it is unlikely that the activities would lead to increased greenhouse gas (GHG) emissions or reduced carbon sinks. The project's approach, including assessing environmental and social factors and focusing on climate-resilient interventions, suggests a commitment to minimizing GHG emissions and preserving or enhancing carbon sinks. The use of updated data for planning and implementing each Unidentified Sub-Project (USP), along with the monitoring mechanisms to evaluate the effectiveness of climate strategies, further indicates that the project is designed to support climate change mitigation efforts.
	11.2.1 Could the activity lead to significant increases in GHG emissions during operation phase?			
	11.2.2 Could the activity lead to significant degradation or destruction of elements which absorbs and stores carbon from the atmosphere (trees, plants, soils)?			
12. Pollution Prevention and Resource Efficiency				
12.1 Could the activity lead to significantly increased release of pollution to air, land, or water during construction or operation?		NO	Low	None of the activities in the project will release pollutants into the air, soil, or water. Given the project's comprehensive strategy to assess each Unidentified Sub-Project (USP) for pollution risks and prioritize resource efficiency, it is unlikely that the activities would lead to a significantly increased release of pollution to air, land, or water during construction or operation. The project's emphasis on minimizing environmental impacts, preventing pollution, and employing nature-based solutions suggests a commitment to reducing pollution in all forms. Additionally, the focus on sustainable resource use and waste reduction aligns with minimizing the release of pollutants throughout the project's lifecycle. During the implementation phase, regular monitoring and safeguarding measures will be in place to prevent the release of any pollutants into the air, soil, or water.
	12.1.1 Could the activity lead to a dangerous increase in release of pollutants (incl. noise) to air, land, or water during construction or as result of accidents?			
	12.1.2 Could the activity lead to a dangerous increase in release of pollutants (incl. noise) to air, land, or water during normal operation?			

	12.1.3 Will the activity lead to any open burning of plastic waste during construction or operation?			
	12.1.4 Could the activity lead to significant negative impacts on visual aesthetic values?			
	12.1.5 Could the activity lead to discharge of untreated wastewater to the environment?			
12.2 Could the activity lead to procurement, transport, or use of chemicals, hazardous materials, or ozone depleting substances subject to international bans?		NO	Low	Based on the project's approach, which includes a thorough assessment of environmental impacts and a focus on minimizing pollution and resource efficiency, it is unlikely that the activities would involve the procurement, transport, or use of chemicals, hazardous materials, or ozone-depleting substances that are subject to international bans. The project's commitment to environmental sustainability and adherence to best practices suggests a conscientious approach to avoiding harmful substances. Regular monitoring and safeguarding measures will be in place to prevent and address the procurement, transport, or use of chemicals, hazardous materials, or ozone-depleting substances.
	12.2.1 Could the activity lead to procurement, transport, or use of chemicals or other hazardous materials, including asbestos and ozone depleting gases which will not be handled and disposed of safely by following normal Standard Operating Procedures?			
	12.2.2 Could the activity lead to procurement, transport, or use of chemicals or other hazardous materials subject to international bans?			
12.3 Could the activity lead to increased use of agro-chemicals?		NO	Low	The community members emphasized agriculture and water management-related interventions during the consultation session. Although the project includes USPs, which cannot be screened or assessed at this time, a review process and risk assessment will be conducted for each USP to screen for any harmful activities that could lead to increased use of agrochemicals. Ultimately, if such risk is identified, the project will initiate mitigation measures, and identify any required safeguards and monitoring processes. Regular monitoring and safeguarding measures will be in place to prevent any activities that could lead to increased agro-chemical use. Given the project's specific focus on conserving the ecosystem, it is unlikely that the activities would lead to increased agro-chemical use. Avoidance measures in place include: • Extensive community consultation during the PBCGF mobilization • Collaborating with relevant government agencies to identify any project activities that could lead to increased agro-chemical use. Ensuring that development is compatible with the existing natural environment.
	12.3.1 Could the activity lead to use of agro-chemicals that potentially could be replaced or reduced by alternative			

	environmentally friendly products or techniques?			
	12.3.2 Could the activity lead to use of pesticides or other chemicals, which could have an unintended effect on non-target species and environment?			
	12.3.3 Could the activity lead to use of WHO class 1a, 1b, or Class II pesticides without proper application of the International Code of Conduct on Pesticide Management?			
	12.3.4 Could the activity lead to use of pesticides, herbicides or other chemicals or materials containing or polluted by Persistent Organic Pollutants (POP's) as listed by the Stockholm Convention?			
12.4 Could the activity lead to very high resource use (such as fuel or water) during operation?		NO	Low	Considering the project's emphasis on resource efficiency and adopting sustainable practices, it is unlikely that the activities would lead to very high resource use, such as excessive consumption of fuel or water, during operation. These practices generally aim to optimize resource use and reduce environmental impacts.
	12.4.1 Could the activity lead to more than 100,000 litres per year of diesel, in vehicles and/or generators?			
	12.4.2 Could the activity lead to major use of water from unsustainable sources (bottled and transported, gradual depletion of ground- or surface-water, change of local waterways etc.)?			
12.5 Could the activity lead to generation or transport of hazardous or non-hazardous waste which could have negative environmental impacts?		NO	Low	Given the project's commitment to resource efficiency, promoting climate change adaptation practices, and minimizing environmental impacts, it is unlikely that the activities would lead to generating or transporting hazardous or non-hazardous waste that could have negative environmental effects. Regular monitoring and safeguarding measures will be in place to prevent any activities that could lead to generating or transporting hazardous or non-hazardous waste.
	12.5.1 Could the activity lead to significant increase in generation of waste that will not be disposed of in an environmentally friendly manner (recycled, re-used, or recovered) by ICIMOD, beneficiaries, or third parties?			
	12.5.2 Could the activity lead to generation of hazardous waste which will not be handled and disposed of safely by following normal Standard Operating Procedures?			
13. Public Health				
13.1 Could the activity lead to increased risk to community health and safety from use of equipment, materials, transportation, or natural hazards?		NO	Low	The project will not have any detrimental effect on public health. It is unlikely that the USP activities would lead to increased risk to community health and safety from using equipment, materials, transportation, or natural hazards. Each Unidentified Sub-Project (USP) will undergo an extensive review and risk assessment, including a health impact

				screening. This process will ensure compliance with laws, regulations, and local government authority guidelines regarding public health. The assessment will also identify and address any potential health risks associated with each USP's environmental and social context. The focus on enhancing community capacity building suggests a commitment to mitigating risks and improving overall community health and safety. The project's design appears to be mindful of minimizing potential negative impacts related to equipment, materials, transportation, and natural hazards.
	13.1.1 Could activities during construction or operation phase lead to increased community risks from e.g. increased traffic, inappropriate design or use of equipment and materials which would not be handled by following normal Standard Operating Procedures?			
	13.1.2 Could the activity cause community exposure to water-born, water-based, water-related, vector-born or communicable diseases?			
14. Physical and Cultural Heritage				
14.1 Could the activity negatively affect heritage?		NO	Low	Given the project's strong emphasis on respecting and preserving physical and cultural heritage, coupled with the thorough consultations during the USP proposal development, it is unlikely that the project activities would negatively affect heritage. Each USP will undergo an extensive review and risk assessment, including assessing the impact of project activities that can impact heritage. The project is specifically designed and implemented to avoid disrupting or harming any identified physical or cultural sites, ensuring their integrity and value are maintained. Regular monitoring and safeguarding measures will be in place to prevent any activities that could negatively affect heritage.
	14.1.1 Could the activity negatively impact any form of physical or cultural heritage?			
15. Land and Soil Conservation				
15.1 Could the activity lead to negative impacts on soils, groundwater, water bodies, water ways, coastal areas, or the sea		NO	Low	Given the project's focus on sustainable natural resource management practices, it is unlikely that the activities would negatively impact soils, groundwater, water bodies, waterways, coastal areas, or the sea. The USPs will be designed to promote sustainable land and water resource management, aiming to protect and enhance these environmental elements. Regular monitoring and safeguarding measures will be in place to prevent any activities that could negatively impact soils, groundwater, water bodies, waterways, coastal areas, or the sea.
	15.1.1 Could there be significant impacts on quality or quantity of surface- or ground-water?			
	15.1.2 Could the activity lead to major changes in flow regimes of local waterways, conditions of water bodies, or coastal areas?			
	15.1.3 Could the activity lead to increased soil erosion, run-off, or			

	significant changes to soil characteristics?			
	15.1.4 Could the activity lead to serious soil erosion (e.g. major gullies, sheet erosion etc.) or major detriments to soil quality over a large or locally important area?			
15.2 Could the activity lead to negative impacts on forests, wetlands, farming or grazing land, or other landscape elements of ecological or economic importance?		NO	Low	Considering the project's emphasis on ecosystem conservation and local community-based management, it is unlikely that the activities would negatively impact forests, wetlands, farming or grazing land, or other landscape elements of ecological or economic importance. The interventions appear to enhance and protect these vital ecological and economic resources.
	15.2.1 Could the activity lead to degradation or fragmentation of local forest areas, wetlands, prime farming or grazing land, or other landscape elements of ecological or economic importance?			
	15.2.2 Could forests, wetlands, prime farming or grazing land, or other landscape elements of ecological or economic importance be almost fully destroyed or degraded or heavily fragmented?			
	15.2.3 Could the activity lead to significant increase in consumption of locally sourced fuel-wood?			

The screening was conducted at the project proposal stage and based on information available at this time. Due to the unidentified sub-projects (USPs) of Component 2, some of the screening questions triggered a "**Medium risk" categorization, or ESS category B**. USPs will be further screened prior to implementation to identify potential new risks and adopt appropriate mitigation measures to be captured by relevant ESMPs for implementation, monitoring, and reporting. For this purpose, the UNDP/UNCDF Social and Environmental Screening Template will be applied at each investment to be funded by the project (please refer to Table A7.4 below)

Indirect, transboundary, and cumulative risks and impacts

In addition to the potential direct risks posed by project activities, the environmental and social risk screening process considered potential indirect, transboundary, and cumulative risks and impacts that could result from the project activities. These considerations have been integrated into the risk screening set out above, in Part II.K, and in Annex 6 of the proposal. The following table summarizes the more overarching potential indirect, transboundary, and cumulative impacts and risks.

Table A7.2 Indirect, transboundary, and cumulative risks and impacts

Risk category	Description	Significance	No further assessment required
Transboundary risks	No terrestrial transboundary risks have been identified as the project activities are small-scale and localized. The inland project activities under Component 2 will not result in any coastal or marine impacts that could lead to physical or environmental transboundary risks. Project activities under Component 1 will lead to enhanced community capacity building and mainstreaming Climate Change Adaptation (CCA) into the local government system for resilience interventions.	**No risk; No physical or environmental** transboundary risks	X
Indirect and/or cumulative physical or environmental risks	Due to the small-scale and localized nature of the project activities and the fact that all activities are designed to be positively synergistic, no indirect and/or cumulative physical or environmental risks are expected.	**No risk**	X
Cumulative economic effects	By building the capacity of local governments and including communities to build resilience to climate change impacts, the project ensures that there will be the institutional capacity to continue climate adaptation work after the funding from the project ends. The project will also enhance country systems to access climate finance and deliver on locally-led adaptation, all while contributing to Bangladesh's climate resilience plans, policies, and strategies. The project activities will positively affect local community members' climate change adaptation capacity.	**No risk; Positive cumulative effects**	X

3. Environmental and Social Management and Monitoring Plan

Table A7.3: Risk mitigation measures for residual risks identified and related monitoring arrangements

ES Principles	Compliance	Potential risk, impact	Details of potential risks	Measures to address risks
1. Compliance with the Law	X	Risk: low Impact: Impact	Lack of compliance - possible lack of compliance with laws, regulations, and LGA rules and guidelines (e.g., no planning permission, environmental permits, or construction permits) by grantees during the implementation of interventions	The project will ensure that a description of the legal and regular frameworks will be required for all interventions and grantees to ensure that compliance is met throughout the implementation of the project
2. Access and equity	X	Risk: low Impact: low	Lack of capacity – some stakeholders may not have the technical capacity to participate in the project. Inadequate representation and participation – if stakeholders do not see the value of participating, some communities may not be adequately represented. Competitive access – intense competition for funding among communities may lead to conflicts over resource allocation.	The project's Component 1 will focus on building capacity for stakeholders to ensure they can effectively participate in the project and apply for grants. Awareness building of the project based on transparent information will be produced and shared with Upazilas, including translated into relevant local languages. Transparent criteria will be used for the selection of interventions, with a focus on ensuring greater participation by vulnerable communities (women and tribal groups).
3. Marginalized and vulnerable groups	X	Risk: low Impact: low	See above under 2. Exclusion and marginalization – despite the project's aim to support marginalized and vulnerable groups, there is a risk that certain groups may still be excluded. Power imbalances and lack of participation – groups may face power imbalances making it difficult for them to participate meaningfully in the projects.	See above under 2. The LoCAL PBCGF mechanism ensures the active participation of project stakeholders in the design of the interventions and decision-making, including marginalized and vulnerable groups (including women and tribal groups), providing a safe space for engagement and participation. Consultations during the proposal development stage to inform such groups of the project and participation opportunities.
4. Human rights	X	Risk: low Impact: low	Inadequate consideration of human rights – there is a risk that interventions may not adequately consider the human rights implications of their activities, which could lead to unintended negative impacts on vulnerable communities.	See above under 1, which includes ensuring compliance with laws, regulations, and LGA guidelines regarding human rights.
5. Gender equality and women's empowerment	X	Risk: low Impact: low	See above under 2 and 3. Superficial integration: despite the project's aim to target women and girls, there is a risk that gender considerations are integrated superficially without valuing	See above under 2 and 3. The project aims for at least 50% of women beneficiaries. Consultations with gender equality experts during the proposal development stage to ensure the

ES Principles	Compliance	Potential risk, impact	Details of potential risks	Measures to address risks
			their input and leadership, which could lead to ineffective outcomes. Unequal distribution of benefits – there is a risk that the interventions may inadvertently benefit men more than women if gender-specific needs are not adequately addressed, leading to further gender disparities.	project is responsive to various gender needs and roles. The project will apply gender mainstreaming and social inclusion best practices throughout the design and implementation of the project, including focusing on gender equality and women's empowerment-specific interventions.
6. Core labor rights	X	Risk: low Impact: low	Inadequate consideration of core labor rights – there is a risk that interventions may not adequately consider the core labor rights implications of their activities, which could lead to unintended negative impacts on vulnerable communities.	See above under 1, which includes ensuring compliance with laws, regulations, and LGA guidelines regarding core labor rights.
7. Indigenous Peoples	X	Risk: low Impact: low	See above under 2 and 3. Superficial integration: despite the project's aim to target Indigenous Peoples, there is a risk that considerations are integrated superficially without valuing their input and leadership, which could lead to ineffective outcomes. Unequal distribution of benefits – there is a risk that the interventions may inadvertently benefit other communities than Indigenous Peoples if their needs are not adequately addressed, leading to further disparities.	See above under 2 and 3. The project aims to reach 15% of the population, including the proportion of local tribal groups. The project will apply social inclusion best practices throughout the design and implementation of the project, including focusing on specific interventions with the involvement of tribal groups.
8. Involuntary resettlements	No observed risks	Risk: low Impact: low	Not anticipated, as there will be no involuntary resettlement in this project	N/A
9. Protection of natural habitats	X	Risk: low Impact: high	Unintended ecosystem disturbances – some intervention activities may inadvertently disturb natural habitats, leading to unintended negative ecological impacts. Trade-offs – balancing adaptation needs with habitat projection can lead to conflicts between the desire to protect natural areas and the urgency of addressing climate impacts.	Because this project includes USPs, an in-depth review process and risk assessment will be conducted for each USP to screen for environmental and social risks, plan mitigation measures, and identify any required safeguards and monitoring processes. This will ensure that risks inherent to each USP's unique environment and social setting are considered, and the USP will not go ahead if the risks are deemed unacceptable. Consideration will be provided to prioritize nature-based solutions to achieve adaptation goals and habitat restoration efforts.
10.	X	Risk: low	Inadequate understanding of biodiversity –	Because this project includes USPs, an in-depth

ES Principles	Compliance	Potential risk, impact	Details of potential risks	Measures to address risks
Conservation of biological diversity		Impact: high	some interventions may not fully consider the complexity of local biodiversity and ecosystems, leading to unintended negative impacts on species and habitats. Trade-offs – balancing adaptation needs with the conservation of biological diversity can lead to conflicts between the desire to protect natural areas and the urgency of addressing climate impacts.	review process and risk assessment will be conducted for each USP to screen for environmental and social risks, plan mitigation measures, and identify any required safeguards and monitoring processes. This will ensure that risks inherent to each USP's unique environment and social setting are considered, and the USP will not go ahead if the risks are deemed unacceptable. Consideration will be provided to prioritize nature-based solutions to achieve adaptation goals and habitat restoration efforts.
11. Climate change	X	Risk: medium Impact: high	Proposed project interventions are not expected to generate significant greenhouse gases or exacerbate climate change. Maladaptation and limited effectiveness – there are risks that adaptation interventions are not well-planned or based on a solid understanding of local contexts, which can lead to maladaptation and inadequate outcomes. Uncertain future conditions – climate change impacts are uncertain and can change over time; there is a risk that interventions don't take complete account of these uncertainties, leading to challenges as conditions evolve.	Because this project includes USPs, an in-depth review process and risk assessment will be conducted for each USP to screen for environmental and social risks, plan mitigation measures, and identify any required safeguards and monitoring processes. This will ensure that risks inherent to each USP's unique environment and social setting are considered, and the USP will not go ahead if the risks are deemed unacceptable. Updated data and information from various sources will be used for project design and implementation, including each USP's in-depth review process and risk assessment.
12. Pollution prevention and resource efficiency	X	Risk: low Impact: medium	Unintended outcomes – efforts to prevent pollution or enhance resource efficiency might inadvertently lead to other negative impacts, especially if the full environmental context is not considered. Trade-offs – balancing adaptation needs with pollution prevention and resource efficiency can lead to conflicts between the desire to protect natural areas and the urgency of addressing climate impacts.	Because this project includes USPs, an in-depth review process and risk assessment will be conducted for each USP to screen for environmental and social risks, plan mitigation measures, and identify any required safeguards and monitoring processes. This will ensure that risks inherent to each USP's unique environment and social setting are considered, and the USP will not go ahead if the risks are deemed unacceptable. Consideration will be provided to prioritize nature-based solutions to achieve adaptation goals.
13. Public health	X	Risk: low Impact: high	Inadequate consideration of public health – there is a risk that interventions may not adequately consider the public health implications of their activities, which could	See above under 1, which includes ensuring compliance with laws, regulations, and LGA guidelines regarding public health. Because this project includes USPs, an in-depth

ES Principles	Compliance	Potential risk, impact	Details of potential risks	Measures to address risks
			lead to unintended negative impacts on vulnerable communities.	review process and risk assessment (including health impact screening) will be conducted for each USP to screen for environmental and social risks, plan mitigation measures, and identify any required safeguards and monitoring processes. This will ensure that risks inherent to each USP's unique environment and social setting are considered, and the USP will not go ahead if the risks are deemed unacceptable.
14. Physical and cultural heritage	X	Risk: low Impact: low	Initial consultations have not identified the presence of physical and cultural sites. However, further assessment will be conducted during the project proposal phase. Trade-offs – balancing adaptation priorities with the preservation of physical and cultural heritage can be challenging, leading to potential tensions within communities.	See above under 1, which includes ensuring compliance with laws, regulations, and LGA guidelines regarding preserving physical and cultural sites. Consultations during the proposal development stage to identify any presence of physical and cultural sites to be included as a consideration when developing interventions under this project.
15. Lands and soil conservation	X	Risk: medium Impact: high	Land-use conflicts – balancing different land uses for conservation and development purposes can lead to a risk of conflict among stakeholders with varying interests, including trade-offs with agriculture. Unintended hydrological impacts – some soil conservation measures can affect local hydrology, leading to risks of water availability and quality changes, which is already a significant issue for the region.	See above under 1, which includes ensuring compliance with laws, regulations, and LGA guidelines regarding land use. Because this project includes USPs, an in-depth review process and risk assessment will be conducted for each USP to screen for environmental and social risks, plan mitigation measures, and identify any required safeguards and monitoring processes. This will ensure that risks inherent to each USP's unique environment and social setting are considered, and the USP will not go ahead if the risks are deemed unacceptable. Consideration will be provided to prioritize nature-based solutions to achieve adaptation goals.

Table A7.4 - UNCDF Social and Environmental Screening Template

Project Information

Project Information	
1. Project Title	

2. Project Number (e.g. Atlas project ID, PIMS+)	
3. Location (Global/Region/Country)	
4. Project stage (Design or Implementation)	
5. Date	

Part A. Integrating Programming Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Programming Principles in Order to Strengthen Social and Environmental Sustainability?
Briefly describe in the space below how the project mainstreams the human rights-based approach
Briefly describe in the space below how the project is likely to improve gender equality and women's empowerment
Briefly describe in the space below how the project mainstreams sustainability and resilience
Briefly describe in the space below how the project strengthens accountability to stakeholders

Part B. Identifying and Managing Social and Environmental Risks

QUESTION 2: What are the Potential Social and Environmental Risks? *Note: Complete SESP Attachment 1 before responding to Question 2.*	**QUESTION 3: What is the level of significance of the potential social and environmental risks?** *Note: Respond to Questions 4 and 5below before proceeding to Question 5*			**QUESTION 6: Describe the assessment and management measures for each risk rated Moderate, Substantial or High**
Risk Description (broken down by event, cause, impact)	***Impact and Likelihood (1-5)***	***Significance (Low, Moderate Substantial, High)***	***Comments (optional)***	***Description of assessment and management measures for risks rated as Moderate, Substantial or High***
Risk 1: **Event:** There is a risk that… **Cause**: Because of … **Impact:** It will lead to …	I = **2** L = **2**	Low		The project will work on ….
Risk 2 ….	I = L =			
[add additional rows as needed]				

QUESTION 4: What is the overall project risk categorization?		
Low Risk	☐	
Moderate Risk	☐	
Substantial Risk	☐	
High Risk	☐	

QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are triggered? (check all that apply)				
Question only required for Moderate, Substantial and High Risk projects				
Is assessment required? (check if "yes")	☐			***Status? (completed, planned)***
if yes, indicate overall type and status		☐	Targeted assessment(s)	
		☐	ESIA (Environmental and Social Impact Assessment)	
		☐	SESA (Strategic Environmental and Social Assessment)	
Are management plans required? (check if "yes)	☐			

	If yes, indicate overall type		☐	Targeted management plans (e.g. Gender Action Plan, Emergency Response Plan, Waste Management Plan, others)	

			☐	ESMP (Environmental and Social Management Plan which may include range of targeted plans)	
			☐	ESMF (Environmental and Social Management Framework)	
	Based on identified risks, which Principles/Project-level Standards triggered?		**Comments (not required)**		
	Overarching Principle: Leave No One Behind				
	Human Rights	☐			
	Gender Equality and Women's Empowerment	☐			
	Accountability	☐			
	1. Biodiversity Conservation and Sustainable Natural Resource Management	☐			
	2. Climate Change and Disaster Risks	☐			
	3. Community Health, Safety and Security	☐			
	4. Cultural Heritage	☐			
	5. Displacement and Resettlement	☐			
	6. Indigenous Peoples	☐			
	7. Labour and Working Conditions	☐			
	8. Pollution Prevention and Resource Efficiency	☐			

Final Sign Off

Final Screening at the design-stage is not complete until the following signatures are included

Signature	***Date***	***Description***
QA Assessor		UNCDF staff member responsible for the project, typically a UNCDF Programme Officer. Final signature confirms they have "checked" to ensure that the SESP is adequately conducted.
QA Approver		UNCDF senior manager, typically the UNCDR Deputy Country Director (DCD), Country Director (CD), Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have "cleared" the SESP prior to submittal to the PAC.
PAC Chair		UNCDF chair of the PAC. In some cases PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC.

SESP Attachment 1. Social and Environmental Risk Screening Checklist

Checklist Potential Social and Environmental Risks		
INSTRUCTIONS: The risk screening checklist will assist in answering Questions 2-6 of the Screening Template. Answers to the checklist questions help to (1) identify potential risks, (2) determine the overall risk categorization of the project, and (3) determine required level of assessment and management measures. Refer to the SES toolkit for further guidance on addressing screening questions.		
Overarching Principle: Leave No One Behind **Human Rights**		**Answer (Yes/No)**
P.1	Have local communities or individuals raised human rights concerns regarding the project (e.g. during the stakeholder engagement process, grievance processes, public statements)?	
P.2	Is there a risk that duty-bearers (e.g. government agencies) do not have the capacity to meet their obligations in the project?	
P.3	Is there a risk that rights-holders (e.g. project-affected persons) do not have the capacity to claim their rights?	
Would the project potentially involve or lead to:		
P.4	adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	
P.5	inequitable or discriminatory impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups, including persons with disabilities? [16]	
P.6	restrictions in availability, quality of and/or access to resources or basic services, in particular to marginalized individuals or groups, including persons with disabilities?	
P.7	exacerbation of conflicts among and/or the risk of violence to project-affected communities and individuals?	
Gender Equality and Women's Empowerment		
P.8	Have women's groups/leaders raised gender equality concerns regarding the project, (e.g. during the stakeholder engagement process, grievance processes, public statements)?	
Would the project potentially involve or lead to:		
P.9	adverse impacts on gender equality and/or the situation of women and girls?	
P.10	reproducing discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	
P.11	limitations on women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? *For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being*	
P.12	exacerbation of risks of gender-based violence? *For example, through the influx of workers to a community, changes in community and household power dynamics, increased exposure to unsafe public places and/or transport, etc.*	

[16] Prohibited grounds of discrimination include race, ethnicity, sex, age, language, disability, sexual orientation, gender identity, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender and transsexual people.

Sustainability and Resilience: Screening questions regarding risks associated with sustainability and resilience are encompassed by the Standard-specific questions below		
Accountability		
Would the project potentially involve or lead to:		
P.13	exclusion of any potentially affected stakeholders, in particular marginalized groups and excluded individuals (including persons with disabilities), from fully participating in decisions that may affect them?	
P.14	grievances or objections from potentially affected stakeholders?	
P.15	risks of retaliation or reprisals against stakeholders who express concernsor grievances, or who seek to participate in or to obtain information on the project?	
Project-Level Standards		
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management		
Would the project potentially involve or lead to:		
1.1	adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? *For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes*	
1.2	activities within or adjacent to critical habitats and/or environmentally sensitive areas, including (but not limited to) legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	
1.3	changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard5)	
1.4	risks to endangered species (e.g. reduction, encroachment on habitat)?	
1.5	exacerbation of illegal wildlife trade?	
1.6	introduction of invasive alien species?	
1.7	adverse impacts on soils?	
1.8	harvesting of natural forests, plantation development, or reforestation?	
1.9	significant agricultural production?	
1.10	animal husbandry or harvesting of fish populations or other aquatic species?	
1.11	significant extraction, diversion or containment of surface or ground water? *For example, construction of dams, reservoirs, river basin developments, groundwater extraction*	
1.12	handling or utilization of genetically modified organisms/living modified organisms?[17]	
1.13	utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)[18]	
1.14	adverse transboundary or global environmental concerns?	
Standard 2: Climate Change and Disaster Risks		
Would the project potentially involve or lead to:		

[17] See the Convention on Biological Diversity and its Cartagena Protocol on Biosafety.
[18] See the Convention on Biological Diversity and its Nagoya Protocol on access and benefit sharing from use of genetic resources.

2.1	areas subject to hazards such as earthquakes, floods, landslides, severe winds, storm surges, tsunami or volcanic eruptions?	
2.2	outputs and outcomes sensitive or vulnerable to potential impacts of climate change or disasters? *For example, through increased precipitation, drought, temperature, salinity, extreme events, earthquakes*	
2.3	increases in vulnerability to climate change impacts or disaster risks now or in the future (also known as maladaptive or negative coping practices)? *For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding*	
2.4	increases of greenhouse gas emissions, black carbon emissions or other drivers of climate change?	
Standard 3: Community Health, Safety and Security		
Would the project potentially involve or lead to:		
3.1	construction and/or infrastructure development (e.g. roads, buildings, dams)? (Note: the GEF does not finance projects that would involve the construction or rehabilitation of large or complex dams)	
3.2	air pollution, noise, vibration, traffic, injuries, physical hazards, poor surface water quality due to runoff, erosion, sanitation?	
3.3	harm or losses due to failure of structural elements of the project (e.g. collapse of buildings or infrastructure)?	
3.4	risks of water-borne or other vector-borne diseases (e.g. temporary breeding habitats), communicable and noncommunicable diseases, nutritional disorders, mental health?	
3.5	transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	
3.6	adverse impacts on ecosystems and ecosystem services relevant to communities' health (e.g. food, surface water purification, natural buffers from flooding)?	
3.7	influx of project workers to project areas?	
3.8	engagement of security personnel to protect facilities and property or to support project activities?	
Standard 4: Cultural Heritage		
Would the project potentially involve or lead to:		
4.1	activities adjacent to or within a Cultural Heritage site?	
4.2	significant excavations, demolitions, movement of earth, flooding or other environmental changes?	
4.3	adverse impacts to sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	
4.4	alterations to landscapes and natural features with cultural significance?	
4.5	utilization of tangible and/or intangible forms (e.g. practices, traditional knowledge) of Cultural Heritage for commercial or other purposes?	
Standard 5: Displacement and Resettlement		
Would the project potentially involve or lead to:		
5.1	temporary or permanent and full or partial physical displacement (including people without legally recognizable claims to land)?	

5.2	economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	
5.3	risk of forced evictions?[19]	
5.4	impacts on or changes to land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	
Standard 6: Indigenous Peoples		
Would the project potentially involve or lead to:		
6.1	areas where indigenous peoples are present (including project area of influence)?	
6.2	activities located on lands and territories claimed by indigenous peoples?	
6.3	impacts (positive or negative) to the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)? *If the answer to screening question 6.3 is "yes", then Standard 6 requirements apply, and the potential significance of risks related to impacts on indigenous peoples must be Moderate or above.* *	
6.4	the absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	
6.5	the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	
6.6	forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources? *Consider, and where appropriate ensure, consistency with the answers under Standard 5 above*	
6.7	adverse impacts on the development priorities of indigenous peoples as defined by them?	
6.8	risks to the physical and cultural survival of indigenous peoples?	
6.9	impacts on the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices? *Consider, and where appropriate ensure, consistency with the answers under Standard 4 above.*	
Standard 7: Labour and Working Conditions		
Would the project potentially involve or lead to: (note: applies to project and contractor workers)		
7.1	working conditions that do not meet national labour laws and international commitments?	
7.2	working conditions that may deny freedom of association and collective bargaining?	
7.3	use of child labour?	
7.4	use of forced labour?	
7.5	discriminatory working conditions and/or lack of equal opportunity?	
7.6	occupational health and safety risks due to physical, chemical, biological and psychosocial hazards (including violence and harassment) throughout the project life-cycle?	

[19] Forced eviction is defined here as the permanent or temporary removal against their will of individuals, families or communities from the homes and/or land which they occupy, without the provision of, and access to, appropriate forms of legal or other protection. Forced evictions constitute gross violations of a range of internationally recognized human rights.

* Note: revised July 2022 modifying presumption of risk significance from Substantial or higher to Moderate or higher.

Standard 8: Pollution Prevention and Resource Efficiency	
Would the project potentially involve or lead to:	
8.1 the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	
8.2 the generation of waste (both hazardous and non-hazardous)?	
8.3 the manufacture, trade, release, and/or use of hazardous materials and/or chemicals?	
8.4 the use of chemicals or materials subject to international bans or phase-outs? *For example, DDT, PCBs and other chemicals listed in international conventions such as the Montreal Protocol, Minamata Convention, Basel Convention, Rotterdam Convention, Stockholm Convention*	
8.5 the application of pesticides that may have a negative effect on the environment or human health?	
8.6 significant consumption of raw materials, energy, and/or water?	

Annex 8: Grievance Mechanism

Adaptation Fund's Grievance Redress Mechanism

At its 28th meeting in October 2016, the Adaptation Fund Board (the Board) decided to establish the Ad Hoc Complaint Handling Mechanism (ACHM) to promote accountability of the Fund and help respond to complaints raised against a project or programme financed by the Adaptation Fund (the Fund) through a participatory approach. The ACHM complements the Fund's risk management framework, including the Grievance Redress Mechanism of Implementing Entities.

A Grievance Redress Mechanism (GRM) is a system available to all stakeholders, particularly communities and actors affected by the project or programme, that allows them to provide feedback and register concerns. A GRM enhances accountability by giving affected parties a formal channel to voice their concerns. This contributes to transparency in project implementation and helps ensure that the fund's resources are used responsibly. The GRM needs to ensure conflicts will be resolved to meet the needs of both the programme management and the community.

Ideally, the complainants and implementing entities should use the implementing entity's grievance mechanism as a first step. However, the ACHM of the Adaptation Fund can be directly used in cases where the Parties have failed to reach a mutually satisfactory solution through the implementing entities' grievance mechanism within a year.

ICIMOD's Grievance Redress Mechanism

ICIMOD is committed to preventing, detecting, and responding to fraud at the organizational level and during the implementation of its programs and projects. ICIMOD has demonstrated this commitment by developing several organizational policies and procedures, including the Gender and Equity Policy, Environmental and Social Safeguard Policy, and Procedure for Prevention and Redressal of Sexual Harassment at the Workplace. These policies and procedures apply to ICIMOD staff of all categories, implementation partners, suppliers, and all other funding recipients. Each of these policies and procedures has a detailed Grievance Redress Mechanism, where any individual can raise their concerns related to Gender, Equity, Sexual Harassment, and Environmental and Social Safeguard activities of ICIMOD. ICIMOD's Human Resource Policy also includes a Whistle-blower Protection Policy and Procedure section.

Disciplinary Policy

ICIMOD does not tolerate fraudulent or dishonest acts and is fully committed to zero tolerance toward fraud and other financial mismanagement. ICIMOD has an internal grievance mechanism to ensure complaints are promptly reviewed. On an appointment with ICIMOD, all staff members and other personnel agree in principle to abide by and follow the organization's values, norms, rules and regulations, and the institutional code of conduct in their day-to-day behavior and actions. All the ICIMOD staff, including program-level staff members, receive training on the organization's values, norms, rules and regulations, and the institutional code of conduct. Any failure to upload the behavioral standards, internal policy regulations, and norms is constructed as misconduct and renders the ICIMOD staff liable to disciplinary action.

According to ICIMOD's Human Resource Policy, disciplinary measures are taken as a management tool for the mutual benefit of the organization and the staff. ICIMOD aims to ensure a clear, fair, and progressive disciplinary system, enabling staff members to rectify mistakes and behavior immediately. However, serious misconduct may warrant more immediate actions, including suspension or termination of employment.

Anti-Sexual Harassment Policy

To ensure the prevention and redressal of sexual harassment in the workplace, ICIMOD has a comprehensive Anti-Sexual Harassment Policy. The Anti-Sexual Harassment Policy and Procedure have been developed to uphold the interests of justice and fairness so all staff have a forum to approach if sexual harassment occurs. The policy details the processes, committees, offices, steps, and time frame for dealing with cases and complaints of sexual harassment at ICIMOD. The Policy and Procedure seeks to encourage all staff to express freely, responsibly, and in an orderly way their opinions or feelings about any problem or complaint of sexual harassment.

ICIMOD has established a Standing Committee on Sexual Harassment (SCSH) to assess sexual harassment cases. The SCSH is an autonomous institutional structure mandated to administer the Anti-Sexual Harassment Policy. Information about individual complaints and their disposition is generally considered confidential. As soon as the complaint is filed, depending on the seriousness of the complaint and the relationship of the complainant with the respondent/accused, SCSH recommends to the Director General (DG) temporary adjustments to avoid interactions between the complainant and the respondent/accused for any official purposes during the investigation period. SCSH has the presence of an external representative who is mandated to ensure accountability and transparency in the committee. While SCSH is accountable to the ICIMOD Directorate, it is independent of the formal chain of command and mandated to implement the Policy in letter and spirit.

Gender and Equity Policy

Along with its anti-sexual harassment policy, ICIMOD has a Gender and Equity Policy. ICIMOD operationalizes this policy through detailed Gender Action Plans (GAPs), which include gender-specific objectives, activities, indicators, timelines, and resources required. Any grievances related to gender inequality related to ICIMOD's work are accepted through the grievance reporting mechanism and addressed through a redressal mechanism. Any stakeholder concerned about the failure to properly implement this policy may file a complaint by emailing Pema.Gyamtsho@icimod.org ICIMOD is committed to ensuring compliance with the redressal mechanism in a timely, transparent, fair, and equitable manner. All grievances reported to the Centre are reported to the Board of Governors, including data on the number of cases, types of allegations, and a summary of the status and actions taken.

Environmental and Social Safeguards Policy

ICIMOD also has an Environmental and Social Safeguards Policy (ESSP), which supports ICIMOD's mission and vision and aims to enhance the sustainable benefits of its work and avoid unnecessary harm to the environment and affected communities. For all programmes, ESSP ensures a detailed grievance reporting and redressal mechanism. This mechanism ensures that complaints can be easily lodged and resolution provided for reported concerns or grievances. Subsequently, each case is reviewed to understand whether a potential breach of social and environmental risk

principles, standards, or procedures has occurred. Any stakeholder concerned about failure to properly implement this policy and its guidelines may file a complaint online or by email.

Whistle-Blower Protection Policy and Procedure

According to ICIMOD's Human Resource Policy, Whistleblowing refers to anonymous reporting of serious violations and malpractice, including mismanagement, misappropriation of funds, or actual or suspected fraud or abuse of authority by any staff member or stakeholders. The identity of those raising their concerns must be kept confidential as far as possible. ICIMOD staff who, in good faith, raise concerns in line with this policy will be protected by ICIMOD from victimization and other detrimental treatment. Any allegation that proves maliciously or knowingly false will be viewed as a serious disciplinary offense. Any personal interest must be known when first raising concerns.

Programme-Level GRM for GRACE -LoCALplus

As an organization, ICIMOD has established an internal GRM, and ICIMOD plans to use this experience to establish a programme-level GRM for GRACE-LoCALplus. Through GRM for GRACE -LoCALplus, ICIMOD intends to receive concerns or grievances from an affected community about the programme's environmental and social plans or performance. The programme-level GRM will be culturally sensitive and respect the traditional dispute resolution practices of the indigenous community of CHT. ICIMOD's GRM scope covers the following issues but does not necessarily limit the coverage of Programme-level GRM :

- Natural resources
- Pollution
- Cultural assets
- Land acquisition
- Welfare of vulnerable groups
- Sexual Exploitation, Sexual Abuse and Sexual Harassment (SEAH)
- Health and safety of workers
- Other related issues raised in the ESS screening process

For situations involving gender-based violence (GBV), sexual exploitation, abuse or harassment (SEAH), violence against children (VAC), and human trafficking (HT), ICIMOD's GRM will use a 'survivor-centered approach,' ensuring the rights and needs of the survivor (or victim) are at the foremost priority of everyone involved in the programme.

For GRACE -LoCALplus, communities, and stakeholders will be sensitized about the program-level GRM process and form. The government agencies of Bangladesh, notably the Upazila Standing Committee on Environment, Forest and Climate Change, will play a crucial role in supporting the communities with the information they need to properly submit a grievance. The government agencies will also participate in the grievance redress mechanism by documenting grievances and coordinating with ICIMOD to settle the grievances.

Programme-related Grievances Reporting Process

ICIMOD acknowledges that establishing a proper reporting process for programme-related grievances is fundamental to the success and sustainability of GRACE -LoCALplus. Therefore, GRACE -LoCALplus will have several options to submit programme-related grievances:

1. ICIMOD will designate community representatives or leaders like Headmen (mouza chief) and Krabaris (village chief) to receive and channel grievances to the appropriate authorities, notably the Upazila Standing Committee on Environment, Forest and Climate Change. Along with these community representatives, the complainant(s) will also have the right to discuss the concerns during the National Project Implementation Committee meetings. These meetings will be inclusive, allowing open dialogue and problem-solving. The complaint then must be directed to the project AF focal point, who will then forward the complaint to the Project Management Unit of GRACE -LoCALplus
2. Contact the Project Management Unit through the following email address: hrod@icimod.org or Shiba.Banskota@icimod.org
3. Contact by email the key government ministries and agencies (Ministry of Environment, Forests and Climate Change of Bangladesh (MoEFCC); Ministry of Local Government, Rural Development and Cooperatives of Bangladesh, Ministry of Chattogram Hill Tracts Affairs (MoCHTA), Chattogram Hill Tracts Development Board; Three Hill District Councils). The email addresses of these agencies will be displayed in all the programme offices. After receiving complaints, the government ministries and agencies will forward them to the Project Management Unit of GRACE -LoCALplus.
4. GRACE -LoCALplus will actively encourage all the community members to submit grievances through physical forms or letters, especially for collective grievance issues. In this regard, the Project Management Unit of GRACE -LoCALplus will develop grievance reporting forms in multiple indigenous languages and ensure that these forms are readily accessible in all the program offices. The community members can submit these forms or handwritten/typed letters in any GRACE -LoCALplus office. Subsequently, the relevant office in charge will provide an acknowledgment document indicating the possible timeline for receiving an initial response from ICIMOD.
5. GRACE -LoCALplus will actively encourage community members to utilize existing community or social platforms, such as community forums and social media groups, to share grievances collectively and discuss potential solutions. GRACE -LoCALplus will have a public social media group where all the community members can participate and share their opinions. To support this mechanism, ICIMOD will develop a mobile application/app allowing individuals or Groups to submit grievances using smartphones. Subsequently, the complainant(s) will be able to track the status of their grievances in real-time through the app. They will receive updates, notifications, and any responses from the Project Management Unit of GRACE -LoCALplus.

6. ICIMOD will install suggestion boxes in different programme offices where individuals can drop written grievances anonymously. The Project Management Unit of GRACE -LoCALplus will regularly check and address the grievances collected in these boxes.

Grievance Registration and Processing

The GRACE -LoCALplus Project Management Unit will register grievances and contact the ICIMOD legal team. The Project Management Unit will have a designated full-time official for conducting this work, with the direct supervision of the National Project Director. For the avoidance of doubt, the designated official (He/she) will be solely responsible for providing an initial response through an official email or official letter within two business days to the person who submitted the grievance to acknowledge the grievance and explain that the grievance will be logged onto the ICIMOD GRM. This provision of providing an initial response through an official email or official letter will not apply to anonymous grievances received through the suggestion boxes.

Through the Project Management Unit, concerns expressed shall be received by the legal team, who will reach out internally, primarily to the GRACE -LoCALplus staff member in charge of the project or the relevant division. This process aims to address complaints from affected stakeholders, including communities, about the project's social and/or environmental performance and to take measures to redress the situation, where necessary. As a first timeframe, a detailed response will be provided to the complainant within two months, indicating the appropriate process to address the grievance. However, responses to urgent cases will be provided in a shorter timeframe, as quickly as possible. This duration should be sufficient to screen the complaint, outline how the grievance will be processed, screen for eligibility, and assign organizational responsibility for proposing a response. This process may involve engaging with other project stakeholders to resolve the issue. When a grievance is received, the process below should be followed by ICIMOD:

All the grievances will be sorted out through a conflict resolution process. If this process is not functional, other processes will be used, such as a compliance system, the overall objective being to address and redress project stakeholders' grievances simply and efficiently.

Additional Responsibilities of ICIMOD's Project Management Unit

ICIMOD's Project Management Unit will be responsible for informing the complainant that he/she has the right to pursue other options to resolve the complaint if unsatisfied after the ICIMOD GRM process, noting that the GRM may respond to questions from the complainant but does not constitute an advisor or attorney for the complainant. ICIMOD's Project Management Unit is responsible for informing the complainant that he/she has the right to pursue the Ad hoc Complaint Handing Mechanism (ACHM) of

the Adaptation Fund. ICIMOD will record all grievances, which will be kept in a secure place for up to three years after the project's life.

Community-Level Grievance Redress Mechanism for GRACE - LoCALplus

Along with a programme-level GRM, GRACE -LoCALplus will also have a community-level GRM. Resolving grievances at the community level can address potential concerns early on before they escalate. This proactive approach demonstrates ICIMOD's commitment to community engagement and empowerment.

Local communities often possess valuable knowledge about their environments and can provide insights into potential concerns or future solutions. A community-level GRM facilitates the incorporation of local knowledge into decision-making processes. For the avoidance of doubt, all the programme-level GRM provisions for GRACE - LoCALplus specified in Chapter 3 will also apply in community-level GRM. Besides, the community-level GRM will have additional components to ensure a localized and accessible approach to addressing grievances.

GRM procedures will be available for each Unidentified Sub-Project (USPs) at the community level. This will include locally suitable mechanisms such as hotlines, text messaging services, and dropboxes, as appropriate and in local indigenous languages. In addition, all USP stakeholders will be made aware of the GRM's availability once a "go" decision has been made and a USP commences with the inception and project preparation. This same procedure will also apply to hiring new employees or contractors. All the programme-level GRM reporting processes specified in section 3.1 will also apply to community-level GRM. The project will also implement several additional measures to ensure that all community members and project staff feel included and safe to file grievances. These include:

- Providing means at project sites (available in local languages) for employees and relevant stakeholders to access the GRM instantaneously and privately (e.g., through a hotline, dropbox, or other means). Community members will have easy access to these locations to submit grievances, ensuring accessibility for those without internet access.
- Ensuring new employees are aware of the GRM and specific access points.
- Conducting community engagement sessions (as/if needed or requested by the Government of Bangladesh) to spread awareness.
- Liaising with government agencies to expand access and awareness through other modalities as they see fit.

ICIMOD will regularly consult with community members and stakeholders to ensure the GRM remains culturally relevant and effective throughout the project lifecycle. During these consultations, the Project Management Unit will share the status of grievances, actions taken, and lessons learned. Besides, ICIMOD will use grievance data to identify patterns, address systemic issues, and improve project implementation.

Annex 9 : Entity Responses to Public Comments Received on the Proposal of the Project Document

The Adaptation Fund Secretariat received an anonymous comment on the proposal as detailed below;

a. On the proposed implementation arrangement, the Steering Committee of the Project should be chaired by/hosted in the Local Government Division, since large part of investment finance will be channelized through local government bodies. As per the government's rules of procedures, only local government division can do inter-governmental fiscal transfer to the local government bodies. So, responsibility and accountability of fund transfer should be in the same place.

b. The formation of PSC and PIC should be following the government guidelines on development project formulation. PSC and PIC are chaired by relevant government ministry, in this case Local Government Division. If the guidelines are not followed, the project approval may raise objections in the Planning Commission of Bangladesh.

c. The PMU should be hosted by the Local Government Division. This will ensure effective implementation of field level USP implementation by staff of the PMU.

Response to the comments:

a. *On the proposed implementation arrangement, the Steering Committee of the Project should be chaired by/hosted in the Local Government Division, since large part of investment finance will be channelized through local government bodies. As per the government's rules of procedures, only local government division can do inter-governmental fiscal transfer to the local government bodies. So, responsibility and accountability of fund transfer should be in the same place.*

We do not agree with this comment. Here are the reasons behind it:

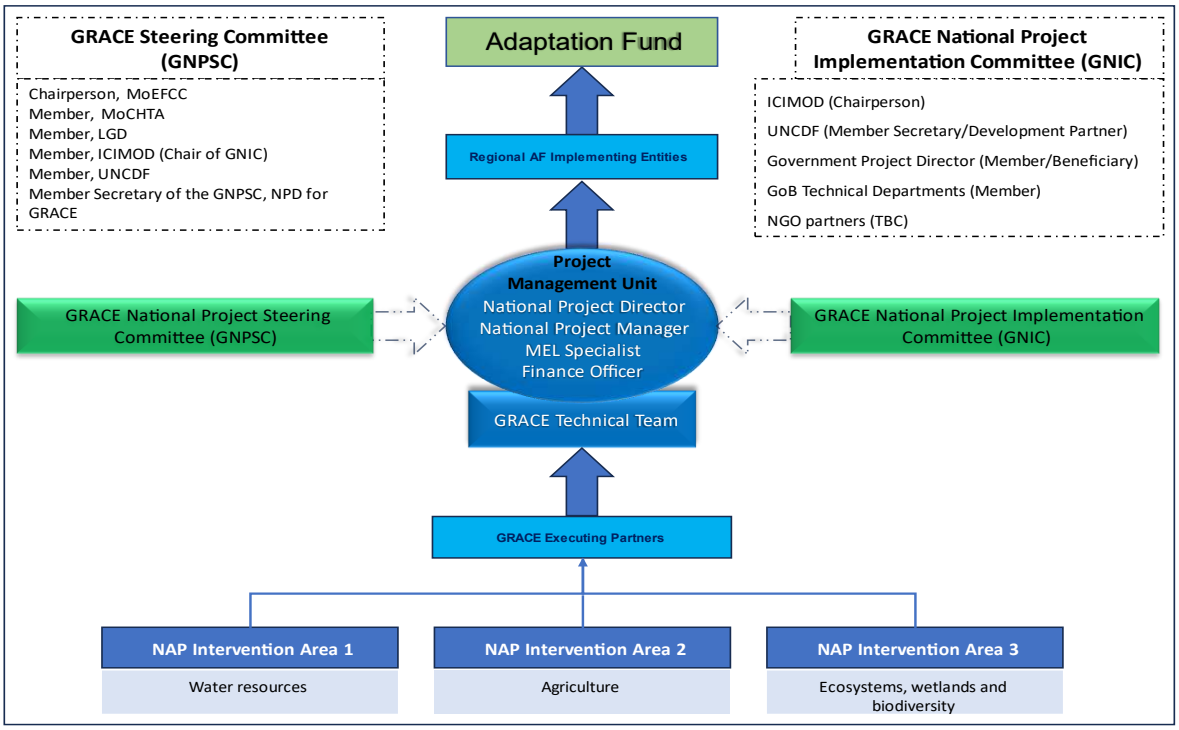
- The Local Government Division of Bangladesh is part of the Ministry of Local Government, Rural Development and Cooperatives (MOLGRD&C). However, the Adaptation Fund Designated Authority for Bangladesh is Ministry of Environment, Forest and Climate Change (MoEFCC). This project has been endorsed by the Designated Authority (MoEFCC) and hence, the chair of the Steering Committee will have to be representative from MoEFCC.
- As member of these committees, Local Government Division will be requested to be involved in different capacities as per the need, based on the advice of the Steering Committee and with discussion with the Project Implementation Committee.
- We have gone through the government's rules of procedures. The government's rules of procedure focuses on the procedures of Parliament and it does not contain any information directly addressing the transfer of money between different government bodies or from international bodies to government bodies.

- The document indicates that Parliament plays a crucial role in authorizing and scrutinizing government spending but does not specify the detailed mechanisms for the transfer of funds. Hence, we believe this comment can be ignored.
- However, the GRACE project will be aligned with the LoGIC/LoCAL mechanism that is already running in the country, where LGD has a prominent role in its implementation. LGD will be a member of the PSC.

b. *The formation of PSC and PIC should be following the government guidelines on development project formulation. PSC and PIC are chaired by relevant government ministry, in this case Local Government Division. If the guidelines are not followed, the project approval may raise objections in the Planning Commission of Bangladesh.*

We do not agree with this comment. Here are the reasons behind it:

- The government guidelines on development project formulation mentions that the Project Steering Committee should be chaired by representatives of relevant government ministry as mentioned in the comment, and that is the case in our Project Proposal.
- However, the guidelines clearly state that for the Project Implementation Committee, it can be chaired by representative of relevant government ministry or by the representative of the organization implementing the project. In our case, we have taken the latter and kept ICIMOD representative as the chair of the Implementation Committee.
- As for the having Local Government Division, we strongly believe that our chairing government representation for us should be from MoEFCC, as the Designated Authority for this project, and involvement of other government divisions or departments should be advised by the steering committee and the implementation committee, for reasons mentioned above.
- We acknowledge the important role that LGD will play in the GRACE project. LGD will be a member of both PSC and PIC.


GRACE Steering Committee (GNPSC)
Chairperson, MoEFCC
Member, MoCHTA
Member, LGD
Member, ICIMOD (Chair of GNIC)
Member, UNCDF
Member Secretary of the GNPSC, NPD for GRACE
Adaptation Fund
Regional AF Implementing Entities
GRACE National Project Implementation Committee (GNIC)
ICIMOD (Chairperson)
UNCDF (Member Secretary/Development Partner)
Government Project Director (Member/Beneficiary)
GoB Technical Departments (Member)
NGO partners (TBC)
Project Management Unit
National Project Director
National Project Manager
MEL Specialist
Finance Officer
GRACE National Project Steering Committee (GNPSC)
GRACE National Project Implementation Committee (GNIC)
GRACE Technical Team
GRACE Executing Partners
NAP Intervention Area 1
Water resources
NAP Intervention Area 2
Agriculture
NAP Intervention Area 3
Ecosystems, wetlands and biodiversity

c. *The PMU should be hosted by the Local Government Division. This will ensure effective implementation of field level USP implementation by staff of the PMU.*

At this stage, we have not worked out the details on where the PMU should be hosted. This will be discussed more in details in consultation with the Project Steering Committee and the Project Implementation Committee.

The project document states that "GoB will designate a **National Project Director (NPD)** who will be a Senior Government Official from the LGD providing up to 30% of their time, responsible for overall direction and strategic guidance to the Project Management Unit for timely delivery of project outputs". And, the document also states that "the Project Office, where the Project team (which comprises the Project Management Unit) will be located, will be in secure premises, preferably within a GoB office or any other UNDSS security-cleared premises for the project implementation period".

Thus, this comment can be brought to the attention of the PSC and PIC, during the project inception phase.