



**ADAPTATION FUND**

# Overview of the Adaptation Fund

Write-shop  
Manila, Philippines  
May 12, 2026

# Adaptation Fund Growing and Maturing: Leader, Innovator and Catalyst for Adaptation Finance



2001

The Adaptation Fund is established under the UNFCCC Kyoto Protocol to finance concrete adaptation projects in developing countries

2007

The Fund is operationalised

2010

The first two projects are approved for USD 14 million

2019

The Fund starts officially serving the Paris Agreement (PA) and begins the transition to exclusively serve the PA

2023

Portfolio surpasses USD 1 billion

2030

By 2030, will pursue efforts to at least triple annual outflows from the Adaptation Fund and other UNFCCC climate funds from 2022 levels



# Medium-Term Strategy (2023-2027)

## Theory of change

Finance concrete adaptation projects and programmes that are country driven and based on the needs, views and priorities of developing countries that particularly vulnerable to the adverse impacts of climate change.

### GOAL

Protect **people, livelihoods** and **ecosystems** through climate-resilient development

### VISION

Enhance **adaptive capacity**, strengthen **resilience** and **reduce vulnerability** to climate change

### MISSION

Accelerate **effective adaptation actions** and **efficient access** to finance for the most vulnerable communities in developing countries

#### STRATEGIC PILLARS

#### ACTION

#### INNOVATION

#### LEARNING & SHARING

*All of the Fund's activities and processes are designed to:*



Promote **locally led** adaptation



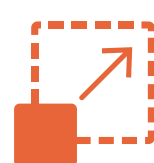
Enhance **access to climate finance** and long-term institutional **capacity**



Empower and benefit the most vulnerable people and communities as **agents of change**



Advance **gender equality**



Enable the **scaling** and **replication** of results



Strengthen **complementarity, coherence and synergies** with other adaptation funders





# What is the Adaptation Fund's Comparative Advantage and What Makes it Unique?



## DEDICATED TO ADAPTATION

Only multilateral fund dedicated to concrete climate adaptation for the most vulnerable countries and communities, including in LDCs and SIDS

## DIRECT ACCESS

Pioneered the direct access approach, and 50% of portfolio reserved for direct access

## GRANT FUNDING

Provides grant funding that finances the full cost of adaptation, and has no co-financing requirements

## LOCALLY-LED ADAPTATION

Strategic focus on adaptation action that devolves access and decision-making to national, subnational, and local levels

## INNOVATION FOCUSED

Proactively develops new, more effective ways to adapt, including pilot projects, proof-of-concept initiatives, and de-risking mechanisms

## SUSTAINABLE INTERVENTIONS

Builds local capacities and targets interventions that catalyse impact beyond project/programme lifetime



As of May 2026

# Accredited Implementing Entities

## DESIGNATED AUTHORITIES



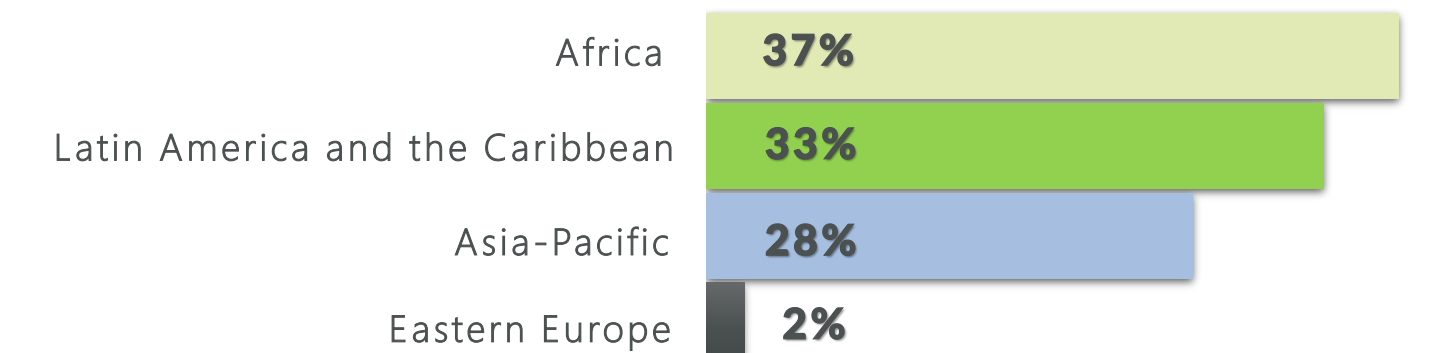
## ACCREDITED IMPLEMENTING ENTITIES (TOTAL 62)



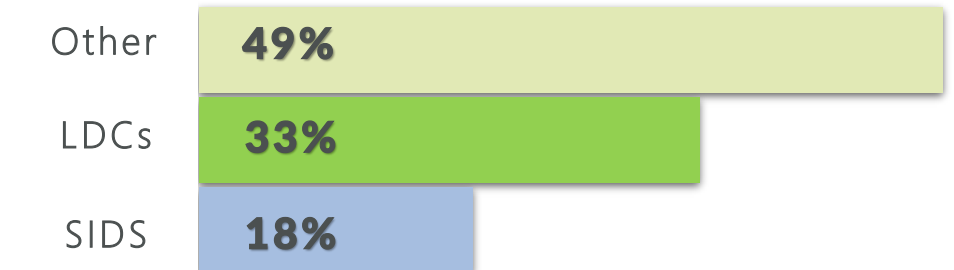
## ACCREDITED IMPLEMENTING ENTITIES BY TYPE



## ACCREDITED NIEs AND RIEs BY REGION



## LDCs AND SIDS AMONG ACCREDITED NIEs



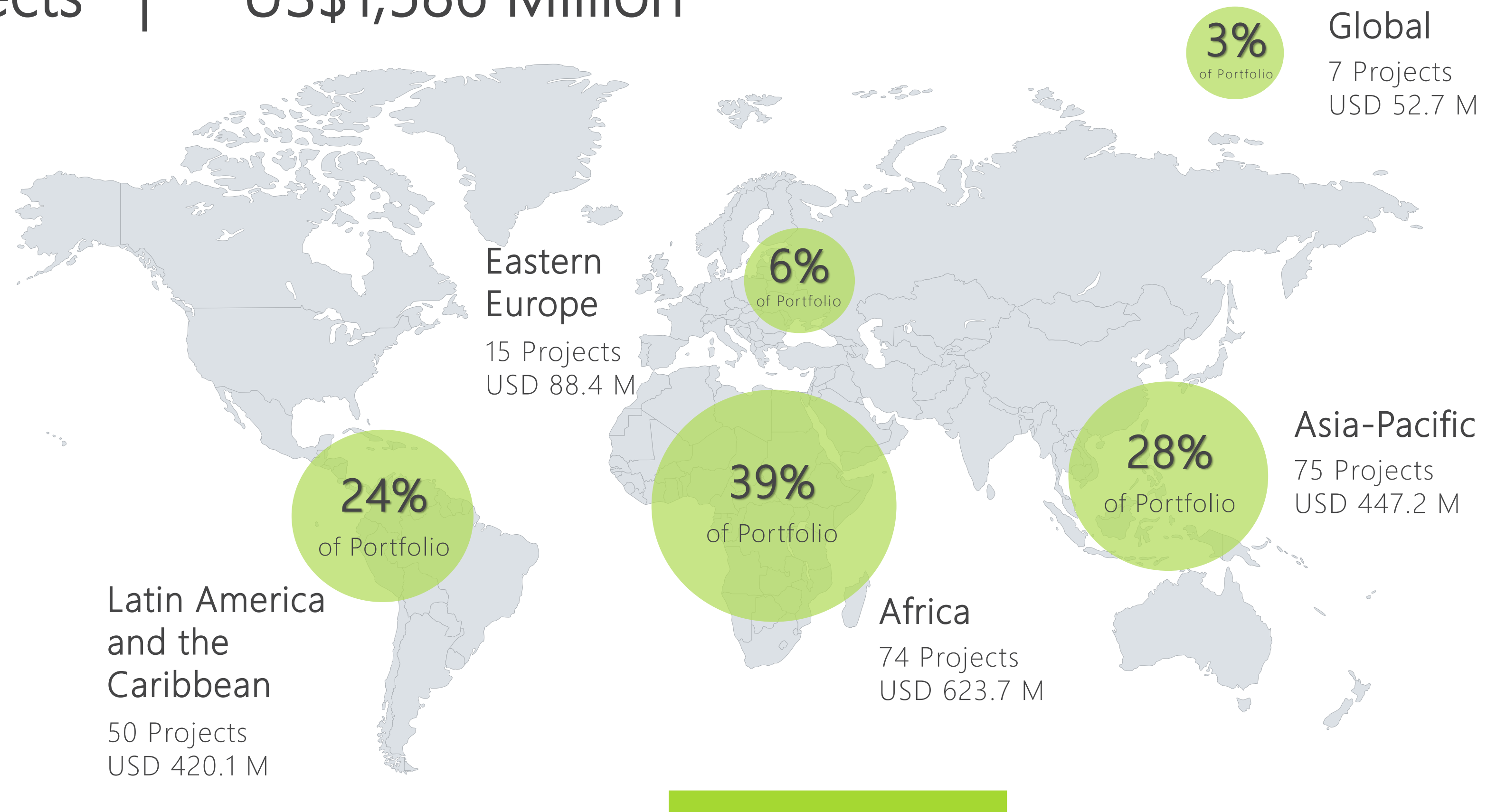


# AF Portfolio: Regional distribution

TOTAL 221 projects | US\$1,586 Million

## PROJECT & PROGRAMME DISTRIBUTION

Single Country:	<b>158</b>
Regional:	<b>29</b>
LLA Single-Country:	<b>7</b>
LLA Regional	<b>1</b>
LLA Aggregator:	<b>1</b>
Small Innovation:	<b>9</b>
Large Innovation:	<b>8</b>
AFCIA:	<b>7</b>
Bundled Innovation/Learning:	<b>1</b>



Growing demand for AF financing:  
US\$1,700 Million of proposals in active pipeline



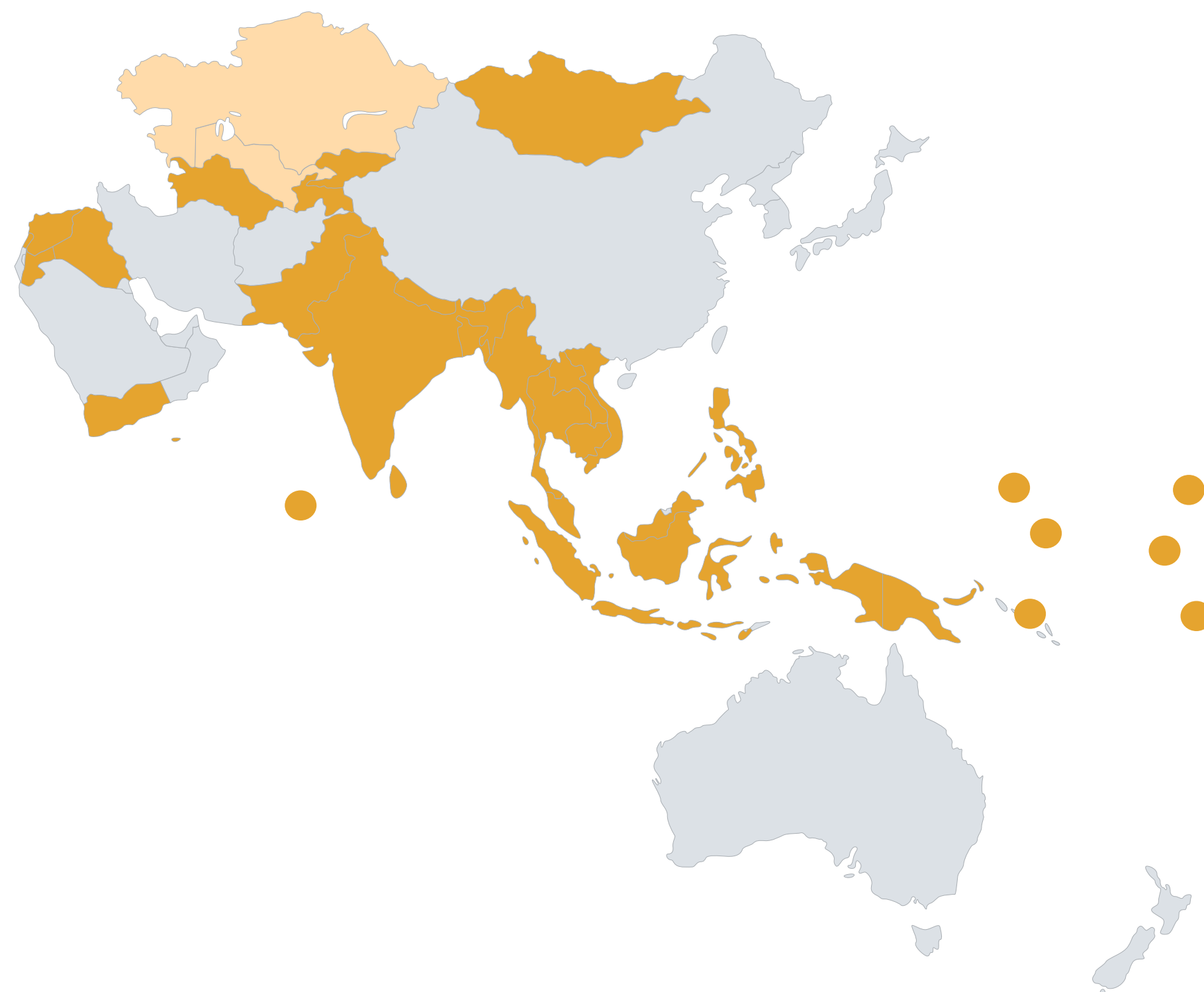


# AF Portfolio **ASIA-PACIFIC**

TOTAL **USD 447.2 Million**

## PROJECT DISTRIBUTION

Total Projects:	<b>75</b>
Single Country:	<b>61</b>
Regional:	<b>6</b>
AFCIA:	<b>1</b>
LLA:	<b>1</b>
Large Innovation:	<b>3</b>
Small Innovation:	<b>3</b>



## GEOGRAPHIC REACH

**32** Countries with projects

## NATURAL ASSETS PROTECTED OR REHABILITATED\*

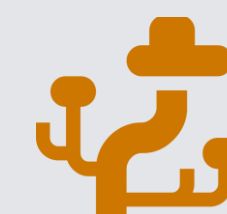
Coastline (meters)

**57,070**



Natural habitats (ha)

**294,205**



## BENEFICIARIES\*



Direct: **4.05 million**

Indirect: **9.31 million**

## EARLY WARNING SYSTEMS ESTABLISHED OR IMPROVED\*

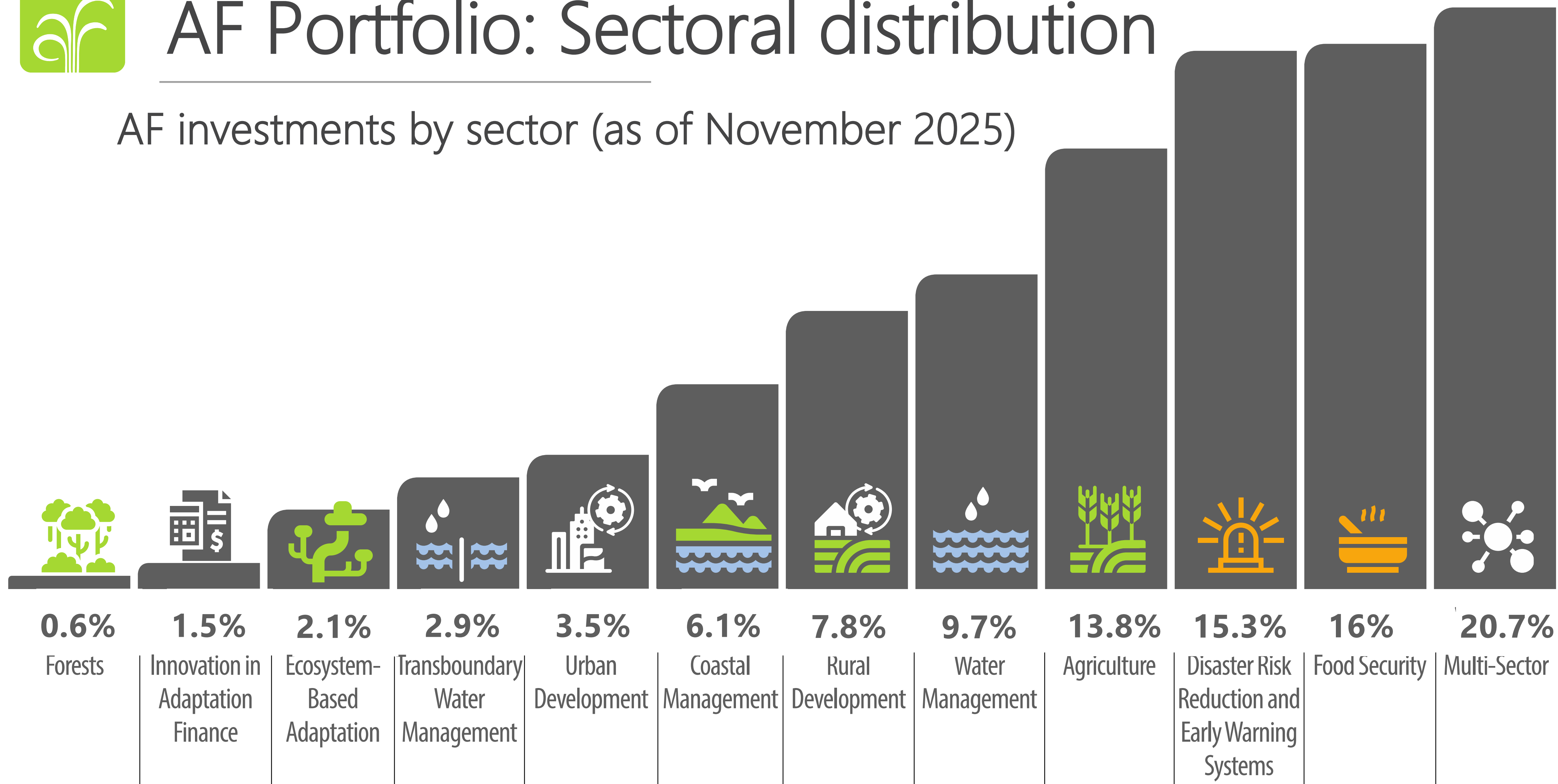
**72** Systems implemented





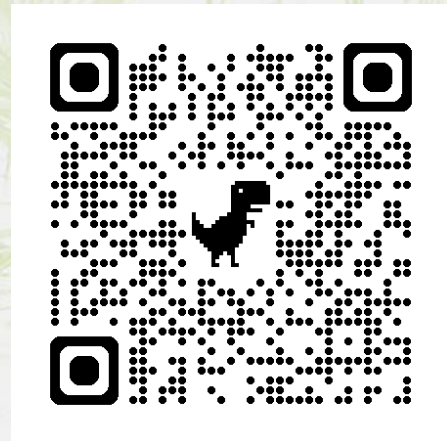
# AF Portfolio: Sectoral distribution

AF investments by sector (as of November 2025)



# Adaptation Fund

# Funding Windows



PILLAR	FUNDING WINDOW	ACCREDITED ENTITY TYPE	MAXIMUM FUNDING AMOUNT
<b>ACTION</b>	Single Country	NIE, RIE, MIE	Up to USD 25 Million <i>per Project/Programme (within USD 40 million cap)</i>
	Regional/LLA Regional	RIE, MIE	Up to USD 30 Million <i>per Project/Programme</i>
	LLA Single Country	NIE, RIE, MIE	USD 5 Million <i>per Project/Programme</i>
	LLA Aggregator	Non-accredited	Up to USD 500,000 <i>per Grantee</i>
	Project Scale Up	NIE	USD 100,000 <i>per Grant</i>
<b>INNOVATION</b>	Small (single country)	NIE	USD 250,000 <i>per Project   USD 750,000 with learning</i>
	Large (single country or regional)	NIE, MIE, RIE	USD 5 Million <i>per Project/Programme</i>
	Adaptation Fund Climate Innovation Accelerator	Non-accredited	Up to USD 250,000 <i>per Grantee/Innovator</i>
<b>LEARNING &amp; SHARING</b>	Learning Grants	NIE	USD 500,000 <i>per Grant   USD 750,000 with innovation</i>
<b>READINESS</b>	Readiness Support Package Grant	NIE	USD 150,000 <i>per NIE</i>
	Technical Assistance Grant for the ES & GP	NIE	USD 25,000 <i>per NIE</i>
	Technical Assistance Grant for the GP	NIE	USD 10,000 <i>per NIE</i>



# Project Formulation Grants (Available to NIE, RIE, MIE)

	Less than USD 2M	USD 2M to 5M	USD 5M and above	Locally-led adaptation
Single country projects	\$50,000	\$100,000	\$150,000	\$150,000 +\$100,000*
Regional projects and programmes			\$150,000 (2 countries min.) +\$15,000 per additional country Max \$250,000	\$165,000 (3 countries min.) +\$15,000 per additional country Max \$350,000* <small>*(+ \$100,000 on a case-by-case basis)</small>

*Optional 3-step approach: Only Single-country LLA and all Regional*



Maximum at *Pre-concept* stage is **20% of the maximum total PFG applicable** (only regional and LLA)





# Regular vs LLA Funding Windows

Aspect	Regular Single-Country Window	LLA Single-Country Window
<b>Primary purpose</b>	Finance concrete adaptation projects that deliver sustained resilience outcomes aligned with national priorities and plans	Finance concrete adaptation projects that devolve decision-making, strengthen local ownership, and improve access to finance at the lowest appropriate level
<b>Core design logic</b>	Country-led programming implemented through accredited Implementing Entities	Decentralised programming anchored in locally defined priorities within national frameworks
<b>Role of local actors</b>	Engage as key stakeholders, beneficiaries, and partners in implementation	Exercise a central role in priority setting, decision-making, and implementation
<b>Maximum funding size</b>	Up to USD 25 million per project or programme	Up to USD 5 million per project or programme
<b>Country funding cap impact</b>	Counts toward the country funding cap	Does not count toward the country funding cap
<b>Proposal pathways</b>	One-step or two-step standard process	One-step, two-step, or three-step process
<b>Project Formulation Grant (PFG)</b>	Up to USD 150,000	Up to USD 150,000, with the possibility of up to USD 100,000 additional support to strengthen early and meaningful local engagement
<b>Unidentified Sub-Projects (USPs)</b>	USPs can be used only in a small number of justified cases, with risks assessed and safeguards applied before activities are implemented.	Greater scope for well-justified USPs to support local prioritisation of sub-projects over time, with a strong Environmental and Social Management Framework and partial identification required upfront.
<b>What success looks like</b>	Sustained adaptation outcomes that reduce vulnerability and strengthen national resilience	Strengthened local leadership, inclusive decision-making structures, and durable capacity for locally led adaptation



**B46**

# 46th Board Meeting: Key Approvals

*Record demand with 94 proposals totaling US\$ 1.33 billion*

**US\$134M**

New Projects Approved

*Nearly matching the US\$ 137M record set at B45*

**US\$20M**

Largest Single-Country Project

*Malawi — Smallholder climate resilience*

**US\$30M**

First Regional LLA Project

*Eswatini, Zambia & Zimbabwe*

**US\$ 24.55M Regional Project**

Angola & Namibia

**31 Formulation Grants**

Record number totaling **US\$ 4.54M**,  
supporting proposals valued at **US\$ 407M**

**First-Time Single-Country Projects**

Eswatini and Zambia receive first  
Adaptation Fund project funding  
under the country cap.





# AFB46: Key Programming and Policy Updates

## FY27 Funding Provisions (Decision B.46/52)

- **US \$60M** for regional project and programme proposals
- **US \$50M** for LLA single-country projects and programmes
- **US \$40M** for regional LLA projects and programmes
- **US \$30M** for large innovation projects and programmes
- **US \$4M** for small innovation grants, learning grants, and project scale-up grants

## Country Cap Utilization (Decision B.46/53)

- Countries accessing resources under the country cap **for the first time** can access funding up to the maximum size for regular single-country projects/programmes
- Countries that have **previously accessed** resources under the country cap can access the remaining resources
- Secretariat to communicate decision to designated authorities and implementing entities

## Accreditation Extension (Decision B.46/9)

- The Board decided to grant extension of accreditation to all Implementing Entities accredited by the Fund, and entities that are currently under Panel review for reaccreditation or due for reaccreditation, until 31 October 2027.



# Country Cap Access and Balances for Represented Parties

Current Country Cap: US \$40 Million | As of May 2026

Country	No. of Projects	Amount Approved (US\$)	Active Pipeline (US\$)	Remaining Balance (US\$)
Armenia	4	12,511,276	0	27,488,724
Bangladesh	2	19,995,369	20,000,000	20,004,631
Bhutan	1	9,998,955	LLA: 5,000,000	30,001,045
Cook Islands	2	8,380,725	0	31,619,275
India	6	9,860,436	0	30,139,564
Micronesia	2	9,970,000	0	30,030,000
Nepal	2	19,527,160	LLA: 5,000,000 10,000,000	20,472,840
Samoa	1	8,732,262	0	31,267,738
Tuvalu	0	0	10,000,000	40,000,000
<b>Total</b>	<b>20</b>	<b>98,976,183</b>	<b>50,000,000</b>	<b>261,023,817</b>

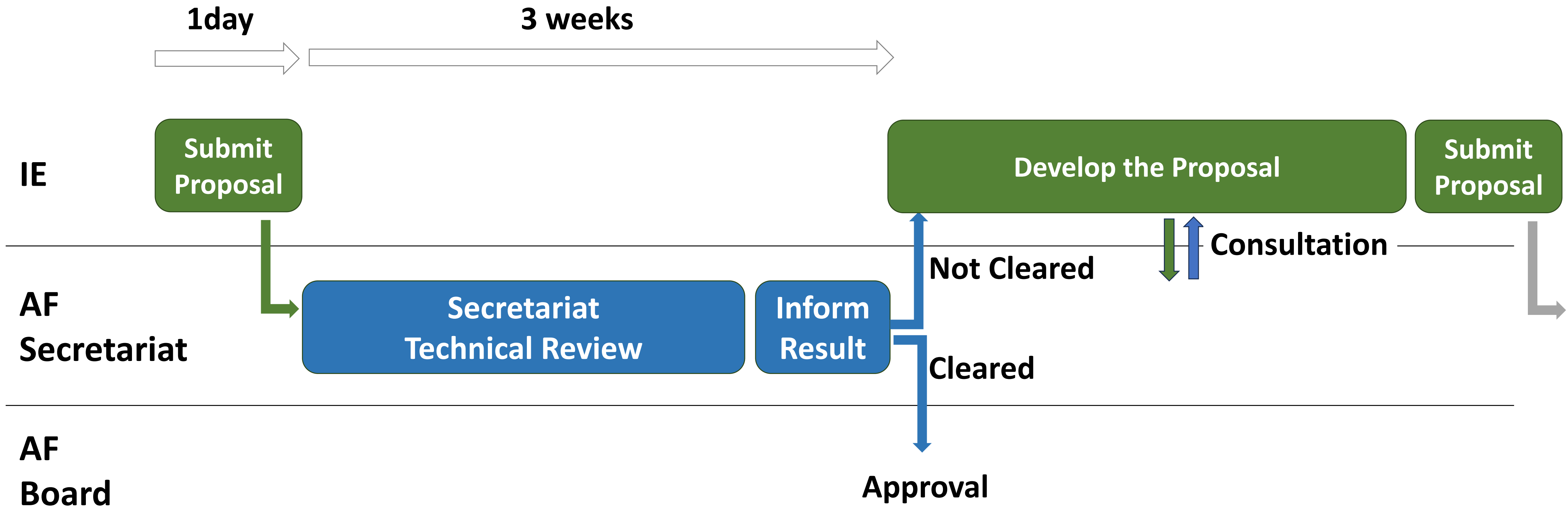


# Active Pipeline for Represented Parties

Project Title	Purpose	Current Project Status	Review Cycle	Country	IE	Financing Total (US\$)
Increased Climate Resilience of South Caucasus Mountain Communities and Ecosystems through Wildfire Risk Reduction	Regular Size Project	Proposal Submitted	AFB46	Regional (Armenia, Georgia)	UNDP	19,701,000
Building the Resilience of Persons with Disabilities to Cope with Climate Change in Asia	Regular Size Project	Concept Submitted	AFB46	Regional (Bangladesh, Cambodia, Indonesia, Nepal, Pakistan, Philippines)	UNDP	19,965,000
Securing Water & Enhancing Climate Resilience in Thimphu (Rural) District, Bhutan	LLA Single Country	Concept Endorsed	AFB44	Bhutan	BTFEC	5,000,000
Accelerating effective innovative adaptation actions, and learnings in the Pacific	MIE aggregator project for innovation	Proposal Submitted	AFB44	Regional (Cook Islands, Fiji, Kiribati, Marshall Islands, Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu)	SPREP	4,929,546
Invasive Species Management for Ecosystem-based Adaptation to Climate Change in Niue, Tonga, and Tuvalu	Regular Size Project	Pre-Concept Submitted	AFB46	Regional (Niue, Tonga, Tuvalu)	SPREP	26,956,626
Reducing the Vulnerability of the People of Tuvalu to the Impacts of Climate Change by Enhancing Water Security	Regular Size Project	Concept Submitted	AFB45	Tuvalu	UNEP	10,000,000
Empowering Local Climate Action: A Locally Led Adaptation Initiative for Resilience in the Bagmati and Madhesh Provinces of Nepal	LLA Single Country	Concept Submitted	AFB46	Nepal	NTNC	5,000,000
GREEN-Koshi: Grounding Resilience and Ecosystem Enhancement through Nature-based Solutions	Regular Size Project	Concept Submitted	AFB46	Nepal	NTNC	10,000,000
Livelihood Adaptation for Flood-affected Communities in Bangladesh	Regular Size Project	Proposal Submitted	AFB46	Bangladesh	PKSF	20,000,000
Integrated Drought Management for South Asia (IDM-SA)	Regular Size Project	Pre-Concept Submitted	AFB46	Regional (Bangladesh, Bhutan, Maldives, Nepal, Pakistan, Sri Lanka)	WMO	29,766,000
<b>10</b>						<b>151,318,172</b>

# Rolling Basis: Submission Process

- IE will receive feedback within 3 weeks post-submission, except during review intermission ▶
- Proposal can be submitted at any time



## Rolling Basis: Approval Process

- Technically-cleared proposals proceed to the Board (biannually)



# IMPORTANT REMINDERS

Proposals should be submitted as follows:

- Email to: [submissions@adaptation-fund.org](mailto:submissions@adaptation-fund.org)
- Include Letters of Endorsement
- Please copy the country's [Designated Authority](#) (primary and secondary contacts)
- Please copy relevant [Secretariat staff](#) per funding window

## Important dates

AFB47: Business standard resumes	20-Apr
Deadline to return reviews for proposals submitted during the AFB46 intermission	11-May
Business standard for AFSEC review (no. of business days):	15
Review intermission starts (temporary freeze of reviews/business standard suspended in preparation for Board meeting):	<b>14-Aug (at 23:59 EST)</b>
Submission/posting of secretariat's review and documents to PPRC:	28-Sep
PPRC meeting:	19-Oct
Board meeting:	21-Oct
AFB47: Intermission over/business standard resumes	2-Nov



# Thank You



ADAPTATION FUND





ADAPTATION FUND

# READINESS PROGRAMME

ACCREDITATION AND PROJECT SUPPORT

Ishani Debnath, Climate Finance Specialist  
AFB Secretariat

# Overview

## ■ Grants



## ■ Visibility of the Fund

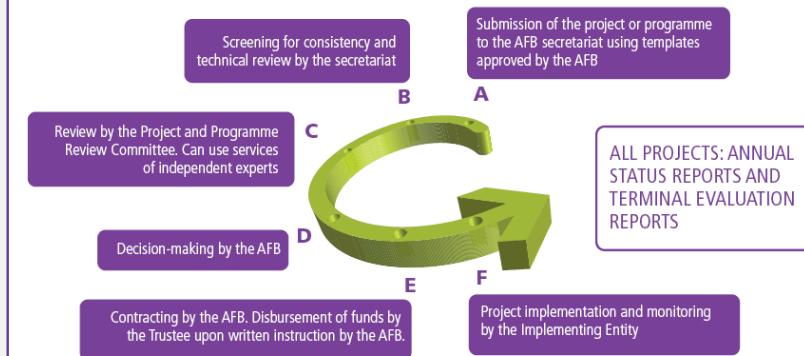
## ■ Contributes to KM



## ■ Accreditation, project preparation & design



### AFB PROJECT CYCLE



All proposals will be posted on the AF website with a possibility for public commenting

# Types of readiness grants



**The Readiness Package Grant (RPG)**

US\$

**150,000**

*South-South peer support  
For non-accredited entities*



**Project Scale-Up Grants**

**100,000**

*To support planning, assessment, capacity enhancement for developing scaling up pathways*



**Technical Assistance Grant for the Environmental and Social Policy and Gender Policy (TA-ESGP)**

**25,000**

*To address and manage environmental and social risks and gender issues*



**Technical Assistance Grant for the Gender Policy (TA-GP)**

**10,000**

*To address gender considerations*



# Approved Readiness Grants

54 readiness grants approved as of May 1, 2026

## Types of Grants

- S-S
- TA-ESGP
- Readiness Package
- TA-ESP
- TA-GP
- Project scale-up



### 36 grants in Sub-Saharan Africa

- Benin
- Botswana
- Burkina Faso
- Burundi
- Cabo Verde
- Cameroon
- Chad
- Côte d'Ivoire
- Guinea
- Kenya
- Malawi
- Mali
- Mauritius
- Mozambique
- Namibia
- Niger
- Rwanda
- Senegal
- Sierra Leone
- South Africa
- Tanzania
- Togo
- Uganda
- Zambia
- Zimbabwe

### 9 grants in Latin America and the Caribbean

- Antigua & Barbuda
- Costa Rica
- Dominica
- Dominican Republic
- Mexico
- Panama
- Peru
- Uruguay

### 1 grant in Middle East and North Africa

- Morocco

### 2 grant in Europe and Central Asia

- Armenia
- Tajikistan

### 4 grants in South Asia

- Afghanistan
- Bhutan
- India
- Maldives

### 2 grants in East Asia and Pacific

- Micronesia



# READINESS ACTIVITIES RELATED TO ACCREDITATION

## The Readiness Package Grant (RPG)

Grant supports accreditation through South-South Cooperation (SSC) and peer to peer support through a suite of tools (workshops, guidance docs, experts, assessments)



### Grant Size

- Up to US\$ 150,000 per NIE

### Eligibility Requirement For Countries:

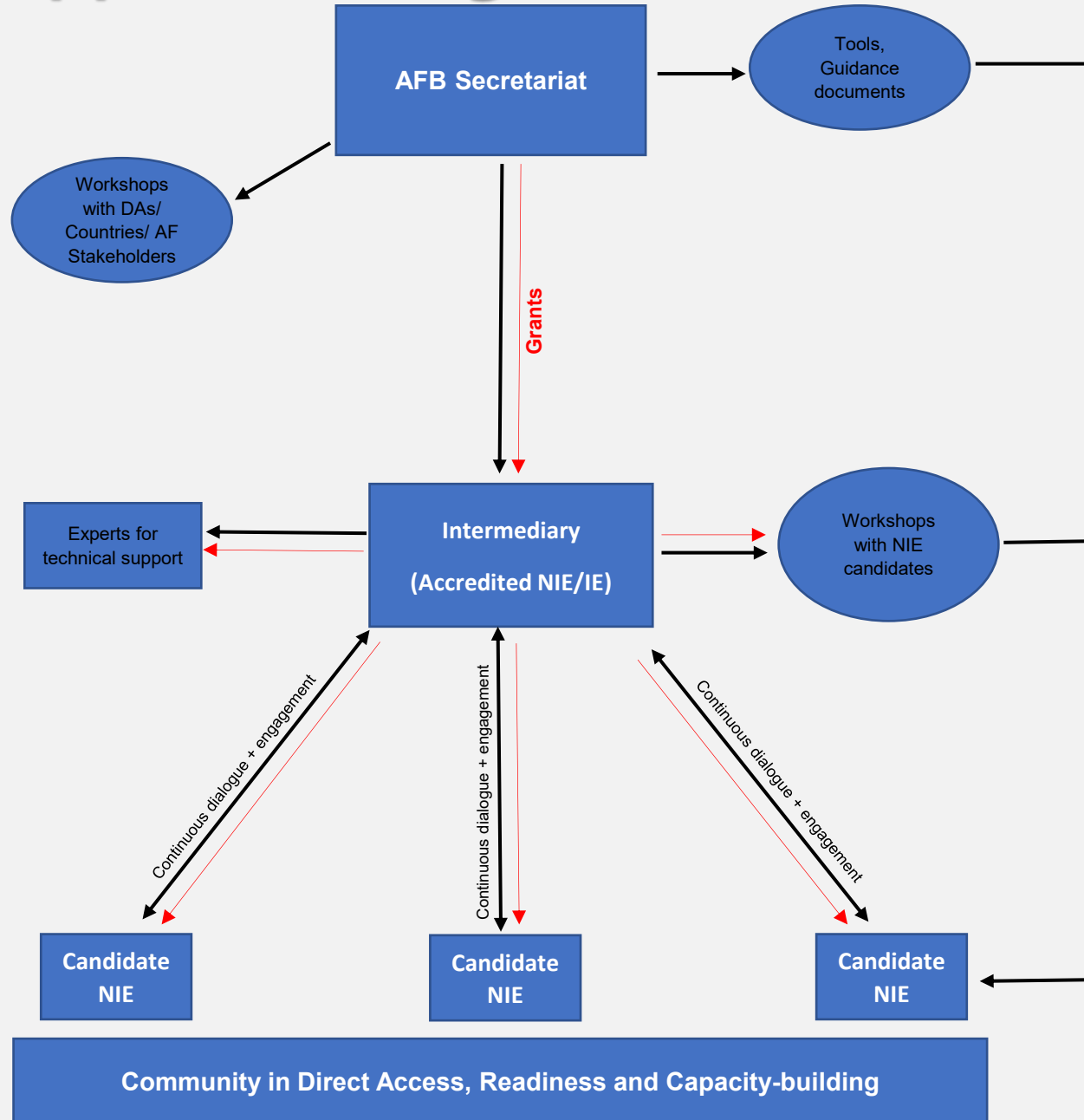
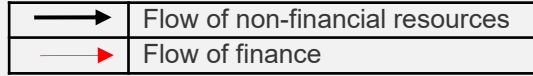
- All developing country Parties to the Kyoto Protocol and Paris Agreement under UNFCCC are eligible.

**In addition, all NIE applicants should meet the following criteria:**

- The NIE candidate must be located in a developing country Party to the Kyoto Protocol or Paris Agreement;
- The country of the NIE candidate must have a Designated Authority (DA) to the Adaptation Fund;



# The Readiness Support Package Process



# Eligible Activities for Funding

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## Support in one or more of the following:

In-country support by the intermediary to an NIE candidate for the preparation of an application for accreditation.

Technical support through experts to develop and/or put in place policies, procedures and other institutional arrangements to support the accreditation process with the Fund.

Organization of local, national or regional consultations/workshops to assist in the preparation of applications for accreditations from several NIE candidates.

Following consultations between the intermediary and NIE candidate



# Support for Accreditation- The Readiness Package Grant

## Key considerations:

**Initial assessment and dialogue** to nominate **a suitable NIE** candidate to navigate the accreditation process of the Fund.

**In-country support** to an NIE candidate, **identification of gaps**

**Technical support** – **Articulate main components/steps to address the NIE candidate gaps/challenges**, including through experts  
(**activity**    **output**    **timeframe**)

**Justify chosen components/steps** - **explain status core, current processes** and procedures within the NIE candidate , plus **implementation timeframe for new policies**

**Support** to address and respond to feedback provided by the Accreditation Panel



# Support for project development



**The AFB secretariat:** Helps clarify review criteria and process: [afbsec@adaptation-fund.org](mailto:afbsec@adaptation-fund.org) (the secretariat cannot pre-screen proposals before submission)



**Technical assistance and scale-up grants:** meant to provide support for project development



**Non-grant activities**



# Technical Assistance (TA) Grants (TA-ESGP)

## ❖ TA Grant for the Environmental and Social Policy and Gender Policy – US \$25,000

**Aimed at strengthening NIE capacity to identify, screen, address and manage environmental and social risks as well as gender related issues in their projects and programs in line with the Fund's Environmental and Social Policy and Gender Policy.**



### Eligibility Requirement:

- ▶ All accredited NIEs of the Fund that have not previously received a technical assistance grant are eligible to apply.

### Support in one or more of the following:

- ▶ Developing procedures/manuals/guidelines for screening projects for ES risks as well as gender-related risks;
- ▶ Developing procedures/manuals/guidelines for undertaking ES risk assessments and formulating risk management plans that are gender responsive
- ▶ Developing Policies for public disclosure and consultation that are gender- responsive
- ▶ Developing transparent, accessible, fair and effective complaint handling mechanisms
- ▶ Training of staff



# Technical Assistance (TA) Grants (TA-GP)

## ❖ TA Grant for the Gender Policy – US \$10,000

Meant for NIEs that already have robust environmental and social policies to put in place measures to avoid, minimize and/or mitigate adverse gender impacts in accordance with the Adaptation Fund's Gender Policy.

### Eligibility Requirement:

- All accredited NIEs that have not previously received a technical assistance grant are eligible to apply.

### Support in one or more of the following:

- Updating of existing procedures/manuals/guidelines
- Development of procedures for undertaking gender assessments
- Development of a policy/avenues for public disclosure and consultation that are gender responsive
- Development of transparent, accessible, fair and effective mechanisms for receiving and addressing complaints
- Training of staff for gender mainstreaming



# Timeline for Submission of Readiness Grant Requests

Readiness Package Grant + Technical Assistance Grants

1 February to 31 March and from 1 July to 31 August every year.



Readiness support

# Non-grant support available to NIEs



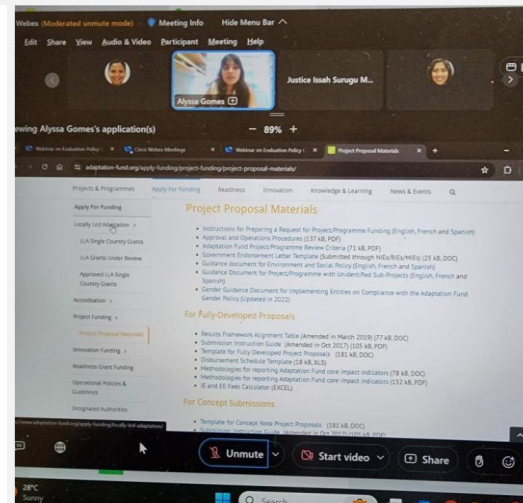
South-South  
Country  
Exchange  
Visits



Regional  
Workshops



Annual NIE  
seminar for  
accredited NIEs



Readiness  
webinars







# Thank You





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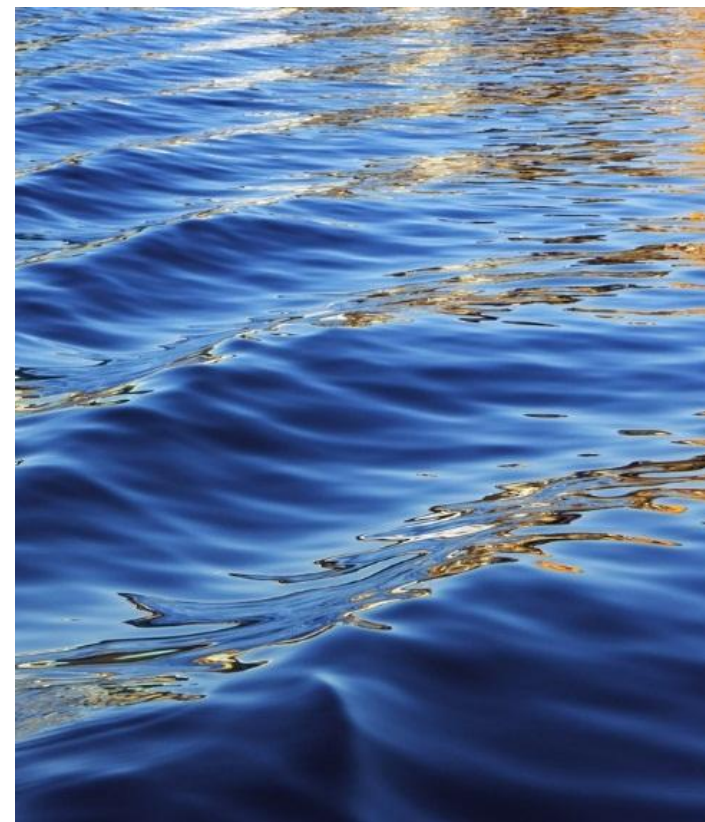
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ADAPTATION FUND

# ADAPTATION RATIONALE

Adaptation Fund Write-shop  
Manila, Philippines  
May 2026



# Key Criteria for Adaptation Fund Project/Programmes



## **COUNTRY ELIGIBILITY**

- Country party to the Kyoto Protocol and/or PA
- Developing country vulnerable to climate change



## **NATIONAL ALIGNMENT & COUNTRY DRIVEN**

- Project endorsed by country's Designated Authority (LOE)
- Consistent with national policies, strategies and plans
- Meets national technical standards



## **IMPLEMENTATION ARRANGEMENTS**

- Adequate arrangement for project management
- Financial and project risk management
- M&E clearly defined
- Project results framework with targets and indicators aligned with the AF SRF



# Key Criteria for Adaptation Fund Project/Programmes



## RESOURCE AVAILABILITY

- Requested project funding within country cap
- IE management fee at or below 8.5% of total
- Project/programme execution costs at or below 9.5%



## ELIGIBILITY OF ENTITY

- Project submitted through eligible entity



## PROJECT ELIGIBILITY

- Climate adaptation rationale
- ESP & GP compliant
- Cost effective and sustainable
- Avoids duplication
- Robust learning systems

# Proposal Questions on Climate Adaptation Rationale

## Regular Single-Country FP

### **PART II: PROJECT/PROGRAMME JUSTIFICATION**

- A. Describe the project/programme components, particularly focusing on the concrete adaptation activities of the project, and how these activities contribute to climate resilience. For the case of a programme, show how the combination of individual projects will contribute to the overall increase in resilience.**

## LLA Single-Country FP

### **PART II: PROJECT / PROGRAMME JUSTIFICATION**

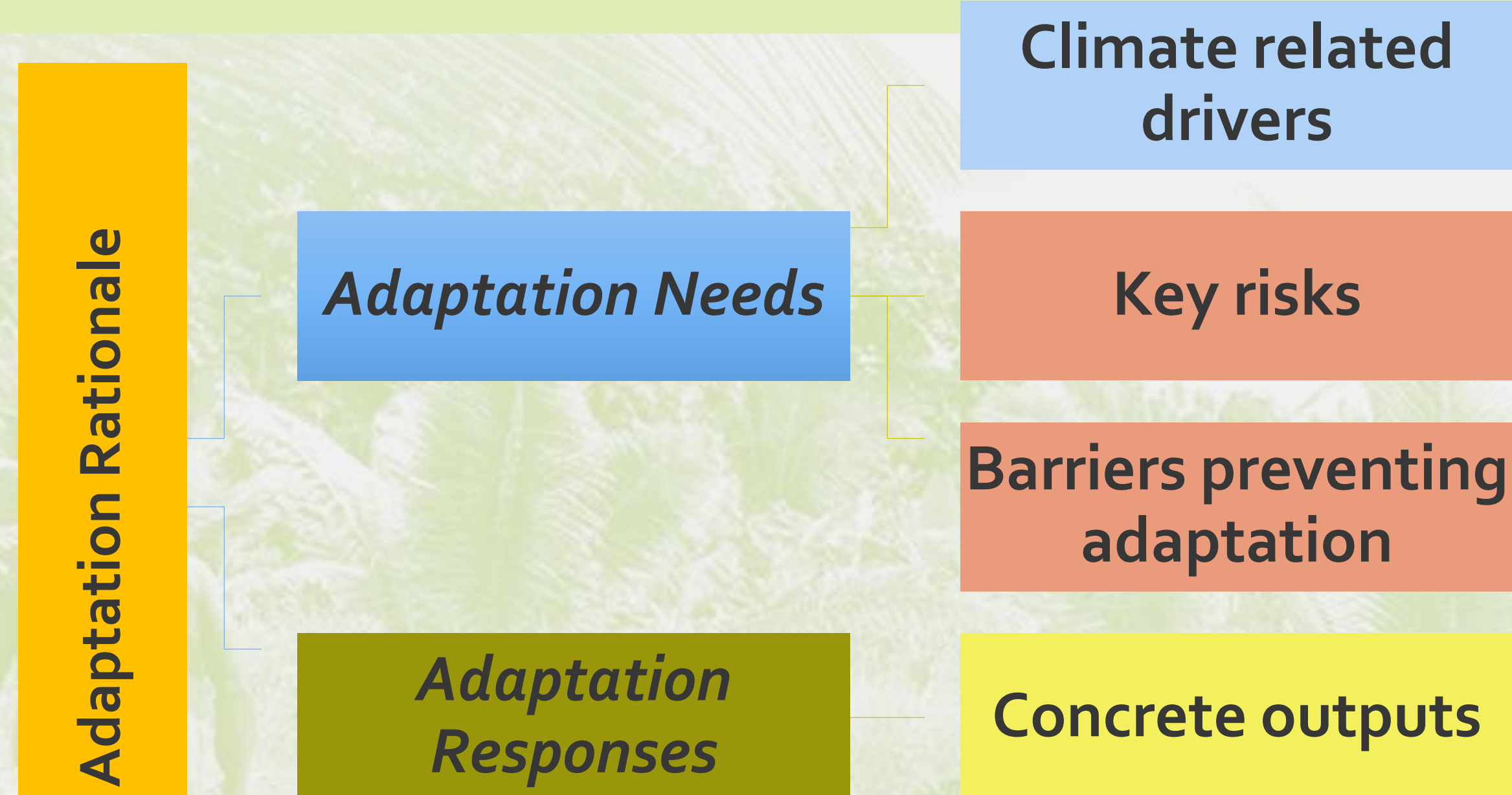
- A. Describe the project / programme components, particularly focusing on the concrete adaptation activities of the project, and how these activities contribute to climate resilience. For the case of a programme, show how the combination of individual projects will contribute to the overall increase in resilience. Specify how the project/programme enables devolving decision making to the lowest appropriate level and gives local institutions and communities more direct access to finance and decision-making power over how adaptation actions are defined, prioritized, designed, implemented; how progress is monitored and how success is evaluated.**

Adaptation Rationale should be highlighted throughout proposal



# Adaptation Rationale - What is it?

Articulating the **climate adaptation response** required in a community/country/area, while considering the **climate adaptation needs**: key climate drivers, risks faced by the community/country/area and barriers to overcome.



Picture Source – FIRCA/Communications

Adaptation Fund Côte d'Ivoire Project- Building Smallholder Resilience



# Adaptation Rationale: Elements to consider

- What are historical and projected **climate trends**?
- What are the **risks and barriers** faced by the community?
- Has **vulnerability** been assessed?
- Are these grounded in **scientific, technical, and local evidence**?

What is the baseline context and the adaptation needs?



- Aligns with key **strategic documents** NAPs, NDCs etc.
- Addresses **climate drivers and barriers**,
- Improves the community's **ability to respond** to the impacts of climate change,
- Provides **opportunities** from the impacts of climate change.

How is this project responsive to the identified needs?



# What is a Climate Adaptation Rationale?

It's the *underlying logic* that explains why a proposed intervention qualifies as adaptation

E.g., "Rainfall has become erratic, leading to crop failure. The project introduces climate-smart agriculture and weather advisories."



It connects **stakeholder priorities** to **adaptation goals** and links those to actions and benefits

E.g., Community consultations + NAP priority on food security → Project focuses on crop diversification and training.



**Helps justify:**

E.g. Why is community-based water management prioritized? Because local sources are drying due to prolonged dry seasons.

Why this intervention?

For whom will it work?

What climate risks will it address?

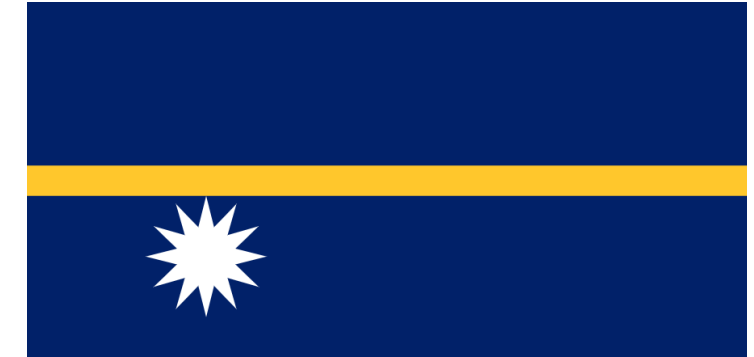




# Case Study

## Resilient Coastal Fisheries and Aquaculture in Nauru

NAURU



Project Amount: USD 7,999,493

Implementing Entity: Pacific Community (SPC)

Type of Entity: Regional Implementing Entity

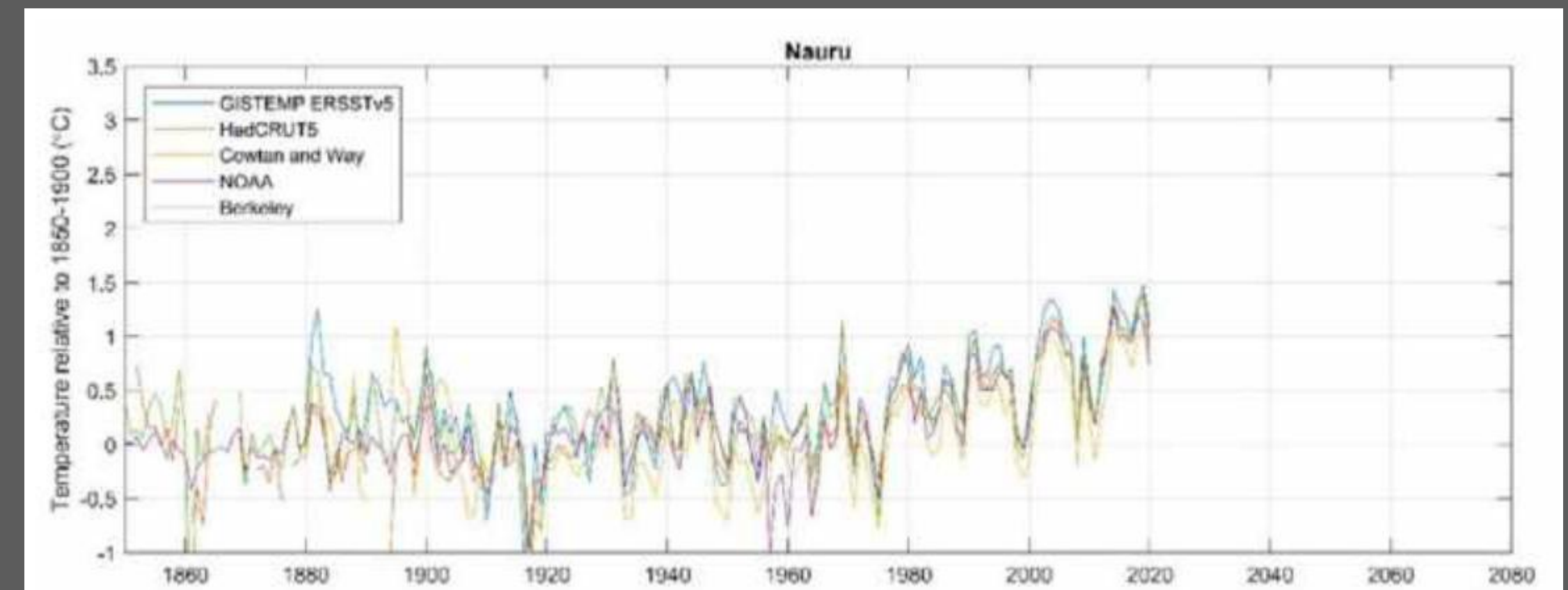
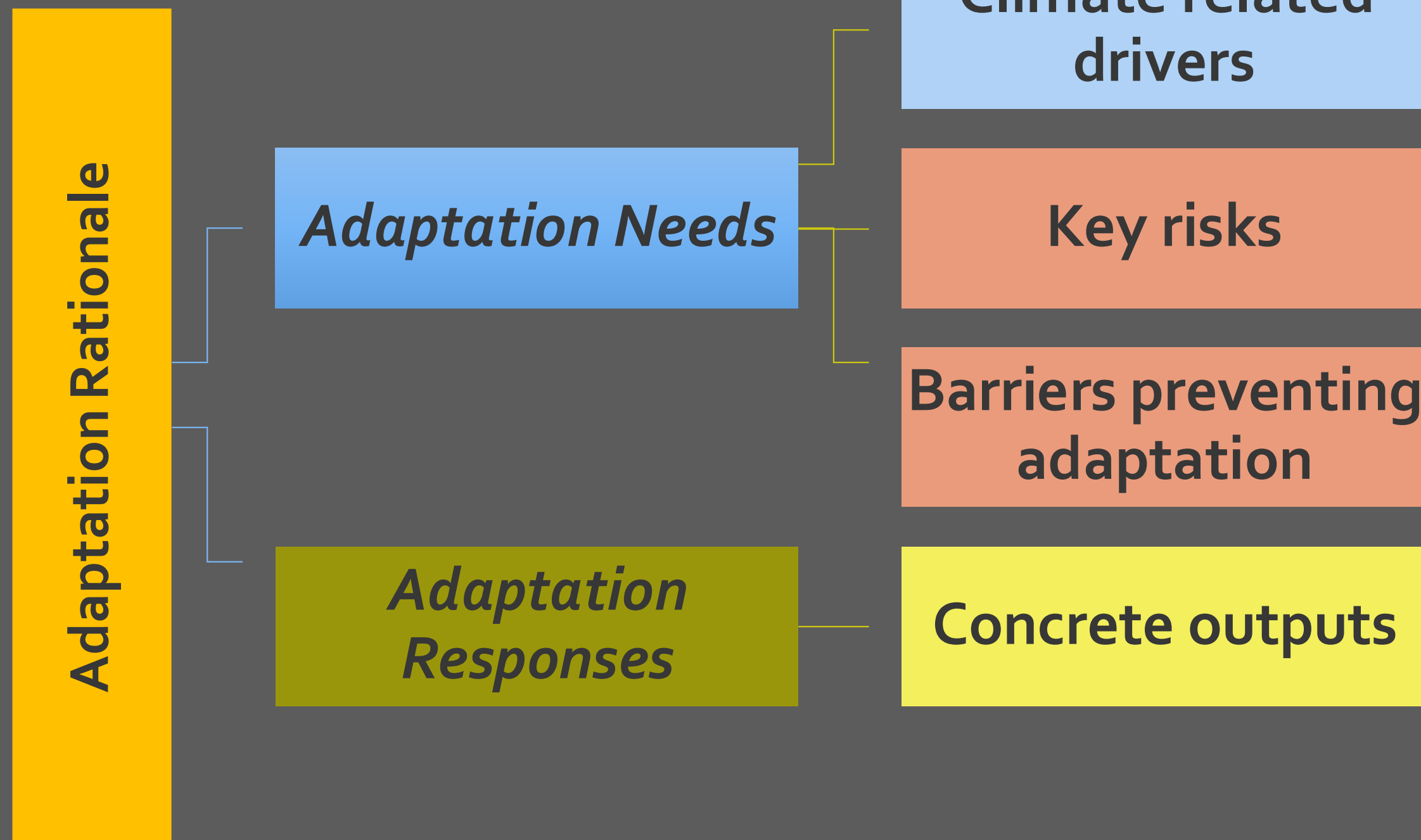
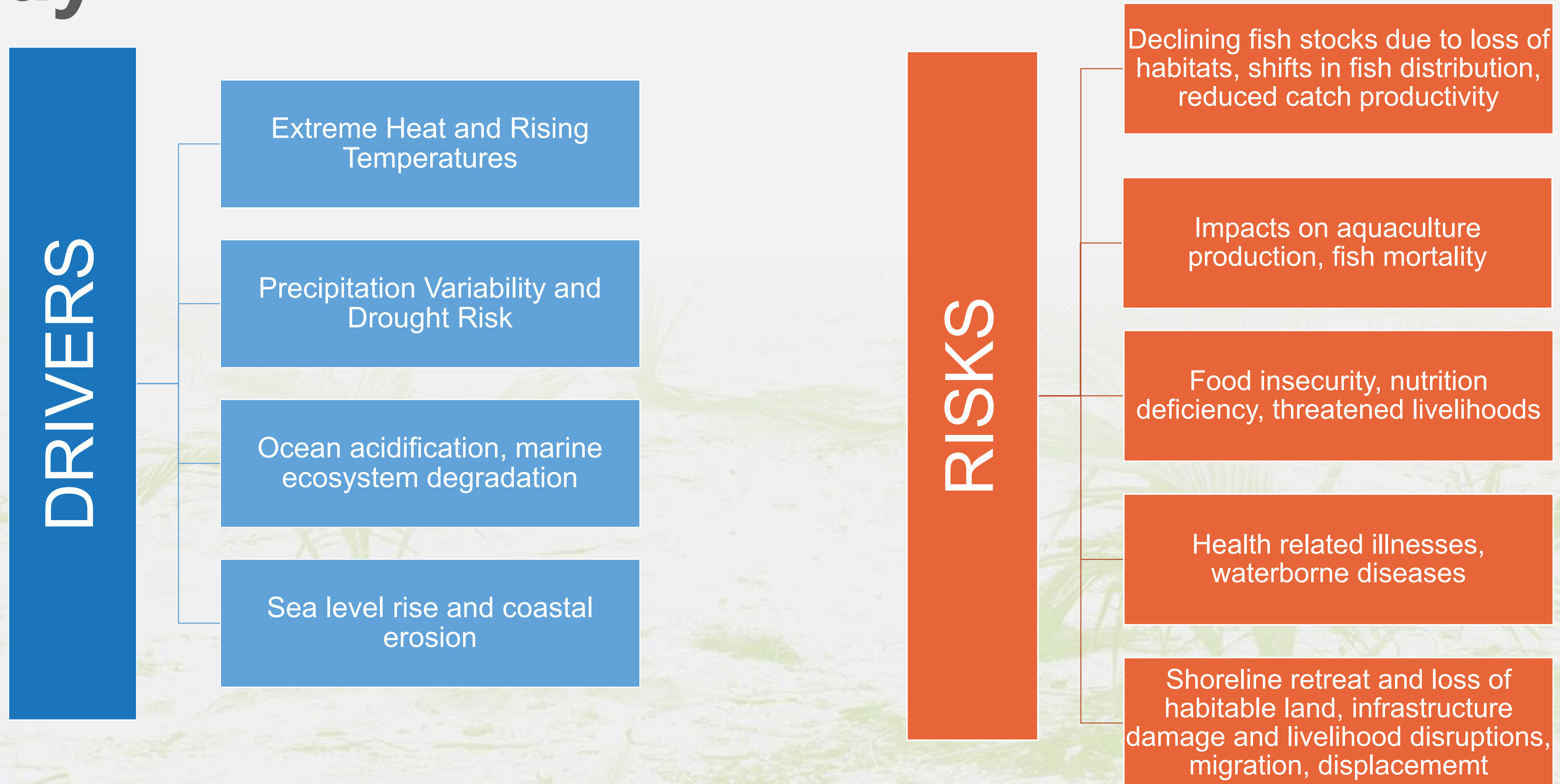


Figure 1 - Average annual temperature of the Nauru relative to 1850-1900 in five global datasets

# Case Study

## Resilient Coastal Fisheries and Aquaculture in Nauru



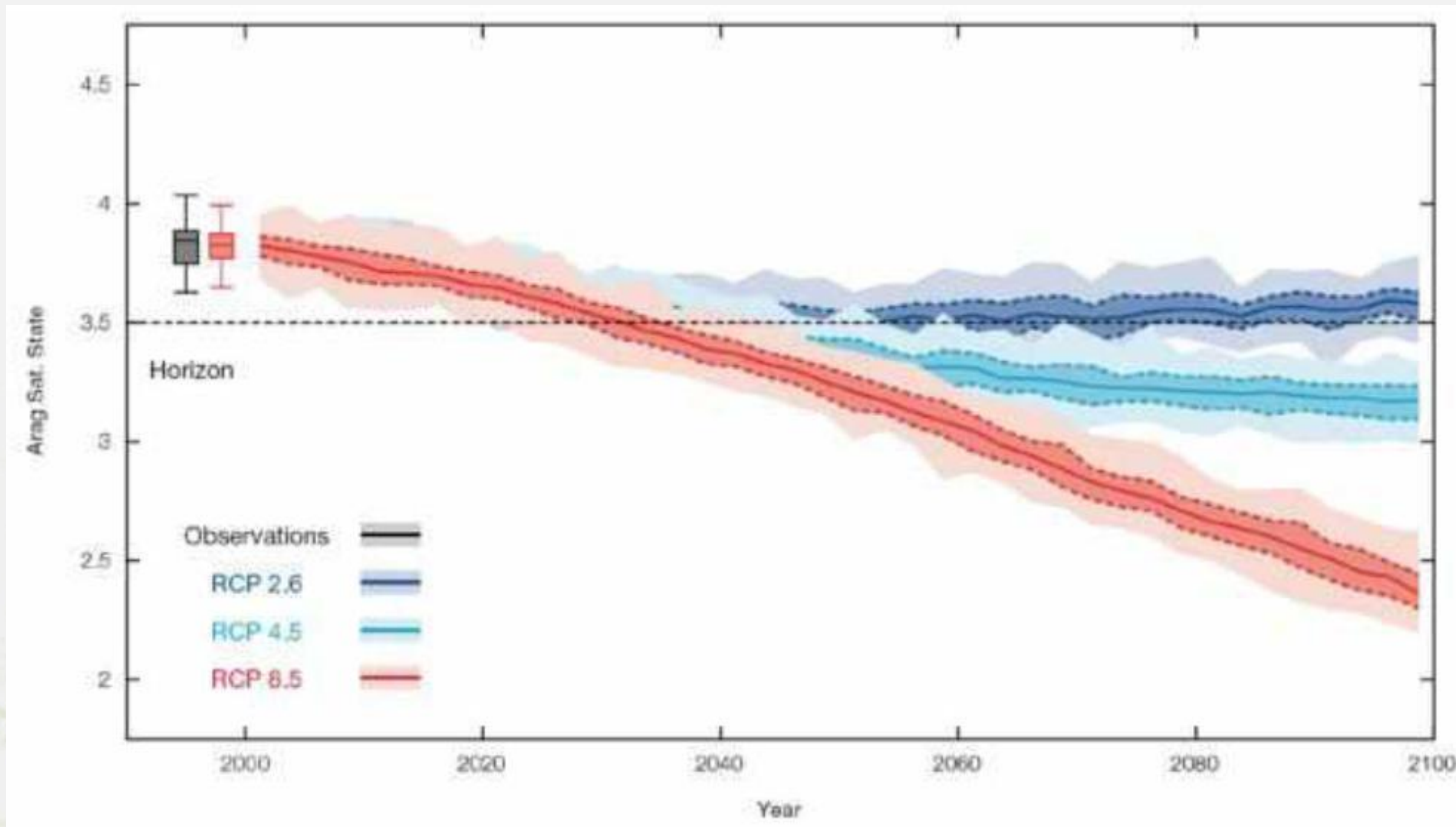
Climate-related Drivers: Rising ocean temperatures and ocean acidification

Key Risks: Coral reef degradation, and in turn, declining fish stocks and catch productivity



# Case Study

## Resilient Coastal Fisheries and Aquaculture in Nauru



### Scientific data

- This graph shows that increasing ocean acidification over time will lead to declining aragonite saturation.
- This is a key condition for coral reef growth and will result in degradation.

### Local knowledge

- Consistent with local observations from consultations, where communities report declining reef health and reduced fish availability.

### Socio-economic data

- Reliance on fish for protein: ~56kg of fish per person per year
- Lack of local alternatives: ~90% of food is imported
- Therefore, declining availability of local fish can exacerbate food insecurity.



# Case Study

## Resilient Coastal Fisheries and Aquaculture in Nauru



### BARRIERS PREVENTING ADAPTATION

Institutional  
Limited capacity and coordination

Knowledge  
Limited reef and fisheries knowledge/data

Technical  
Few viable aquaculture options

Social  
Weak community and inclusive governance

Financial  
Insufficient funding for local adaptation

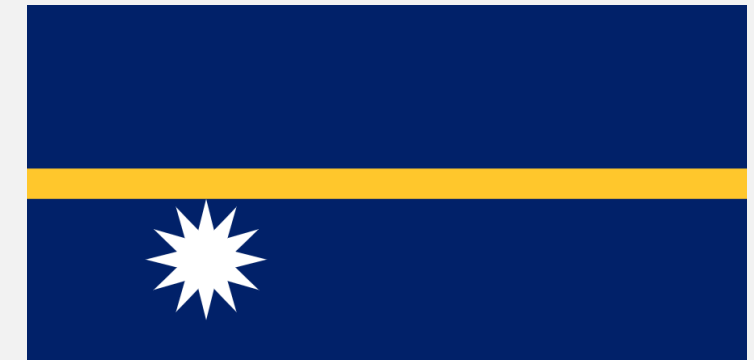




# Case Study

## Resilient Coastal Fisheries and Aquaculture in Nauru

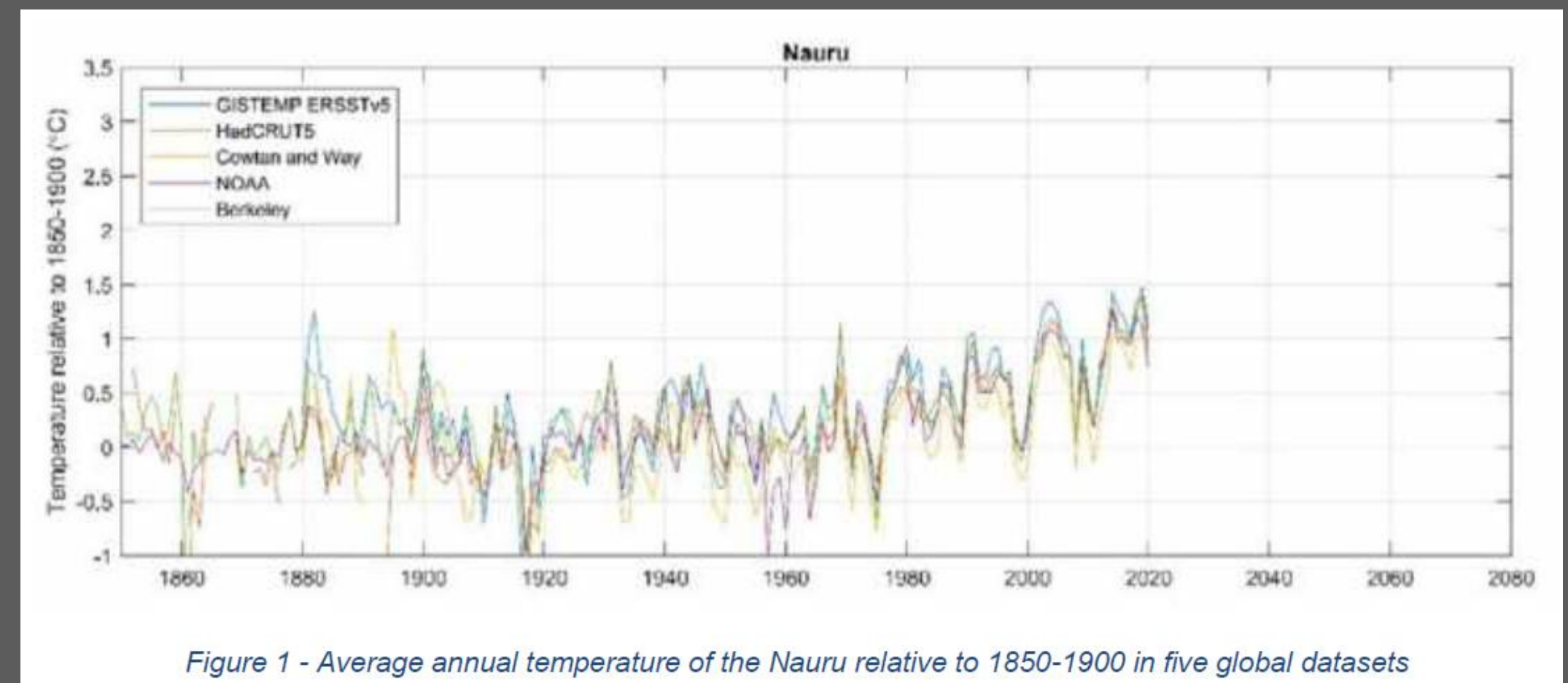
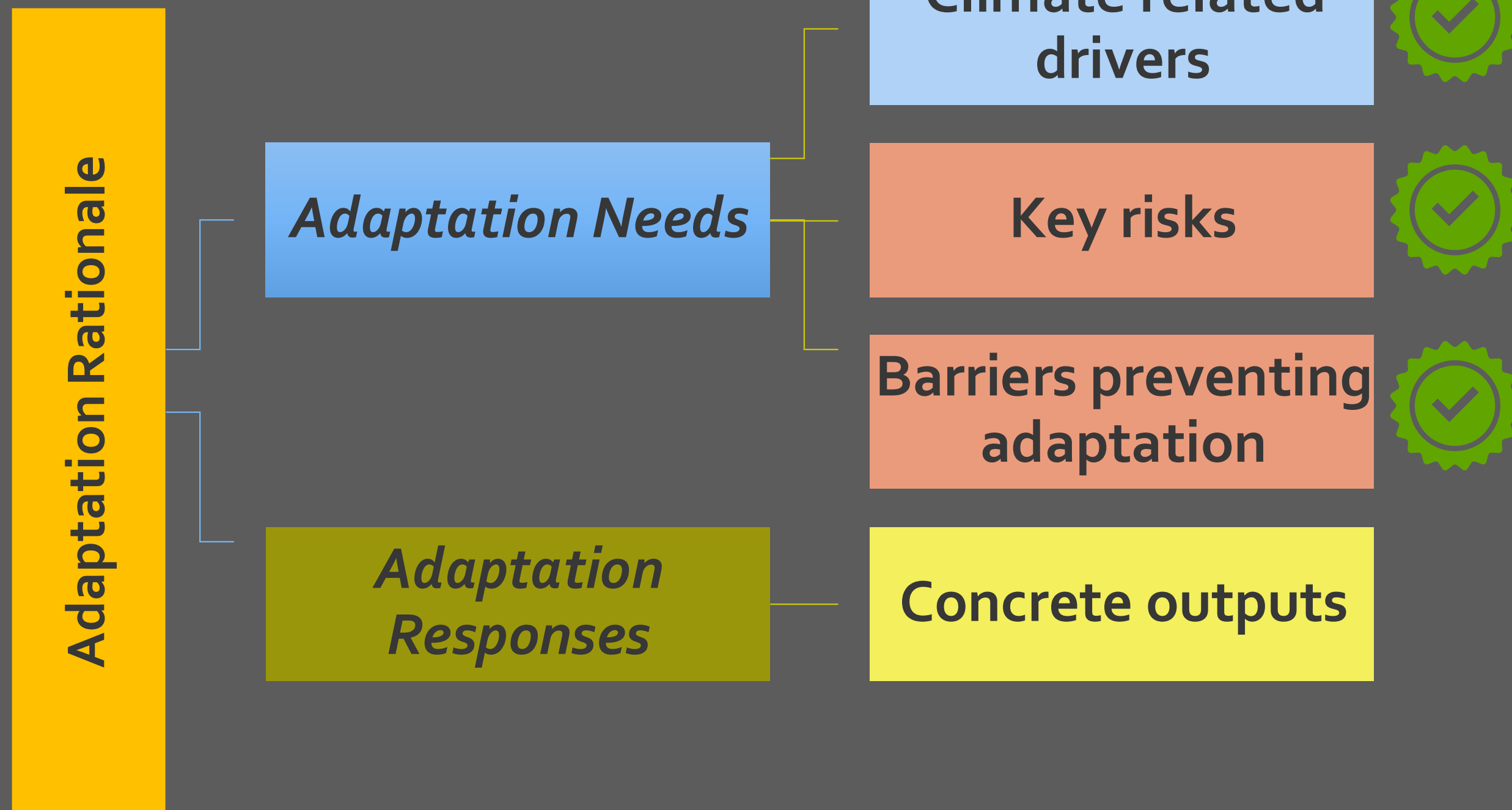
NAURU



Project Amount: USD 7,999,493

Implementing Entity: Pacific Community (SPC)

Type of Entity: Regional Implementing Entity



# Case Study

## Resilient Coastal Fisheries and Aquaculture in Nauru



### Overall Project Objective:

- To increase the climate resilience of Nauru's coastal fisheries and aquaculture systems



Outcome	Expected Concrete Outputs	Amount (US\$)
Outcome 1: Strengthened policy and planning strategies together with increased technical ability of civil servants and communities enable an integrated approach to climate change and development challenges	Output 1.1. Capacity enhancement of national institutions to mainstream climate change resilience across the coastal fisheries and aquaculture sectors.	\$1,054,019
	Output 1.2. Awareness raising campaigns conducted to enhance understanding of the CFA Act and NFMRA roadmap and promote grant facility	\$280,546
Outcome 2: Improved food security and nutrition through increased farmed fish supply, increased adaptive capacity and income of aquaculture operators and reduced pressure on climate-vulnerable coastal and reef ecosystems.	Output 2.1. Provision of infrastructure to national aquaculture institutions to enhance their ability to provide training, extension services and supplies to existing and new aquaculture operators, increasing the resilience of the sector	\$749,676
	Output 2.2. Increased adaptive capacity of artisanal fishers and resilience of marine ecosystems in the face of climate variability and change	\$500,276
	Output 2.3. Grant Facility – Provision of infrastructure and equipment to enable the sustained production of milkfish for increased domestic food supply and income	\$3,342,176
Outcome 3: Increased resilience of ecosystems and adaptive capacity of communities through availability of data and knowledge sharing mechanisms for adaptation planning and environmental protection	Output 3.1. Establishment of a knowledge management strategy (KMS) to sustain climate-resilient practices in environmental and natural resource management	\$411,650
	Output 3.2. Learning and dissemination of project results	\$461,150
Project/Programme Execution cost		\$575,500
Total Project/Programme Cost		\$6,799,493
Project/Programme Cycle Management Fee charged by the Implementing Entity (if applicable)		\$624,500
<b>Amount of Financing Requested</b>		<b>\$7,999,493</b>



# A few key takeaways



- Adaptation rationale is how a project or programme can **demonstrate it is an adaptation project**. It is also fundamental criteria for any proposal that is seeking financing from the Adaptation Fund.
- Need to ensure that the **climate adaptation response considers the adaptation needs**: key climate drivers, the risks faced by the community, and the barriers to overcome.
- Comprehensive **scientific, technical, and local evidence** should be used to support the causal links.
- Align with **national and sub-national priorities**.
- It is “making the case” for an adaptation project.

# Thank You



ADAPTATION FUND

[www.adaptation-fund.org](http://www.adaptation-fund.org)





**ADAPTATION FUND**

# LOCALLY-LED ADAPTATION RATIONALE & PRINCIPLES

Write-shop

Manila, Philippines

May 2026

# Medium-Term Strategy (2023-2027)

## Theory of change

Finance concrete adaptation projects and programmes that are country driven and based on the needs, views and priorities of developing countries that particularly vulnerable to the adverse impacts of climate change.

### GOAL

Protect **people, livelihoods** and **ecosystems** through climate-resilient development

### VISION

Enhance **adaptative capacity**, strengthen **resilience** and **reduce vulnerability** to climate change

### MISSION

Accelerate **effective adaptation actions** and **efficient access** to finance for the most vulnerable communities in developing countries

#### STRATEGIC PILLARS

#### ACTION

#### INNOVATION

#### LEARNING & SHARING

*All of the Fund's activities and processes are designed to:*

#### CROSSCUTTING THEMES



Promote **locally led** adaptation



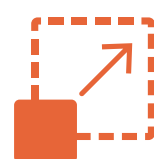
Enhance **access to climate finance** and long-term institutional **capacity**



Empower and benefit the most vulnerable people and communities as **agents of change**



Advance **gender equality**



Enable the **scaling** and **replication** of results



Strengthen **complementarity, coherence and synergies** with other adaptation funders



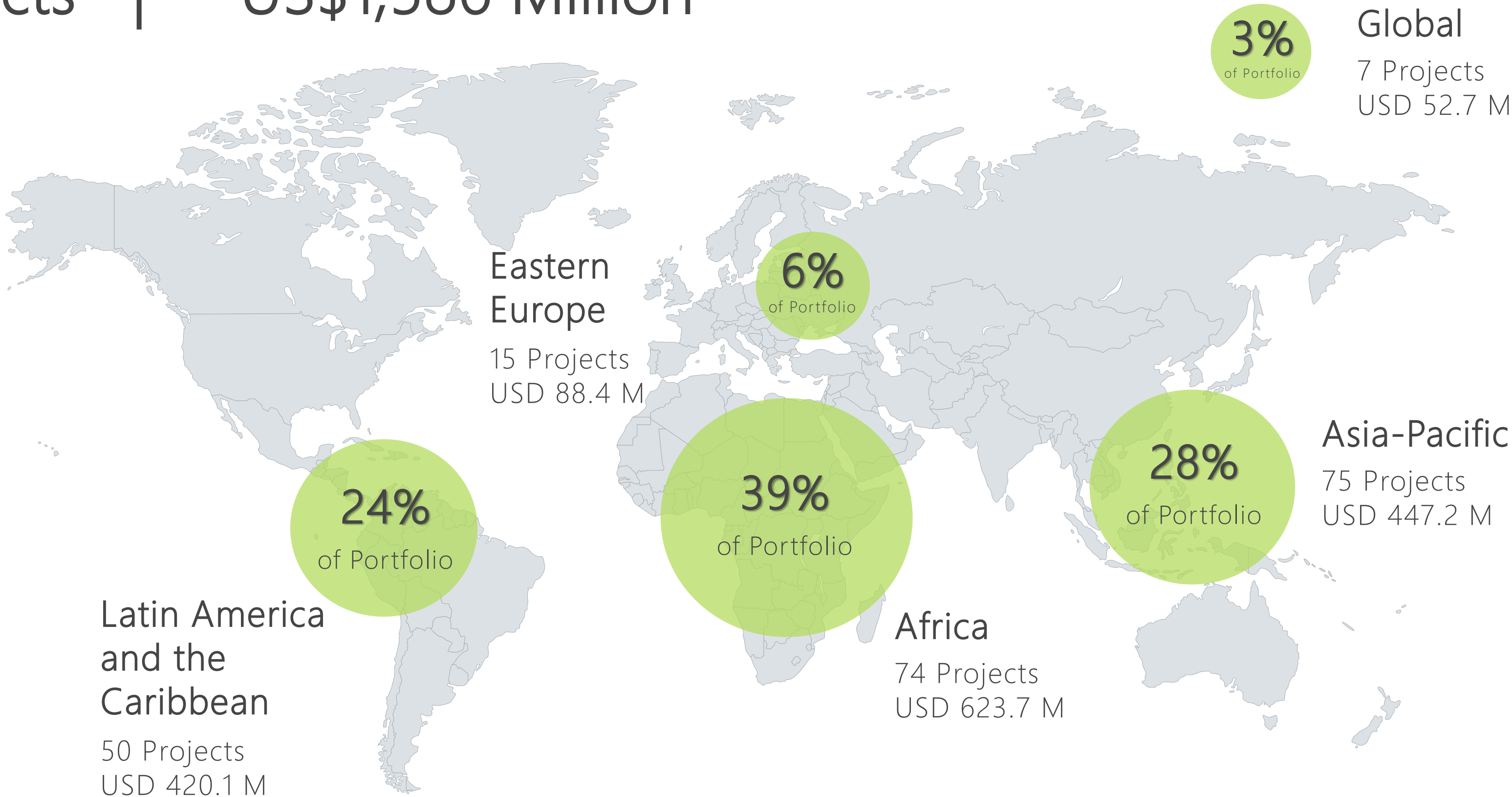


# AF Portfolio: Regional distribution

TOTAL 221 projects | US\$1,586 Million

## PROJECT & PROGRAMME DISTRIBUTION

Single Country:	<b>158</b>
Regional:	<b>29</b>
LLA Single-Country:	<b>7</b>
LLA Regional	<b>1</b>
LLA Aggregator:	<b>1</b>
Small Innovation:	<b>9</b>
Large Innovation:	<b>8</b>
AFCIA:	<b>7</b>
Bundled Innovation/Learning:	<b>1</b>



Growing demand for AF financing:  
US\$1,700 Million of proposals in active pipeline





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# Key Criteria for Adaptation Fund Project/Programmes

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COUNTRY ELIGIBILITY



PROJECT ELIGIBILITY



RESOURCE AVAILABILITY



ELIGIBILITY OF ENTITY



IMPLEMENTATION ARRANGEMENTS

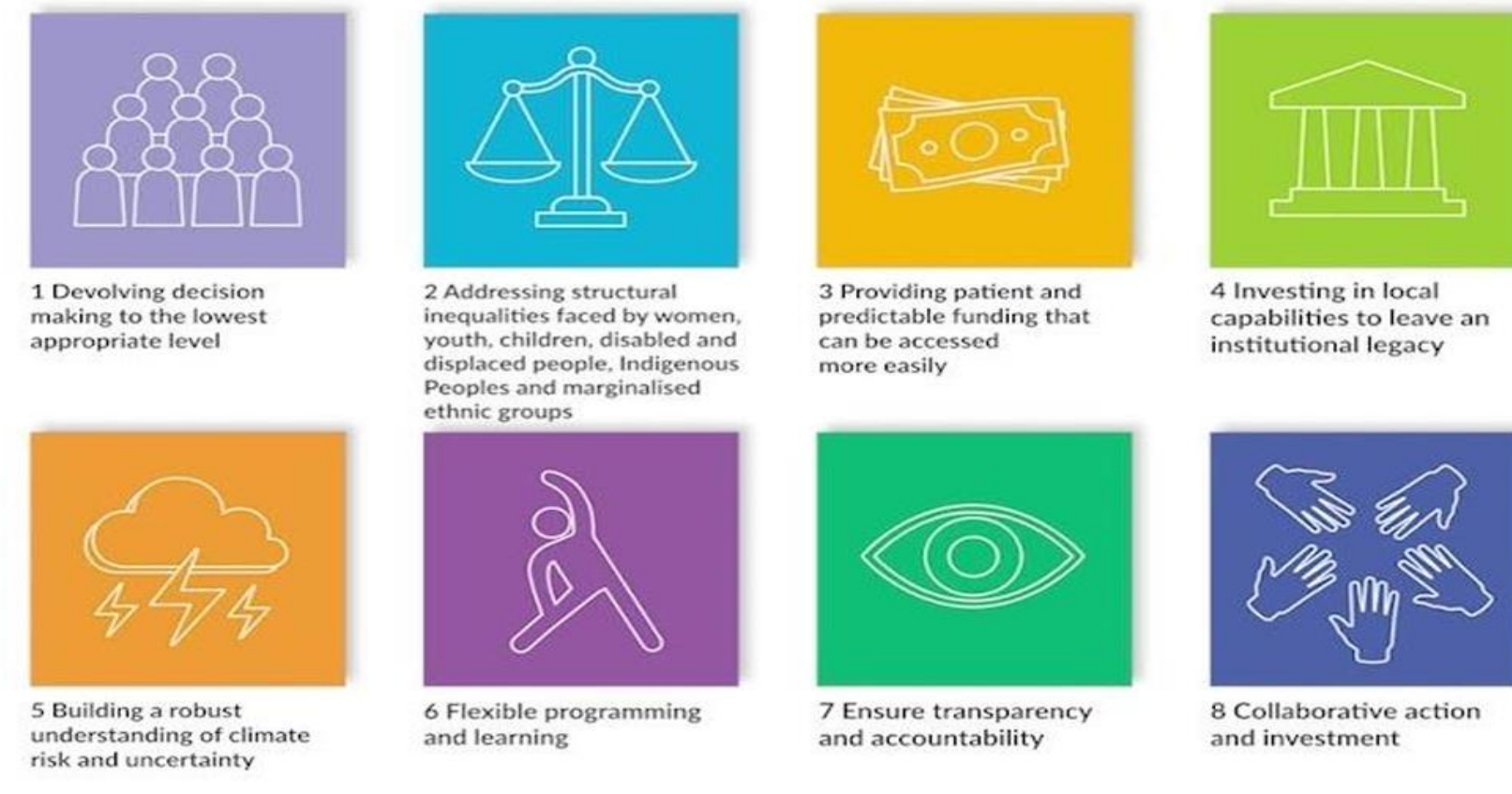
# Locally-Led Adaptation



- The Adaptation Fund has pioneered **access modalities that support local leadership** in climate adaptation, including through:
  - Direct Access (DA) where countries can access finance directly through national entities
  - Locally-Led Adaptation (builds on previous EDA modality) which empowers local actors to play a leading role
- People and communities are on the frontlines of climate change, yet they often lack a voice in how to address the impacts.
- Bringing local actors into decision making and having control over financing improves the effectiveness and sustainability of adaptation solutions.
- Provides context specific solutions that are responsive to local needs



# LLA Principles



The AF's Board endorsed the eight Principles for Locally Led Adaptation. Below is each principle with its practical implication for proposal design.

## 1. Devolve decision-making to the lowest appropriate level

*What to show:* Who selects activities, who approves spending, who can change course locally — and at what level each of those decisions sits.

## 2. Address structural inequalities and inclusion

*What to show:* How vulnerable and marginalised groups were consulted, and how their priorities materially change the design.

## 3. Patient and predictable funding that can be accessed more easily

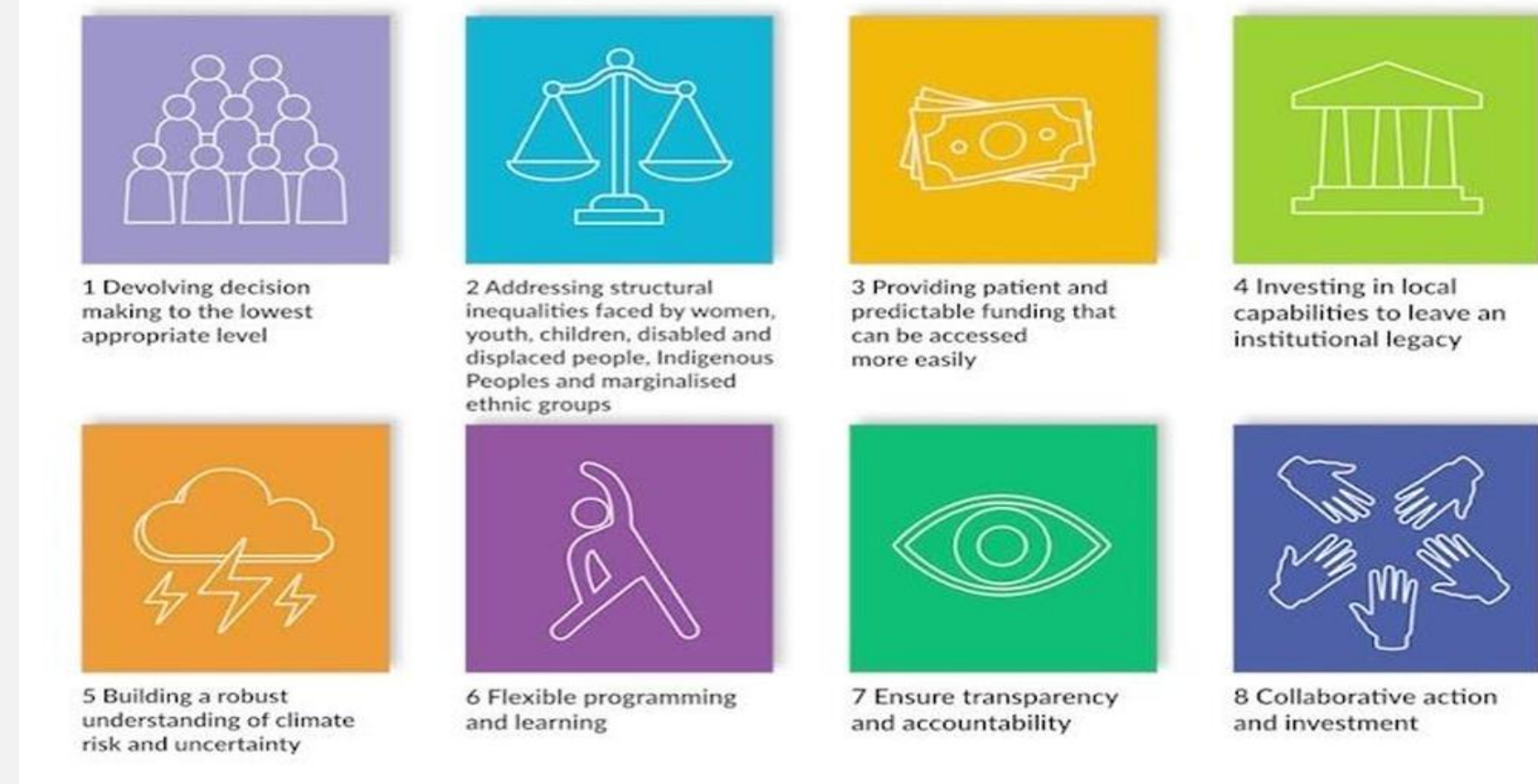
*What to show:* Funding mechanisms that reduce barriers for local actors and allow time for locally driven iteration.

## 4. Invest in local capabilities to leave an institutional legacy

*What to show:* Capacity building that lasts beyond the project, including governance, grant management, and financial management capacity in local institutions.



# LLA Principles



The AF's Board endorsed the eight Principles for Locally Led Adaptation. Below is each principle with its practical implication for proposal design.

## 5. Robust understanding of climate risk and uncertainty

*What to show:* How adaptation decisions are informed by local, Indigenous, or scientific knowledge.

## 6. Flexible programming and learning

*What to show:* Mechanisms that allow priorities to emerge through participatory planning during implementation, not just at design stage.

## 7. Transparency and accountability

*What to show:* Downward accountability to communities, not just upward reporting to the funder — transparency of selection criteria, and monitoring that is accessible to local stakeholders.

## 8. Collaborative action and investment

*What to show:* Coordination across levels and sectors so that the LLA project reinforces existing national and local systems rather than duplicating or bypassing them.

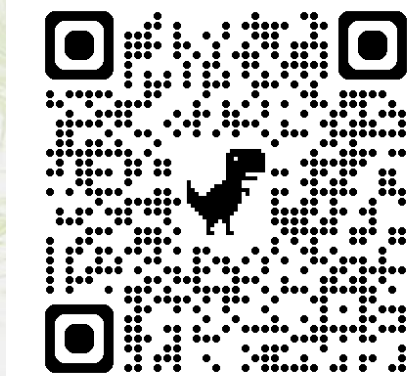


# LLA Principles

- The principles are interdependent and mutually reinforcing. There should be coherence and linkages.
- Embed principles throughout the project cycle.
- Balance between equity and effectiveness.
- Integrate multiple knowledge systems.
- Adaptive learning should be enabled.



# Adaptation Fund Funding Windows



PILLAR	FUNDING WINDOW	ACCREDITED ENTITY TYPE	MAXIMUM FUNDING AMOUNT
<b>ACTION</b>	Single Country	NIE, RIE, MIE	Up to USD 25 Million <i>per Project/Programme (within USD 40 million cap)</i>
	Regional/LLA Regional	RIE, MIE	Up to USD 30 Million <i>per Project/Programme</i>
	LLA Single Country	NIE, RIE, MIE	USD 5 Million <i>per Project/Programme</i>
	LLA Aggregator	Non-accredited	Up to USD 500,000 <i>per Grantee</i>
	Project Scale Up	NIE	USD 100,000 <i>per Grant</i>
<b>INNOVATION</b>	Small (single country)	NIE	USD 250,000 <i>per Project   USD 750,000 with learning</i>
	Large (single country or regional)	NIE, MIE, RIE	USD 5 Million <i>per Project/Programme</i>
	Adaptation Fund Climate Innovation Accelerator	Non-accredited	Up to USD 250,000 <i>per Grantee/Innovator</i>
<b>LEARNING &amp; SHARING</b>	Learning Grants	NIE	USD 500,000 <i>per Grant   USD 750,000 with innovation</i>
<b>READINESS</b>	Readiness Support Package Grant	NIE	USD 150,000 <i>per NIE</i>
	Technical Assistance Grant for the ES & GP	NIE	USD 25,000 <i>per NIE</i>
	Technical Assistance Grant for the GP	NIE	USD 10,000 <i>per NIE</i>





# Regular vs LLA Funding Windows

Aspect	Regular Single-Country Window	LLA Single-Country Window
<b>Primary purpose</b>	Finance concrete adaptation projects that deliver sustained resilience outcomes aligned with national priorities and plans	Finance concrete adaptation projects that devolve decision-making, strengthen local ownership, and improve access to finance at the lowest appropriate level
<b>Core design logic</b>	Country-led programming implemented through accredited Implementing Entities	Decentralised programming anchored in locally defined priorities within national frameworks
<b>Role of local actors</b>	Engage as key stakeholders, beneficiaries, and partners in implementation	Exercise a central role in priority setting, decision-making, and implementation
<b>Maximum funding size</b>	Up to USD 25 million per project or programme	Up to USD 5 million per project or programme
<b>Country funding cap impact</b>	Counts toward the country funding cap	Does not count toward the country funding cap
<b>Proposal pathways</b>	One-step or two-step standard process	One-step, two-step, or three-step process
<b>Project Formulation Grant (PFG)</b>	Up to USD 150,000	Up to USD 150,000, with the possibility of up to USD 100,000 additional support to strengthen early and meaningful local engagement
<b>Unidentified Sub-Projects (USPs)</b>	USPs can be used only in a small number of justified cases, with risks assessed and safeguards applied before activities are implemented.	Greater scope for well-justified USPs to support local prioritisation of sub-projects over time, with a strong Environmental and Social Management Framework and partial identification required upfront.
<b>What success looks like</b>	Sustained adaptation outcomes that reduce vulnerability and strengthen national resilience	Strengthened local leadership, inclusive decision-making structures, and durable capacity for locally led adaptation



# Project Formulation Grants (Available to NIE, RIE, MIE)

	Less than USD 2M	USD 2M to 5M	USD 5M and above	Locally-led adaptation
Single country projects	\$50,000	\$100,000	\$150,000	\$150,000 +\$100,000*
Regional projects and programmes			\$150,000 (2 countries min.) +\$15,000 per additional country Max \$250,000	\$165,000 (3 countries min.) +\$15,000 per additional country Max \$350,000* <small>*(+ \$100,000 on a case-by-case basis)</small>

*Optional 3-step approach: Only Single-country LLA and all Regional*



Maximum at *Pre-concept* stage is **20% of the maximum total PFG applicable** (only regional and LLA)





Project from  
**ASIA-PACIFIC**

# Locally Led Adaptation (LLA)

Strengthening Climate Resilience through Locally-Led Housing Solutions in the Haor (Flash flood prone) Region of Bangladesh

BANGLADESH

Community Consultations in Kishoreganj,  
Bangladesh (Picture Source: PKSf)



**Project Amount:** USD 5,000,000

**Implementing Entity:** PKSf – Palli Karma-Sahayak Foundation

**Implementation Period:** 2026 – 2030

**The Adaptation Need:** Flash floods in Bangladesh's Haor region repeatedly destroy homes and knock out water, sanitation, and energy for poor households.

**The Adaptation Response:** The project builds flood-resilient homes with raised foundations, alongside safe water, toilets, and basic solar power so families can stay safe during floods.

**The LLA Rationale:** Communities identify who needs support most, choose housing options, and sign off delivery, while the national entity keeps fiduciary control and safeguards.

**Why this is Strong LLA:** Decisions, knowledge and oversight sit with local people, and solutions combine traditional practices with climate-informed design where communities can maintain and replicate interventions.



# Locally Led Adaptation

# E-Learning Course on AF LLA Grants & Proposal Preparation

AVAILABLE IN ENGLISH, SPANISH & FRENCH

## 1. LLA: Training

Locally Led Adaptation Grants: An Introduction

Climate change • Climate change refers to long-term shifts in...

Watch later Share

Section 2

Case studies of LLA: Honduras and Peru

ADAPTATION FUND 10

Watch on YouTube

## 2. LLA: Project Proposal Preparation

Locally Led Adaptation Grants: Project Proposal Preparation

Focus area: Part III

- Mechanisms that will ensure direct access to finance for local communities
- Actions that will contribute to building local capabilities in a sustainable manner
- The planned consultative process, with an emphasis on involving vulnerable groups, including gender considerations

Watch later Share

ADAPTATION FUND 16

Watch on YouTube

Available on AF website:

<https://www.adaptation-fund.org/document/locally-led-adaptation-e-course/>

# A few key takeaways



- All projects regardless of funding window must meet certain criteria and demonstrate strong adaptation rationale.
- LLA projects should operationalise the 8 principles of Locally-Led Adaptation and put local actors at the heart of the intervention.
- LLA is not just better community engagement — it is a fundamental shift in *who decides* and *how resources flow*. Your proposal needs to demonstrate that shift concretely.



# Resources

- Locally Led Adaptation E-course ([English](#), [French](#), [Spanish](#))
- Local Leadership in Adaptation Finance [study](#)





ADAPTATION FUND

THANK YOU

Website: [www.adaptation-fund.org](http://www.adaptation-fund.org)  
Email: [afbsec@adaptation-fund.org](mailto:afbsec@adaptation-fund.org)



ADAPTATION FUND

# COMPLIANCE WITH ENVIRONMENTAL AND SOCIAL POLICY (ESP)

Readiness Write-shop

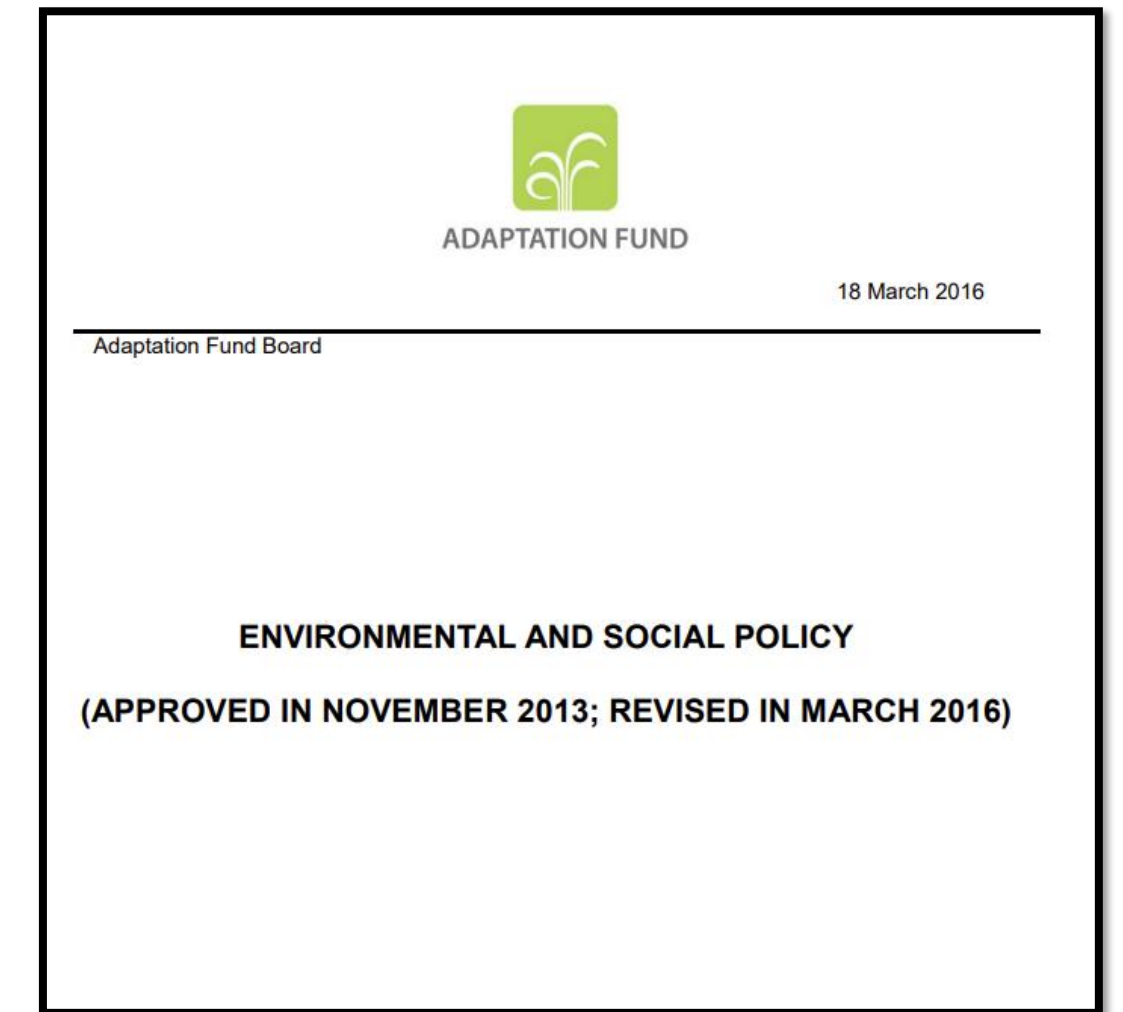
Manila, Philippines

May 2026



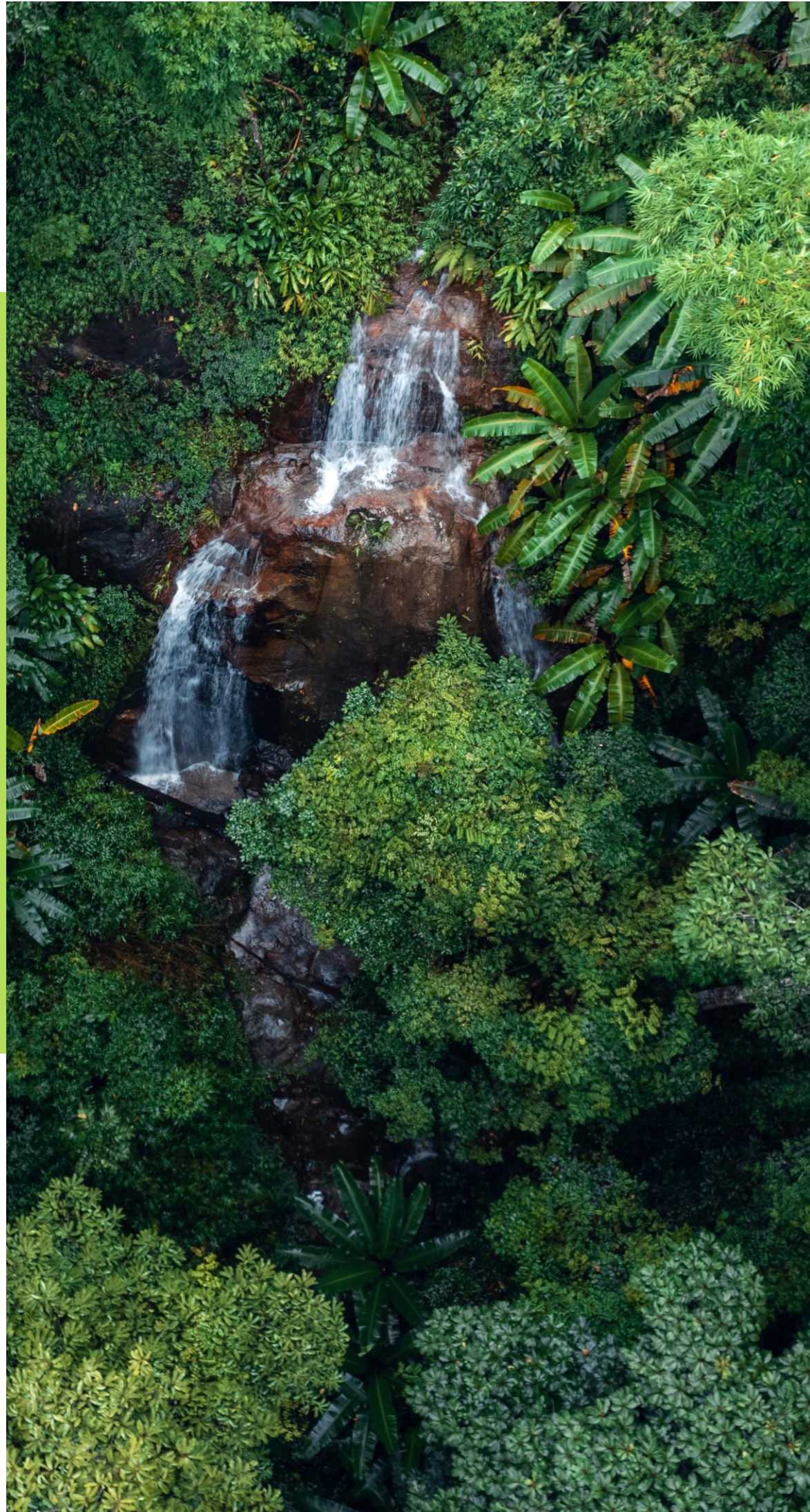
# Environmental and Social Policy (ESP)

- Ensures projects and programmes **promote positive environmental and social benefits**, and **mitigate or avoid adverse environmental and social risks and impacts**
- ESP is operationalized during two key processes:
  1. Accreditation
  2. Project and programme review





# ESP at a Glance



## ● What is the ESP?

The **Environmental and Social Policy** ensures AF-funded projects promote positive outcomes and avoid environmental and social harm.

## ■ Core Characteristics

- **Evidence-based:** Claims backed by verifiable facts
- **Risk-based:** Level of assessment matches scale of risk
- **Comprehensive:** Covers all 15 principles for all activities
- **Non-prescriptive:** Any method accepted if principles are met

## ■ Risk Categories (Scope & Impact)

- **Category A** – High risk (thorough assessment required)
- **Category B** – Moderate risk (standard assessment)
- **Category C** – Low/no risk (proportionate effort)



# The 15 ESP Principles

## People & Rights

- **1. Compliance with the Law** • 2. Access & Equity • 3. Marginalized & Vulnerable Groups
- **4. Human Rights** • 5. Gender Equality & Women's Empowerment • **6. Core Labour Rights**
- 7. Indigenous Peoples • 8. Involuntary Resettlement

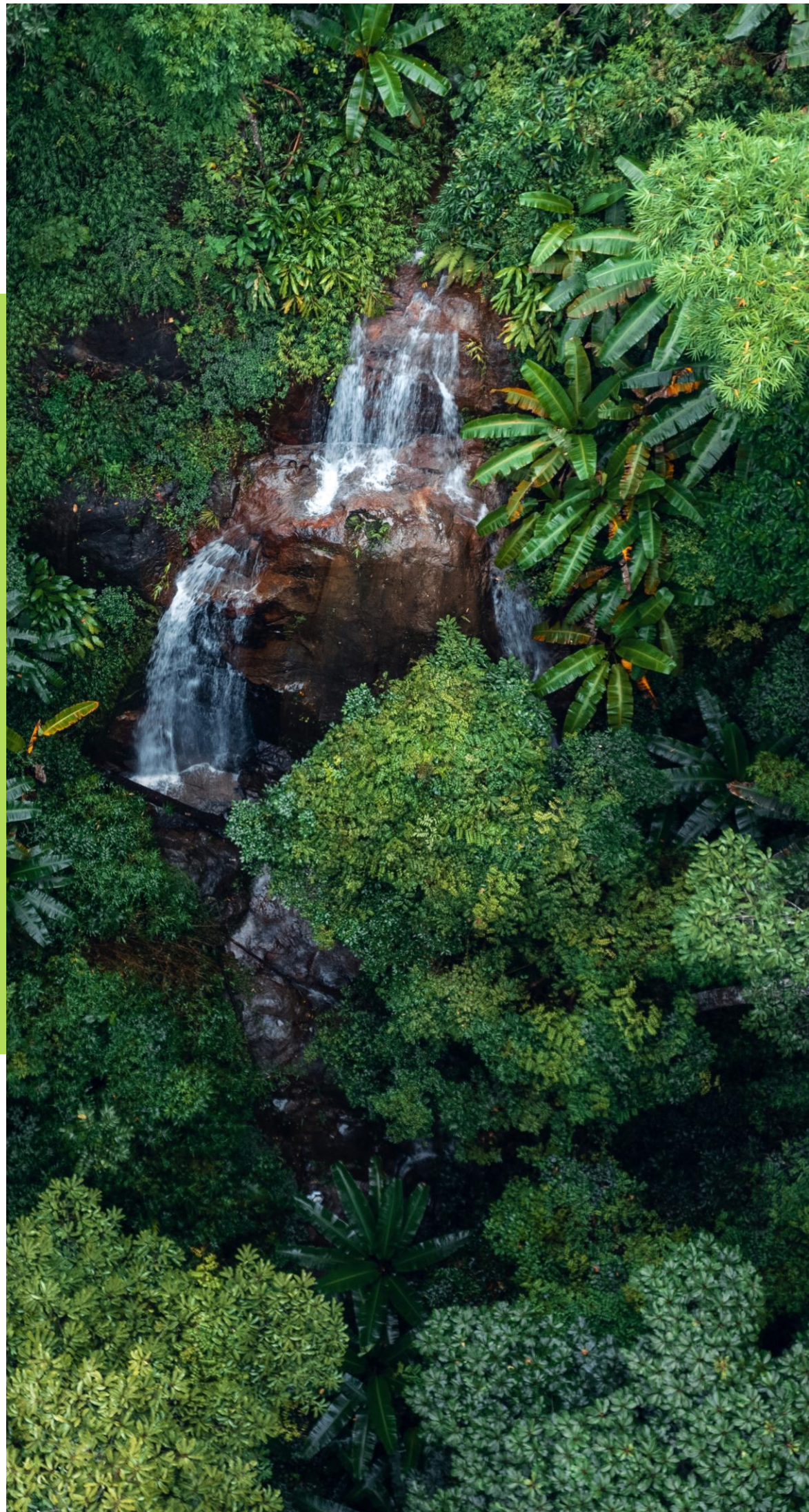
## Environment & Resources

- 9. Protection of Natural Habitats • 10. Conservation of Biological Diversity
- 11. Climate Change • 12. Pollution Prevention & Resource Efficiency

## Health, Heritage & Land

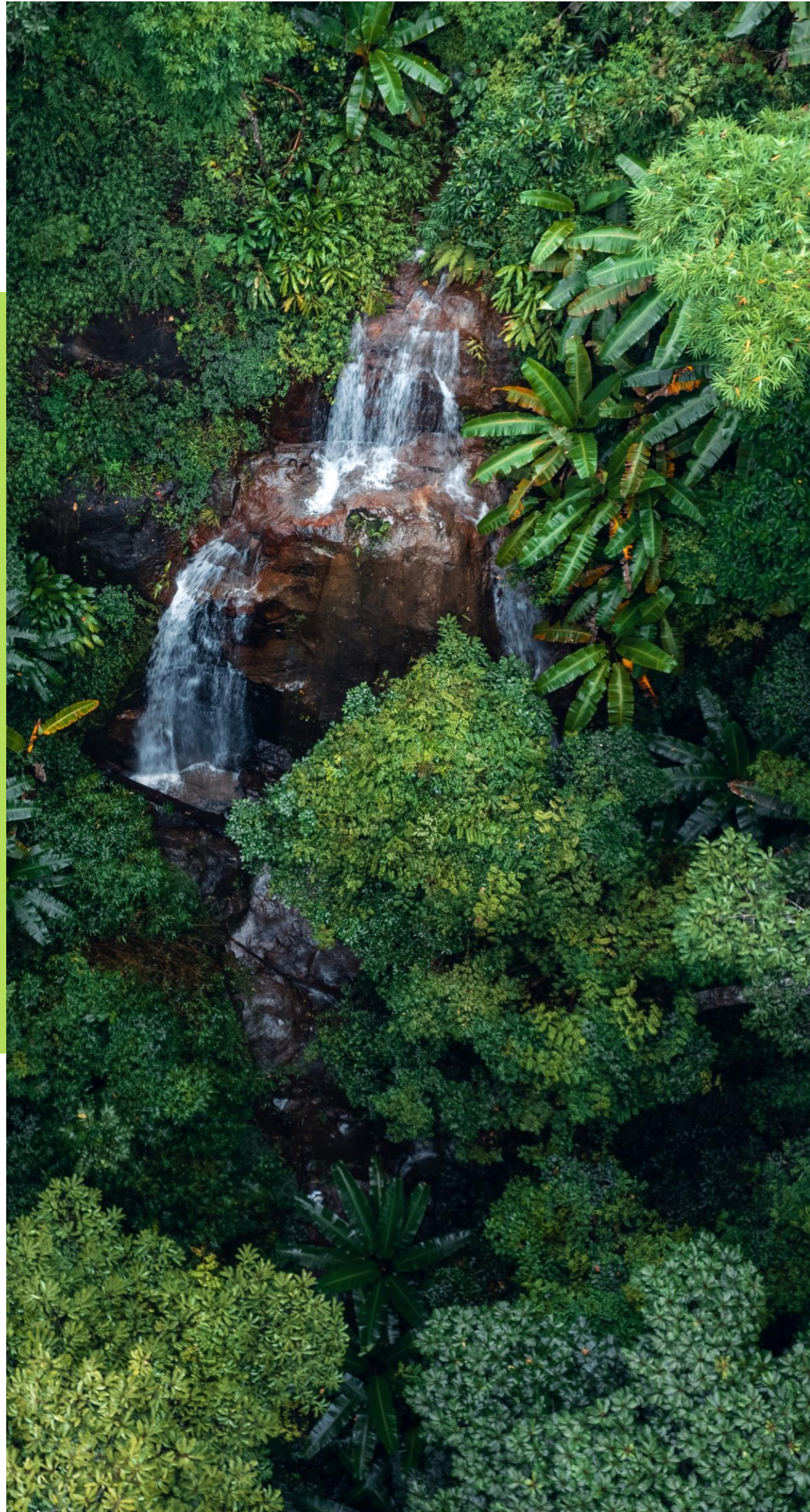
- 13. Public Health • 14. Physical & Cultural Heritage • 15. Lands & Soil Conservation

**Key takeaway:** All projects must screen risks against every principle. The depth of assessment varies by risk category, but the screening itself is mandatory.





# Key Considerations



## ■ Equitable Benefits & Inclusion

Clearly identifies **vulnerable beneficiaries** (e.g., rural communities, coastal households)

Ensures **equitable distribution** of benefits, including **targeted actions** for Indigenous or marginalized groups

Covers **economic, social, and environmental gains** with some quantification

## ■ Avoiding Harm & Maladaptation

Project design **avoids negative development trade-offs**

Does **not increase vulnerability** of any group (beneficiaries or otherwise)

Aligned with the AF's mandate to reduce risks and build resilience

## ■ Unidentified Sub-Projects (USPs)

- USPs are **justified clearly** and included **only where relevant** (e.g., under LLA or Innovation funding windows)

- Safeguards and risk screening mechanisms for USPs are in place

- Compliance with ESP during implementation is addressed



# Key Considerations



## ■ Core Principles of the ESP

Applies to **all projects and all activities**—no exceptions.

Is **evidence-based**: claims must be backed by verifiable facts.

Is **risk-based**: the nature and scale of risk determine the level of assessment.

Risks are identified against **15 ESP principles** (e.g., human rights, biodiversity, gender equity)

## ■ Proportionality and Process

**Commensurate approach**: Big risks → thorough assessment; small risks → proportionate effort.

**Impact assessments** are required for identified risks (if relevant).

**Environmental and Social Management Plan (ESMP)** must outline measures to avoid, minimize, or mitigate risks.

## ■ Flexibility in Compliance

ESP is **non-prescriptive**: any method may be used if principles are met. **IE safeguard systems are not pre-cleared** for equivalency—each project must show direct compliance.



# Key Considerations



## ■ Stakeholder Engagement

**Consultation is mandatory** throughout the project cycle.

All projects must have a **grievance mechanism** for addressing complaints.

## ■ Risk Identification & Compliance

Potential **environmental and social risks** are identified and described

**ESP checklist completed**, with risks justified and **assessments and mitigation** measures integrated

Fulfills ESP requirements on risk categorization and management.

## ■ Risk Categorization

Projects are categorized based on the **severity of potential negative environmental and social impacts: Category A** – High risk, **Category B** – Moderate risk, **Category C** – Low/no risk

The **ESP process requirements remain the same**, regardless of category—only the **depth of assessment** varies.



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# Environmental and Social Policy (ESP)

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## Checklist

Have environmental and social risks been identified? And presented against each of the 15 ESP principles?

Have national standards been identified and does the proposal explain how these will be met?

Does the project include activities with considerable inherent risks?

Is there an environmental and social setting with considerable risks?

Project with USPs? (Concept note needs a justification)

Is the project a resubmission of a previous concept or full proposal application with ESP issues?

Does the project include a summary of the findings of impact assessments that were carried out for the principles for which risks have been identified? (if relevant)

Have management measures been identified for the impacts that were assessed?

Has meaningful consultation taken place of stakeholders on the findings of the risks identifications, and of the impact assessments?

Have consultation outcomes been integrated in the project design?



# Environmental and Social Policy (ESP)

Checklist	Concept Note	Full Proposal
Have environmental and social risks been identified? And presented against each of the 15 ESP principles?	✓	✓
Has the project been categorised?	✓	✓
Have the identified safeguard measures been integrated into an Environment and Social Mitigation Programme (ESMP)?		✓
Does the ESMP contain clearly allocated roles and responsibilities for its implementation?		✓
Does the ESMP include opportunities for adaptive management?		✓
Does the ESMP include opportunities for consultation?		✓
Are there credible budget provisions, as needed, for the implementation of the ESMP?		✓
Are there clear arrangements for the IE to supervise executing entities for implementation of ESMP?		✓
Are there clear monitoring and evaluation arrangements for ESP compliance?		✓
Are the required USP arrangements in place?		✓
Are there arrangements to monitor during implementation for unanticipated environmental and social risks?		✓
Is grievance mechanism present and is it easily accessible and without undue access restrictions or conditions?		✓



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# Case study – Cambodia

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## ■ Key Principles Applied in the Cambodia Proposal

### **Neutral framing**

The proposal identifies risks objectively without attributing positive outcomes in the risk screening. For example, rather than stating “mangrove restoration will protect biodiversity,” it flags risks such as potential disturbance to coastal ecosystems during infrastructure construction and proposes mitigation (e.g., phased construction, environmental monitoring).

### **No positive attribution**

Although the project promotes ecosystem-based adaptation and livelihood diversification, these goals are not used to downplay risks. Biodiversity and natural habitat risks from coastal infrastructure and aquaculture activities are acknowledged.

### **Evidence-driven**

Risk assessments are grounded in:

- Stakeholder consultations with provincial authorities and community-based organizations
- Cambodia’s Climate Change Strategic Plan 2014–2023 and national environmental regulations
- Climate vulnerability assessments for Kampot and Koh Kong coastal provinces
- Country-specific standards and international instruments and research evidence (e.g., Convention on the Rights of Persons with Disabilities (2008))



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# Case study – Cambodia (continued)

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## ■ What the Proposal Includes

**Clear identification** of activities that may trigger risks:

- Small-scale coastal infrastructure construction (natural habitat disturbance)
- Mangrove and coastal ecosystem restoration (biodiversity, land use changes)
- Livelihood diversification involving fishing communities (access and equity)
- Community resource management near protected areas (involuntary resettlement risk)

**Justification of risk levels:**

- Categorized as Category B (moderate risk), with risks rated proportionally based on the scale and nature of coastal interventions in Kampot and Koh Kong

**Mitigation measures** integrated into the ESMP:

- Environmental monitoring during infrastructure construction near coastal habitats
- Gender-responsive community engagement ensuring women's participation in decision-making
- Biodiversity protection protocols for mangrove restoration activities
- Grievance mechanism accessible to all affected communities in both provinces



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## Case study – Cambodia (continued)

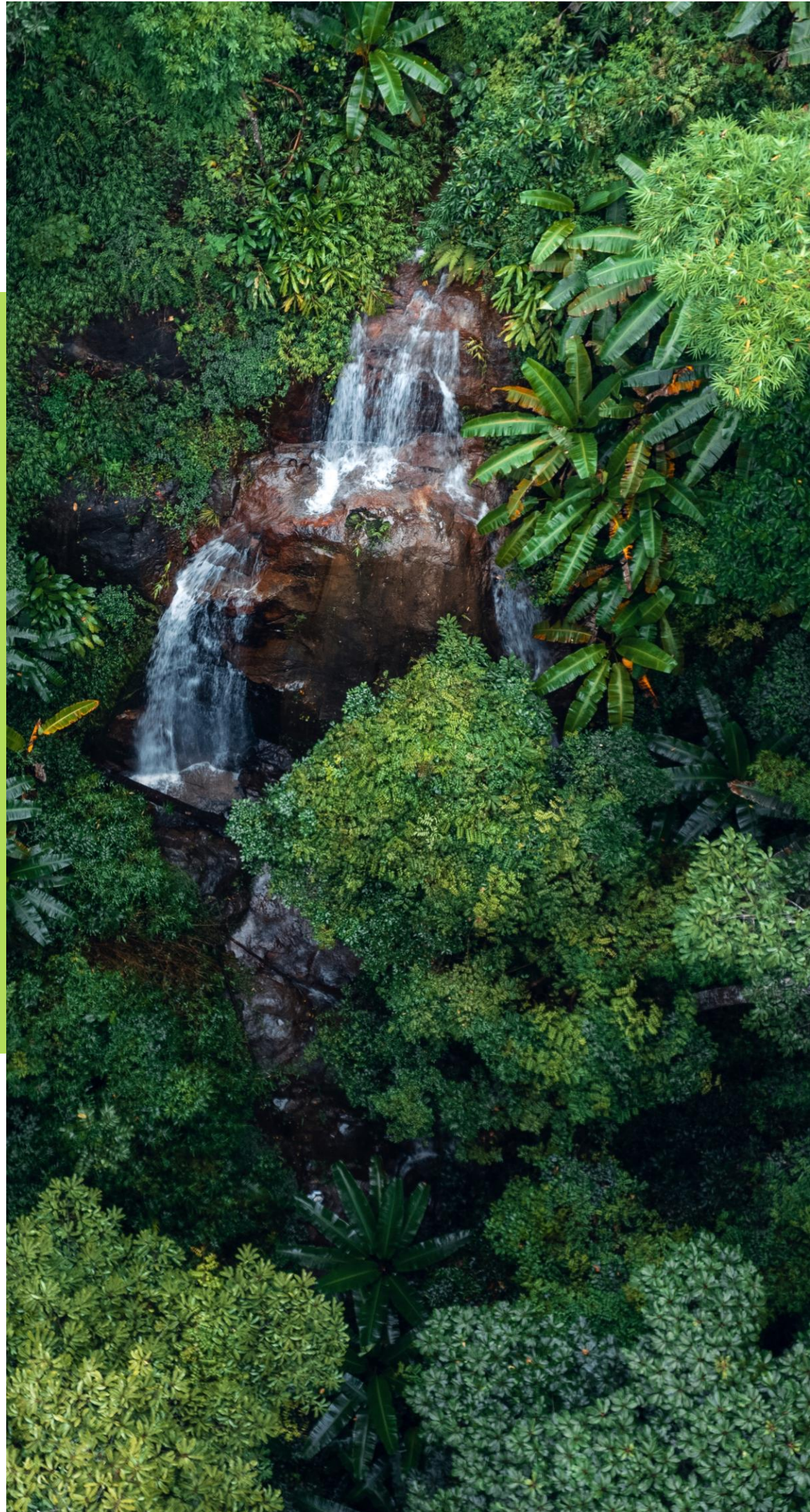
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### Common Mistakes Avoided in the Proposal

- ✓ **Dos:** “Coastal infrastructure construction may disturb natural habitats and sediment patterns if not properly managed”
- ✗ **Don'ts:** “The project will protect coastal ecosystems and build climate resilience”
  
- ✓ **Dos:** “Women in fishing communities may face barriers to participation unless targeted outreach is conducted”
- ✗ **Don'ts:** “The project will empower women through livelihood diversification” (though that may be an intended benefit, it's addressed in the design, not in risk screening)
  
- ✓ **Dos:** “Mangrove restoration activities may temporarily displace local resource users if access restrictions are not carefully planned”
- ✗ **Don'ts:** “Ecosystem restoration will enhance community livelihoods and biodiversity”



# ESMP Essentials



## ● What is the ESMP?

The **Environmental and Social Management Plan** documents how identified risks will be avoided, minimized, or mitigated throughout project implementation.

## ■ What Must the ESMP Include?

- **Mitigation measures** for each identified risk
- **Roles & responsibilities** clearly allocated for implementation
- **Budget provisions** for all safeguard activities
- **Monitoring & evaluation** arrangements for ESP compliance
- **Grievance mechanism** accessible to all affected parties
- **Adaptive management** provisions for unanticipated risks

## ■ Stakeholder Consultation

- Consultation is **mandatory throughout** the project cycle
- Outcomes must be **integrated into project design**



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# Environmental and Social Management Plan

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## ■ What is the ESMP?

The Environmental and Social Management Plan (ESMP) outlines how a project will **identify, manage, and monitor** environmental and social risks aligned with the Adaptation Fund's policies. It translates ESP risk findings into **concrete actions, measurable indicators, and oversight mechanisms.**

## ■ Key Features of a Project ESMP

### Risk-Based and Principle-Driven

Each of the 15 ESP principles is assessed for:

- Potential risk or impact
- Avoidance or mitigation measures
- Indicators to track implementation
- Timeline and responsible entity
- Resource implications (built into overall program budget)



# ESMP continued

## How Risk Management is Operationalized (Examples)

ESP Principle	Identified Risk	Mitigation Measures	Indicators
Access & Equity	Risk of exclusion or inequitable access	Mapping beneficiaries, outreach to remote areas, inclusive selection criteria	% of vulnerable persons trained (by gender), attrition rate
Gender Equality	Participation limited due to unpaid care responsibilities	Adjust timing of sessions, provide child care support	% of women beneficiaries
Labour Rights	Contractors may violate national labor laws or ILO standards	Include labor clauses in contracts, partner with Ministry of Labor for training	# of labor-related complaints
Biodiversity Conservation	Agrochemical use, bycatch, or unregulated ecotourism may affect ecosystems	Promote bio-inputs, fishing protocols, training in biodiversity-friendly tourism	# of trained participants, hectares under biodiversity measures
Pollution Prevention	Improper waste disposal or excessive agrochemical use	Bioinput training, community waste management, alternatives to chemicals	# using bioinputs, pollution reduction campaigns
Soil and Land Conservation	Soil erosion, compaction due to poor agricultural practices	Farm planning, rotation, conservation techniques	# of farmers trained



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# ESMP continued

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## ■ ESMP Best Practices Observed in Cambodia Case

**Evidence-driven:** Risks validated with provincial climate vulnerability data, stakeholder consultations, and Cambodia's Climate Change Strategic Plan 2014–2023.

**Integrated into project design:** Mitigation actions mapped to all three project components—climate-resilient infrastructure, coastal ecosystem recovery, and capacity building.

**Actionable:** Measures are context-specific to Kampot and Koh Kong coastal communities, with phased construction protocols and biodiversity monitoring.

**Monitored** by a multi-agency team (UN-Habitat, NCSD/Ministry of Environment, Provincial Departments of Environment in both provinces).

**Cost-effective:** Safeguard measures mainstreamed into existing project activities and budget.



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# ESMP continued

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## ■ Important Lessons

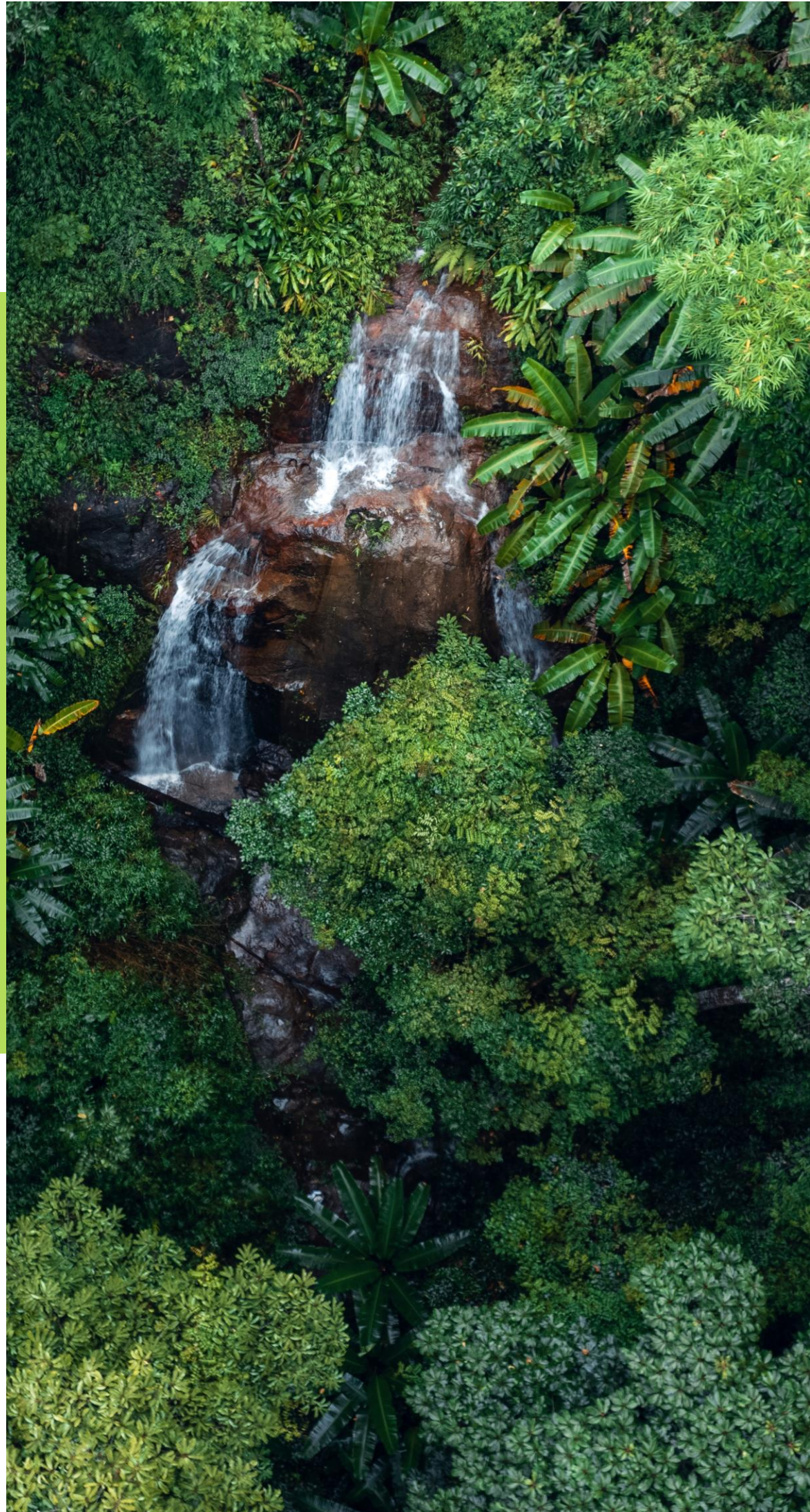
**Not all principles require mitigation actions.** But if a principle is triggered, justification must be clear (e.g., no Indigenous Peoples in the project area). All risks must be monitored during implementation.

**“Unidentified Sub-Projects” (USPs)** still require early planning for how risk screening and ESMP integration will occur during implementation.

**Grievance redress and transparency** are baked into oversight by requiring formal and informal feedback loops, especially for human rights and labor concerns.



# FACs: Frequently Asked CRs & CARs



## Common Corrective Action Requests (CARs)

- **Incomplete risk screening:** Risks not identified against all 15 ESP principles
- **Weak or missing ESMP:** Mitigation measures not linked to identified risks or lacking specificity
- **No grievance mechanism:** Missing or inaccessible complaint-handling process
- **USPs not justified:** Unidentified sub-projects lack screening safeguards or rationale

## Common Clarification Requests (CRs)

- **Equitable access:** How will beneficiary selection ensure fair distribution of benefits?
- **Stakeholder consultation:** Insufficient evidence that meaningful consultation took place
- **Risk categorization:** Project not categorized (A, B, or C) or category not justified
- **ESMP budget:** No dedicated budget provisions for safeguard implementation
- **M&E for ESP compliance:** Monitoring arrangements for safeguards during implementation unclear



# ESP Risk Screening Table

Climate change		<p><b>Risk:</b> medium <b>Impact:</b> high</p> <p>In this project, each USP will undergo a detailed review and risk assessment process, taking into account environmental and social factors, particularly those related to climate change. The climate rationale will be critically reviewed for each USP. This assessment process will ensure that each USP is designed with an understanding of its unique environmental and social context and the specific climate risks it faces.</p> <p>In addition, the project will use updated climate data and information to design and implement each USP, focusing on mitigating the impacts of climate change. This approach will include planning for adaptation measures and identifying safeguards to address the anticipated climate-related risks. Moreover, it will prioritise interventions that are resilient to climate variability and changes, ensuring that the activities of each USP contribute to reducing vulnerability to climate change.</p> <p>Lastly, there will be monitoring mechanisms to continuously evaluate the effectiveness of the implemented climate adaptation and mitigation strategies. The aim is to ensure that each USP addresses current climate challenges and is equipped to handle future climate scenarios, thereby contributing to the long-term resilience of the communities and ecosystems involved.</p>
Pollution prevention and resource efficiency		<p><b>Risk:</b> low <b>Impact:</b> medium</p> <p>Each USP) in this project will be thoroughly assessed for pollution risks and resource efficiency. This process will ensure that environmental impacts are minimised. Further emphasis will be given to preventing air, soil, and water pollution and employing Nature-</p>
<b>Checklist of environmental and social principles</b>	<b>No further assessment required for compliance</b>	<b>Potential impacts and risks – further assessment and management required for compliance</b>
		<p>based Solutions for adaptation goals. Additionally, by promoting the circular economy concept, the project will prioritise resource efficiency, with strategies to reduce waste and promote sustainable resource use.</p>



# Idea Spark: ESP Risks, & Design Responses

## A. Climate-Resilient Infrastructure

### *Typical ESP Risks*

- Habitat disruption (roads, drainage, coastal works)
- Soil erosion and sedimentation changes
- Community safety risks during construction

### *AF Design Responses*

- Site-specific ESIA for infrastructure subprojects
- Mitigation hierarchy: avoid → minimize → restore → offset
- USP approach when locations not finalized

## B. Nature-Based Solutions

### *Typical ESP Risks*

- Ecosystem disturbance during restoration (reefs, mangroves)
- Temporary exclusion from natural resources
- Biodiversity risks if poorly designed

### *AF Design Responses*

- Explicitly state risks, not just benefits
- Controlled access protocols and seasonal planning
- Biodiversity management measures

## C. Livelihoods and Agriculture

### *Typical ESP Risks*

- Unequal access to benefits (gender, vulnerable groups)
- Overuse of agrochemicals or poor land management
- Market or livelihood dependency risks

### *AF Design Responses*

- Frame risks clearly (e.g., agrochemical pollution)
- Climate-resilient practices (agroecology, agroforestry)
- Gender-targeted outreach for participation barriers



# Idea Spark: ESP Risks, & Design Responses (continued)

## D. Watershed / Landscape Management

### *Typical ESP Risks*

- Cumulative impacts across sectors (water, agriculture, infrastructure)
- Upstream–downstream conflicts
- Institutional coordination challenges

### *AF Design Responses*

- Multi-level governance (national–local coordination)
- Alignment with national environmental regulations
- ESMP as a dynamic adaptive management tool

## E. Environmental Management

### *Typical ESP Risks*

- Misuse of chemicals or control methods
- Ecosystem imbalance from interventions
- Impacts on livelihoods dependent on affected species

### *AF Design Responses*

- Risk-based classification (Category A/B by severity)
- Detailed ESIA required
- Strong monitoring of ecological impacts

## F. Health

### *Typical ESP Risks*

- Public health risks not fully assessed
- Weak health–environment safeguard integration
- Unequal health outcomes across groups

### *AF Design Responses*

- Gender and equity considerations
- Inter-sectoral impact analysis (health–environment)



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# Resources

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- Adaptation Fund Environmental and Social Policy: [Available](#)
- Guidance document for Implementing Entities on compliance with the Adaptation Fund Environmental and Social Policy: [Available](#)



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# Unidentified Sub-Projects (USPs)

Write-shop  
Manila, Philippines  
May 2026

# USP Overview

*Understanding Unidentified Sub-Projects in the Adaptation Fund*



## What are USPs?

Project or programme activities that have not been fully formulated at the time of proposal submission, to the extent that their environmental and social risks cannot yet be identified in line with the AF's Environmental and Social Policy (ESP) and Gender Policy (GP).



### Why USPs Exist

- Some activities depend on outcomes of other project components
- Small grants facilities where applications come during implementation
- Local priorities may evolve during longer programme cycles



### Key Requirements

- USPs must be partially identified at approval (type, location, or foreseeable risks)
- A robust ESMF must be in place to screen, approve, and manage sub-projects
- Full ESP and GP compliance before any sub-project starts



### Governance & Oversight

- Clear roles: who selects, screens, and approves sub-projects
- Decisions documented and monitored throughout implementation
- Implementing Entity retains accountability for safeguards

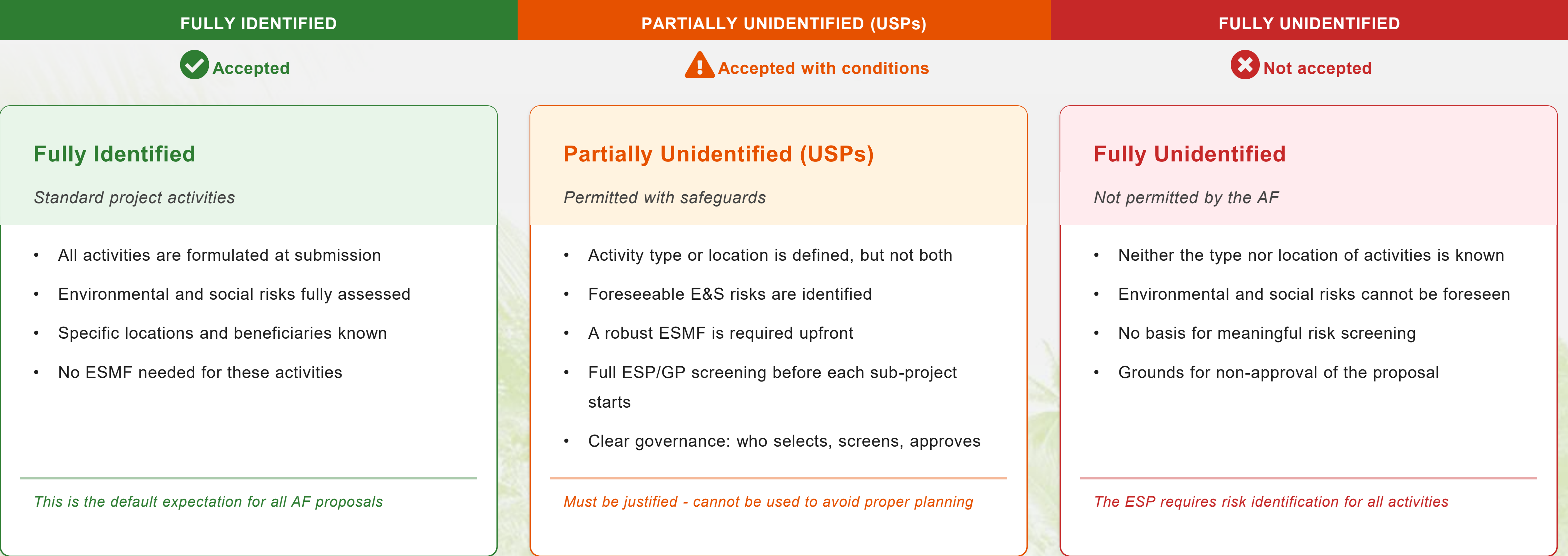


**Key Principle:** USPs enable adaptability, not weaker planning. They allow programmes to respond to evolving needs and local priorities while operating within clearly defined risk, scope, and safeguard boundaries agreed at approval.



# Types of USPs: Identification Spectrum

How the Adaptation Fund classifies project activities by their level of identification at submission



# USPs

## What are USPs?

USPs are project or programme activities that have not been formulated at the time of submission of a proposal, to the extent that their environmental and social risks can be identified in line with the AF's ESP and GP.

## USPs are a targeted flexibility tool

USPs may be used only where project activities cannot be fully formulated at approval and where this flexibility is justified.

## USPs cannot be fully unidentified

AF policy states that USPs must be *partially identified* at approval. In practice, this means defining the likely type of activities or the specific location, as well as the foreseeable environmental and social risks.

## A strong Environmental and Social Management Framework (ESMF) is essential

Where USPs are used, a robust ESMF is required to explain how sub-projects will be screened, approved, and managed in line with the ESP and GP before implementation. The ESMF is the backbone of a viable project using USPs.



# USPs

## **Risk screening must happen before implementation**

All USP activities must be screened and cleared for environmental and social risks *prior to implementation*. Screening cannot be deferred or done retroactively.

## **The funding window shapes how USPs are applied**

In regular single-country projects, USPs are typically limited. In LLA projects, there is greater scope for justified USPs to support local prioritisation over time, provided that governance and safeguards are strong.

## **Clear governance arrangements are required upfront**

Proposals using USPs must clearly set out who selects sub-projects, who conducts ESP and GP screening, and how decisions are documented and monitored throughout implementation.

## **USPs enable adaptability, not weaker planning**

When well designed, USPs allow programmes to respond to evolving needs and local priorities while operating within clearly defined risk, scope, and safeguard boundaries agreed at approval.



# Frequently Asked CRs & CARs on USPs

1. Justify why sub-project activities cannot be fully identified at the time of proposal submission.
2. Clarify the criteria and process for selecting, screening, and approving USP sub-projects during implementation.
3. Provide a robust Environmental and Social Management Framework (ESMF) covering all foreseeable risks of the USPs.
4. Describe how each USP sub-project will undergo full ESP and GP screening before implementation begins.
5. Clarify governance arrangements — who selects, screens, approves, and monitors sub-projects.
6. Include gender-responsive measures and stakeholder consultation processes in the ESMF for USP activities.
7. Explain monitoring, reporting, and adaptive management arrangements for USP sub-projects.
8. Provide risk categorization for the types of sub-projects anticipated under the USP components.



# Resources

- Updated Guidance for Implementing Entities on the Use of Unidentified Sub-Projects (USPs): [Link](#)



# PPR Question on USPs

## SECTION 5: PROJECTS/PROGRAMMES WITH UNIDENTIFIED SUB-PROJECTS (USPs). *This section needs to be completed only if the project/programme includes USPs.*

Have the arrangements for the process described in the ESMP for ESP compliance for USPs been put in place? [8]	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partially
Is the required capacity for ESMP implementation present and effective with the IE and the EE(s)? Have all roles and responsibilities adequately been assigned and positions filled? Please provide details.	
Has the overall ESMP been updated with the findings of the USPs that have been identified in this reporting period? [9]	

List each USP that has been identified in the reporting period to the level where effective ESP compliance is possible. <i>Add lines as necessary, one line for every USP identified.</i>	Has the ESMP been applied to the USP that has been identified?	List all the ESP risks that have been identified for the USP	Has an impact assessment been carried out for each ESP risk that has been identified for the USP?	Has adequate consultation been held during risks and impacts identification for the USP? [10]	Have the data used to identify risks and impacts been disaggregated by gender as required?	List the environmental and social safeguard measures (avoidance, mitigation, management) that have been identified for the USP	List the monitoring indicator(s) for each impact identified
USP 1: <i>[name the USP]</i>							
USP 2: <i>[name the USP]</i>							
USP 3: <i>[name the USP]</i>							
USP 4: <i>[name the USP]</i>							
USP 5: <i>[name the USP]</i>							

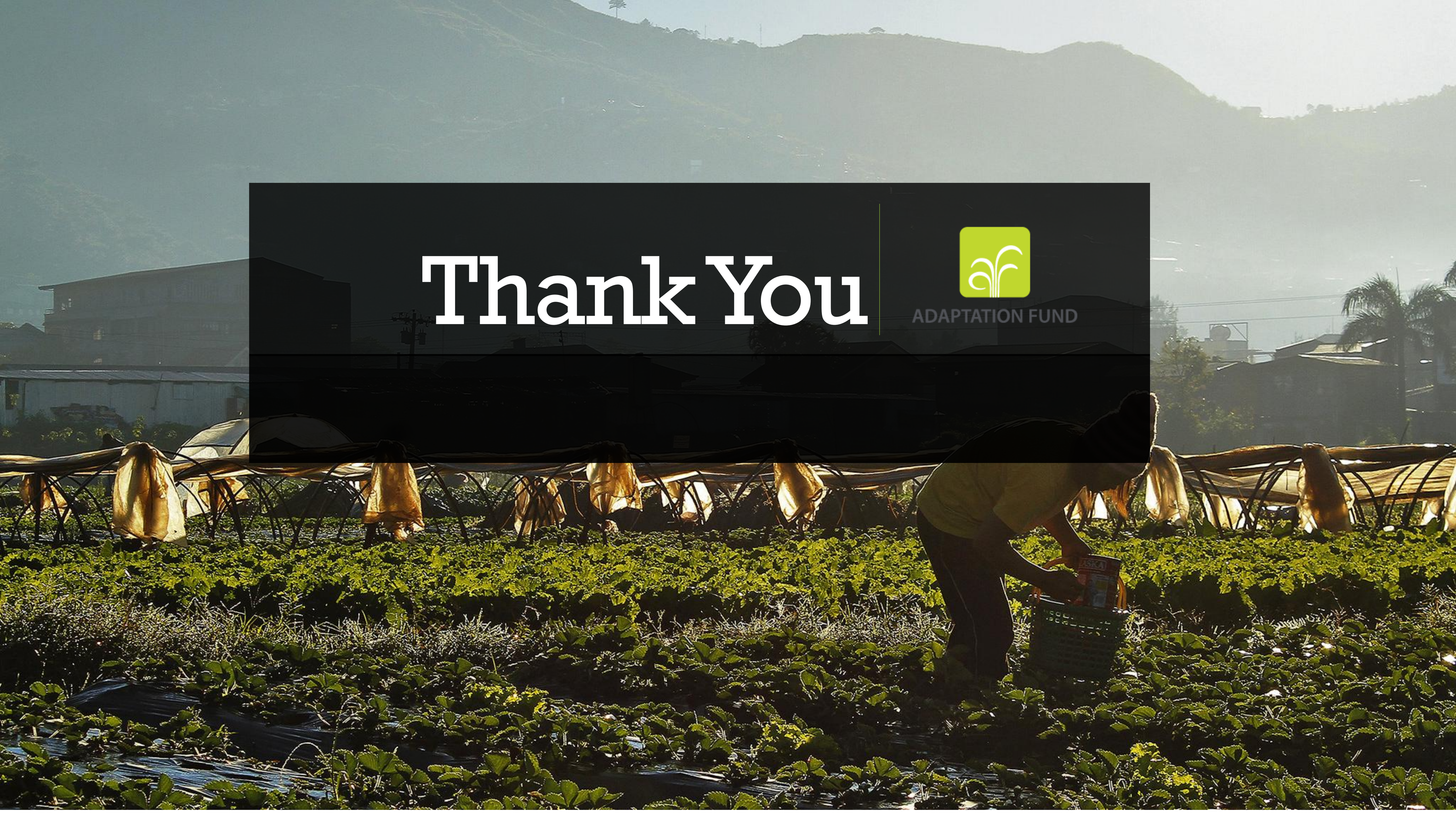
## SECTION 6: GRIEVANCES



# Thank You



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Manila, Philippines  
May 2026



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NATIONAL TECHNICAL STANDARDS



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# National Technical Standards (NTS)

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- A project or programme must meet relevant national technical standards, in compliance with the Environmental and Social Policy of the Fund.
- This may include:
  - Building codes
  - Land use or tenure regulations
  - Water quality regulations
  - Sector-specific regulations





# Key Considerations

Checklist	Concept Note	Full Proposal
Relevant national technical standards are identified and compliance stated in a logical manner	✓	✓
Compliance with relevant technical standards is explained in detail		✓
If one specific activity of the project/programme requires compliance with technical standards, the steps taken to comply with it and the nature of the authorization/clearance granted for the project to be implemented is explained		✓



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# Step-by-Step Compliance Process

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- Follow this process to demonstrate NTS compliance in your proposal:
  - Step 1: Identify all project activities that require compliance with national laws, regulations, or technical standards
  - Step 2: Map each activity to the specific national standards that apply (e.g., building codes, EIA regulations, water quality standards)
  - Step 3a: For Concept Notes — state the relevant standards and confirm the project's intent to comply
  - Step 3b: For Full Proposals — explain in detail how each standard is met, including permits, clearances, and institutional arrangements
  - Step 4: Include a **recommended** compliance table mapping outcomes, relevant standards, responsible institutions, and evidence of compliance



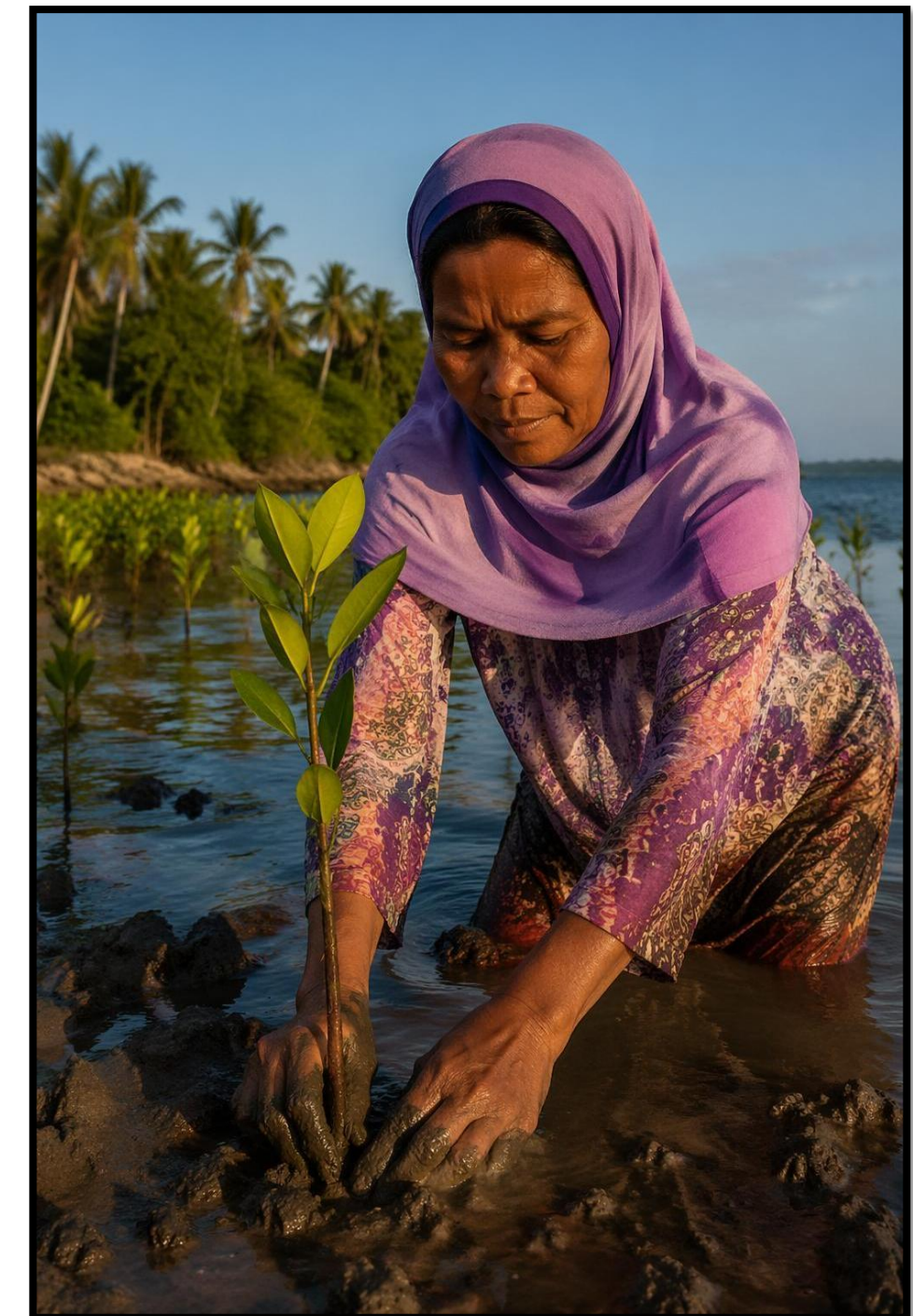


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# Tips for Strong NTS Writing

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- Strengthen your NTS section with these best practices:
  - Be specific — cite exact law names, decree numbers, and regulatory bodies (e.g., 'Environmental Protection Law No. 24/2012') rather than general references
  - Use a compliance table — present standards systematically with columns for activity, applicable standard, compliance approach, and responsible authority
  - Show the authorization pathway — describe the step-by-step process for obtaining required permits and clearances, including timelines
  - Differentiate by project component — tailor compliance descriptions to each activity rather than using blanket statements for the entire project
  - Address both concept and full proposal requirements — at concept stage, identify and state intent; at full proposal stage, demonstrate detailed compliance evidence





# NTS Example



Outcome/Outputs	AF ESP	Compliance with relevant legal or technical standards	Institution Responsible Standard Compliance (EE)*	Compliance: how it is fulfilled.
<b>1.3 Improved water resource management in coastal communities through strengthening the management of rural aqueducts and water harvesting with the use of efficient and low-cost technologies.</b>				
1.3.1 Improved management of five rural aqueducts in the program.	Compliance with the law, Access and Equity, Marginalized and Vulnerable, Groups, Gender Equity and Women's Empowerment, Core Labor Rights and Climate Change	- Resolution No. 713 of July 30, 2020 that approves and adopts the manual of Good Environmental Practices for aqueducts and Rural Sanitation Systems. It is mandatory for the actors involved in construction projects of Aqueducts and Rural Sanitation Systems.	Ministry of Health.	- Mandatory compliance with the standard established in the <u>ToR</u> and in the Contract (standard attached as part of the Contract). - Evaluation and monitoring of compliance with the standard by EE personnel. - Verification of compliance with the standard in product review and its approval. - Verification of compliance with the standard in Project Monitoring and Evaluation actions.
1.3.2 20 multipurpose water harvesting systems installed using efficient and low-cost technologies.	Compliance with the law, Access and Equity, Marginalized and Vulnerable Groups and Gender Equity and Women's Empowerment.	- Cabinet Resolution No. 114 of August 23, 2016. Approves the National Water Security Plan and establishes the National Water Council and the Technical Secretary who provide the guidelines for these issues. - Resolution of the Board of Directors No. 30-2007 of IDAAN. Compliance with quality standards for drinking water and wastewater approved by the Panamanian Commission of Industrial and Technical Standards of the Ministry of Commerce and Industries.	Water Safety Directorate / Ministry of Environment  IDAAN	- Mandatory compliance with the standard established in the <u>ToR</u> and in the Contract (standard attached as part of the Contract). - Evaluation and monitoring of compliance with the standard by EE personnel. - Verification of compliance with the standard in product review and its approval. - Verification of compliance with the standard in Project Monitoring and Evaluation actions.



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# Common Pitfalls in NTS Compliance

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- Reviewers frequently flag these NTS issues in proposal reviews:
  - Vague compliance statements — simply saying ‘the project will comply’ without naming specific laws or standards
  - Missing standards — failing to identify all relevant national technical standards for the project’s sector(s)
  - No evidence of authorization — not explaining the clearance or permit process required for project implementation
  - Inconsistency between components — different project activities referencing different or conflicting compliance approaches
  - Generic language across sectors — using the same compliance text for infrastructure, water, and agriculture activities instead of sector-specific details



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# Thank you