ADAPTATION FUND

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

PROPOSAL FOR MALDIVES

ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW OF PROJECT/PROGRAMME PROPOSAL

PROJECT/PROGRAMME CATEGORY: Regular-sized Project Concept

Country/Region: Republic of Maldives
Project Title: Secure Futures: Enhancing Climate and Socio-Economic Resilience integrating Nature-Based Solutions for Island Communities in the Maldives
Thematic Focal Area: Urban development, Water management, Ecosystem-based Adaptation
Implementing Entity: UN-Habitat
Executing Entities: Ministry of Tourism and Environment; Ministry of Construction, Housing and Infrastructure; UN-Habitat
AF Project ID: AF00000514
IE Project ID:
Requested Financing from Adaptation Fund (US Dollars): 20,000,000
Reviewer and contact person: Alexandra Munoz
Co-reviewer(s): Ahmad Ghosn
IE Contact Person:

Technical Summary	The project "Secure Futures: Enhancing Climate and Socio-Economic Resilience integrating Nature-Based Solutions for Island Communities in the Maldives" aims to enhance adaptation and resilience of coastal urban communities in the Maldives to the impacts of climate-induced flooding, extreme heat, coastal erosion, and water scarcity. This will be done through the three components below: Component 1: Increasing adaptive capacity through climate resilient infrastructure solutions (USD 12,300,000); Component 2: Enhanced urban greening and coastal buffers to increase resilience in responding to climate induced stresses (USD 1,600,000); Component 3: Strengthening Policy Frameworks and Institutional & Community Capacities for improved climate resilience and adaptive capacities (USD 2,782,028). Requested financing overview: Project/Programme Execution Cost: USD 1,751,152 Total Project/Programme Cost: USD 18,433,180

	Implementing Fee: USD 1,566,820 Financing Requested: USD 20,000,000 The proposal includes a request for a project formulation grant of USD 141,050. The first technical review several issues, such as providing more details of the project activities, possible USPs; quantifying project benefits; providing initial gender assessment; clarifying the knowledge management and learning aspects; revising AF RF alignment table; revising the EC considering the involvement of the IE as an EE; among others as indicated in the Clarification Requests (CRs) and Corrective Action Requests (CARs) raised in the review. *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.*
Date:	4 March 2026

Review Criteria	**Questions**	**First Technical Review Comments 4 March 2026**
Country Eligibility	1. Is the country party to the Kyoto Protocol, and/or the Paris Agreement?	**Yes.** The country has ratified both the Kyoto Protocol (30 December 1998) and the Paris Agreement (22 April 2016).
	2. Is the country a developing country particularly vulnerable to the adverse effects of climate change?	**Yes.** The Republic of Maldives is highly vulnerable to the adverse effects of climate change, especially sea-level rise, extreme weather events, increased flooding frequency/ intensity, cyclones, coastal erosion, saltwater intrusion, droughts, among others.
Project Eligibility	1. Has the designated government authority for the Adaptation Fund endorsed the project/programme?	**Yes.** As per the Endorsement letter dated 29 January 2026.

	2. Does the length of the proposal amount to no more than Fifty pages for the project/programme concept, including its annexes?	**Yes.** **However, some amendments are required.** The total number of pages, including Annexes, is 32. **CAR1:** Revise address the following: 1. On the cover page, please check the box for PFG. 2. Please use paragraph numbering to facilitate easier referencing and review. 3. Spell out abbreviations when first used and refer to figures, tables, annexes at related discussions. 4. Conduct a thorough round of editing/proofreading to the document.
	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?	**Yes.** **However, additional information is required.** Part II.A, pp. 13-15. Concrete actions include climate-resilient infrastructure upgrades (flood-resistant drainage & road systems; urban passive cooling through integrating vegetation corridors, urban gardens/ public spaces, tree canopies and living walls (climate smart vertical farming/ agroforestry practices); coastal green buffers via vegetation restoration actions against sea swells, sea erosion and saltwater intrusion; among others. However, more details are needed to substantiate the concrete actions, among other issues. **CR1:** Please revise the project's objectives and amend as follows: 1. The overall objective statement to read *"to enhance adaptation and resilience of coastal urban communities in the Maldives to the impacts of climate-induced flooding, extreme heat, coastal erosion, and water scarcity"*.

		2. The third specific objective statement to read: *"Strengthen national and local policies, climate resilient design codes and regulatory frameworks for critical infrastructure and private sector adaptive development and build institutional and community capacities across the vulnerable Maldivian islands".* **CAR2:** Please ensure the following: 1. Revise components description layout to include component, outcome under each component, outputs under each outcome, and activities under each output. Please note that activities are the actions to achieve an output. Current activities seem to be outputs. 2. Provide more details on the activities to demonstrate the amount/size of work and substantiate allocated budgets. 3. . 4. UN Habitat is one of the executing entities. In the component's description, please indicate which components/outputs will be executed by the listed executing entities, particularly UN-Habitat. In this respect, please note that as per the AF policies the execution cost ceiling for UN-Habitat, being an IE, is 1.5% of the costs of activities executed by it, subject to the provision of reasonable justification. **CAR3:** 1. 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. 2. Please include a sound justification for the use of USPs, if applicable, according to this guidance.

		CR2: Kindly include a Theory of Change to describe the vertical logic of the proposed project. Please include the following elements: (i) the main problem. (ii) the overall objective. (iii) outcomes, outputs, and activities. (iv) components. (v) assumptions and risks, as transversal elements across all the above. In addition, please include a Theory of Change Diagram after the explanation. **CR3:** Please revise all outcomes and outputs, considering that **outcomes** are the expected results (e.g., strengthened institutional capacity) while **outputs** are the direct, tangible products (e.g., trainings held). Please include a target for each output. **CR4**: Please provide numbers and percentages to understand the scale of the problem and the contribution of the proposed project to it.
	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?	**Yes.** **However, additional information is required.** Part II.B, pp. 14-15. The CN provides broad narrative and logic of the project's economic, social and environmental benefits. However, there is no information related to quantification and equitable distribution among vulnerable groups/beneficiaries including gender consideration are needed. **CAR4:** 1. Please substantiate the project economic, social and environmental benefits with supporting quantification

		based on its planned interventions. If exact figures are unavailable, include estimation proxies. Please outline how the benefits will be equitably distributed. **CAR5:** Please ensure explicitly that the project interventions do not raise concerns of negative development/ maladaptation that would increase vulnerability of beneficiaries/non-beneficiaries or reduce their capacity to adapt to climate change. **CAR6:** Please provide an Initial Gender Assessment that outlines the distinct needs, capacities, roles, and knowledge resources of women and men, and/or identify how changing gender dynamics might drive lasting change. Include this assessment under a dedicated heading in Part I or attach as an annex. **CAR7:** Please include the overall project beneficiaries (direct and Indirect), gender disaggregated, and identify the specific vulnerable groups (e.g., women, indigenous peoples) that will benefit from the project. **CR11:**. **CR12**:
	5. Is the project / programme cost effective?	**Yes.** **However, additional information is required.** Part II.C, pp. 15-18. The proposal explains that cost-effectiveness will be achieved "*through integrating components, road and drainage infrastructure, water supply, natural coastal buffers and capacity building, leveraging synergies and avoiding duplication. Community-led maintenance and local materials will further enhance long-term cost efficiency".* A table comparing the selected approach with alternative actions is provided. However, further substantiation of the cost-effectiveness is recommended.

		CR5: Please revise Table 4 to: (i) Include/provide estimated dollar figures of the losses avoided/gains obtained based on the project planned interventions. (ii) Provide a logic narrative to demonstrate the cost effectiveness per component of the proposed project. (iii) Additionally, please highlight the sustainability point of view of the proposed interventions. Note: Please strengthen the cost effectiveness analysis to include project specific information based on the project outputs and activities including quantitative comparison of the cost-effectiveness of the proposed measures with alternative adaptation measures is needed in the fully developed proposal.
	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?	**Unsure.** **Further information is required.** Part II.D, pp. 18-19. The proposal provides broad information about national strategies relevant to the proposed project such as the National Adaptation Plan. However, it would be recommended to double check the relevance of additional national/ subnational plans. **CAR8:** Please double the relevance of additional national/ subnational plans/ strategies (e,g.: sustainable development plans, poverty reduction strategies, SDGs, etc), if any, and include as appropriate in Part II.D. Please ensure that the table listing is comprehensive and includes all relevant plans and strategies related to adaptation, as well as sectoral plans (such as those related to biodiversity, water and food security if they exist).

		CR6: Kindly provide the details of the identified plans and strategies in a table format, including: (i) Specific name of the plan/strategy and years of implementation, (ii) Main objective(s), (iii) Explain the relevance to the proposed project, including its alignment with the existing plan or strategy. A suggested structure could be: *'The proposed project is aligned with [Plan XX], under [Specific Action XX], contributing to [Outcome XX].'*
	7. Does the project / programme meet the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund?	**Unsure.** **Further information is required.** Part II.E, p. 19. The proposal provides broad information about compliance with national standards and AF principles. However, a comprehensive list of specific standards applicable to the proposed project is not provided. **CR7:** Please include a tabulated list of the relevant national technical standards (with dates), indicate to which project interventions/ activities they apply, and explain how related compliance will be realized. In the case that compliance is required, please include the steps needed to comply with it. **CAR9:** Please ensure that the table listing is comprehensive. Applicable standards may include building codes, water quality regulations, environmental requirements, and any other sector-specific related regulations relevant to the project interventions.
	8. Is there duplication of project / programme with other funding sources?	**No.** **Further information is required.** Part II.F, p. 20 (Table 5). The CN provides information about five projects in Maldives that are related to this proposed project. It states their name, thematic area, budget and donor,

		and status. However, more details are needed as well as a sound justification for non-duplication. **CR8:** Please revise Table 5 to indicate the listed projects in a table listing format for easier visualization and review. Also, identify other related ongoing or completed projects and include them in the table. For <u>each</u>, please include: (i) Project title, Timeline and specific Location within the country, (ii) Main project interventions, and Target population, (iii) Implementing entity, (iv) Lessons learned, how they are considered/ reflected in the proposed project design, (v) Overlaps and synergies with the proposed project. **CR9:** The no duplication statement should be clearly justified (e.g. by indicating the distinct geographic locations and/or types of i1**20:** Please revise section Part II.F title to read "*Duplication with other Funding Sources".*
	9. Does the project / programme have a learning and knowledge management component to capture and feedback lessons?	**No.** **Further information is required.** Part II.G, pp. 20-21. The discussion in Part II.G indicates that all the project components include awareness, knowledge and capacity building activities. However, this statement has to be further substantiated by identifying these activities. Also, means and tools of disseminating the project knowledge products among the project stakeholder/beneficiaries and the wider concerned audience need to be discussed. **CAR10:** Please briefly highlight the learning and knowledge management aspects/activities of the project components and the means/tools for disseminating the project knowledge

		products among the project stakeholders/ beneficiaries and the wider concerned audience. Kindly include the following details: 1. More details of the Learning and Knowledge Management activities, including institutions involved, specific activities, and main goals. 2. who will be responsible for tracking the experiences gained, how this will be done, and when the tracking will take place. 3. how the knowledge generated will be sustained after the project concludes and what arrangements are needed to support these actions. 4. What feedback measures are put in place to evaluate and refine the training materials and capacity building activities to ensure that they are more effective and impactful. **CR11:** Please consider including an exclusive component dedicated to Learning and Knowledge Management activities. **C**
	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?	**Yes.** **Further information is required.** Part II.H, pp. 21-24 (Table 6). The proposal provides a table listing with 10 consultations, including date, attendees, and reflect consultations with key public stakeholders and one private entity. However, the information provided is broad, and it seems that no consultations with local communities/vulnerable groups are indicated, among other issues. **CAR11:** Please include a summary table of the consultations conducted, including with key stakeholders and local communities. The table should include:

		(i) date of consultation, (ii) consulted entity/ group, (iii) number of participants disaggregated by gender, (iv) topics discussed and how they were considered in project design. (v) background information to verify whether marginalized and vulnerable groups have been consulted (vi) Moreover, please indicate if further future consultations will be conducted. **CAR12:** Please clarify whether any consultations with local communities/vulnerable groups and stakeholders with a gender remit were conducted and included in the table. Justify such consultations were not conducted at this stage, if it is the case, as they are required in compliance with AF ESP/GP. **CAR13:** Please include an Initial Gender Analysis in the CN. It should contain qualitative and quantitative data, to clarify the opportunities and challenges/risks for men and women. The information provided should inform and guide the identification of women's specific needs. The information provided should inform and guide the identification of women's specific needs.
	11. Is the requested financing justified on the basis of full cost of adaptation reasoning?	**Unsure.** **Further information is required.** Part II.I, pp. 24-25. The CN outlines broad narrative to sustain the cost of adaptation reasoning. It does not include a Business-as-usual and AF Project scenarios for each of the components to provide the full cost of adaptation reasoning. In addition, the proposal does not provide clear information on additional funding sources.

		CAR14: Please revise the discussion to further demonstrate how the project design (components/outcomes/outputs/activities) would achieve its objectives solely based on the requested AF funds, and irrespective of additional funding/ co-financing from other donors/ sources. **CR12:** Please provide a detailed logical narrative on how the proposed project's objective will be achieved in terms of adaptation. Additionally, include information on the costs of the proposed activities, with reference to alternative options.
	12. Is the project / program aligned with AF's results framework?	**Yes.** **However, additional information is required.** Part IIIA, pp. 29-31. The alignment of the project with the Adaptation Fund Results Framework is presented, considering outcomes and outputs for each component. However, some amendments are required. **CAR15:** Please revise the alignment table to address the following and to align with AF requirement as pertemplate and example provided at Results Framework Alignment Table (Nov 2025). **CR13:** Please ensure that all project's outputs and outcomes indicators are SMART.
	13. Has the sustainability of the project/programme outcomes been taken into account when designing the project?	**Yes.** **However, additional information is required.** Part II.J, pp. 25-26. The proposed project provides broad information on its sustainability from the institutional, social, economic, financial and environmental perspectives. However, more specific information is needed.

		CAR16: Please revise the discussion under Part II.J to: 1. Clearly explain the arrangements through which sustainability under each area (i.e., economic, environmental, social, etc.) would be achieved, taking into account the sustainability of operation and maintenance (O&M) of infrastructures/ installations to be developed. 2. Briefly discuss the potential replication/ upscaling of the project adaptation benefits/outcomes achieved by project with other funds after its completion/end.
	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?	**Yes.** **Further information is required.** Part II.K, pp. 26-27 (Table 7). The CN provides broad information about environmental and social risks through the risks identified against the 15 AF ESP principles. However, no mitigation measures are described, the project screening classification has not been included, and several amendments are required. **CR14:** Please provide: (i) a brief discussion to highlight the potential project risks, and (ii) specify the project overall AF risk category (Category A, B or C) based on the initial E&S screening. **CR15:** 1. Refer to the Initial Gender Assessment and USPs, if any, as appropriate at relevant E&S principles. **CAR17:** Please revise Table 7 to: 1. Describe all potential impacts (direct, indirect, transboundary and cumulative) and risks that could result from the project.

		2. Revise the magnitude of the risks and impacts (low, moderate, high). **Risks** should describe as: "*There is a risk ….*" and should be accompanied by **mitigation plans** as: "*Mitigation measures are ….*" or "*To mitigate this risk, the project ….*" 3. Kindly leave a check mark in the second column '**No further assessment required for compliance**' if no further assessment is needed and leave blank if an assessment is to be conducted. No text should be included in the second column. 4. If no risk is identified for a given principle, a sound justification must be provided. 5. Please note that AF Principles 1, 4 and 6 **always apply**. For more information, please visit: AF's ESP guidance and Environmental and Social Policy . If USPs will be part of the project, please address in a brief explanation under Part II.K.
Resource Availability	1. Is the requested project / programme funding within the cap of the country?	**Yes.**
	2. Is the Implementing Entity Management Fee at or below 8.5 per cent of the total project/programme budget before the fee?	**No.** **Some amendments are needed.** All figures are rounded to whole numbers, and totals are consistent throughout the CN. The PFG request is correct in amount (USD 141,050). UN-Habitat is serving as both the Implementing Entity and the Executing Entity. However, the submission is not accompanied by a PFG form; therefore, it is not possible to state whether a PFG fee for the Implementing Entity's management is included. In addition, the IE fees exceed the 8.5% cap. **CR16:** Please amend the IE fees to a maximum of 8.5% of the total project/programme budget. For further information: (i) definitions https://www.adaptation-fund.org/generic/costs-and-

		fees/ and (ii) IE and EE Fees Calculator https://www.adaptation-fund.org/document/ie-and-ee-fees-calculator/. **CAR18:** Please include the PFG form with the resubmission. The form is available at Request for Project Formulation Grant (PFG) (57 kB, DOC) Please keep in mind the PFG fee of a maximum of 8.5% of the total PFG as IE fee only, and provide a detailed description of the outputs to be financed by the PFG.
	3. Are the Project/Programme Execution Costs at or below 9.5 per cent of the total project/programme budget (including the fee)?	**Yes.** **However, some amendments are needed.** All figures are rounded to whole numbers, and totals are consistent throughout the CN. UN-Habitat serves as both the Implementing Entity and the Executing Entity, and as such, the limit for execution is 1.5%. In addition, the role of UN-Habitat serving as both Executing and Implementing Entity should be justified, as this arrangement is considered exceptional. **CAR19:** Please clarify whether UN-HABITAT will act as the Executing Entity. If so, please include a sound justification for these arrangements, as they are considered exceptional.
Eligibility of IE	1. Is the project/programme submitted through an eligible Implementing Entity that has been accredited by the Board?	**No.** United Nations Human Settlements Programme (UN-HABITAT) is in Re-accreditation Process. Last accreditation expired on 01 October 2025. *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.
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	n/a at concept stage

	framework? Does it include at least one core outcome indicator from the Fund's results framework?	
	10. Is a disbursement schedule with time-bound milestones included?	n/a at concept stage

ADAPTATION FUND

CONCEPT NOTE PROPOSAL FOR SINGLE COUNTRY

PART I: PROJECT/PROGRAMME INFORMATION

Title of Project/Programme:	**Secure Futures: Enhancing Climate and Socio-Economic Resilience integrating Nature-Based Solutions for Island Communities in the Maldives**
Country:	Republic of Maldives
Thematic Focal Area:	Urban development, Water management, Ecosystem-based Adaptation
Type of Implementing Entity:	Multilateral Implementing Entity
Implementing Entity:	UN-Habitat
Executing Entities:	Ministry of Tourism and Environment, Ministry of Construction, Housing and Infrastructure, UN-Habitat
Amount of Financing Requested:	20,000,000 (in U.S Dollars Equivalent)

Project Formulation Grant Request (available to NIEs only): Yes ☐ No ☐

Amount of Requested financing for PFG: 141,050 (in U.S Dollars Equivalent)

Letter of Endorsement (LOE) signed: Yes ☒ No ☐

Stage of Submission:

☐ This concept has been submitted before

☒ This is the first submission ever of the concept proposal

In case of a resubmission, please indicate the last submission date: Click or tap to enter a date.

Please note that concept note documents should not exceed 50 pages, including annexes.

Project/Programme Background and Context:

1.1 Background and country context

The Republic of Maldives consists of over 1,192 small coral islands, with approximately 187 of them inhabited, spread across 26 naturally occurring atolls with a total land area of less than 300 km² which is equal to approximately 1% while the remaining 99% of Maldives is sea. Maldives is home to 515,132 people. This includes 382,639 resident Maldivians and 132,493 resident foreigners. Female population is 188077, with a youth bulge observed[1].

1.2 National Climate Change Scenario

At 1.5 metres above sea level Maldives is the lowest lying country in the world making it one of the most vulnerable nations globally to climate change impacts, especially sea-level rise and extreme weather events. The country is already experiencing adverse climate impacts, including increased frequency and intensity of flooding, storm surges, cyclones, coastal erosion, saltwater intrusion, and droughts. Sea-level rise projections indicate an increase of up to 0.9m by 2100 under high emission scenarios, which would result in severe coastal inundation and erosion[2]. Without adaptation efforts, typical 10-year flood events could damage up to 3.3% of the country's total assets by 2050, resulting in economic losses between US$ 0.7 and 1.1 billion, equivalent to nearly 11% of GDP under a high emissions scenario[1]. This environmental degradation poses severe risks to the Maldives' economy, livelihoods, and ecosystems. To address these challenges, the Maldives will need external support for both funding and technical expertise for climate adaptation to combat rising sea levels and associated flooding alone, while nearly all coral cover could be lost if temperatures exceed 2°C. Coastal erosion is a critical threat with most of the housing and critical infrastructure located within 100 meters of the coastline, placing a large portion of the population, key infrastructure and services, and biodiversity and ecosystems at high risk of flooding and storm damage.

Figure 1: Storm surges, Source: https://dhen.mv/152266

According to the National Disaster Management Agency (NDMA) of Maldives, over the last three-year period, the total number of hazard incidents reported to NDMA has increased steadily. In 2024, the number rose to 251 reported cases, up from 183 in 2023 and 144 in 2022[3]. The data shows alarming increase of rainwater flooding and strong winds. A total of 1,423 households were affected by rainwater flooding in 2024, a significant increase compared to previous years.

The increasing climate related hazards has resulted in heavy relief costs in the country. NDMA has disbursed over MVR 10 million in 2024, representing a significant rise from approximately MVR 6 million in 2023 and around MVR 3 million in 2022.

[1] Maldives Bureau of Statistics 2022, National Census , Maldives.
[2] https://www.ifc.org/en/pressroom/2024/climate-change-threatens-maldives-fisheries-and-tourism-urgent-adaptation-needed
[3] National Disaster Management Authority, 2024, Disaster Statistics of Maldives, Maldives.

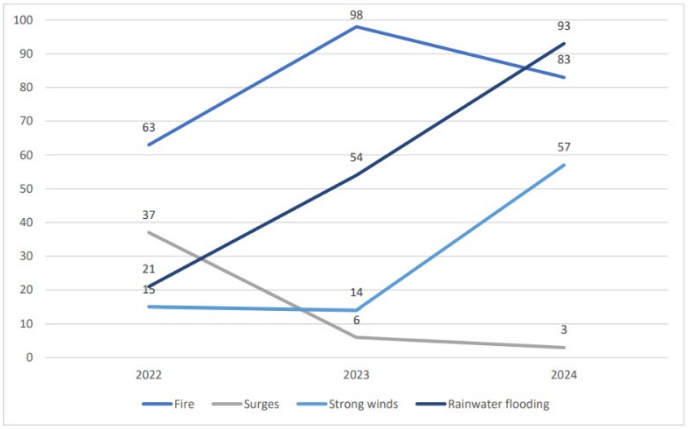

Figure 1 Number of hazards reported over the years

Figure 2: No. of hazards reported over the years. Disaster Statistics 2025

The Country Climate and Development Report (CCDR) of World Bank stresses that without adaptation, coastal flooding could damage up to 3.3% of total assets by 2050 during typical 10-year floods. CCDR also signifies the importance of island-driven adaptation approach focusing on (a) protection/adaptive infrastructure to reduce sea level rise and flooding; (b) building resilient, (c) nature-based solutions (NbS), using natural practices such as enhancing green corridors and nature based coastal buffers for climate resilience)[4].

Infrastructure Challenge

Maldives is among the most socio-economically vulnerable nations to climate change, with rising sea levels and extreme weather events placing many Maldivians under persistent threat of flooding. This exposure not only endangers property, health and well-being but also undermines long-term resilience and development in coastal communities. High population density on limited land, reliance on climate-sensitive sectors such as tourism and fisheries, and the challenges posed by constrained financial and institutional resources, the country faces heightened vulnerability to climate risks and could encounter limitations in fully and effectively strengthening its adaptive capacity.

As a Small Island Development State, availability of land is limited. This constrains, options for relocation. Large-scale protective infrastructure across all the inhabited low-lying islands would come at an exorbitant cost, hence critical infrastructure, such as roads and drainage networks, is vulnerable to frequent flooding. Freshwater scarcity is a pressing challenge, as groundwater lenses are highly sensitive to climate variability. Rainwater harvesting (RWH) systems and small-scale desalination exist but are often insufficient.

One of the key threats to critical urban infrastructure in low-lying islands have been coastal inundations due to that have adversely impacted schools, hospitals, utilities, emergency services, local businesses, and vital access roads, thereby disrupting community livelihoods and essential service delivery.

Currently, the most prevalent adaptation measures are land reclamation and hard/gray coastal protection infrastructure. While reclamation can address the SLR to a certain extent, they can also exacerbate vulnerabilities. The need for nature-based solutions in adaptation is vital to ensure long-term sustainability and protection. The Maldives' national climate change policies and strategies, such as the 2025 Third Nationally Determined Contributions (NDC), Maldives Climate Change Policy Framework, and in-development National Adaptation Plan (NAP), focus on enhancing climate-resilient infrastructure, water security, strengthening policy and planning for resilient urban development and planning as well as community centered eco-system-based adaptation integrated into traditional practices, for the restoration and upgrading of existing infrastructure[5].

[4] World Bank Maldives, 2024, Country Climate and Development Report (CCDR) Maldives.

5 Rising to the climate challenge: How the Maldives can thrive in a warming world

Water Security Challenges

In the low-lying coral islands of the Maldives, the only natural freshwater resource is a groundwater aquifer which consists of a thin freshwater lens that floats above a dense saline water layer. These lenses are highly sensitive to sea-level rise, saltwater intrusion, storm surges, as well as long droughts, seepage from poor sewerage systems and over-extraction.

Freshwater scarcity is a critical challenge that is further increased due to climate change issues. Saltwater intrusion into groundwater, irregular rainfall patterns, and droughts compromise freshwater availability on many islands. Coral reef degradation, loss of vegetation and land reclamation have also worsened saltwater intrusion, affecting both drinking water and agriculture. Rainwater harvesting mechanisms are deployed but are often insufficient with changes in rainfall patterns and extended dry periods or not being well maintained. Climate-resilient water infrastructure, including integrated water resource management systems, could be critical to ensuring reliable and sustainable access to safe water.

The Maldives has introduced desalinated water systems to address freshwater needs; however, these solutions remain economically challenging and environmentally demanding, as the energy-intensive processes often depend on fossil fuels, leading to emissions. Moving towards low-carbon environmentally sustainable water systems, Rainwater Harvesting Systems (RHS) are recognized as a feasible option and a traditional practice in the Maldives. However, recent studies show that the existing water storage capacity is insufficient to meet demand on some islands. To ensure island-wide water security, it is crucial to integrate efficient water supply mechanisms using hybrid approaches to enhance the distribution in meeting the demands for household level and public buildings. Safe harvesting practices and monitoring mechanisms are also essential to maintain rainwater quality[6]. Sea level rise (SLR), coastal flooding, sea and coastal erosion, and storm surges are the main causes of climate threats causing infrastructure damage that risk displacing communities, increasing poverty and undermining food and water security. Without adaptation, coastal flooding could damage up to 3.3% of total assets by 2050, during typical 10-year floods, for rare, more intense events, damage to natural assets could reach up to 3.8% (for century-level floods) and 4.4% (for millennium-level floods). The annual expected damages amount to around US$200 million depending on critically existing flood protection standards.

The Government's targeted financing requirements for complete climate change adaptation to SLR and flooding alone range between US$2 billion and US$4 billion considering full protection for all inhabited islands with the most ambitious hard engineering measures coupled with NbS. Given the magnitude of these costs and the persistent exposure of some islands, significant residual impacts are likely, underscoring the importance of accessing financial assistance to address these cascading economic, social, and ecosystem losses and damages.

[6] Ministry of Climate Change, Environment and Energy, 2024, The Maldives' First Biennial Transparency Report to the United Nations Framework Convention on Climate Change

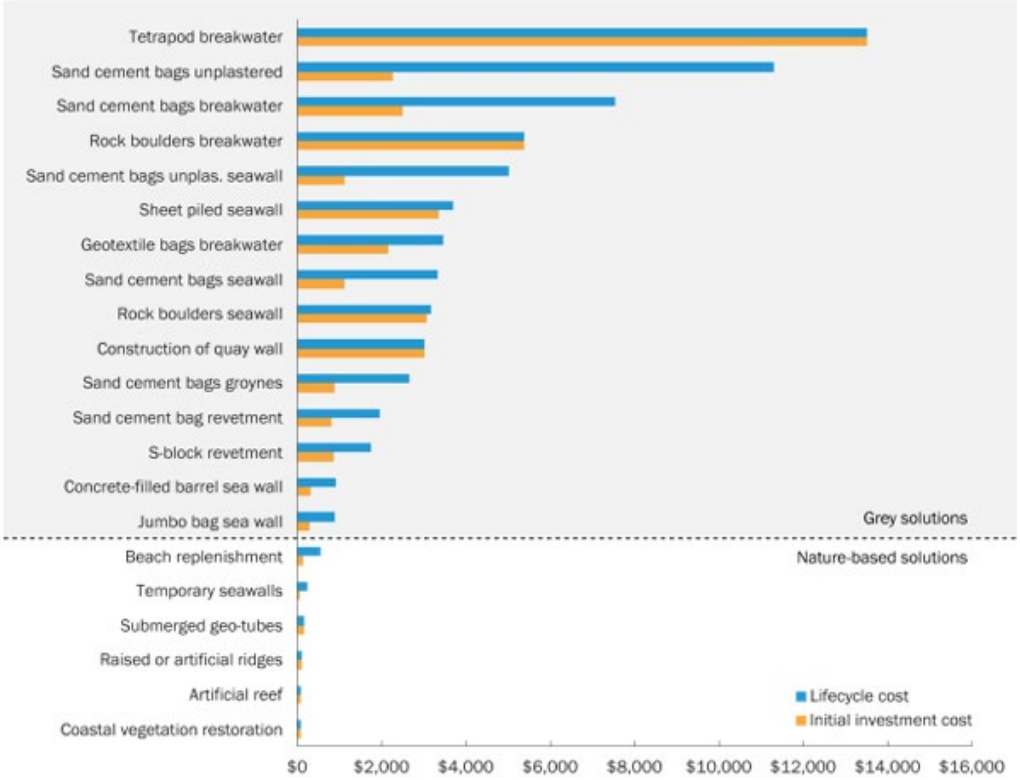

Figure 3: Unit cost of gray vs. NbS to protect a limear meter of Maldivian Shoreline, 2022. Source: Ministry of Environment and Energy. 2015. "Survey of Climate Change Adaptation Measures in Maldives." https://www.environment.gov.mv/v2/en/download/13712.

Investments in climate-resilient urban infrastructure, combined with ecosystem restoration and policy reforms, could limit the projected economic losses from sea-level rise and flooding. These investments also align with the Maldives' vision for sustainable development and resilience as documented in national policies and the recently submitted NDCs. Beyond economic considerations, such measures can reduce non-economic losses, including displacement of communities, loss of cultural heritage, degradation of ecosystems, and impacts on health and social wellbeing, all of which are particularly significant for the Maldives.

Focus of the proposal

This project aims to implement NbS solutions to boost resilience and lessen human and ecosystem vulnerability to climate change effects and extreme weather events, mainly sea erosion and flooding. It also aims to improve social resilience and enhance the adaptive capacity of national and city institutions while addressing climate induced service delivery challenges. Special emphasis will be placed on tackling water sector and infrastructural challenges and increasing institutional capacity in the project focus area, i.e. Gaafu Dhaalu Atoll with ten (10) inhabited islands.

Figure 4 Map of Gaafu Dhaalu Atoll (Southern Huvadhoo Atoll)

The Government of Maldives considers Gaafu Dhaalu Atoll as one of the potential economic hubs which requires increased climate adaptive capacity for long-term sustainability. As the country faces complex challenges of geographic dispersion, shrinking population in remote islands, and increasing migration

pressures in the capital region, it has become critical to develop sustainable and resilient urban centres outside the capital Malé. More than 60% of the population currently resides in 187 inhabited island, many with very small populations placing a significant challenge to service delivery which is also a fiscal burden on the State. In the same context, rapid urbanization continues to push the capital region beyond its carry capacity. The Government's strategy is to concentrate on islands which have more adaptive potential for habitation while protecting biodiversity. Promoting habitation across many islands will accelerate biodiversity loss because of their small size and environmental sensitivity. Complete protection of all inhabited islands would cost approximately USD 8.8 billion[7] which is very challenging.

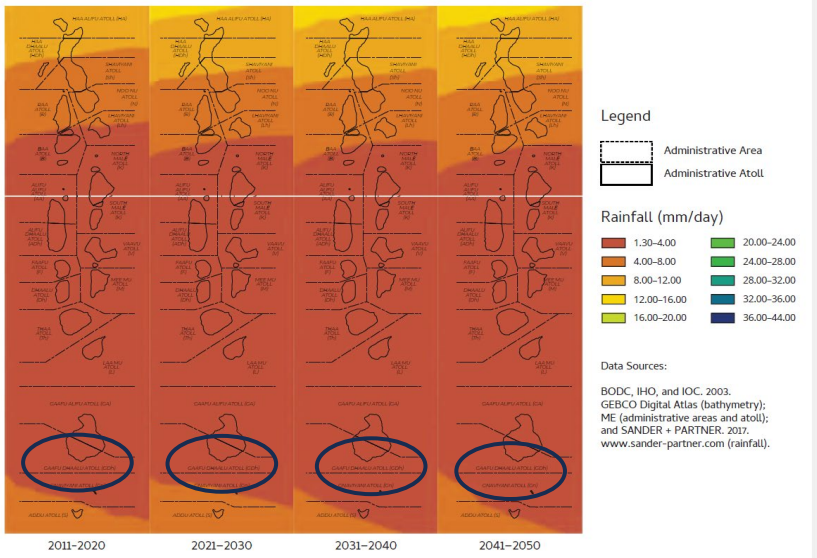

Figure 5. Rainfall Data. Source- www.sander-partner.com

The location was identified based on series of consultations held with Ministry of Construction and Infrastructure (MoCHI), Ministry of Tourism and Environment (MoTE), Ministry of Education (MoE), Ministry of Foreign Affairs, (MoFA), key private partners and communities. Stakeholders' exceptional collaboration was observed during the consultations. These institutions recognize that the project supports policy initiatives to mainstream NbS actions and emphasizes a community-based approach. This approach involves engaging with the most vulnerable groups, such as women, youth, persons with disabilities, and low-income communities, to assess their main vulnerabilities through collaborative efforts and to create climate-adaptive assets that enhance resilience. The total annual precipitation is likely to increase across the country including Gaafu Dhaalu Atoll and will most likely be impacted more by sea level anomaly under future climate scenario. The Gaafu Dhaalu Atoll is expected to face more frequent and intense multi-hazards, including stronger winds and more intense, extreme rainfall events, which contribute to coastal flooding. Gaafu Dhaalu Atoll consists of 153 islands of which only 10 islands are inhabited. Faresmaathodaa (852 residents), Fiyoari (637), Gahdhoo (1414), Hoadehdhoo (855), Madaveli (1219), Nadellaa (581), Rathafandhoo (431), Thinadhoo (8128), Vaadhoo (516)[8]. The identification of target islands within the Gaafu Dhaalu Atoll was guided by criteria including ecological vulnerability, adaptive capacity, demographic factors such as population and density, government prioritization aligned with development plans, and extensive stakeholder consultations.

[7] Ministry of Environment and Energy 2016, Second National Communication of Maldives, Maldives
[8] City Population 2022, Gaafu Dhaal Atoll, Island Population

Gdh. Thinadhoo

Gdh. Thinadhoo is the capital city of Gaafu Dhaalu Atoll. Gdh. Thinadhoo has around 8128 (as of 2024) residents with 48% female population. The total youth population in the island attributes to 30% of the total population while 59% of this are female[9]. The population density is 3800 per square kilometer[10] which is the highest within Gaafu Dhaalu Atoll.

Figure 6: Gdh Thinadhoo. Source: Google maps

Figure7: Flooded Roads. Source: Ministry of Tourism and Environment

Figure 8: Coastal Erosion. Source: Ministry of Tourism

Figure 9: Floods 07 December 2025
Source: GDR Thinadhoo City Council

Figure 10: Houses affected by floods.Source: GDh Thinadhoo City Council

Existing climate vulnerability assessments imply that GDh Thinadhoo encounters significant susceptibility to rainwater flooding, a condition sustained by the absence of effective drainage infrastructure. In October and December 2025, Thinadhoo experienced highest rainfall with floods impacting several areas including households, hospitals and water plants[11]. The Council Office of GDh. Thinadhoo has consistently extended assistance including financial grants to households impacted by recurrent rain-induced flooding. The Council also relies on seven pump stations to mitigate floods which come at an environmental cost, raising emission levels and deepening the island's ecological challenges. Municipal basic service institutions, particularly the hospital, have historically been inundated during periods of rainfall, thereby exposing vulnerable populations such as patients to hazardous flood conditions and vector borne disease.

Like the populations on other islands, residents of GDh. Thinadhoo are also exposed to higher heat indices that aggravate the risk of heat stress, manifesting in symptoms such as headaches, dizziness, dehydration, and numerous health complications. With the increase in temperature, a warmer climate and longer dry spells makes the island inhospitable for most vegetation. This

[9] Maldives Bureau of Statistics, 2024, Residential Population by Island, Maldives.
[10] Maldives Bureau of Statistics, 2024, Population Density by Island, Maldives
[11] Heavy rainfall triggers flooding across GDh. Thinadhoo | Atoll Times

causes more water shortages and a considerable decrease in agricultural productivity. They also face a serious risk of losing their daily livelihoods.

Similar to many Maldivian islands, GDh Thinadhoo experiences significant groundwater pollution, which limits its suitability as a source of drinking water and residents are compelled to rely on Reverse Osmosis (RO) water plants operated by a government owned corporation with a high operational cost. Housing in GDh Thinadhoo is not fully resilient to climate change. Coastal erosion causes not only the loss of land and the collapse of houses and infrastructures, but also the increase of vulnerability to climate hazards and induces the increase of flood damage. Use of substandard construction materials in housing reduces resilience to extreme weather events, thereby heightening vulnerability among women, the elderly, and children, who are disproportionately affected due to the larger amount of time they spend within their homes.

Table 1 Summary of target locations and vulnerabilities

Location	**Critical infrastructures**	**Community**	**Climate hazards**	**Underlying vulnerability**
Gdh. Thinadhoo	Hospital, schools' coastal protection structures, powerhouse, water plant, pumping stations, religious centres, regional port	Densely populated urban island; administrative hub serving nearby atolls	Coastal erosion, storm surges, heavy rainfall flooding, strong winds and heat stress	High population density, pressure on water resources, settlement close to eroding coastline, potential for urban heat island, land use planning limitations with reduced urban green spaces

Given the high exposure and vulnerability of coastal communities, the proposed project should focus on:

- Strengthening climate-resilient urban infrastructure through hybrid approaches that combine retrofitting and building with the integration of Nature-based Solutions (NbS) particularly in the development of roads, and drainage networks to enhance stormwater management and reduce flood risks.
- Enhancing housing and public buildings' resilience to extreme weather through construction and retrofitting measures, including reinforced structural materials, and flood-proofing techniques, complemented by passive cooling strategies, such as NbS greening initiatives such as rooftop and vertical greening to reduce heat stress.
- Conducting a Climate Resilient Infrastructure Vulnerability Assessment (CRIVA) for Gdh. Thinadoo, focusing on public buildings, roads and housing and developing atoll specific resilient and adaptive building codes for new developments, alongside technical guidelines for retrofitting and maintenance of existing structures to withstand sea-level rise and extreme weather events.
- Increase the water supply capacity by expanding and enhancing existing networks through the Integrated Water Resources Management (IWRM) model, including extension of desalination and rainwater harvesting systems, upgraded storage and distribution infrastructure, and monitoring systems to ensure improved and uninterrupted centralized treatment and distribution of freshwater supply amid saltwater intrusion and seasonal drought.

- Introduction of green corridors integrating nature-based solutions such as vegetation/wetland restoration and green canopies with community management mechanisms as well as promotion of climate smart vertical agricultural systems to enhance local food security, biodiversity and microclimate regulation.
- Strengthening coastal buffers through green infrastructure and nature-based solutions, such as and vegetative barriers to defend against sea swells, sea erosion and saltwater intrusion.
- Adaptive governance including policy and capacity building: Strengthening regulatory frameworks, building technical skills, introducing adaptive building codes for new developments and guidelines retrofitting and building community engagement to promote awareness, inclusive decision making, and ensure local ownership and long-term, sustainable and inclusive climate adaptation.

Project/Programme Objectives:

The overall objective is to enhance adaptation and resilience of coastal urban communities in the Maldives to the impacts of climate-induced flooding, extreme heat, coastal erosion, and water scarcity integrating nature-based solutions.

Specific Objectives:

- Implement integrated, climate-resilient urban infrastructure and housing systems that reduce flood risks while strengthening water security through improved rainwater harvesting water supply solutions
- Promote vegetation restoration through establishing green corridors, combining passive cooling systems, across residential and public areas and strengthening of natural coastal buffers.
- Strengthen national and local policies, climate resilient design codes and regulatory frameworks for critical infrastructure and private sector adaptive development while building institutional and community capacities across vulnerable Maldivian islands through strengthened awareness, gender-responsive resilience programmes and improved climate knowledge systems.

Project/Programme Components and Financing:

Table 2: Project Components and Financing

Project/Programme Components	Expected Outcomes	Expected Concrete Outputs	Amount (US$)
Component 1 Increasing adaptive capacity through climate resilient infrastructure solutions	Outcome 1.1 Resilient infrastructure solutions introduced to reduce climate change impacts	Output 1.1.1. 15km critical roads elevated or/ and retrofitted using NbS and hybrid grey–green systems to reduce flood and	2,400,000

(Adaptation Fund Outcome 4 Increased adaptive capacity within relevant development sector services and infrastructure assets)		coastal hazard risks.	
		Output 1.1.2. Modular and climate-adaptive smart drainage systems upgraded to detect and minimize blockage, reducing flood exposure constructed	2,500,000
		Output 1.1.3. Water security enhanced through adopting Integrated Water Resources Management model for improved and uninterrupted centralized treatment, distribution infrastructure and monitoring systems.	3,750,000
		Output 1.1.4. 50 Housing stock and 10 public buildings (schools, clinics etc) are retrofitted, expanded, and managed to ensure functionality and resilience against climate-induced hazards in target islands.	3,650,000
Component 2 Enhanced urban greening and coastal buffers to increase resilience in responding to climate induced stresses. *(Adaptation fund Outcome 5: Increased ecosystem resilience in response to climate change and variability-induced stress)*	Outcome 2.1 Urban greening enhanced to increase resilience and adaptative capacity to climate induced stresses	Output 2.1.1. 10 Ha urban passive cooling enhanced through integrating vegetation corridors, urban gardens, tree canopies and living walls.	500,000
		Output 2.1.3. Climate smart agroforestry practices promoted to empower women and youth- 200 families	600,000

		Output 2.1.4 5 Ha Nature-based coastal green buffers developed, and vegetation restoration actions implemented to tackle sea swells and SLR	500,000
Component 3 Strengthening Policy Frameworks and Institutional & Community Capacities for improved climate resilience and adaptive capacities *(Adaptation Fund Outcome 1: Reduced exposure to climate-related hazards and threats* *Outcome 7: Improved policies and regulations that promote and enforce resilience measures* *Outcome 2: Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses* *Outcome 3: Strengthened awareness and ownership of adaptation and climate risk reduction processes)*	Outcome 3.1. Enhanced institutional capacities, policies and regulatory frameworks for climate resilient planning and management.	Output 3.1.1. Climate Resilient Infrastructure Vulnerability Assessment (CRIVA) focusing on public buildings, roads and housing conducted in 1 no.	500,000
		Output 3.1.2 Strengthened policies and climate-resilient standards, design technical guidelines, and regulatory frameworks for infrastructure including drainage, water security, and housing for adaptive measures (5 no frameworks)	700,000
		Output 3.1.3. Training programs for 100 government staff (policy and decision makers at the national and local level), professionals and builders on climate resilient building conducted and infrastructure guidelines formulated and disseminated	100,000
	Outcome 3.2. Community groups participating in adaptation and risk reduction awareness activities increased including women and youth.	Output 3.2.1. Training and awareness sessions on climate-smart adaptive measures, agriculture and urban greening for local authorities and communities (50 sessions)	550,000

		Output 3.2.2. Youth climate leadership initiatives launched (10 programs)	130,000
		Output 3.2.3. Women Development Councils with knowledge on climate resilient NbS sustainability at local level enhanced (20 sessions)	252,028
		Output 3.2.4 50 Local technicians trained in climate-resilient infrastructure maintenance and monitoring.	550,000
6. Project/Programme Execution cost			1,751,152
7. Total Project/Programme Cost			18,433,180
8. Project/Programme Cycle Management Fee charged by the Implementing Entity (if applicable)			1,566,820
Amount of Financing Requested			20,000,000

Projected Calendar:

Table 3: Tentative Project Calendar

Milestones	Expected Dates
Start of Project/Programme Implementation	January 2027
Mid-term Review (if planned)	December 2028
Project/Programme Closing	December 2030
Terminal Evaluation	March 2031

PART II: PROJECT / PROGRAMME JUSTIFICATION

A. Project/Programme Components

Component 1: Increasing adaptive capacity through climate resilient infrastructure solutions

Maldives faces significant challenges to climate change impacts, especially in low-lying coastal communities. Urban flooding and inadequate drainage compromise mobility, safety, and economic activities. Traditional grey infrastructure alone is insufficient under changing climate patterns. Integrating NbS with climate-resilient road and drainage solutions reduces flood risks while providing co-benefits such as urban cooling, groundwater recharge and reduced maintenance and health costs. The objective of this component is to implement climate-resilient infrastructure upgrades including flood-resistant drainage and road systems. Further under this component, increasing housing resilience through retrofitting to ensure resilience against climate-induced hazards in target islands. The activities under component 1 include:

- Critical roads in selected islands elevated or/and reinforced using NbS and hybrid systems in targeted locations- Target: 15 km of roads upgraded in Thinadoo.
- Improved drainage networks through installation of modular smart drainage systems to detect and minimize blockages.
- Climate-resilient road development and land reclamation guidelines developed and operationalized to prevent maladaptation and protect existing buildings, infrastructure, and communities.
- Integrated Water Resources Management assessment conducted, including water sources, rainwater harvesting, groundwater recharge, and RO plant requirements.
- Centralized water storage, RO plants, rainwater harvesting, and piped networks upgraded or constructed for uninterrupted freshwater supply.
- Water security enhanced through adopting Integrated Water Resources Management model for improved and uninterrupted centralized treatment and distribution, combining expanded rainwater harvesting networks with centralized water treatment plants.
- Water safety plans, stakeholder agreements, and guidelines implemented to ensure continuous supply and optimized groundwater recharge.
- and
- Housing stock & public buildings (schools, health centers, clinics, religious centres,) are retrofitted to ensure resilience against climate-induced hazards in target islands- Target: 50 households and 10 public buildings (schools, clinics) retrofitted with climate-resilient designs.

Investments under component 1 are largely concrete adaptive actions to increase sustainable resilient infrastructure contributing not only to reduce climate induced damage but also to increase the living conditions of people avoiding disruptions to their livelihoods related activities.

Component 2: Enhanced urban greening and coastal buffers to increase resilience in responding to climate induced stresses.

Enhancing urban greening and safeguarding natural resources through better management goes beyond setting up just good practices in climate adaptation. It is essential for building long-term resilience against climate variability and change. The target island lacks such comprehensive

sustainable ecosystem management which results in continuous climate induced disasters. The need for such community owned, locally adapted response mechanism is highlighted in many of the consultations. Component 2 also focuses on building functional green corridors integrating vegetation, agroforestry, and coastal green buffers as well as community-led reef stewardship programs. The activities under component 2 include:

- Enhancing urban passive cooling along settlements through integrating vegetation corridors, urban gardens or public spaces, tree canopies and living walls. Target: 10 hectares of urban greening.
- Introducing climate smart vertical farming and agroforestry practices promoting active engagement of women and youth for enhanced livelihood support. Target: 200 families trained in agroforestry.
- Implementing coastal green buffers through vegetation restoration actions against sea swells, sea erosion and saltwater intrusion. Target: 5 hectares restored.

Robust community engagement including women and youth, anchored within local government work plans, is anticipated from the outset of these activities to ensure effective implementation and sustainability of investment. All activities will follow environmental monitoring protocols, , reviewed by MoFA, MoFP, and local environmental experts.

Component 3: Strengthening Policy Frameworks and Institutional & Community Capacities for improved climate resilience and adaptive capacities

Sustainable adaptation requires an enabling environment including strong policies, standards, and institutional capacity. Community engagement ensures that adaptation measures are inclusive and locally relevant. Conducting vulnerability and baseline assessments, coupled with the formulation of climate action plans in targeted communities, establishes a robust foundation for all proposed interventions and supports the wider climate decision-making process. The assessment process is designed to incorporate wide-ranging stakeholder engagement, using globally tested assessment tools with active participation from communities, and will be guided by an evidence-based methodology. Strengthening regulatory frameworks and knowledge sharing enhances long-term resilience and scalability of NbS interventions. The project should also focus on empowering national institutions, local authorities, and communities including women and youth with the knowledge and skills needed to implement, maintain, and advocate for climate-resilient infrastructure. The activities under component 3 include:

- Climate Resilient Infrastructure Vulnerability Assessment (CRIVA) conducted for public buildings, roads, and housing, and climate-resilient designs prepared for municipal infrastructure in consultation with local communities, ensuring participation from women and youth.
- Strengthening policies and climate-resilient standards, design technical guidelines, and regulatory frameworks for infrastructure including drainage, water security, and housing for adaptive measures (5nos: Climate-resilient building codes, standards and guidelines for construction and retrofitting, Island-level land use and urban planning guidelines, climate and disaster risk reduction adaptation, Water security and integrated water supply regulations, Nature-based solutions (NbS) and coastal protection and management, Operation, maintenance, and financing framework)
- Conducting training programs for government staff (policy and decision makers), professionals and builders on climate resilient building and formulating infrastructure guidelines and disseminating those to appropriate stakeholders and create access to public. Target: 100 professionals trained, 40% women.
- Training sessions on climate-smart agriculture and urban greening for local authorities

and communities. Target: 50 sessions

- Launching Youth climate leadership initiatives to build resilient communities, integrating capacities within existing youth-led groups. Target: 10 programmes.
- Enhancing Women Development Councils with knowledge on climate resilient NbS sustainability at local level Target: 20 sessions.
- Establishing a monitoring and reporting system through youth led initiatives and Women's Development Councils on climate and social resilience data to support dissemination of information with regard to climate hazards and resilience.
- Training of local technicians in climate-resilient road maintenance and monitoring. Target: 50 technicians trained.

B. Economic, Social and Environmental Benefits.

Economic Benefits

The proposed project will generate significant economic resilience and long-term cost savings for the Maldives by protecting urban infrastructure, livelihoods, and assets from the escalating impacts of climate change. By promoting resilient building and infrastructure guidelines and standards as well as green corridors, the project will drastically reduce damage caused by flooding, storm surges, and coastal erosion, reducing recovery and maintenance costs. Protecting coastal infrastructure and ensuring water security will sustain tourism operations, particularly guesthouses, a growing sub-sector operated by communities including women (a segment traditionally not involved in resort-based tourism), supporting the livelihoods of local communities that rely on this source of income. Furthermore, reliable water access and safe and resilient infrastructure will reduce downtime and economic disruptions caused by extreme weather events.

The integration of cooling corridors and natural coastal buffer zones will create demand for local services and materials, stimulate local markets for climate-resilient practices, and promote the adoption nature-based solutions for construction. This will create new green jobs, improve access to income generation, and strengthen local value chains. Investing in resilient housing brings better quality of life, lowers repair and maintenance costs, and reduces displacement and the economic losses from disaster-related displacement, while protecting household and community assets. Embedding resilience standards and guidelines into national policies ensures that future investments are climate-proofed, reducing the need for emergency recovery spending. Over time, these preventive measures are far more cost-effective than reactive disaster relief and reconstruction.

Social Benefits

The project's social benefits will be substantial, improving safety, health, inclusion, and overall well-being for vulnerable Maldivian communities especially women, elderly, children, and youth, who are disproportionately affected by climate impacts. Climate-resilient roads and drainage systems reduce flood risks, ensure reliable mobility, and protect access to essential services such as health centres, schools and markets, while simultaneously creating local employment opportunities, building technical skills in construction and maintenance, and strengthening local supply chains. By establishing enhanced integrated water management and supply models, communities will have consistent access to potable water, improving hygiene, reducing water-borne diseases, and ensuring essential water security for households, livelihoods, schools, and businesses. Green corridors and vegetation restoration will improve urban livability, reduce urban heat stress, promote community cohesion, and generate livelihood opportunities through climate-

smart farming, aquaculture, and eco-tourism initiatives, and increased quality of life. Through capacity-building programs and community-based vegetation management, local residents will acquire the knowledge and skills to maintain infrastructure, respond to climate risks and disasters, and meaningfully participate in decision-making processes for locally led adaptation. This empowerment fosters ownership, accountability, and long-term sustainability.

Introducing resilient housing will reduce health vulnerabilities such as risk of injury, illness, diseases, and stress during extreme weather. It also brings greater protection for vulnerable groups (women, children, elderly, persons with disabilities). It builds stronger trust and collaboration when neighborhoods feel safe. Resilient housing supports uninterrupted schooling protects livelihoods and minimizes displacement. Specifically, the project will improve safety and reduce displacement risks for approximately 500 households, while ensuring enhanced school access for around 1,200 children, and protect community facilities such as health clinics, religious buildings, and community centers.

The project will also prioritize women's and youth participation in training, water management committees, and community planning, increasing leadership roles that are central to building resilience and adaptative capacity. Reduced exposure to disasters and increased security of shelter and water resources will decrease stress and uncertainty, improving mental health and strengthening community cohesion. Furthermore, UN-Habitat tools such as the Urban Safety Monitoring Tool will be incorporated to inform policymaking at national, atoll and city levels and will be used to help local authorities strengthen policy decisions with focus on resilience targeting vulnerable communities, especially women and youth.

Environmental Benefits

The project will directly and indirectly contribute to the protection, restoration, and sustainable management of the urban and coastal environments in the vulnerable low-lying island that underpin the Maldives' environmental and economic stability. The project will integrate physical and natural buffers (NbS) into infrastructure and water management designs and systems, reducing compounding impacts of climatic hazards. Protecting the coastal belt will enable defenses against prevailing erosion, saltwater intrusion, sea swells and SLR.

Adopting Integrated Water Resources Management models to enhance and combine existing rainwater harvesting networks with the centralized water treatment plants will enable uninterrupted water supply across wet and dry periods. Improved water management also reduces wastewater discharge and groundwater over-extraction, reducing land degradation and salinization.

By embedding ecosystem-based approaches in urban and coastal planning, the project ensures that natural systems continue providing protection and livelihood support even under future climate scenarios.

C. Cost-Effectiveness

Cost-effectiveness rationale for the specific interventions identified is summarized in Table 4 below. In summary, the proposed project demonstrates cost-effectiveness through integrating components, road and drainage infrastructure, water supply, natural coastal buffers and capacity building, leveraging synergies and avoiding duplication. Community-led maintenance and local materials will further enhance long-term cost efficiency. Furthermore, the complete project design

process at full proposal stage will involve conducting a thorough cost-benefit analysis of all components and activities, together with an analysis of alternative solutions for ensuring cost efficiency. This examination will assess the financial implications of each component, taking into account factors such as implementation costs, maintenance requirements, and long-term sustainability.

Table 4: Project Cost-Effectiveness

Proposed Action	Cost Effectiveness Criteria	Alternative Action	Why Less Cost-Effective
Reduction of flood risk and disruption of daily activities of people through climate-resilient resilient infrastructure solutions	**Future cost of climate change:** Avoids escalating flood-related repair costs **Project efficiency:** Modular and hybrid NbS solutions optimize implementation and maintenance **Community involvement:** Local technicians trained and engaged in maintenance **Cost/Feasibility:** Designs tested for feasibility and adaptability to local conditions **Safeguards:** Environmental and social impact assessments if required; adherence to local regulations	Continual road elevation, vulnerable building structures in the absence of resilient designs and drainage improvements	High recurring maintenance and repairs; less sustainable and prone to hazards
Enhanced water security through adopting Integrated Water Resources Management model combining rainwater harvesting networks with the centralized water treatment plant.	**Future cost of climate change:** Prevents future water scarcity costs **Project efficiency:** Scalable systems improve operational efficiency during both wet and dry periods **Community involvement:** Existing community water committees manage and maintain systems **Cost/Feasibility:** scalable and technically and economically feasible **Safeguards:** Maintenance protocols and safety standards for potable water	Increase desalination water supply components	Cost of water production is expensive. High operational costs (approx. USD 5–7 per m^3), energy-intensive, and less environmentally sustainable
Retrofitted public buildings and housing units to increase climate resilience	**Future cost of climate change:** Avoids escalating flood-related damage and repair costs **Project efficiency:** Hybrid solutions optimize implementation and resilience **Community involvement:** communities capacitated on climate resilient retrofitting guidelines and building codes.	Vulnerable building structures in the absence of resilient designs	High recurring damage and repairs costs; less sustainable and prone to hazards

	Cost/Feasibility: Designs tested for feasibility and adaptability to local conditions **Safeguards:** Adherence to local regulations		
Urban greening enhanced to increase resilience and adaptative capacity to climate induced stresses	**Future cost of climate change:** Reduces future urban heat stress **Project efficiency:** Increased adaptive capacity by restoring natural resources **Community involvement:** Community participation in urban greening **Cost/Feasibility:** community stewardship, increasing long term benefits of urban greening **Safeguards**: Environment and biodiversity safeguards; community consent for land use	Grey-only urban cooling structures	High cost of grey infrastructure, limited ecological value
Nature-based coastal green buffers developed, and vegetation restoration actions implemented to tackle sea swells and SLR	**Future cost of climate change:** Depleted natural vegetation and artificial protective systems to be replaced which leads to increased cost **Project efficiency:** Integrated planning allows multiple co-benefits per unit investment **Community involvement:** Managed by community committees, ensuring local ownership and maintenance **Cost/Feasibility:** community stewardship, increasing the capacity of natural defenses **Safeguards:** Environment and Biodiversity safeguards, restoration protocols and guidelines	Engineered infrastructure (e.g., seawalls, concrete revetments, groynes, or elevated roads)	High replacement and maintenance costs; ecological co-benefits lost; reduced long-term resilience.
Increased capacity of participatory and inclusive assessments focusing on vulnerable and disadvantaged communities to improve resilience through inclusive	**Future cost of climate change:** Decisions on climate responses taken without proper assessments lead to less effective and efficient **Project efficiency:** Integrated planning based on assessments allows multiple co-benefits per unit investment **Community involvement:** Strong community participation provides local ownership	No assessments conducted	Decisions on infrastructure investments including housing are at risk of continued damages and disruptions due to climate events.

environment.	**Cost/Feasibility:** Larger stakeholder participation that brings investment is sustainable. **Safeguards:** Social and environmental safeguards ensured		
Enhanced national and local capacities, policies, and regulatory frameworks to enable climate-resilient infrastructure, sustainable water security, and private sector adaptive measures, are operational	**Future cost of climate change:** lack of capacities and absence of policies will lead to continued disaster risks **Project efficiency:** Integrated planning allows multiple co-benefits per unit investment **Community involvement:** Strong national and local stakeholders including community participation provides greater ownership to the actions **Cost/Feasibility:** Larger stakeholder participation and proper policies and are in placed bring investment is sustainable	Absence of policies and lack of capacities will lead to haphazard unplanned actions	Actions taken may not be effective and sustainable.
Community groups participating in adaptation and risk reduction awareness activities increased including women and youth.	**Future cost of climate change:** lack of awareness and exclusion of key community groups will lead to poorly planned and managed climate responses. **Project efficiency:** Inclusive planning based on evidence-based allows well-informed decisions and actions **Community involvement:** Strong national and local stakeholders including community participation provides greater ownership to the actions **Cost/Feasibility:** Larger stakeholder participation and adequate knowledge make the investment is sustainable	Lack of awareness and knowledge will lead to haphazard unplanned actions	Actions taken may not be effective and sustainable.

D. Consistence with National or Sub-National Sustainable Development Strategies

The proposed project is closely aligned with the Maldives' Third Nationally Determined Contribution (NDC 3.0, 2025), which outlines the country's pathway toward a resilient, low-carbon future by 2035. NDC 3.0 prioritizes adaptation in key sectors such as coastal protection, water

security, and energy, while aiming to reduce 1.52 million tonnes of CO_2e by 2035[12]. The project directly and indirectly contributes to these goals by promoting climate-resilient housing, sustainable water systems, and passive cooling that reduces fossil-fuel dependence and strengthens community resilience to flooding, erosion, and drought. In addition, the project advances the NDC's cross-cutting priorities on capacity building, technology transfer, and inclusive participation, ensuring that women, youth, and vulnerable groups play active roles in climate adaptation and local resilience building.

The proposed project demonstrates strong coherence with the Maldives' updated national and sectoral climate-resilience, development, and financing frameworks. Firstly, it supports the ongoing development and implementation of the country's National Adaptation Plan (NAP), launched in February 2024 to establish medium-to-long-term adaptation pathways for the Maldives. Through its focus on resilient infrastructure, water security and nature-based solutions, the project aligns with the NAP process objective of integrating adaptation into multisectoral planning, budgeting, monitoring and learning.

The project also anticipates cross-linkages with newer frameworks such as the Maldives Disaster Risk Reduction Strategy 2024-2030 (endorsed December 2024), which emphasizes strengthening built and natural resilience, protecting assets and lives against climate hazards and disasters. The strategy aligns with international frameworks like the Sendai Framework for Disaster Risk Reduction 2015-2030 and the Paris Agreement, aiming to build a more resilient nation and contribute to global climate advocacy. By investing in climate-resilient road and drainage infrastructure, decentralized water systems and nature-based coastal defenses, the project aligns with the DRR strategy's goal of resilient communities and infrastructure.

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

The proposed project will be implemented in accordance with the Government of Maldives laws and regulations, has an obligatory requirement to follow and comply with national technical standards and relevant legislation. The project was selected for submission to the Adaptation Fund through a national and sub-national consultation process with mandatory stakeholders and going forward, will be implemented and monitored in line with national legislation and standards outlined below. They have relevance to the principles of Adaption Fund such as compliance with the law, marginalized and vulnerable groups including gender equity and women's and youth empowerment, protection of natural habitats, among others. The implementation and monitoring of the project will ensure that the principles of the Adaptation Fund, as well as the relevant national technical standards, are adhered to during the lifetime of the project. Project components and outputs will meet technical standards prescribed in environment, disaster management, water resources management and construction technical guidelines and norms. Technical safeguards for water infrastructure such as integrated model combining rainwater harvesting systems with centralized treatment and infrastructure construction will be followed and incorporated during activity design and implementation by the relevant focal agencies engaged in implementing and monitoring the project at national and local level. Nature based solutions for urban greening and coastal buffers will adhere to the environment safeguards of the Adaptation Fund. The project will also identify needs and gaps in appropriate sector technologies aligned with adaptation needs and develop/field test suitable solutions with community participation.

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F. Describe with other Funding Sources

During consultations and sectoral analysis conducted during pre-concept proposal stage it is observed that there is no duplication of this project with other initiatives financed by multilateral, bilateral, or national sources. While other projects related to climate change adaptation have been implemented in Maldives, this proposal is complementary and strategically aligned with the Nationally Determined Contributions (NDCs) for adaptation.

Table 5- Details of Ongoing and Completed Projects

Project Name	**Thematic Area**	**Donor and Budget (USD)**	**Status**
Toward Risk-Aware and Climate-resilienT communities (TRACT) - Strengthening climate services and impact-based multi-hazard early warning in Maldives	Adaptation	GCF- 25.2 million	Ongoing (2025-2030)
Climate investor Two-Regional Project (Africa, Asia-Pacific, Latin America and the Carribean: FP190	Crosscutting	GCF-880 million	Ongoing 2022-2042
Building Climate Resilient Safer Islands in the Maldives	Adaptation	GCF- 66 million	2021-2030
Supporting vulnerable communities in Maldives to manage climate change-induced water shortages	Adaptation	GCF-28.2 million	Completed-(2015-2023)
Increasing climate resilience through an Integrated Water Resource Management Programme in HA. Ihavandhoo, ADh. Mahibadhoo and GDh. Gadhdhoo Island	Adaptation	Adaptation Fund- 8 million	Completed (2012 -2017)

G. Learning and Knowledge Management

UN-Habitat is strongly committed to and practices learning and knowledge management in all projects to capture and disseminate lessons learned - this is a vital area of the proposed project. Initiatives on adaptation are being practiced increasingly, and providing empirical evidence with accurate data is a requirement for projects that work with communities on adaptation, to disseminate information and share lessons with those in similar circumstances facing rapid and intense changes of climate challenged by coping capacities, as well as for policy makers and academics in discussion of the topic.

Diligent monitoring and assessment of results and impacts is crucial in order to test effectiveness

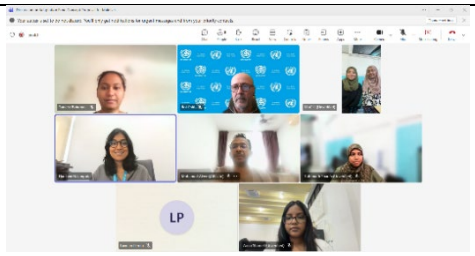
of government-prescribed adaptation measures, especially in infrastructure and water management. The proposed project will serve as part of that learning curve that will allow national technical agencies to test their own assumptions for community-based adaptation. It will provide the government with the opportunity to review context specific approaches and scale up successful activities to achieve resilience of communities and ecosystems to climate impacts on other atolls.

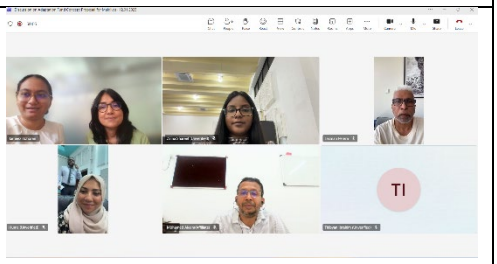
All the projects' components include awareness, knowledge and capacity building activities. Component 3 will be largely dedicated to strengthening awareness and ownership of adaptation and climate risk reduction processes and UN-Habitat will work with extensive networks of stakeholders to opportunities for learning through best practices and knowledge dissemination.

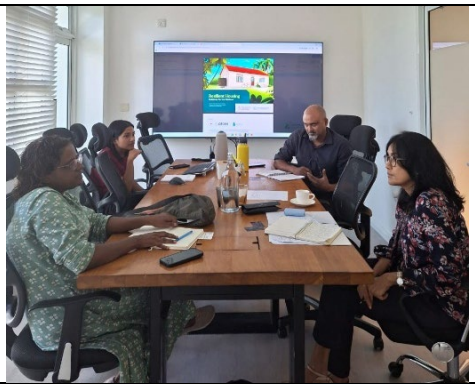
H. Consultative Process

Table 6 - Stakeholders and communities engaged in consultations

National Government Agencies	07.12.2025 - Ministry of Finance and Planning Attendees: Hussain Imran Abdul Muhaimin-HE State Minister Mohamed Yammal- MoFP Mohamed Imad- MoFP Fathima Shaheer- MoFP Aminath Nashia- MoFP Roi Chiti- Human Settlements Officer, UN-Habitat Harshini Halangode- Country Programme Manager	
	08.12.2025 - Ministry of Construction, Housing and Infrastructure Attendees: Dr. Abdulla Mutthalib- HE Minister Ibrahim Thoaam Mohamed- HE Minister of State Asrar- Project Engineer Fathimath Shanna- Planning Consultant Roi Chiti- Human Settlements Officer, UN-Habitat Harshini Halangode- Country Programme Manager	

	08.12.2025 - Ministry of Tourism and Environment Attendees: Dr. Abdulla Niyaz- HE Minister of Tourism and Environment Roi Chiti- Human Settlements Officer, UN-Habitat Harshini Halangode- Country Programme Manager	
	09.12.2025 - Ministry of Foreign Affairs Attendees: Mariyam Midhfa, Joint Secretary Mr. Ahmed Salman Zaki, Director Roi Chiti- Human Settlements Officer, UN-Habitat Harshini Halangode- Country Programme Manager	
	09.12.2025 - Technical Meeting with Ministry of Construction, Housing and Infrastructure and Ministry of Tourism and Environment Attendees: Miaaza Hussain Amjad Abdulla- DG, Climate Change Department, MoTE Ahmed Waheed- Director, MoTE Mohamed Azan- Environment Analyst Roi Chiti- Human Settlements Officer, UN-Habitat Harshini Halangode- Country Programme Manager	
	29.12.2025- Virtual meeting with the Ministry of Construction, Housing and Infrastructure and Infrastructure and Ministry of Tourism and Environment Attendees: Aishath Huma- Environmental and Social Safeguards Specialist Miaaza Hussain- Engineer MoCHI Fathimath Shaufa- MoCHI Zaina Shareef- Assistant Director, Climate Change Department, MoTE Roi Chiti- Human Settlements Officer, UN-Habitat Harshini Halangode- Country	

	Programme Manager Laxman Perera- Senior Adviser, UN-Habitat Mohamed Aleem- National Project Manager, UN-Habitat Tameez Bohoran, Project Architect, UN-Habitat	
	12.01.2025- Virtual Meeting with Ministry of Construction, Housing and Infrastructure and Ministry of Tourism and Environment Attendees: Aishath Huma- Environmental and Social Safeguards Specialist Thibyan Ibrahim- Director, Climate Change Department, MoTE Zaina Shareef- Assistant Director, Climate Change Department, MoTE Harshini Halangode- Country Programme Manager Laxman Perera- Senior Adviser, UN-Habitat Mohamed Aleem- National Project Manager, UN-Habitat Tameez Bohoran, Project Architect, UN-Habitat	
Atoll administrations	07.12.2025 - Mayor of Male City Council Attendees: Adam Azim- Mayor Ismail Sobah- City Council Chief Statistician Dhiyana- Media, City Council Mariyam Nazima- Head of Bureau Roi Chiti- Human Settlements Officer, UN-Habitat Harshini Halangode- Country Programme Manager	
International Agencies	08.12.2025 - Meeting with United Nations Resident Coordinator's Office, Maldives Attendees: Najma Abudulla-Communications and Advocacy Shaha Shakyb- DMO Roi Chiti- Human Settlements Officer, UN-Habitat	

	Harshini Halangode- Country Programme Manager	
Private Sector	08.12.2025 - Riyan (Pvt) Ltd. Attendees: Fathimath Rasheed- Director Riyan Hussain Simad- Director Imsa Shakir- Senior Socioeconomic Researcher Harshini Halangode- Country Programme Manager	

I. Justification for Funding Requested

Maldives is among the most vulnerable countries affected by climate change. The country faces increasing climate-related risks and urgently needs support to implement urgent climate adaptative actions.

Faced with rising macroeconomic risks due to high public debt (134.2% of GDP in 2024), falling reserve (with a USD 1 billion in external debt servicing due in 2025), widening fiscal deficits, and external vulnerabilities, the pressure on government spending, particularly on coastal protection, road and drainage infrastructure and urban planning is constrained. An underinvestment scenario will further worsen the climate impact unless financial support is forthcoming to address the increasing demand for climate resilience building in cities and settlements.

The project aims to enhance resilience and build the adaptive capacity of local communities by implementing concrete, adaptive actions specifically tailored to local needs. Furthermore, the NbS approach will serve as the foundation for all project components, adopting a holistic approach to support vulnerable communities in Gdh Thinadhoo, of Gaafu Dhaalu Atoll thereby increasing their resilience to rainfall variability, and other extreme events. This contributes to increasing their adaptation capacity to the risks and improving their livelihood strategies, addressing water scarcity. Active community engagement will enhance the sustainability of natural resources management actions, ensuring climate investment through this project, which is expected to yield results, including biodiversity conservation.

Rationale for Full Cost Funding
Inclusive Intervention: The project integrates institutional and community capacity building, resilient infrastructure, NbS solutions for coastal/sea erosion and creation of climate-smart water safety management, and knowledge management with a focus on replicability across all atolls. Each component was identified through an extensive consultation process and is interdependent, requiring full funding to deliver sustainable, systemic adaptation outcomes. Partial funding could undermine the effectiveness and sustainability of the interventions.

Targeting Vulnerable and Marginalized Groups: The project prioritizes the most vulnerable populations overly affected by climate impacts, including women, youth, urban low-income families, disabled persons and other marginalized groups, requiring well-targeted resource-intensive measures to ensure resilience benefits are equally gained.

Confirming Long-Term Sustainability: Strong community participation, which requires other

stakeholders to act effectively, fosters a sense of ownership among all stakeholders, committing them to mainstream activities and strategies developed through the project, making the Investments durable and guaranteeing sustained benefits beyond the project's lifetime.

J. Sustainability of the Project

The design of the project has been carefully crafted to ensure the long-term sustainability of its outcomes beyond the project lifecycle. The project will deliver on economic, social and environmental benefits to vulnerable groups in particular women and marginalized groups in the targeted project locations. The project ensures sustainability through the integration of resilience standards into national building regulations, establishment of maintenance funds and community water committees, capacity building for local authorities, communities especially women, youth and the private sector.

Institutional Sustainability: The project is aligned with national goals, policies and plans of Maldives in terms of adaptation initiatives. It is expected that the project outcomes will contribute to the adaptation initiatives of the country through knowledge transfer platforms and replication of strategies. The project interventions are designed to be implemented and maintained by existing organizations with firm procedures and policies. MoCHI and MoTE are government departments/utilities that are primarily responsible for managing water and climate-related challenges within their jurisdiction and must maintain the facilities established by the project together with local authorities ensuring strong integration and collaboration, both at atoll and island level. Consequently, the project ensures maintenance and sustainability after activities are completed.

Social Sustainability: Local experts and communities were consulted during the project design stage. During Project Formulation Phase and on implementation of targeted sub-projects, communities will gain a greater understanding of climate change impacts and the necessity for adaptation through training and awareness programs, as well as learning by doing. Further community consultations will be conducted at the project formulation phase to strengthen outputs and activities.

Equitable gaining of benefits from the project activities during project implementation and beyond, through engaging with vulnerable communities (women and girls, youth, disabled and elderly persons) enhancing the community's buy-in to ensure long term sustainability.

Economic Sustainability: Adaptation actions are essential for mitigating economic losses due to flooding, heat and sea erosion. The project actions address the economic losses at multiple levels i.e. at the community (livelihood losses), at the atoll level (cost of repair of damaged infrastructure, cost of relief measures etc.), and at the national level (restoration of large infrastructure)

Financial Sustainability: The project will contribute to the implementation of the National Adaptation Plan and will be included in the government's annual work plan. Furthermore, the identified Executing Entities (EEs) are government entities with specific mandates to serve the people. Therefore, accountability of the investment is guaranteed, and continuity of activities beyond the project's lifetime is assured.

Environmental Sustainability: It is of utmost importance that no component of the project (has any negative impact on the ecosystem. It is expected that consultations with experts on ecosystems and biodiversity will continue and be given high priority during the full proposal development stage to ensure that adequate tools and processes are incorporated, thereby providing environmental sustainability. Beyond the experts consulting for the project, the Ministry

of Foreign Affairs (MoFA), Ministry of Finance and Planning (MoFP), City Councils and the private sector) will be invited to participate as supporting Executing Entities (EEs). All elements, including plant species used in the green corridors and retrofitting, will be reviewed by these expert entities to confirm that they have no negative impact on local ecosystems.

K. Environmental and Social Impacts and Risks

Table 7 - Alignment with AF's Environmental & Social Policy

Checklist of environmental and social principles	No further assessment is required for compliance	Potential impacts and risks – further assessment and management required for compliance
Compliance with the Law	X	**No Risk Identified**: Activities will be carried out in alignment with the current national and local legal frameworks on climate change, human rights, and environmental protection
Access and Equity		**Low Risk:** An inclusive approach will be applied to all activities during the entire project life cycle to ensure territorial and social equity in access to the project's benefits. Further assessment will be continued during full proposal development.
Marginalized and Vulnerable Groups		**Low Risk:** A practical and adequate participation approach will be considered to ensure that the voices of vulnerable groups such as women, youth, and older persons are expressively included. Further assessment will be continued during full proposal development.
Human Rights	X	**No Risk Identified:** The project is aligned with national and international frameworks, including the United Nations human rights. It also aims to promote voluntary participation and access to dignified livelihoods.
Gender Equality and Women's Empowerment		**Low Risk:** A potential risk of women to benefit inequitably or face discrimination exists, attributing to cultural and social norms. To minimize the risk, participation of women will be encouraged through a structured representation mechanism embedded in the reporting of every event sponsored by the project. Every meeting, consultation, training, or workshop will have an attendance register that enables the project to ensure adequate (at least 50%) women's participation/representation. Cultural practices, such as gender-specific requirements, will be applied in all events.
Core Labor Rights	X	**No Risk Identified:** No violations of labor rights are anticipated. National and international labor standards will be upheld throughout the entire project cycle. As the majority of EEs are government entities, the labour rights are obligatory by the constitution itself.
Indigenous Peoples	X	**No Risk identified:** No indigenous people identified. Further assessment will be continued during full proposal development.
Involuntary Resettlement	X	**No Risk Identified:** The project does not anticipate any physical or economic displacement.
Protection of Natural		**Low Risk:** The project interventions are not expected to have negative impacts on sensitive ecosystems.

Habitats		Coordination with the responsible entities will be undertaken to ensure alignment with protection laws, regulations, and mechanisms. Therefore, further assessment will be continued during full proposal development.
Conservation of Biological Diversity		**Low Risk:** It is expected that project activities will not generate negative impacts on sensitive ecosystems. Coordination with the entities responsible will be undertaken to ensure alignment with existing plans, laws and regulations. Therefore, further assessment will be continued during full proposal development.
Climate Change	**X**	**No Risk Identified:** The project positively contributes to climate change adaptation and increased resilience. No activities that would exacerbate the drivers of climate change are included.
Pollution Prevention and Resource Efficiency		**Low Risk:** The implementation of the project interventions will include measures to reduce the generation of pollutants and emissions during construction. Therefore, further assessment will be continued during full proposal development with detailed technical design of sub-projects.
Public Health	**X**	**No Risk Identified:** No negative health impacts are anticipated in any of the project activities. In contrast, the project is to contribute to improved health outcomes through climate-resilient actions, particularly addressing water scarcity.
Physical and Cultural Heritage	**X**	**No Risk Identified:** No negative impacts are anticipated on sites of cultural or archaeological value. Further consultation will be continued during the full proposal development stage, and coordination will be established with the entities responsible for archaeological sites during project implementation.
Lands and Soil Conservation	**X**	**No Risk Identified:** The design and implementation of the NbS interventions will include soil management measures. The project positively contributes to conservation of eco-systems and increase adaptation and resilience.

PART III: IMPLEMENTATION ARRANGEMENTS

A. Alignment of the Project with the Results Framework of the Adaptation Fund

Table 8 – Project Alignment with Results Framework of Adaptation Fund

Project Objective(s)[1]	Project Objective Indicator(s)	Fund Outcome	Fund Outcome Indicator	Grant Amount (USD)
Enhance adaptation and resilience of coastal urban communities in the Maldives to the impacts of climate-induced flooding, extreme heat, coastal erosion, and water scarcity integrating nature-based solutions.	• At least 10200 community members are benefited from nature-based solutions (5370direct and 4830 indirect beneficiaries, including 50% women) • Institutional capacities of public sector departments enhanced • The capacity of natural assets increased • Resilient housing stock increased	Outcomes 1, 3, 4, 5, 7	Details are provided against each outcome listed below	Details of cost are provided against each outcome listed below
Project Outcome(s)	**Project Outcome Indicator(s)**	**Fund Output**	**Fund Output Indicator**	**Grant Amount (USD)**
Component 1: Increasing adaptive capacity through climate resilient infrastructure solutions				
Outcome 1.1 Resilient infrastructure solutions introduced to reduce climate change impacts	- No of Km of roads elevated/retrofitted to climate-resilient standards - No. of drainage systems upgraded with smart/NbS-integrated features - No. of rainwater harvesting networks	Output 4.1: Vulnerable development sector services and infrastructure assets strengthened in response to climate change impacts, including	4.1.2: No. of physical assets strengthened or constructed to withstand conditions resulting from climate variability and change (by sector and scale)	

	expanded and connected to centralized treatment infrastructure - No. of Houses and public buildings retrofitted, expanded, and managed to ensure resilience against climate-induced hazards - No. of people (disaggregated by sex) that directly benefited from improved and upgraded infrastructure	variability		
Component 2: Enhanced urban greening and coastal buffers to increase resilience in responding to climate-induced stresses.				
Outcome 2.1: Urban greening and coastal buffers enhanced to increase resilience and adaptative capacity to climate induced stresses	- No. of nature-based solutions integrated for urban passive cooling - Ha. of nature based coastal green buffers established No. of persons (disaggregated by sex) benefitting from establishment of coastal green buffers - No. of agroforestry practices established No. of women benefitting from establishment of agroforestry practices No. of youth benefiting from establishment of agroforestry practices	Output 5.1: Vulnerable ecosystem services and natural resource assets strengthened in response to climate change impacts, including variability	Indicator 5.1.1: Ecosystems and natural resources targeted by activities to improve protection, restoration, and/or management	
Component 3: Strengthening Policy Frameworks and Institutional & Community Capacities for improved climate resilience and adaptive capacities				
Outcome 3.1: Enhanced institutional capacities, policies and regulatory frameworks for	- No. of Climate Resilient Infrastructure Vulnerability Assessments (CRIVA) developed	Output 1.1 Risk and vulnerability assessments conducted and updated	Indicator 1.1.1: Risk and vulnerability assessments conducted or updated	

climate-resilient planning and management.				
	- No of policies and climate-resilient standards, technical guidelines, and regulatory frameworks for infrastructure - No. of government institutions (national and local) that participated in capacity building programmes (policy and decision makers), professionals and builders conducted	Output 7.1: Improved integration of climate resilience strategies into country development plans	Core Indicator 7.1.1: Policies, strategies, and/or plans developed or adjusted to integrate climate risk considerations	
Outcome 3.2. Community groups including women and youth, participating in adaptation and risk reduction awareness activities increased	- No. of Participants (disaggregated by sex) in Training and awareness programmes on NbS - No. of Youth climate leadership initiatives launched/or participants in these initiatives (disaggregated by sex) - No. of Women Development Councils participated in knowledge sharing sessions - No. of local technicians (disaggregated by sex) trained in climate-resilient infrastructure and construction	Output 2.1: Strengthened capacity of institutions to understand and better address climate risks Output 3.1: Targeted population groups participating in adaptation and risk reduction awareness activities	Indicator 2.1.1: Institutions supported to strengthen capacity to understand and address climate risks and resilience Indicator 3.1.1: People participating in activities to improve awareness of climate risks and how to address them	

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

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

A. Record of endorsement on behalf of the government[2]

Mr. Ahmed Waheed Director Ministry of Tourism and Environment Ameenee Magu, 20392, Male Maldives Tel: +960 301 8300 Fax: +960 301 8301 Email: ahmed.waheed@environment.gov.mv	Date: 29 January 2026

B. Implementing Entity certification

I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans (……list here…..) and subject to the approval by the Adaptation Fund Board, commit to implementing the project/programme in compliance with the Environmental and Social Policy and the Gender Policy of the Adaptation Fund and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.

Raf Tuts
Director, Global Solutions Division
UN-Habitat

Date: February 5, 2026	Tel. and email: +254-20-762-3736 and email: raf.tuts@un.org

Project Contact Person: Odicea Angelo Barrios, Programme Management Officer, Human Settlements, UN-Habitat Regional Office for Asia and the Pacific

Tel. And Email: (81-92) 724-7121 And Email: odicea.angelobarrios1@un.org

[6] 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.

بسم الله الرحمن الرحيم

Ministry of Tourism and Environment
Male', Republic of Maldives

Date: 29th January 2026 No: 88-CCD/PRIV/2026/173

To: The Adptation Fund Board
c/o Adaptation Fund Board Secretariat
Email: Secretariat@Adaptation-Fund.org
Fax: 202 522 3240/5

Subject: Endorsement for "Enhancing Climate and Socio-Economic Resilience integrating Nature-Based Solutions for Island Communities in the Maldives" Project

In my capacity as Designated Authority for the Adaptation Fund in Maldives, 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 the Maldives.

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 UN HABITAT and executed by Ministry of Tourism and Environment, and Ministry of Construction, Housing and Infrastructure.

Sincerely,

Ahmed Waheed,
Designated Authority for the Adaptation Fund

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