



## ADAPTATION FUND

AFB/PPRC.37/22/Add.1  
16 March 2026

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Adaptation Fund Board  
Project and Programme Review Committee  
Thirty seventh Meeting  
Bonn, Germany, 7-8 April 2026

Agenda Item 5 (p)

### **PROJECT FORMULATION GRANT FOR ZAMBIA (2)**

## I. Background

1. The Board at its eleventh meeting discussed the document “Funding for Project Formulation Costs” (AFB/11/6) and agreed, in its Decision B.11/18, that:

- i. project formulation grants (PFG) should be given once a project concept has been approved
- ii. consideration should be given in terms of differentiating between NIEs and MIEs, since some NIEs might have financial difficulties in trying to formulate project or programme proposals;
- iii. a flat rate should be given for project formulation costs;
- iv. a list of eligible activities and items still needed to be prepared; v. the grant should be additional to the project cost; and
- v. the fate of funds if the final project document was rejected should be determined.

2. There was consensus that a three-tiered system should be considered for project formulation grants: endorse a project concept with a PFG amount, endorse a project concept without a PFG amount, or reject the project concept.

3. Following the discussion, the Board decided:

To request the secretariat to reformulate the document, to include a comparison of eligible activities provided by other funds for project formulation grants, to take into account guidance provided by the Board at the present meeting, and to submit the document to the Board at its twelfth meeting, through the EFC. The EFC should review and finalize the process and policy of the project formulation grant focusing, in particular, on: the issue of unspent project funds; the procedures followed by other funds in that regard; and the determination of a flat-rate.

4. A document was prepared by the secretariat in response to the above mandate and presented at the third EFC meeting, which made specific recommendations to the Board at its twelfth meeting. Having considered the recommendation of the Ethics and Finance Committee, the Board, in its Decision B.12/28, decided that:

*(a) Project Formulation Grants (PFGs) will only be made available for projects submitted through NIEs. The Board would continue reviewing the question of PFGs for projects submitted through MIEs and would solicit comments from members and alternate members by February 14, 2011; the views would be compiled by the secretariat for presentation to the Board at its March 2011 meeting;*

*(b) If a country required a project formulation grant, a request should be made at the same time as the submission of a project concept to the secretariat. The secretariat will review and forward it to the PPRC for a final recommendation to the Board. A PFG could only be awarded when a project concept was presented and endorsed;*

*(c) A PFG form, reproduced in Annex V, should be submitted;*

- (d) Only activities related to country costs would be eligible for PFG funding;*
- (e) A flat rate of up to US\$30,000 shall be provided, inclusive of the management fee, which cannot exceed 8.5 per cent of the grant amount. The flat fee would be reviewed by the Board at its thirteenth and all subsequent meetings;*
- (f) If the final project document is rejected, any unused funds shall be returned to the Adaptation Fund Trust Fund;*
- (g) Once a project/programme formulation grant is disbursed, a fully developed project document should come to the Board for approval within 12 months. No additional grants for project preparation can be received by a country until the fully developed project/programme document has been submitted to the Board; and*
- (h) The Trustee was instructed to remove the set-aside of US\$100,000 for project preparation that had been decided at the June 2010 meeting, as project preparation would be approved on a project-by-project basis.*

5. In its twenty-fourth meeting, the Board had initiated steps to launch a pilot programme on regional projects and programmes, not to exceed US\$ 30 million and had requested the secretariat to prepare for the consideration of the Board a proposal for such a pilot programme (Decision B.24/30). In its twenty-fifth meeting, the secretariat submitted such document and the Board decided to:

- (a) Approve the pilot programme on regional projects and programmes, as contained in document AFB/B.25/6/Rev.2;*
- (b) Set a cap of US\$ 30 million for the programme;*
- (c) Request the secretariat to issue a call for regional project and programme proposals for consideration by the Board in its twenty-sixth meeting; and*
- (d) Request the secretariat to continue discussions with the Climate Technology Center and Network (CTCN) towards operationalizing, during the implementation of the pilot programme on regional projects and programmes, the Synergy Option 2 on knowledge management proposed by CTCN and included in Annex III of the document AFB/B.25/6/Rev.2.*

*(Decision B.25/28)*

6. The approved document AFB/B.25/6/Rev.2 contained provisions for the approval of project formulated grants for regional project and programme proposals, at different development stages, as follows:

*“It is proposed that the Board open a structured call for MIEs and RIEs to submit pre-concepts for regional projects and programmes. The optional pre-concepts would be very brief proposals of maximum 5 pages that would explain the proposed regional adaptation project/programme. The pre-concepts would be screened and technically reviewed by the*

*secretariat, and subsequently reviewed by the PPRC. Together with the pre-concept, the proponent could submit a Phase I PFG request, up to the maximum level of US\$ 20,000. While endorsing the pre-concept, the Board could also approve the Phase I PFG request. The endorsement of the pre-concept would not create an obligation for the Board for later funding. As the next step, the proponent would submit a concept, and with it the proponent could submit a Phase II PFG request. The maximum AFB/PPRC.18/25/Add.1 level of the Phase II PFG would be US\$ 80,000 for proposals that had been previously granted Phase I PFG, and US\$ 100,000 for proposals that bypassed the optional pre-concept stage. While endorsing the concept, the Board could also approve the Phase II PFG request. The endorsement of the concept would not create an obligation for the Board for later funding, as it is the case for the national projects. The final stage of the proposal process would be the submission of the fully-developed regional project document”.*

## **II. The Project Formulation Grant Request**

7. This addendum to the document AFB/PPRC.37/22 “Proposal for Zambia” includes a request for a Project Formulation Grant, requesting a budget of US \$150,000, which was received by the secretariat along with the concept for the project AF00000486 “Climate Resilience and Adaptation Facility for Technologies (CRAFT): Improving Smallholder Rural Adaptive Capacity and Resilient Livelihoods in Southern, Western and Central Provinces of Zambia”. This proposal was submitted by United Nations Industrial Development Organization (UNIDO), which is a Multilateral Implementing Entity of the Adaptation Fund, in time for consideration by the Adaptation Fund Board at its forty-sixth Board meeting.

8. In accordance with Decision B.12/28, paragraph (b), the secretariat carried out an initial review of the PFG request and found that the document provided detailed information on the use of the requested funds. The proposed activities were aligned with the goal of the project and would support: comprehensive consultation process; Environmental and Social Management Framework (ESMF) development; Gender analysis and action plan development; and full proposal development.

9. Therefore, the PPRC may want to consider and recommend to the Board to approve the PFG Request, provided that the related concept proposal is endorsed.



ADAPTATION FUND

## ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW OF PROJECT/PROGRAMME PROPOSAL

PROJECT/PROGRAMME CATEGORY: Regular-sized Project Concept

**Country/Region:** Zambia  
**Project Title:** Climate resilience and adaptation facility for technologies: improving rural adaptive capacity and resilient livelihoods in the Southern, Western and Central provinces of Zambia  
**Thematic Focal Area:** Rural Development  
**Implementing Entity:** United Nations Industrial Development Organisation  
**Executing Entities:** Ministry of Green Economy and Environment, United Nations Industrial Development Organisation  
**AF Project ID:** AF00000486  
**IE Project ID:** **Requested Financing from Adaptation Fund (US Dollars):**  
**Reviewer and contact person:** Lystra Fletcher-Paul **Co-reviewer(s):**  
**IE Contact Person:**

<p>Technical Summary</p>	<p>The project “Climate resilience and adaptation facility for technologies: improving rural adaptive capacity and resilient livelihoods in the Southern, Western and Central provinces of Zambia” aims to address the financial, informational, technical, and institutional barriers that limit sustained uptake of adaptation solutions by rural households in the target regions to reduce their vulnerability against three climate risks: drought, flooding, and extreme heat. This will be done through the four components below:</p> <p><u>Component 1:</u> Community driven demand and supply for climate adaptation solutions (USD 8,000,000);</p> <p><u>Component 2:</u> Financial empowerment and entrepreneurship for resilience (USD 7,500,000);</p> <p><u>Component 3:</u> Locally led adaptation demand assessment and planning (USD 3,000,000);</p> <p><u>Component 4:</u> Adaptive Management, Learning, and Sustainability (USD 2,560,495).</p> <p><u>Requested financing overview:</u>  Project/Programme Execution Cost: USD 1,980,980  Total Project/Programme Cost: USD 23,041,475  Implementing Fee: USD 1,958,525</p>
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	<p>Financing Requested: USD 25,000,000</p> <p>The proposal includes a request for a project formulation grant of USD 150,000.</p> <p>The initial technical review raises several issues, such as the Specific Objectives of the project, the initial consultation and gender assessment, the inclusion of sectoral plans and strategies, the Execution Entity fee and the arrangements of Operation and Maintenance Costs in the sustainability arrangements, as is discussed in the number of Clarification Requests (CRs) and Corrective Action Requests (CARs) raised in the review.</p> <p>The second technical review finds that most of the issues raised in the first review have been addressed with the exception of the following CRs and CARs, related to alignment of Objectives and Outcomes in the AF Alignment Table and the Project Components and Financing Table, Learning and Knowledge Management, justification for the services of MSMEs and alignment with AF Strategic Objectives; as is discussed in the number of Clarification Requests (CRs) and Corrective Action Requests (CARs) raised in the review.</p> <p>The third technical review find that all CRs and CARs raised over the course of the review have been addressed.</p> <p><i>Please be advised that the findings of the AFB Secretariat's review of the funding proposal(s) do not reflect, indicate, or prejudge the outcome of the reaccreditation process currently underway. The Implementing Entity (IE) shall acknowledge that the funding proposal will not be approved by the Board if the IE's accreditation has expired, and reaccreditation has not been achieved at the time of the Board's decision. Notwithstanding this potential risk, the IE has elected to proceed with the development of the funding proposal.</i></p>
Date:	March 11, 2026

Review Criteria	Questions	First Technical Review Comments December 17, 2025	Second Technical Review Comments March 6, 2026	Third Technical Review Comments March 11, 2026
Country Eligibility	1. Is the country party to the Kyoto Protocol, and/or the Paris Agreement?	<b>Yes.</b>	-	-
	2. Is the country a developing country particularly vulnerable to the adverse effects of climate change?	<b>Yes.</b> Zambia is vulnerable to droughts and floods and extreme heat caused by	-	-

		<p>increasing temperatures. These impacts directly threaten food security, rural livelihoods, and the viability of value chains that underpin the national economy. The country faces significant climate risks that threaten its economic stability and development livelihoods. More frequent droughts and floods, extreme heat, erratic rainfall, and prolonged dry spells are already disrupting key sectors.</p>		
Project Eligibility	1. Has the designated government authority for the Adaptation Fund endorsed the project/programme?	<p><b>Yes.</b> As per the Endorsement letter dated 30 October 2025.</p>	-	-
	2. Does the length of the proposal amount to no more than Fifty pages for the project/programme concept, including its annexes?	<p><b>Yes.</b> The total number of pages, including Annexes is 51.</p> <p><b>CR1:</b> Please ensure that all Tables and Figures are labelled.</p>	<p><b>CR1: Cleared.</b> All tables and figures have been reviewed and are now clearly labelled, titled, and numbered consistently throughout the concept note.</p>	-
	3. Does the project / programme support concrete adaptation actions to assist the country in addressing adaptive capacity to the adverse effects of climate change and build in climate resilience?	<p><b>Yes, however additional information is required.</b> Part IIA (pages 26 – 36) provides a description of the project/programme components, particularly focusing on the concrete adaptation activities of the project, and how these activities contribute to climate resilience. Specifically paragraphs 112 to 115 provide details about the</p>		

		<p>Outcomes, Outputs and Activities of each Component. The proposal also includes a coherent Theory of Change, showing how the activities respond to the threats posed by the various likely climate scenarios and also includes information on the risks and assumptions.</p> <p>The project includes several interventions under Outputs 1.1 and 1.2 that fall under the Adaptation Fund's definition of Unidentified Sub-Projects (USPs). These interventions are not pre-defined at the concept stage in order to uphold the principles of locally led adaptation (LLA) and ensure the project remains responsive to localized climate risks, evolving community priorities, and dynamic technology and market environments.</p> <p>Notwithstanding the above, please address the followings:</p> <p><b>CR2:</b></p> <ol style="list-style-type: none"> <li>1. You might consider rephrasing the overall objective of the project to align it with specific objectives and clearly articulate it with the Outcomes, Outputs and Activities. One suggestion is "To reduce vulnerability and</li> </ol>	<p><b>CR2: Cleared.</b></p> <ol style="list-style-type: none"> <li>1. The overall project objective has been rephrased to align more clearly with the project's Outcomes, Outputs, and Activities as advised. Please see the revised paragraph 98.</li> </ol>	
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		<p>increase resilience to against the climate risks of drought, flooding, and extreme heat by addressing the financial, informational, technical, and institutional barriers that limit sustained uptake of adaptation solutions by rural households in the target regions”.</p> <ol style="list-style-type: none"> <li>2. Clearly state the Specific Objectives of the project/programme.</li> <li>3. In the AF Alignment Table please utilize the updated template <a href="#">Results Framework Alignment Table</a> (Amended in November 2025) (77 kB, DOC)</li> </ol> <p><b>CR3:</b> Please provide additional information where possible for the magnitude of the interventions.</p>	<ol style="list-style-type: none"> <li>2. Specific objective has been revised in paragraph 98.</li> <li>3. The AF Alignment Table has been updated using the revised Results Framework Alignment template amended in November 2025. Please see the revised Table 15 (pp 57 – 59).</li> </ol> <p><b>CR3: Cleared.</b> The Concept Note provides indicative information on the scale of interventions where possible in Part II, Section B including indicative number of beneficiaries in Table 7(p 38 – 39). In line with locally led adaptation principles and the use of Unidentified Sub-Projects, the exact districts, MSMEs, and final beneficiary</p>	

		<p><b>CAR1:</b> Please include a statement on how the Activities support one or more AF Strategic Objectives at paragraph 116. These should match those identified in Part III A table.</p> <p><b>CAR2:</b> Kindly revise the document and further strengthen the adaptation measures in terms of range as per the proposed number of beneficiaries and size of the interventions (e.g. irrigation and rainwater harvesting installations) to get a better idea of whether the requested funding is justified.</p>	<p>numbers are not fixed at this stage. These will be determined during the full proposal and inception phases through participatory demand assessment, MSME selection, and district-level planning. Where feasible, the Concept Note therefore includes approximate scale and ranges (please see paragraphs 128 to 132), while detailed magnitude and targeting will be fully defined at the full proposal stage once implementation areas are confirmed.</p> <p><b>CAR1: Not cleared.</b> Revised paragraph 178 has been updated to explicitly state how the project activities support the Adaptation Fund Strategic Outcomes, ensuring full consistency with those identified in Table 15 under Part III, Section A, but not the AF Strategic Objectives as was requested in CAR1. Please revise to indicate the appropriate AF Strategic <u>Objectives</u>.</p> <p><b>CAR2: Cleared.</b> Please see Table 3 (pp 19 – 21), which proposes adaptation solutions which are indicative, based on research conducted by the World Bank, IFAD, and GIZ. The adaptation solutions</p>	<p><b>CAR1: Cleared.</b> As per the insertion at paragraph 183.</p>
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		<p><b>CAR3:</b></p> <ol style="list-style-type: none"> <li>1. The components/ outputs description implies that most of the activities are unspecified projects (USPs), which are usually not recommended by AF and require meeting</li> </ol>	<p>will be validated during the PFG phase with key partners and stakeholders, in consultation with rural households and local actors, and a more detailed agro-ecological and social analysis, including screening in line with the Adaptation Fund Environmental and Social Policy will be conducted during the PFG phase. Additionally, these solutions may also change during the project implementation based on lessons learned and changing climate conditions. This approach upholds LLA principles and follows the Adaptation Fund's Guidance for Implementing Entities on Unidentified Sub-Projects (USPs) as listed in Table 6 (pp 29 – 30). It ensures the project is responsive to localized climate risks, site-specific vulnerabilities, institutional capacities, and socio-economic contexts.</p> <p>Also, Table 7 (pp 38 – 39) and new paragraph 132 provide an indicative estimate of the types of adaptation measures, number of beneficiaries and size of the interventions, based on preliminary data provided by the Zambia Ministry of Green Economy and Environment. The Full Proposal will provide more detailed estimates for</p>	
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		<p>specific AF requirements. Please clearly/ identify the USPs, clarify if any of them would be identified at full proposal stage, and briefly discuss how they will be managed to meet AF requirements. Refer to this link for guidance: <a href="https://www.adaptation-fund.org/wp-content/uploads/2021/05/Updated-guidance-on-USPs-.pdf">https://www.adaptation-fund.org/wp-content/uploads/2021/05/Updated-guidance-on-USPs-.pdf</a></p> <p>2. If the project contains USPs please indicate specifically at Part II Section K, paragraph 167 that the USPs will be subject to the ESMP of the project.</p> <p><b>CR4:</b> The proposal refers to MSMEs' service delivery and milestone-based financing, but the nature</p>	<p>number of beneficiaries for proposed types of adaptation solutions once site-specific assessments provide sufficient clarity and a shortlist of adaptation solutions has been identified.</p> <p><b>CAR3: Cleared.</b></p> <ol style="list-style-type: none"> <li>1. While the proposed activities in the Concept Note are defined, the USP status applies to the specific adaptation solutions and the MSMEs delivering these solutions. This flexible approach is necessary at the concept stage to ensure compliance with LLA principles, allowing demand-driven, inclusive co-design that remains responsive to localized climate risks and evolving community priorities. Specific details to be finalized during the Full Proposal stage.</li> </ol> <p>To mitigate risks associated with the non-identification of solutions, the project provides an indicative menu of potential adaptation solutions in Table 3, that have been pre-screened</p>	
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		<p>of these services requires clearer articulation.</p> <p>Please clarify:</p> <ol style="list-style-type: none"> <li>1. What specific services MSMEs are expected to provide to smallholder farmers, and whether these services extend beyond MSMEs' normal commercial activities. If so, please specify the nature and duration of such additional services.</li> <li>2. Why these services must be provided by MSMEs rather than public extension services, cooperatives, or NGOs.</li> <li>3. Where supported MSMEs are expected to operate within the agricultural value chain and how they are</li> </ol>	<p>for technical and social relevance. During the Full Proposal phase, these solutions will be validated through detailed agro-ecological and social analysis, alongside extensive stakeholder consultations with rural households and local actors.</p> <p>Paragraphs 111 and 130 are updated for further clarity.</p> <ol style="list-style-type: none"> <li>2. <b>Cleared:</b> Under Part II Section K, paragraph 171 now explicitly states that all USPs will be subject to the ESMP.</li> </ol> <p><b>CR4:</b></p> <ol style="list-style-type: none"> <li>1. <b>Cleared:</b> (See D2 para 75 - 78) MSMEs are agents of locally led adaptation solution delivery, and will provide climate adaptation goods and services that can be commercially delivered to smallholders, including supply, installation, maintenance, and basic user training. Any additional services,</li> </ol>	

		<p>expected to generate sustainable revenues once milestone-based project financing ends.</p> <p><b>CR5:</b> While the proposal highlights the role of community savings groups and the Community Resilience Financing Facility as mechanisms to improve farmers' access to climate adaptation solutions, strong demand for climate adaptation does not automatically translate into a willingness or ability to pay.</p> <p>In this context, please clarify:</p> <ol style="list-style-type: none"> <li>1. How the proposed savings groups and group-based financing mechanisms are expected to translate adaptation needs into effective payment incentives for smallholder farmers,</li> </ol>	<p>such as outreach to poorer or remote households or piloting of new delivery models, are temporary and time-bound to enable market development.</p> <ol style="list-style-type: none"> <li>2. <b>Not cleared:</b> The comparative advantage of MSMEs is that they can deliver adaptation solutions on a commercial and therefore sustainable basis. NGOs and public services rely on project or public funding, while MSMEs have incentives to continue service delivery beyond the project period. Other actors may be engaged to play complementary facilitation and coordination roles. Please include this justification in section D2</li> <li>3. <b>Not cleared:</b> MSMEs are expected to operate across the agricultural value chain, providing adaptation solutions where needed to strengthen resilience of the value chain, such</li> </ol>	<p><b>CR4:</b></p> <ol style="list-style-type: none"> <li>1. -</li> <li>2. Cleared as per insertion at paragraph 76.</li> <li>3. Cleared as per insertion at paragraph 77.</li> </ol>

		<p>particularly in the presence of binding liquidity constraints, income seasonality, and climate-related production risks.</p> <p>2. Whether savings groups are intended primarily as liquidity-smoothing mechanisms, co-investment platforms, sources of repayment for capital investments in adaptation technologies, or risk-sharing and loss-absorption mechanisms to manage downside risk under climate and income volatility.</p>	<p>as input and equipment supply, service delivery, or post-harvest solutions. After milestone-based financing ends, revenues will be generated through direct sales, service fees, and bundled business models as demand stabilizes and markets mature. What is the success rate and viability of these MSMEs in Zambia based on experiences in other projects? Please clarify how the viability and success of the proposed intervention will be sustained.</p> <p><b>CR5: Cleared.</b></p> <p>1. <b>Cleared:</b> See sections on Component Description.(para 115 – 127). Under Component 1 communities and households will be invited to participatory training and co-design sessions where adaptation needs will be further articulated and translated into adaptation demand. Component 2 builds on the adaptation demand</p>	

			<p>created under Component 1 and supports financial accessibility to the solutions that can meet the community's demand for adaptation.</p> <p>2. <b>Cleared:</b>  The proposal remains flexible about the role of community savings groups to align with LLA principles. The activities under Output 2.2 (paragraph 120) have been adjusted to reflect how the saving group members will define the role of savings groups and select interventions to improve the ability to pay for adaptation.</p> <p>The project will also establish a Community Resilience Financing Facility to provide grant funding and capacity building to smallholders to stimulate alternative income-generating activities and bolster community financial resilience to climate change. The activities under Output 2.1 (paragraph 119) have been adjusted to reflect how the Community Resilience Financing</p>	
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			Facility will be designed to fund alternative income-generating activities and expensive adaptation solutions and will be complementary to the savings groups.	
	4. Does the project / programme provide economic, social and environmental benefits, particularly to vulnerable communities, including gender considerations, while avoiding or mitigating negative impacts, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?	<p><b>Yes</b>, however some additional information is required. Part IIB (116 to 120) provides information on the expected beneficiaries of the project with particular reference to vulnerable communities, households and individuals such as women and youth. The benefits provided by the project to marginalized and vulnerable groups in target areas have been outlined all three areas (economic, social and environmental) and the estimated benefits are quantified, where possible. The project emphasizes inclusive and participatory processes that focus on women, youth, and marginalized groups in the co-design, selection, and deployment of adaptation solutions, thereby addressing concerns about negative development or maladaptation. No initial gender analysis and/or assessment was conducted, however, as part of the concept proposal development, the project team</p>		

		<p>engaged in consultations with Zambia’s National Designated Authority (NDA) to better understand national priorities, identify key gaps and local barriers to adaptation, and explore stakeholder interest and potential roles. During the Full Proposal stage, the project proposes to conduct an inclusive consultative process to ensure that its design reflects the priorities, needs, and preferences of stakeholders at all levels. Funds have been requested from the PFG for the conduct of these initial consultations.</p> <p><b>CAR4:</b></p> <ol style="list-style-type: none"> <li>1. Please include a list of all stakeholders who were consulted (including gender disaggregated data), as part of the discussions with the NDA during the development of the concept proposal;</li> <li>2. Information on the findings of the consultations; and</li> <li>3. Indicate how these discussions were integrated into the concept note development.</li> </ol>	<p><b>CAR4: Cleared.</b></p> <ol style="list-style-type: none"> <li>1. Information on the consultation process and participants is presented under Section H of the Concept Note. Please see Table 12 (p 49).</li> <li>2. The key findings from these consultations informed and further validated the design of the Concept Note, including the overall project design, the use of a locally led adaptation approach, the emphasis on economic sustainability through MSME-led service delivery, the decision to maintain flexibility in</li> </ol>	
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		<p><b>CAR5:</b> Please include an initial gender assessment relevant to the project scope. Attach it as an annex and refer to it at related sections, or include this under a dedicated subsection in part I.</p> <p><b>CR6:</b></p> <ol style="list-style-type: none"> <li>1. Please specify whether other vulnerable groups beyond women will benefit from the project,</li> <li>2. in particular in relation to LLA principles. In addition, please further details the vulnerable groups described in the CN as “especially those excluded from formal systems”. If so, please include a description of how benefits will be equitably distributed.</li> </ol> <p><b>CR7:</b> The CN does not provide quantified benefits for economic, social and</p>	<p>geographic targeting at Concept Note stage, and the integration of gender and youth considerations. These elements are reflected across the relevant sections of the Concept Note.</p> <p>3. Please see new paragraphs 152-153 for a short summary of how the consultations were integrated into the Concept Note.</p> <p><b>CAR5: Cleared.</b> An initial gender assessment relevant to the project scope has been developed and included as Annex I (pp 62 – 64) of the Concept Note, with references made to it in the relevant sections of the Concept Note.</p> <p><b>CR6: Cleared.</b></p> <ol style="list-style-type: none"> <li>1. Vulnerable groups are specified in para 130</li> <li>2. The project’s approach to supporting vulnerable groups beyond women, including those excluded from formal systems, and the mechanisms for equitable distribution of adaptation benefits in line with locally led adaptation principles are described</li> </ol>	

		<p>environmental benefits. Kindly revise the section and provide estimated benefits with context specific figures (even if preliminary) for all 3 elements. Please strengthen the benefits with specific and quantifiable data where possible.</p> <p><b>CAR6:</b> Beyond the ESMG and gender consideration for MSME selection, kindly explain how the MSME will be identified as per the proposed adaptation measures and ensure delivery of outcomes for the beneficiaries.</p> <p><b>CAR7:</b> Since the project involves an LLA approach, kindly explain how the fund will be managed considering the private sector involvement (MSME). How will the funds distributed to ensure that adaptation measures are channelled to last users (beneficiaries)?</p> <p><b>CR8:</b> Under component 2, output 2.1, the project will implement a</p>	<p>under Part II.B (Social Benefits) of the Concept Note. Please see paragraph 130.</p> <p><b>CR7: Cleared.</b> Estimated benefits have been provided in paragraph 132 and Table 7 (pp 38 – 39).</p> <p><b>CAR6: Cleared.</b> Beyond environmental, social, and gender considerations, MSMEs will be identified through a demand-driven and performance-oriented process aligned with the proposed adaptation measures and LLA principles. The identification process will be designed to ensure that MSMEs are selected based on their technical relevance, delivery capacity, and ability to generate tangible adaptation outcomes for beneficiaries. (See Paragraph 115 )</p> <p><b>CAR7: Cleared.</b></p>	

		<p>“Community Resilience Financing vehicle”. Kindly address the followings:</p> <ol style="list-style-type: none"> <li>1- While the entity Savings-led Microfinance Network of Zambia (SaveNet) is mentioned as operating entity under the LLA proposed facility, there is little information about its role. Also, it is not listed as an executing entity. Kindly clarify.</li> <li>2- It is not clear how grant recipients (MSME or groups) will be identified and the proposals processed. Kindly explain how the financing vehicle will operate including the endorsing authority and grant amount.</li> <li>3- Also, please clarify the disbursement process including on-lending and reflow as well as conditional approval if envisaged.</li> </ol>	<p>Please see the description of Activity 1.2.4 (paragraph 117) which has been updated to include the explanation of how funds will be distributed to ensure that adaptation measures are channeled to last users.</p> <p><b>CR8: Cleared.</b></p> <ol style="list-style-type: none"> <li>1. SaveNet is envisioned to be a technical partner contracted by the national EEs for the implementation of activities to develop and strengthen savings groups (Output 2.2). SaveNet is not expected to play any role in the execution of activities in support of the Community Resilience Finance Facility (output 2.1). SaveNet’s technical delivery role will be defined in detail during the full Funding Proposal. (Please see details in paragraph 118 )</li> <li>2. Please see the details described in the Activities under Output 2.1 (para 119) - Grant recipients will be</li> </ol>	
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		<p><b>CAR8:</b> Currently household information at para 116 is provided. However, please clarify the overall project beneficiaries (direct and Indirect). Kindly provide further clarification including the gender disaggregated beneficiaries.</p>	<p>identified through a transparent, demand-driven process aligned with LLA principles. Targeted recipients are expected to be savings groups and individual or groups of smallholders, seeking to explore alternative income-generating activities or purchase community adaptation solutions too expensive for savings groups to finance alone. Currently, MSMEs are not envisioned to be direct grant recipients, although they are expected to benefit indirectly as suppliers of adaptation solutions to the grant-funded initiatives. MSMEs will receive direct support through tailored technical assistance and milestone-based financing under Component 1.</p> <p>3. Grant funds will be transferred from the Adaptation Fund to UNIDO and then to the EE responsible for the execution of the Facility. The Facility's funding to targeted recipients will be in the form of milestone-based grant funding. The disbursement process is described under Activity 1.2.4 (page 33)</p>	
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			<p><b>CAR8: Cleared.</b> Please see paragraph 130, which specifies the overall project beneficiaries, distinguishing between direct and indirect beneficiaries, and provides gender-disaggregated estimates, including tentative figures for women and youth.</p>	
	<p>5. Is the project / programme cost effective?</p>	<p><b>Yes</b>, however additional information is required.</p> <p>Part II C (para 121 – 128) describes the approach taken by the project which is to deliver high-impact, locally led adaptation outcomes at low unit cost compared with the alternative. This approach includes, inter alia, the integration of community-driven demand, decentralized service delivery, private-sector engagement, and technology-enabled systems.</p> <p>The project hopes to have long term sustainability by investing in activities which catalyse resilient market systems, foster self-sustaining savings groups, and institutionalize uptake of adaptation solutions.</p> <p><b>CR9:</b> Please include a table which compares the proposed action against the alternative to show</p>	<p><b>CR9: Cleared.</b> As requested, previous text is replaced with Table 8 (p 40) that compares the proposed</p>	-

		<p>the cost effectiveness of the interventions.</p> <p><b>CR10:</b> Please address the cost effectiveness in relation to section 4 above when issues related to the financing vehicle is addressed.</p> <p><b>CR11:</b> Kindly provide the specific plans for the financial sustainability post project in particular under components 1, 2 and 3.</p>	<p>action against the alternative to show the cost effectiveness of the proposed interventions against Business As Usual (BAU) alternatives.</p> <p><b>CR10: Cleared.</b> Table 8 (p 40) also includes details on the cost-effectiveness drivers for the Community Resilience Financing Vehicle.</p> <p><b>CR11: Cleared.</b> Please see paragraph 166</p>	
	<p>6. Is the project / programme consistent with national or sub-national sustainable development strategies, national or sub-national development plans, poverty reduction strategies, national communications and adaptation programs of action and other relevant instruments?</p>	<p><b>Yes, however, additional information is required</b></p> <p>Part II D (para 129 – 135) describes some of the relevant plans and strategies identified. These include: Zambia’s National Adaptation Plan (NAP, 2023): the Eight National Development Plan and the Updated Nationally Determined Contribution and the National Climate Change Policy as well as the District Integrated Development Plans (IDPs) and the National Communications to the UNFCCC and its National Policy on Environment, showing how they are relevant to the project. However, it does not</p>		-

		<p>include relevant sectoral plans such as those related to Food Security, Poverty Reduction and Water Resources Management.</p> <p><b>CAR9:</b> Please include a table which lists the relevant national plans and strategies as well as sectoral plans (where they exist), their years and the project elements which are consistent with the respective policies.</p> <p><b>CAR10:</b> Kindly provide specific linkage about how the project supports the implementation of the SDGs in Zambia.</p>	<p><b>CAR9: Cleared.</b> Previous text is replaced by Tables 9 (p 41) and 10 (p 43), summarizing the same information for easier reference</p> <p><b>CAR10: Cleared.</b> Linkages between the project and the implementation of the Sustainable Development Goals (SDGs) in Zambia have been provided in the Concept Note under paragraph 136.</p>	
	<p>7. Does the project / programme meet the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund?</p>	<p><b>Yes: However additional information is required.</b></p> <p>Part II E (para 136 – 141) indicates that project will be implemented in full compliance with applicable national technical standards, regulations, and policies, as well as the Environmental and Social Policy (ESP) and Gender Policy (GP) of the Adaptation Fund and lists broad categories of some of the standards and regulations which will be</p>		-

		<p>adhered to ensure compliance. However, it does not list any of the specific standards.</p> <p><b>CAR11:</b> Please prepare a table which lists the relevant national technical standards, rules, regulations procedures and ESP Principles.</p>	<p><b>CAR11: Cleared.</b> The requested table has been included as Table 13 (page 53), listing the relevant national technical standards, rules, regulations, procedures, and applicable ESP principles.</p>	
	8. Is there duplication of project / programme with other funding sources?	<p><b>No.</b> Part II F (para 142 – 144) lists all relevant existing and potentially overlapping national and regional projects. The table in paragraph 144 also lists the project, describes the interventions and the opportunities for synergies.</p>	-	-
	9. Does the project / programme have a learning and knowledge management component to capture and feedback lessons?	<p><b>Yes, but further clarification is needed.</b> Part II G (para 145 – 148) describes the learning and knowledge management aspects of the project. Some of the strategies which will be used to capture learning and knowledge management include:</p> <ul style="list-style-type: none"> <li>a) The use of a structured learning agenda with core themes to guide the process</li> <li>b) Robust data collection and feedback methods (e.g. regular field visits, participatory monitoring sessions, and community scorecards)</li> </ul>		<p><b>CR12: Cleared.</b> As per insertions at paragraphs 148-153 and paragraph 180.</p>

		<p>c) Strategic communication and dissemination</p> <p>In addition, Component 4: Adaptive Management, Learning, and Sustainability. Component 4 includes adaptive and inclusive learning and knowledge sharing to support effective implementation, capture lessons, and sustain adaptation outcomes.</p> <p>The project will also leverage UNIDO's global knowledge-sharing mechanisms, including integration into the Climate Adaptation Innovation and Learning (CAIL) platform, ensuring visibility and exchange across UNIDO-supported adaptation projects. Lessons will be shared at regional and global events, including Africa Climate Weeks and COP side events, positioning Zambia's experiences for replication in other countries.</p> <p><b>CR12:</b> Kindly clarify the following:</p> <ul style="list-style-type: none"> <li>• what entities will be responsible for tracking the experiences gained, how this will be done, and when the tracking will take place.</li> </ul>	<p><b>CR12: Not Cleared.</b></p> <p>While the IE provided a comprehensive response to the clarification request, this information is not provided in a coherent manner in the CN. <u>Please incorporate this information succinctly in the CN</u></p>	
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		<ul style="list-style-type: none"> <li>Please specify what type of information will be collected throughout this process and what will be disseminated. Additionally, provide detailed information on the learning and knowledge-sharing activities conducted beyond the national conference, and explain how the knowledge generated will be sustained after the project concludes.</li> </ul>	<p><u>in the appropriate sections of the revised CN:</u></p> <p>“Tracking of experiences, learning, and evidence generated under the project will be undertaken through existing national, provincial, district, and community-level institutional structures, complemented by project-specific monitoring and learning arrangements.</p> <p>Responsible entities: Tracking and documentation of experiences will be led by the Project Management Unit (PMU) in coordination with the Ministry of Green Economy and Environment (MGEE) and its decentralised structures, including Provincial Administration offices, District Coordinating Committees (DCCs), and the Forestry Department, which already works through Community Forest Management Groups (CFMGs). These entities will be supported by technical consultants during the Project Formulation Grant (PFG) phase and implementation, including external experts engaged to assess institutional arrangements, gaps, and operational practices related to Integrated Development Plans (IDPs). Community-level structures, including savings</p>	
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			<p>groups and local committees, will also contribute to feedback and learning processes.</p> <p>How and when tracking will take place:</p> <ul style="list-style-type: none"> <li>Tracking will be conducted continuously throughout implementation, with structured learning points captured at key stages, including community engagement, capacity-building activities, MSME service delivery, financial literacy training, and district-level planning processes. DCCs and provincial structures will support routine reporting and coordination, while periodic reviews and learning events will be organised to assess progress, challenges, and emerging lessons. During the PFG phase, targeted interviews with national and district officials will establish baselines on institutional capacity and IDP processes, which will inform subsequent tracking.</li> </ul>	
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			<p>Type of information collected: Information collected will include:</p> <ul style="list-style-type: none"> <li>• Community and district experiences in implementing adaptation measures and engaging with MSME-led solutions;</li> <li>• Effectiveness of capacity-building and financial literacy interventions;</li> <li>• Institutional coordination and functionality of IDP-related processes;</li> <li>• Constraints related to financing, human resources, and logistics at local levels;</li> <li>• Evidence on sustainability of adaptation actions beyond short-term project support;</li> <li>• Differentiated experiences across rural and peri-urban contexts.</li> </ul> <p>Both qualitative and quantitative data will be collected through reports, field observations, interviews, and routine monitoring. Learning and knowledge-sharing beyond a national conference: Beyond a national-level</p>	
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			<p>conference, learning and knowledge-sharing will occur through district and provincial coordination platforms, including DCC meetings, engagement with CFMGs, and collaboration with sector institutions such as the Ministry of Community Development and savings group networks. Learning products will be shared through existing reporting and planning channels linked to MGEE and district administrations, ensuring relevance to ongoing government processes.</p> <p>Sustainability of knowledge after project completion:</p> <p>Knowledge generated by the project will be sustained by embedding learning within existing institutional systems, particularly IDPs, district reporting structures, and community-based organisations. Strengthening financial literacy, viable business models, and institutional capacity—rather than creating parallel systems—will enable continued application of lessons after project closure. Partnerships with national networks such as savings group platforms and youth skills institutions will further support the long-term use and dissemination of knowledge.”</p>	
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			<u>In the response sheet please indicate at what the pages and sections where this has been inserted in the proposal.</u>	
	10. Has a consultative process taken place, and has it involved all key stakeholders, and vulnerable groups, including gender considerations in compliance with the Environmental and Social Policy and Gender Policy of the Fund?	<p><b>Yes, but additional information is required.</b></p> <p>Part II H (para 149 – 155) describes the consultative process which took place to develop the concept note. In this initial process, the project team engaged in consultations with Zambia’s NDA to understand national priorities, identify key gaps and local barriers to adaptation, and explore stakeholder interest and potential roles.</p> <p>UNIDO networks were also used to identify and assess the challenges and needs of climate adaptation MSMEs in the southern African region. However, there were no consultations in the project/programme target areas where marginalized and vulnerable groups and indigenous peoples have been identified, neither were these groups consulted at this stage and their interests or concerns taken into account when designing the proposal.</p> <p>During the Full Proposal stage, the project will conduct an inclusive consultative process to ensure that its design reflects</p>		-

		<p>the priorities, needs, and preferences of stakeholders at all levels. The PFG also includes a request to fund such consultations.</p> <p><b>CAR12:</b> See comments in CAR3 with regard to Question 4.</p> <p><b>CAR13:</b> Provide a summary table of the conducted consultations. The table should include the date of consultation, entity/ group/ community consulted, number of participants disaggregated by gender, key topics discussed, outcomes and how these outcomes were considered in project design. <b>(See CAR4 above)</b></p> <p><b>CR13:</b> Considering the important role of vulnerable groups including women and youth, kindly explain how these groups have been involved during consultation workshops if any.</p> <p><b>CAR14:</b> Since the project involves USPs under the financing vehicle, kindly describe how the consultation process will be conducted during the identification of recipients and beneficiaries.</p>	<p><b>CAR12: Cleared.</b> Please refer to the response to CAR3 above.</p> <p><b>CAR13: Cleared.</b> Table 12 (page 49) provides a summary of the consultations conducted, including the date of consultation, entities consulted, number of participants disaggregated by gender, key topics discussed, outcomes, and how these outcomes informed the project design.</p> <p><b>CR13: Cleared.</b> Please see paragraphs 153 and 157.</p> <p><b>CAR14: Cleared.</b> See paragraph 113</p>	
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	<p>11. Is the requested financing justified on the basis of full cost of adaptation reasoning?</p>	<p><b>Yes, but further clarification is required.</b>  Part II I (para 156 – 160) explains how the proposal's activities are relevant in addressing its objectives, providing a description of the scenarios with and without the project and showing why the Adaptation Fund resources are essential to finance the incremental costs of adaptation that would not be supported under a development-only baseline. The proposal further states that all proposed activities, outputs, and outcomes are designed to be implemented without reliance on co-financing or additional funding.</p> <p><b>CAR15:</b>  Please provide information about whether this project will meet its outcomes and outputs solely with the resources of the Adaptation Fund, and how the proposed project's objective will be achieved in regards adaptation.</p>	<p><b>CAR15: Cleared.</b>  Yes, the project is designed to achieve its stated objective, outcomes, and outputs solely with the resources of the Adaptation Fund, without reliance on co-financing. All project components have been structured to ensure that Adaptation Fund resources are sufficient to support the full implementation of the project (see Paragraph 163).  The project's adaptation objective will be achieved by directly addressing the key drivers of climate vulnerability, particularly exposure to</p>	
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		<p><b>CR14:</b> Kindly clarify whether the project requires co-financing or not. If co-financing is being considered, please clearly indicate how the project with the AF resources only, will be able to effectively meet its objectives.</p>	<p>drought, flooding, and extreme heat, through locally led adaptation processes, delivery of context-appropriate adaptation solutions, strengthened livelihoods, and enhanced institutional capacity. By combining community-driven identification of adaptation needs, MSME-led delivery of adaptation measures, financial resilience mechanisms, and integration of climate risks into district-level planning, the project ensures that Adaptation Fund resources translate into tangible and sustained adaptation outcomes at household, community, and institutional levels.</p> <p><b>CR14: Cleared.</b> Please see new paragraph 164.</p>	
	<p>12. Is the project / program aligned with AF's results framework?</p>	<p><b>Yes, however some revisions are required</b> Part IIIA (pages 48 and 49) shows the alignment with the AF Strategic results framework. However, the upper part of the table cites the Project Components instead of the Project Objectives.</p> <p><b>CAR16:</b> Please see comments related to Question 3 and CR2 above and utilize the updated template. <a href="#">Results Framework</a></p>	<p><b>CAR 16: Not cleared.</b> The Project Components have been replaced by the Project Objectives in the upper part of Table 15 (57 – 59). However,</p>	<p><b>CAR16: Cleared.</b> As per amended para 99 for alignment with the language in Table 15. Additionally, Outcome 4 from Table 15 is now the same as Outcome 4 from Table 4.</p>

		<p><a href="#">Alignment Table</a> (Amended in November 2025) (77 kB, DOC)</p>	<p>Objectives 2 and 3 are slightly different from the Project Objectives listed in Paragraph 98. Similarly, Outcome 4 in the lower part of Table 15 is not consistent with Outcome 4 in Table 4 (page 26) in the section on Project/Programme Components and Financing. Please ensure consistency in the between the Project Components and AF Strategic Framework Alignment Tables.</p>	
	<p>13. Has the sustainability of the project/programme outcomes been taken into account when designing the project?</p>	<p><b>Yes, however additional information is required</b></p> <p>Part II J (para 161 – 165) explains how the project hopes to achieve all dimensions of sustainability – economic, social, financial, institutional and environmental. Arrangements include a combination of market-driven delivery systems, institutional mainstreaming, inclusive governance, and environmentally sound practices which deliver resilient, durable, replicable and scalable outcomes. Learning and management systems will also be used for informed corrective actions if necessary and improved delivery. Knowledge products, capacity building, and policy engagement will be used promote the scaling of effective</p>		

		<p>models to other districts and sectors in Zambia</p> <p>However, there is need to provide explicit details on arrangements of Operation and Maintenance of equipment and infrastructure.</p> <p><b>CAR17:</b> Please include information on how O&amp;M of equipment and infrastructure will be addressed.</p> <p><b>CR15:</b> Kindly explain clearly how replication and scaling up of the proposed project activities and benefits will be achieved.</p>	<p><b>CAR17: Cleared.</b> For adaptation solutions delivered under Component 1, operation and maintenance (O&amp;M) is integrated as a core part of MSME solution delivery rather than treated as a separate or post-project activity. The proposed approach ensures that O&amp;M of adaptation solutions is embedded in commercially viable MSME service models and sustained through locally available service providers beyond the project period. (See Activity 1.2.4, page 32).</p> <p><b>CR15: Not. cleared</b> Replication and scaling up of the CRAFT project will be achieved through a combination of market-based delivery models, institutional embedding, and knowledge dissemination, rather than through one-off project expansion. The project is designed to establish replicable</p>	<p>-</p> <p><b>CR15: Cleared.</b> As per insertion of para 193 in the revised submission.</p>
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			<p>mechanisms that can be adopted and expanded beyond the initial target areas. (see Page 51)</p> <p>While the response provided by the IE gives a comprehensive explanation of the how replication and scaling up of the proposed project activities and benefits will be achieved, it is not explicitly synthesized in the CN. <u>Please include in Part II J a subsection on replication and scaling up which presents the points provided in the explanation.</u></p> <p>“First, scaling will occur through commercially viable MSME-led service delivery models. By supporting MSMEs to develop and refine business models for delivering climate adaptation solutions, the project enables continued expansion to new customers and geographic areas after project completion, driven by market demand rather than external financing.</p> <p>Second, replication will be supported through institutional integration at district and national levels. The incorporation of climate risks and locally prioritized adaptation actions into Integrated Development Plans</p>	
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			<p>(IDPs) creates a framework through which similar approaches can be replicated in additional districts using public resources and future climate finance.</p> <p>Third, the project will generate practical knowledge and evidence on effective locally led adaptation approaches, including delivery models, financing mechanisms, and gender-responsive practices. These lessons will be captured through learning products and shared with national institutions, development partners, and private sector actors to inform replication in other regions.</p> <p>Finally, the project's alignment with national policies and strategies, including the National Adaptation Plan and the 8th National Development Plan, supports uptake and scaling by other programmes and funding mechanisms. Together, these pathways ensure that the benefits of the project can be sustained, replicated, and scaled beyond the initial project scope in line with Adaptation Fund expectations.”</p> <p><u>In the response sheet please indicate at what the pages and</u></p>	
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			<u>sections where this has been inserted in the proposal.</u>	
	<p>14. Does the project / programme provide an overview of environmental and social impacts / risks identified, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?</p>	<p><b>Yes, however additional information is required</b></p> <p>Part II K (para 166 – 168) describes the potential environmental and social impacts and risks and provides a checklist against the 15 ESP principles. For each ESP principle, the risk is rated (High, Medium or Low) and the measures which will be taken by the project to address the risk are described.</p> <p>However, the Category (A, B or C) in which the screening process has classified the project has not been provided.</p> <p>Although an initial gender assessment not done, information from the initial consultations which were conducted to prepare the Concept Note have provided some information about the gender-specific cultural and legal context in which the project will operate. In addition, the PFG includes an allocation for a Gender Assessment and the preparation of a Gender Action Plan is planned for the Full Project proposal.</p>		-

		<p>Although earlier sections of the project (para 108 – 220) clearly state that the project will contain interventions that fall under the category of USPs, they are not explicitly flagged in the Checklist. The USPs need to be linked to the relevant principles in the checklist and the future safeguards should be explicitly stated.</p> <p><b>CAR18:</b> Please include the Category of the project</p> <p><b>CAR18:</b> Please flag any risks in the Checklist table that are associated with USP activities to highlight the need for follow-up screening.)</p>	<p><b>CAR18: Cleared.</b> The project has been screened as Environmental and Social Category B according to the UNIDO policy, as stated in Part II, Section K. Please see paragraph 170.</p> <p><b>CAR18: Cleared.</b> The USP interventions related to the selection and deployment of climate adaptation solutions partially overlap with environmental and social risks are identified Table 14 (page 54). In accordance with the Adaptation Fund’s USP guidance, all such interventions will undergo formal environmental and social screening prior to implementation to ensure full compliance and mitigation with the following identified risks:</p> <p>(See paragraph 173). Additionally, the header of the checklist (Table 14) has been</p>	
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			changed to align with the AF template.	
Resource Availability	1. Is the requested project / programme funding within the cap of the country?	<b>Yes.</b>	-	-
	2. Is the Implementing Entity Management Fee at or below 8.5 per cent of the total project/programme budget before the fee?	<p><b>Yes</b></p> <p>The EE fee is 8.5 of the total budget before fee A PFG is requested in the amount of USD 150,00 which is appropriate for a project of this size.</p> <p><b>CR14:</b> Please review row 1, column 3 of the PFG requested form to determine if the breakdown totals is equal to the total presented in row 1 column 2.</p>	<p><b>CR14: Cleared.</b> The PFG request form has been revised to present the PFG plan and the corresponding budget with additional clarity. All calculations are accurate.</p>	-
	3. Are the Project/Programme Execution Costs at or below 9.5 per cent of the total project/programme budget (including the fee)?	<p><b>Yes, however, additional information is required</b></p> <p><u>For the fully developed proposal please note that. Since, the Implementing Agency (UNIDO) will also serve as the Executing Agency along with the Ministry of Green Economy and Environment. Thus, the cost of the part of the project or programme executed by the implementing entity should be limited to 1.5 % of the project/programme cost if UNIDO is executing for the entire project otherwise 1.5% of</u></p>		-

		<p><u>the part/components that UNIDO is executing.</u></p> <p><b>CAR19:</b> Please provide justification for the IE serving as EE for the project.</p> <p><u>Please note that for the fully developed proposal, the IE should state clearly the activities which will be conducted by the IE to be able to accurately calculate the % of the EE fee applicable to the IE.</u></p>	<p><b>CAR19: Cleared.</b></p> <p>See paragraph 175</p> <p>UNIDO will serve as the EE for Component 4 to leverage its long-standing expertise and experience in supporting governments in addressing climate challenges as well as its international network and reach in the climate adaptation ecosystem. Under Component 4, UNIDO will support the MGEE in establishing an effective project management structure, as well as operationalization of a learning and knowledge management system. UNIDO's past and current portfolio of climate adaptation projects will also , support the MGEE as the EE for Components 1 to 3 This has been agreed and approved by the DA, as indicated in the Letter of Endorsement.</p>	
Eligibility of IE	1. Is the project/programme submitted through an eligible Implementing Entity that has been accredited by the Board?	<p><b>No.</b></p> <p>UNIDO is Currently undergoing re-accreditation, it previous accreditation expired on 30<sup>th</sup> November 2025.</p>	<p><b>No</b></p> <p>UNIDO is currently undergoing re-accreditation with the Adaptation Fund.</p>	<p><b>No</b></p> <p>UNIDO is currently undergoing re-accreditation with the Adaptation Fund</p>

		<p><i>Please be advised that the findings of the AFB Secretariat's review of the funding proposal(s) do not reflect, indicate, or prejudge the outcome of the reaccreditation process currently underway. The Implementing Entity (IE) shall acknowledge that the funding proposal will not be approved by the Board if the IE's accreditation has expired, and reaccreditation has not been achieved at the time of the Board's decision. Notwithstanding this potential risk, the IE has elected to proceed with the development of the funding proposal.</i></p>		
Implementation Arrangements	1. Is there adequate arrangement for project / programme management, in compliance with the Gender Policy of the Fund?	n/a at concept stage		
	2. Are there measures for financial and project/programme risk management?	n/a at concept stage		
	3. Are there measures in place for the management of for environmental and social risks, in line with the Environmental and Social Policy and Gender Policy of the Fund?	n/a at concept stage		
	4. Is a budget on the Implementing Entity Management Fee use included?	n/a at concept stage		

	5. Is an explanation and a breakdown of the execution costs included?	n/a at concept stage		
	6. Is a detailed budget including budget notes included?	n/a at concept stage		
	7. Are arrangements for monitoring and evaluation clearly defined, including budgeted M&E plans and sex-disaggregated data, targets and indicators, in compliance with the Gender Policy of the Fund?	n/a at concept stage		
	8. Does the M&E Framework include a break-down of how implementing entity IE fees will be utilized in the supervision of the M&E function?	n/a at concept stage		
	9. Does the project/programme's results framework align with the AF's results framework? Does it include at least one core outcome indicator from the Fund's results framework?	n/a at concept stage		
	10. Is a disbursement schedule with time-bound milestones included?	n/a at concept stage		

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

### A. Record of endorsement on behalf of the government<sup>1</sup>

<p><b>Dr. Douty Chibamba</b> Permanent Secretary Ministry of Green Economy and Environment Zambia</p> <p>CC: Mr. Billy Katontoka National Coordinator, NDA, Ministry of Green Economy and Environment, Zambia</p>	<p>Date: 30 October 2025</p>
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### B. Implementing Entity certification

<p>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 and subject to the approval by the Adaptation Fund Board, <u>commit to implementing the project/programme in compliance with the Environmental and Social Policy and the Gender Policy of the Adaptation Fund</u> and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.</p>	
<p><b>Ms. Ganna Onysko</b> Senior GEF, GCF, AF Coordinator Division of Funding Partner Relations Directorate of Global Partnerships and External Relations United Nations Industrial Development Organization - UNIDO Implementing Entity Coordinator</p>	
<p>Date: <del>10 March 6 February</del> 2026</p>	<p>Tel. and email: +43 1 26026 3708</p> <p>TO: <a href="mailto:f.haidara@unido.org">f.haidara@unido.org</a> CC: <a href="mailto:gef@unido.org">gef@unido.org</a>; <a href="mailto:glo@unido.org">glo@unido.org</a>; <a href="mailto:g.onysko@unido.org">g.onysko@unido.org</a></p>
<p>Project Contact Person: Sunyoung Suh, Project Manager</p>	
<p>Email: <a href="mailto:s.suh@unido.org">s.suh@unido.org</a></p> <p>CC : Mr. Manuel Bueno, Senior Climate Finance Expert, TCS/CMP/CTI (<a href="mailto:m.bueno@unido.org">m.bueno@unido.org</a>) Ms. Najlae Boumia, Project Associate, TCS/CMP/CTI (<a href="mailto:n.boumia@unido.org">n.boumia@unido.org</a>) Ms. Eleonora Gatti, Head, TCS/CMP/CTI (<a href="mailto:e.gatti@unido.org">e.gatti@unido.org</a>) Mr. Alois Mhlanga, Director, TCS/CMP (<a href="mailto:a.mhlanga@unido.org">a.mhlanga@unido.org</a>)</p>	

<sup>1</sup> Each Party shall designate and communicate to the secretariat the authority that will endorse on behalf of the national government the projects and programmes proposed by the implementing entities.

All correspondence should be addressed to the  
Permanent Secretary  
Telephone: 0211 -252395  
0211 -252394  
0211 -252391



REPUBLIC OF ZAMBIA

In reply please quote  
No.: **NDA/71/21/9**

# MINISTRY OF GREEN ECONOMY AND ENVIRONMENT

OFFICE OF THE PERMANENTS SECRETARY  
Corner of John Mbita & Nationalist Road  
P.O BOX 30147  
Lusaka-Zambia

30 October 2025

The Adaptation Fund Board  
c/o Adaptation Fund Board Secretariat  
Email: [Secretariat@Adaptation-Fund.org](mailto:Secretariat@Adaptation-Fund.org)  
Fax: 202 522 3240/5

**UNITED STATES OF AMERICA**

## **SUBJECT: ENDORSEMENT FOR CLIMATE RESILIENCE AND ADAPTATION FACILITY FOR TECHNOLOGIES (CRAFT)**

In my capacity as Designated Authority for the Adaptation Fund in Zambia, I confirm that the above national project/programme proposal is in accordance with the government's national priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in Zambia.

Accordingly, I am pleased to endorse the above project/programme proposal with support from the Adaptation Fund. If approved, the project/programme will be implemented by the United National Industrial Development Organization (UNIDO) and executed by the Ministry of Green Economy and Environment Zambia and UNIDO.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Douy Chibamba'.

Dr. Douy Chibamba  
Permanent Secretary

**MINISTRY OF GREEN ECONOMY AND ENVIRONMENT**

Cc: Mr. Billy Katontoka, National Coordinator, NDA, Ministry of Green Economy and Environment

Cc: Ms. Sunyoung Suh, Climate Technology Innovation Unit, UNIDO



**Project Formulation Grant (PFG)**

Submission Date: 6 February 2026

**Adaptation Fund Project ID:** N/A

**Country:** Zambia

**Title of Project:** Climate resilience and adaptation facility for technologies: improving rural adaptive capacity and resilient livelihoods in the Southern, Western and Central provinces of Zambia

**Type of IE (NIE/MIE):** MIE

**Implementing Entity:** United Nations Industrial Development Organisation (UNIDO)

**Executing Entity/ies:** United Nations Industrial Development Organisation (UNIDO)

**A. Project Preparation Timeframe**

Start date of PFG	<b>1 June 2026</b>
Completion date of PFG	<b>31 August 2027</b>

**B. Proposed Project Preparation Activities (\$)**

Describe the PFG activities and justifications:

<b>List of Proposed Project Preparation Activities</b>	<b>Output of the PFG Activities</b>	<b>USD Amount</b>	<b>Budget note<sup>1</sup></b>
1a. Stakeholder consultations in target provinces and districts  1b. National validation workshop	<b>1. Stakeholder validation report</b>	43,000	<b>Estimated costs</b>  \$15,000.00 - Costs for engagement of local expert(s) and/or service provider(s) to conduct stakeholder consultations  \$12,000.00 - Travel costs for local consultations in target regions  \$4,000.00 - Costs for engagement of local expert(s) and/or service provider(s) to conduct validation workshop  \$5,000.00 - Costs for national validation workshop  \$7,000.00 - Travel costs for national validation workshop

<sup>1</sup> The proposal should include a detailed budget with budget notes indicating the break-down of costs at the activity level. It should also include a budget on the Implementing Entity management fee use.

<p>2a. CRVA for target districts</p> <p>2b. Environmental and Social Management Framework (ESMF) development, including for USPs</p> <p>2c. Gender analysis and action plan development</p> <p>2d. National Executing Entity institutional capacity assessment</p> <p>23. Project budget, disbursement schedule, workplan and institutional arrangements development, including draft TORs for the Executing Entity and PMU</p> <p>2f. Writing and revision of the main proposal document</p> <p>2g. Coordination for proposal writing and revisions among all stakeholders during development and review</p>	<p><b>2. Fully developed proposal document and associated annexes in compliance with UNIDO and AF guidelines and policies</b></p>	<p>93,363.64</p>	<p><b>Estimated costs</b></p> <p>\$8,233.64 - Costs for engagement of CRVA expert(s) and/or service provider(s)</p> <p>\$5,500.00 - Costs for engagement of ESS expert(s) and/or service provider(s)</p> <p>\$5,500.00 - Costs for engagement of gender expert(s) and/or service provider(s)</p> <p>\$20,000.00 - Costs for engagement of service provider(s)</p> <p>\$5,500.00 - Costs for engagement of expert(s) for preparing project budget, workplan and institutional arrangements</p> <p>\$40,000.00 - Costs for engagement of international expert(s) and/or service providers for writing and finalization of Concept Note</p> <p>\$5,000.00 - Costs for engagement of local expert(s) and/or service providers for writing and finalization of Concept Note</p> <p>\$3,630.00 - Costs for engagement of expert(s) for proposal development coordination</p>
<p><b>Sub-total</b></p>		<p>136,363.64</p>	
<p><b>Implementing Entity Fee</b></p>	<p><b>IE administrative and technical support for project development</b></p>	<p>13,636.36</p>	
<p><b>Total Project Formulation Grant</b></p>		<p><b>\$150,000.00</b></p>	

### C. Implementing Entity

This request has been prepared in accordance with the Adaptation Fund Board’s procedures and meets the Adaptation Fund’s criteria for project identification and formulation

<b>Implementing Entity Coordinator, IE Name</b>	Ms. Ganna Onysko Senior GEF, GCF, AF Coordinator Division of Funding Partner Relations Directorate of Global Partnerships and External Relations United Nations Industrial Development Organization - UNIDO Implementing Entity Coordinator	
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