



ADAPTATION FUND

AFB/PPRC.37/31/Add.1
16 March 2026

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

Agenda Item 6 (i)

PROJECT FORMULATION GRANT FOR MONGOLIA, PAKISTAN

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.37/31 “Proposal for Mongolia, Pakistan” includes a request for a Project Formulation Grant, requesting a budget of US \$30,000, which was received by the secretariat along with the concept for the regional programme AF00000476 “Climate-proofing Livestock Value Chains in Vulnerable Communities in Mongolia and Pakistan”. 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 at national level and workshops; baseline assessment and concept note development

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



ADAPTATION FUND

ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW OF PROJECT/PROGRAMME PROPOSAL

PROJECT/PROGRAMME CATEGORY: Pre-Concept for a Regional Project

Countries/Region: Pakistan and Mongolia

Project Title: Climate-proofing livestock value chains in vulnerable communities in Mongolia and Pakistan

Thematic focal area: Food security

Implementing Entity: United Nations Industrial Development Organization (UNIDO)

Executing Entities: UNIDO and the Asian Disaster Preparedness Center (ADPC)

AF Project ID: AF00000476

IE Project ID:

Requested Financing from Adaptation Fund (US Dollars): 20,550,000

Reviewer and contact person: Ahmad Ghosn

Co-reviewer(s):

IE Contact Person(s):

Technical Summary

The project “Climate-proofing livestock value chains in vulnerable communities in Mongolia and Pakistan” aims to climate-proof livestock value chains in Mongolia and Pakistan and enhance national and regional food security and related climate change adaptation capacities. This will be done through the four components below:

Component 1: Strengthening institutional capacity for enhanced adaptation planning for food security and livelihood resilience (USD 2,300,000).

Component 2: Implementation of adaptation interventions to climate-proof the livestock value chain (USD 7,800,000).

Component 3: Preparedness for climate-related hazards (USD 7,000,000).

Component 4: Knowledge Management (USD 600,000).

Requested financing overview:

Project/Programme Execution Cost: USD 981,818

Total Project/Programme Cost: USD 18,681,818

Implementing Fee: USD 1,868,182

Financing Requested: USD 20,550,000

The proposal includes a request for a project CN formulation grant of USD 30,000.

	<p>The first technical review raises several issues, such as: further substantiation of the project regional rationale; revising project components and finance table; clarifying some issues related to components description; clarifying few issues related to project cost effectiveness, sustainability, duplication, alignment with related regional/ bilateral plans, etc.; providing details on project implementation/ execution arrangements; among others as indicated in the Clarification Requests (CRs) and Corrective Action Request (CARs) raised in the review.</p> <p>The second technical review finds that a few CRs and CARs remain on calculation of PFG costs and alignment of document.</p> <p>The third technical review finds the pending CRs, and CARs of the second review are adequately 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	15 January 2026

Review Criteria	Questions	First Technical Review Comments October 31, 2025	Second Technical Review Comments 16 December 2025	Third Technical Review comments 15 January 2026
Country Eligibility	1. Are all of the participating countries party to the Kyoto Protocol and/or the Paris Agreement?	Yes.	-	-
	2. Are all of the participating countries developing countries particularly vulnerable to the adverse effects of climate change?	Yes. Both countries experience significant warming trends, extreme weather events and climate-induced disasters that have profound impacts on herders, livestock productivity and the broader value chain.	-	-

Project Eligibility	1. Have the designated government authorities for the Adaptation Fund from each of the participating countries endorsed the project/programme?	<p>Yes.</p> <p>As per the Endorsement letter of Mongolia's DA dated 09 June 2025, and Pakistan's DA Endorsement letter dated 16 September 2025.</p>	-	-
	2. Has the pre-concept provided necessary information on the problem the proposed project/programme is aiming to solve, including both the regional and the country perspective?	<p>Yes.</p> <p>See As Part I, pp. 2-3. However, owing to the facts that Pakistan and Mongolia lie in different Asian regions (Pakistan in South Asia and Mongolia in East Asia), separated by large distances, have different cultures and languages, etc., further justification for the regional approach is needed. It is also to be noted that while sector commonalities could justify the regional approach, interventions to face/ adapt with related "globally" similar climate impacts may differ due to country specifics.</p> <p>CAR1: Under Part I "Project/Programme Background and Context" or under Part II, please add a dedicated subheading/ section to substantiate/ rationalize the project regional approach, in terms of advantages/ added value, cost effectiveness and greater impact, compared with single country project modules.</p>	<p>CAR1: Cleared. See Part I, pp.3-5 and Part II, pp.7-8. Part I was revised to further clarify the common adaptation challenges in livestock sectors of Mongolia & Pakistan, the similar vulnerabilities faced by herders and SMEs, and the higher impact/ cost effectiveness of the regional approach.</p>	-

	<p>3. Have the project/programme objectives, components and financing been clearly explained?</p>	<p>Yes.</p> <p>However, further refinement is required.</p> <p>See Part I, pp. 3-5. <u>However</u>, the components financing table, pp. 4-5, need to be revised. It is also recommended to consider rephrasing the overall objective statement for more clarity.</p> <p>CR1: The overall objective statement is lengthy. Please consider revising to be more concise and to reflect regional aspects. Maintain related discussions provided under “Project/Programme Objectives”, p. 3, including specific objectives. A proposed overall objective is: “to climate-proof livestock value chains in Mongolia and Pakistan and enhance national and regional food security and related climate change adaptation capacities.</p> <p>CAR2: Align the components financing table with AF format:</p> <ol style="list-style-type: none"> 1. Add numbering in front of listed components and adjust items numbering for the remaining entries accordingly. 2. Indicate totals at output, outcome and component levels. 3. Delete blank rows/ cells in items numbered 6,7 and 8. 	<p>CR1: Cleared. See Part I, p. 5.</p> <p>CR1 (NEW): <u>On page 1 of the proposal please update the stage of submission and to indicate that this is a re-submission and the last date of submission.</u></p> <p>CAR2: Cleared. See Part I, pp. 5-7.</p>	<p>-</p> <p>CR1 (NEW): Cleared. See p.1.</p> <p>-</p>
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	<p>4. Has the project/programme been justified in terms of how:</p> <ul style="list-style-type: none"> - it supports concrete adaptation actions? - it builds added value through the regional approach? - it promotes new and innovative solutions to climate change adaptation? - it is cost-effective? - it is consistent with applicable strategies and plans? - it incorporates learning and knowledge management? - it will be developed through a consultative process with particular reference to vulnerable groups, including gender considerations, in compliance with the Environmental and Social Policy of the Adaptation Fund? - it will take into account sustainability? 	<p>Yes. See Part II, pp. 5-7. Concrete actions include: flood-resilient livestock shelters in lowlands, heat-tolerant fodder varieties for arid/ semi-arid zones, mobile insulated barns/ water troughs for cold-prone rangelands; promoting emerging technologies and financial tools through demonstration-based platforms; improving existing EWS (e.g.: digital alert systems, early warning platforms, biomass sensors, disease outbreak triggers, dzud risk maps, etc.); and related capacity building, regional knowledge sharing/ exchange, as discussed under components description, pp. 5-6.</p> <p>However, the below issues warrant further clarification.</p> <p>CR2: Consider providing some initial thinking around the analysis of alternative interventions, if any, at appropriate sections of the PCN (e.g., Part I, Background and Context).</p> <p>CR3: Please confirm whether the gender considerations are incorporated and guided by input of stakeholders. <u>Be sure to include the gender remit during the PFG phase.</u></p> <p>CR4: Please address the following:</p> <ol style="list-style-type: none"> 1. Clarify whether the planned activities under components will be identical/ very similar and reflect this 	<p>CR2: Cleared. See Part I (para. 1,5 & 6, pp. 3-4) revisions to clarify selected interventions rationale. Further analysis of alternatives/ cost-effectiveness will be provided at CN stage.</p> <p>CR3: Cleared, See Part II, p. 9 “ Consultative Process”.</p> <p>CR4: Cleared. 1. (see p.7, first para); 2. (see p.4, first para); 3. (see p. 8, 2nd sentence under component 3); 4. (see p.8 “Component 4”); 5&6. (see p.9); 7. (see top of p.10); 8&9 (see p.10).</p>	<p>-</p> <p>-</p> <p>-</p>
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		<p>in the regional rationale, if it is the case. See CAR1 above.</p> <ol style="list-style-type: none"> 2. The last para on p. 2, states " However, these systems are in grazing areas and livestock management". Please clarify/ specify which systems. 3. Under the discussion of component 3 "Preparedness for climate-related hazards", second sentence, p. 6, refers to "Existing systems". Do you mean Early Warning Systems? Please clarify/revise. 4. The discussion under component 4, p. 6, "Knowledge Management and Monitoring" states that "<u>Activities will build on recent bilateral agreements/ regional platforms.</u> Please specify these bilateral agreements/ regional platforms. 5. Under "Cost-effectiveness", p. 6, it is stated that "The regional approach further enhances value for money by pooling resources and enabling shared delivery models". Clarify this statement. Does it relate to project implementation/execution arrangements, and/or assume that interventions to be implemented are identical? 6. Under "Consistency with national policies, strategies and plans", p. 7, please include related regional plans/ bilateral cooperation agreements, if any. 		
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		<p>7. Under "Sustainability", p. 7, please reflect related regional arrangements, if any.</p> <p>8. Under "Economic, social and environmental benefits", p. 7, it is stated that "<u>If an environmental and social assessment is required for the project</u>, it will assess all potential risks and propose a risk management plan, in compliance with the Environmental and Social Policy of the Adaptation Fund". <u>Kindly note that Environmental and social assessment and related management plan are required by AF</u>. Please revise the statement.</p> <p>9. Under "Duplication of project with other funding sources", p. 7, please indicate that further related projects will be identified at concept stage.</p> <p>CAR3: Please clarify if the project will ultimately contain USPs and if so, please ensure that the revised concept adequately recognizes the use of USP in the project and provides a logical justification for their use. Please refer to the updated guidance document on USPs https://www.adaptation-fund.org/wp-content/uploads/2021/05/Updated-guidance-on-USPs-.pdf</p>	<p>CAR3: Cleared. Based on IE response, the project will not include USPs. All pilot adaptation measures, target sites and SME participants will be identified and agreed during the concept and full proposal stages.</p>	-
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	<p>5. Does the pre-concept briefly explain which organizations would be involved in the proposed regional project/programme at the regional and national/sub-national level, and how coordination would be arranged? Does it explain how national institutions, and when possible, national implementing entities (NIEs) would be involved as partners in the project?</p>	<p>Yes. However additional information is required. See pp. 7-8. UNIDO will serve as IE and will also execute components 2&4 whose cost is \$8,400,000 or about 47% of total components cost (USD 17,700,000). ADPC will execute components 1&3 (USD 9,300,000). More details on the roles of UNIDO and ADPC is needed. Also, the roles of national entities need to be emphasized to ensure effective delivery and sustainability of project outcomes. Moreover, please clarify where the Regional Project Steering Committee (RPSC) will be hosted and how it will deliver its functions (e.g.: via virtual or physical periodical meetings, etc.).</p> <p>CAR4: Under Part III, pp. 7-8, please provide more details on UNIDO's and ADPC's implementation and execution arrangements (<i>Note: UNIDO has a Field Office in Pakistan but does not have an office in Mongolia which is represented by its Regional Office in China; ADPC has a formal presence in Pakistan but does not appear to have an office in Mongolia</i>). Also, clarify the role of national institutions in the project implementation and execution. Moreover, please clarify where the RPSC will be stationed and how it will deliver its functions.</p> <p>CAR5: As per the Board (decision B.18/30), please provide written evidence that execution services by the</p>	<p>CAR4: Cleared. See Part III, p. 10.</p> <p>CAR5: Cleared. Formal request from Mongolia is attached. <u>Request from Pakistan is being finalized and will be shared with AFSEC upon receipt.</u></p>	<p>-</p> <p>-</p>
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		Implementing Entities on an exceptional basis has been requested by the recipient countries, involving designated authorities in the process, and providing rationale for such a request. The responsibility for these services shall be stipulated, their budget estimated in the fully developed project/programme document and covered by the execution costs budget of the project/programme. Please provide further justification and evidence as per the above for UNIDO's involvement in project execution.		
Resource Availability	6. Is the requested project / programme funding within the funding windows of the programme for regional projects/programmes?	Yes.	-	-
	7. Are the administrative costs (Implementing Entity Management Fee and Project/ Programme Execution Costs) at or below 10 per cent of the project/programme for implementing entity (IE) fees and at or below 10 per cent of the project/programme cost for the execution costs?	Yes. The execution costs are USD 981,818 or 5.26% (taking into account the IE involvement in the execution of components 2&4) please note that the portion of the IE fee to UNIDO will be \$126,000 representing 1.5% of the components being executed by the IE as per Decision B.38/42.	No. CAR6: 1. The PFG budget has an overage of \$450 as a result of breakdown in column 3 row 2 related to Workshop expenses: US\$ 2,450. Please address.	CAR6: Cleared. See PFG form/s (TC and clean versions).

<p>Eligibility of IE</p>	<p>8. Is the project/programme submitted through an eligible Implementing Entity that has been accredited by the Board?</p>	<p>No. UNIDO's accreditation expired on 30th November 2025, and is currently undergoing re-accreditation.</p>	<p>No.</p> <p>CAR7: Please kindly note that the UNIDO focal point as per AF website is Ms Haidara and hence her signature is required. Kindly attach change of IE representative name letter if available.</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 prejudice 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>	<p>CAR7: Cleared. See IE response below.</p> <p><i>"As communicated to the AF Secretariat on 18 December 2025, UNIDO has provided the updated list of high-level and operational focal points and confirms that proposal submissions and signatures will be effectuated at the level of the UNIDO GEF, AF, and GCF Coordination Office".</i></p>
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National stakeholders in Mongolia and Pakistan will play an important role in supporting project delivery and ensuring alignment with national priorities during the next design stages. In Mongolia, key partners may include the Ministry of Environment and Climate Change (MECC) and the National Agency for Meteorology and Environmental Monitoring (NAMEM), as well as herders' cooperatives representing local beneficiaries. In Pakistan, key institutions may include the Ministry of Climate Change and Environmental Coordination and the provincial Livestock & Dairy Development Departments. Additional national and local partners will be engaged as project activities and pilot sites are further refined during the concept and full-proposal phases. During the concept and full-proposal phases, roles and responsibilities will be jointly confirmed with UNIDO, ADPC and national ministries to ensure full government ownership and clarity of implementation arrangements prior to the start of execution.

A Regional Project Steering Committee (RPSC) will monitor progress, provide technical oversight, address strategic issues and support knowledge sharing. The RPSC will be co-chaired by the Ministry of Climate Change and Environmental Coordination of Pakistan and the Ministry of Environment and Climate Change of Mongolia, with participation from UNIDO, ADPC and other relevant national stakeholders. Given the regional nature of the project, the RPSC will meet virtually at regular intervals, with in-person meetings held when feasible during major project milestones. Final hosting and meeting arrangements will be confirmed during the concept and full-proposal stages.

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

A. Record of endorsement on behalf of the government¹⁵ *Provide the name and position of the government official and indicate date of endorsement for each country participating in the proposed project/programme. Add more lines as necessary. The endorsement letters should be attached as annexes to the project/programme proposal.*

<i>Primary contact:</i> <i>Dr. Zamba Batjargal</i> <i>Special Envoy for Climate Change</i> <i>Ministry of Environment and Tourism</i>	<i>Date: (Month, day, year)</i>
<i>Ms. Sameera Sheikh</i> <i>Joint Secretary,</i> <i>Ministry of Climate Change and</i> <i>Environmental Coordination</i>	<i>Date: (Month, day, year)</i>

B. Implementing Entity certification *Provide the name and signature of the Implementing Entity Coordinator and the date of signature. Provide also the project/programme contact person's name, telephone number and email address*

I certify that this proposal has been prepared in accordance with the guidelines provided by the Adaptation Fund Board and the prevailing national development and adaptation plans of the Islamic Republic of Pakistan and the Government of Mongolia. Subject to the approval of the Adaptation Fund Board, we commit to implementing the project/programme in compliance with the Environmental and Social 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.

¹⁵ 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.

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	
Date: <i>(Month, Day, Year)</i>	Tel. and email: +43 1 26026 3647; G.ONYSKO@unido.org
Project Contact Person: Ms. Meryem Sghir	
Tel. And Email: +43 1 26026 3743; M.SGHIR@unido.org	



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Date 17 November 2025

Ref. 1/162

TO: THE ADAPTATION FUND BOARD
C/O ADAPTATION FUND BOARD SECRETARIAT
EMAIL: SECRETARIAT@ADAPTATION-FUND.ORG
FAX: 202 522 3240/5

**Subject: Justification for UNIDO's execution role in Components 2 and 4 in
Mongolia**

Dear Adaptation Fund Secretariat,

As the Designated Authority of Mongolia for the Adaptation Fund, I am writing to provide justification for the role of the United Nations Industrial Development Organization (UNIDO) as Executing Entity for Components 2 and 4 under the proposed regional project entitled:

'Climate-proofing livestock value chains in vulnerable communities in Mongolia and Pakistan.'

Component 2 will implement practical adaptation measures to strengthen the resilience of herders and livestock value chains. This includes introducing climate-smart livestock and rangeland management practices, supporting sustainable grazing and pasture restoration, and improving storage, processing, and transportation systems to reduce climate-related losses and disruptions. Component 4 will facilitate knowledge exchange and the documentation of lessons learned, supporting the scaling and sustainability of successful adaptation practices within Mongolia and across the region.

UNIDO is being requested to execute these components due to its established technical expertise in livestock value chain development, climate-resilient agrifood systems and support to rural and community-based enterprises in Mongolia. Globally, UNIDO has a proven track record in designing and implementing value chain upgrading programmes, introducing climate-resilient processing and storage technologies and supporting producer organizations to adopt improved and climate-informed production practices. This experience is directly relevant to the needs of herder communities and small enterprises in climate-vulnerable livestock systems.

We confirm that relevant Mongolian governmental institutions and local stakeholders will continue to play a central role in guiding and coordinating the project to ensure alignment with national policies and priorities. UNIDO's role is focused on carrying out the technical activities under Components 2 and 4 and is intended to support and reinforce national efforts. UNIDO will work in close collaboration with national experts and institutions on the ground to ensure that the activities are informed by local knowledge and experience.

It is important to also note that UNIDO's role is limited in scope, covering a small share of the overall project activity budget and execution costs. The project remains fully country-driven and aligns with national development and adaptation priorities.

We hope this explanation provides the necessary clarity. Please do not hesitate to reach out should further information be needed.

A handwritten signature in black ink, appearing to read 'Batjargal Zamba', written in a cursive style.

Sincerely,

Dr. Batjargal Zamba, National Focal Point for the Adaptation Fund.
Science Advisor to the information and Research Institute on Meteorology, Hydrology and Environment, Ministry of Environment and climate Change



**INFORMATION AND RESEARCH
INSTITUTE OF METEOROLOGY,
HYDROLOGY AND ENVIRONMENT**
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Web: www.irimhe.namen.gov.mn

Date 17 November 2025

Ref. 1/161

TO: THE ADAPTATION FUND BOARD
C/O ADAPTATION FUND BOARD SECRETARIAT
EMAIL: AFBSEC@ADAPTATION-FUND.ORG
FAX: 202 522 3240/5

Subject: Endorsement for the Concept Proposal “Climate-proofing livestock value chains in vulnerable communities in Mongolia and Pakistan”

In my capacity as designated authority for the Adaptation Fund in Mongolia, I confirm that the above regional pre-concept 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 Mongolia.

Accordingly, I am pleased to endorse the above pre-concept note with support from the Adaptation Fund. If approved, the project will be implemented by the United Nations Industrial Development Organization (UNIDO) and executed by the Asian Disaster Preparedness Center (ADPC), with UNIDO also acting as a partial executing entity.

Sincerely,

Dr. Batjargal Zamba, National Focal Point for the Adaptation Fund.
Science Advisor to the information and Research Institute on Meteorology, Hydrology and Environment, Ministry of Environment and climate Change

Tel: +92-51-9245531



**JOINT SECRETARY
(CC&ENV)**

**No. F. 1(13)/Adaptation Fund/25/SOCC
GOVERNMENT OF PAKISTAN
MINISTRY OF CLIMATE CHANGE
(LG & RD Complex, G-5/2, Islamabad)

Islamabad, the 16th September, 2025

To:
Adaptation Fund Board Secretariat
1818 H Street NW
MNS N7-700
Washington D.C, 20433
United States of America
Email:secretariat@adaptation-fund.org

SUBJECT: ENDORSEMENT FOR THE PRECONCEPT NOTE OF "CLIMATE PROOFING LIVESTOCK VALUE CHAINS IN VULNERABLE COMMUNITIES IN MONGOLIA AND PAKISTAN"

In my capacity as a primary focal point (with signing authority) for the Pakistan's Designated Entity to the Adaptation Fund, I confirm that the above pre-concept is in accordance with the government's national priorities in implementing adaptation activities to reduce and manage adverse impacts of climate change in Pakistan.

2. Accordingly, I am pleased to endorse the above pre-concept note with support from the Adaptation Fund. If approved, the project will be implemented by the United Nations Industrial Development Organization (UNIDO) and executed by the Asian Disaster Preparedness Center (ADPC), with UNIDO also acting as a partial executing entity.

Sameera Sheikh

Sameera Sheikh
(Focal Point Adaptation Fund Pakistan)

Copy to:

PS to Secretary, Ministry of Climate Change & Environmental Coordination, Islamabad.



Revised PFG Submission Form¹ (additions in red)

Project Formulation Grant (PFG)

Submission Date:

Adaptation Fund Project ID: XXX

Country/ies: Pakistan and Mongolia

Title of Project/Programme: Climate-proofing livestock value chains in vulnerable communities in Mongolia and Pakistan

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

Implementing Entity: UNIDO

Executing Entity/ies: UNIDO

A. Project Preparation Timeframe

Start date of PFG	June April 2026
Completion date of PFG	March 2027

B. Proposed Project Preparation Activities (\$)

List of Proposed Project Preparation Activities	Output of the PFG Activities	US\$ Amount	Budget note ²
<p>1. Preparation of a concept note:</p> <p>1.1 To conduct a baseline assessment to verify the proposed interventions, indicators, targets and to identify the target project sites.</p> <p>1.2. To carry out stakeholders' consultations at local and national level, specifically on selected project sites, with local communities and indigenous populations.</p>	<p><u>Output 1. Full Project Concept Proposal</u></p> <p>1.1 Baseline assessment report</p> <p>1.2 Stakeholders' consultation report</p> <p>1.3 Concept note</p> <p>1.4 Validation workshop report</p>	<p>279,000 7,000</p>	<p>Technical expertise: US 10,000</p> <p>Local travel: US\$ 5,000</p> <p>Stakeholders' workshops: US\$ 5,000</p> <p>Workshop expenses: US\$ 2,000450</p> <p>Travel expenses: US\$ 5,000</p>

¹ As presented in AFB/PPRC.33/40 Annex 1.

² 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><u>1.3.</u> To prepare the Concept note as per the requirements of the Adaptation Fund.</p> <p>Concept note validation:</p> <p><u>1.4.</u> To organize validation workshops at the national level, specifically on selected project sites, with local communities and indigenous populations. There will be at least two workshops: one in Pakistan and one in Mongolia.</p>			
IE fee (support costs)	IE admin and technical support for project development, monitoring and supervision Compliance assurance	3,000	
Total Project Formulation Grant		30,000	

Description of the required activity	Justification for the need and for the amount
To conduct a baseline assessment	The preliminary baseline assessment will be conducted so that the data and information is provided to support the interventions proposed and indicators/targets aimed at. The methodology will be based on a participatory approach, collecting primary data at the local, community level and secondary data.
To carry out initial stakeholders' consultations at local and national level:	Stakeholder consultation serves as a fundamental mechanism for collecting information, perspectives, and feedback from individuals involved in a project. This activity will serve to ensure further alignment of an engagement plan with the needs, expectations, and concerns of all relevant stakeholders. The stakeholders' consultations will target specifically selected project sites, involving local communities and indigenous populations;
To organize a validation workshop	This activity will involve in person pre-validation workshops at the level of the target communities and indigenous populations in order to ensure their buy in of the proposed project interventions. This will be conducted as pre-validation workshops. Also, validation workshops will be conducted virtually separately in Pakistan and Mongolia so that each country has an opportunity to focus on the proposed project intervention and provide validation.

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

Implementing Entity Coordinator, IE Name	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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