



ADAPTATION FUND

AFB/PPRC.38/15/Add.1
10 September 2026

Adaptation Fund Board
Project and Programme Review Committee
Thirty eighth Meeting
Bonn, Germany, 19-23 October 2026

Agenda Item 4 (I)

PROJECT FORMULATION GRANT FOR LAO PEOPLE'S DEMOCRATIC REPUBLIC

I. Background

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

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

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

3. Following the discussion, the Board decided:

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

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

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

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

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

- (d) Only activities related to country costs would be eligible for PFG funding;*
 - (e) A flat rate of up to US\$30,000 shall be provided, inclusive of the management fee, which cannot exceed 8.5 per cent of the grant amount. The flat fee would be reviewed by the Board at its thirteenth and all subsequent meetings;*
 - (f) If the final project document is rejected, any unused funds shall be returned to the Adaptation Fund Trust Fund;*
 - (g) Once a project/programme formulation grant is disbursed, a fully developed project document should come to the Board for approval within 12 months. No additional grants for project preparation can be received by a country until the fully developed project/programme document has been submitted to the Board; and*
 - (h) The Trustee was instructed to remove the set-aside of US\$100,000 for project preparation that had been decided at the June 2010 meeting, as project preparation would be approved on a project-by-project basis.*
5. In its twenty-fourth meeting, the Board had initiated steps to launch a pilot programme on regional projects and programmes, not to exceed US\$ 30 million and had requested the secretariat to prepare for the consideration of the Board a proposal for such a pilot programme (Decision B.24/30). In its twenty-fifth meeting, the secretariat submitted such document and the Board decided to:
- (a) Approve the pilot programme on regional projects and programmes, as contained in document AFB/B.25/6/Rev.2;*
 - (b) Set a cap of US\$ 30 million for the programme;*
 - (c) Request the secretariat to issue a call for regional project and programme proposals for consideration by the Board in its twenty-sixth meeting; and*
 - (d) Request the secretariat to continue discussions with the Climate Technology Center and Network (CTCN) towards operationalizing, during the implementation of the pilot programme on regional projects and programmes, the Synergy Option 2 on knowledge management proposed by CTCN and included in Annex III of the document AFB/B.25/6/Rev.2.*
- (Decision B.25/28)*
6. The approved document AFB/B.25/6/Rev.2 contained provisions for the approval of project formulated grants for regional project and programme proposals, at different development stages, as follows:
- "It is proposed that the Board open a structured call for MIEs and RIEs to submit pre-concepts for regional projects and programmes. The optional pre-concepts would be very brief proposals of maximum 5 pages that would explain the proposed regional adaptation project/programme. The pre-concepts would be screened and technically reviewed by the*

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

II. The Project Formulation Grant Request

7. This addendum to the document AFB/PPRC.38/15 “Proposal for Lao People's Democratic Republic” includes a request for a Project Formulation Grant, requesting a budget of US\$ 90,000, which was received by the secretariat along with the concept for the project AF00000502 “Safeguarding Lives and Livelihoods in Lao PDR: Enhancing Urban Flood and Food Systems Resilience”. This proposal was submitted by United Nations Human Settlements Programme (UN-HABITAT), which is a Multilateral Implementing Entity of the Adaptation Fund, in time for consideration by the Adaptation Fund Board at its forty-seventh Board meeting.

8. In accordance with Decision B.12/28, paragraph (b), the secretariat carried out an initial review of the PFG request and found that the document provided detailed information on the use of the requested funds. The proposed activities were aligned with the goal of the project and would support comprehensive consultation process and workshops; Environmental Impact Assessment (EIA) and gender analysis and assessment; and full proposal development.

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



ADAPTATION FUND

ADAPTATION FUND BOARD SECRETARIAT
TECHNICAL REVIEW OF PROJECT PROPOSAL FOR
"SAFEGUARDING LIVES AND LIVELIHOODS IN LAO PDR: ENHANCING URBAN FLOOD
AND FOOD SYSTEMS RESILIENCE"

Project Title Safeguarding Lives and Livelihoods in Lao PDR: Enhancing Urban Flood and Food Systems Resilience

Project ID AF00000502

Category Regular size project (over \$1 million)

Type Single country project

Stage Concept

Country Lao People's Democratic Republic

Implementing Entity UNHAB

Financing Requested USD 22,438,870.00

Reviewer Una May Gordon

Co-reviewer(s)

IE Contact Person

Avi Sarkar,Cerin Kizhakkethottam,Odicea Angelo Barrios,Veena
Ramachandran

Secretariat's Overall Comment

The project “Safeguarding Lives and Livelihoods in Lao PDR: Enhancing Urban Flood and Food Systems Resilience” aims to enhance the resilience of Lao PDR’s urban and peri-urban systems against climate-induced flooding and related hazards through integrated infrastructure, institutional, and knowledge-based interventions. This will be done through the three components below:

The proposal includes a request for a project formulation grant of 90,000 USD.

The initial technical review raises some issues, such as lack of a Theory of Change some gaps in the environmental and social principles checklist, as is discussed in the number of Clarification Requests (CRs) and Corrective Action Requests (CARs) raised in the review.

The second technical review raises some issues, such as gaps in the Theory of Change and outputs in project structure, provision of quantitative benefits, gaps in environmental and social principles checklist, as is discussed in the number of Clarification Requests (CRs) and Corrective Action Requests (CARs) raised in the review.

The third technical review raises some issues, such as the provision of quantitative benefits, the use of Fund Outcomes and Fund Outputs and their indicators, as is discussed in the number of Clarification Requests (CRs) and Corrective Action Requests (CARs) raised in the review.

The fourth technical review finds that the proposal has addressed almost all of the CR and CAR requests, only PFG clarifications are pending.

The fifth technical review finds that the proposal has addressed almost all of the CR and CAR requests, only PFG clarifications are pending.

The sixth technical review finds that the outstanding CAR has been addressed.

Country Eligibility

Is the country party to the Kyoto Protocol, or the Paris Agreement?

Response: Yes

Secretariat:

Paris Agreement signed 22 April 2016 and Kyoto Protocol ratified 6 February 2003.

Is the country a developing country particularly vulnerable to the adverse effects of climate change?

Response: Yes

Secretariat: Lao PDR is among the most climate-vulnerable countries in the world, consistently ranking high in the Global Climate Risk Index. Lao PDR is one of the most flood-prone countries globally, ranking sixth worldwide.

Project Eligibility

Has the designated government authority for the Adaptation Fund endorsed the project/programme?

Response: Yes

Secretariat: As per the Endorsement letter dated 6 January 2026.

TR1_28 Jan 2026

Does the length of the proposal amount to no more than Fifty pages for the project/programme concept, including its annexes?

Response: Cleared

Secretariat: Yes.

The proposal is 46 pages including its annexes.

TR1_28 Jan 2026

Response: Cleared

Secretariat: CAR1 (NEW):

Please update the stage of submission section on the cover page to reflect the most recent submission.

TR3_8 May 2026

Response: Cleared

Secretariat: CAR1(NEW): Cleared

Date of submission has been inserted.

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?

Response: Pending

Secretariat: Yes, however further information is required.

As per Part II Section A (pages 14-19), the programme contains a set of activities well-suited for addressing climate change impacts such as rehabilitating drainage and irrigation network, elevating roads and bridges, and constructing model schools that serve as evacuation centers. However, some risk being considered business as usual as some are described as rehabilitation or upgrading of systems.

The project/programme activities align with its overall goal and objectives hence ensuring the cohesion of the components

The project provides justification for the target cities, outlining their hazards, vulnerabilities and importance.

The concept does not include a Theory of Change [ToC].

CR1: Kindly include under Part II A the Theory of Change [ToC] (and its diagram) to clearly illustrate how the proposed interventions will lead to the intended long-term change, the assumptions being made, the potential constraints, the required inputs and how they link to the project components. A ToC narrative should also be included.

CR2: Please consider revising the document to better articulate the project structure to align it with specific objectives and clearly articulate it with the Outcomes, Outputs and Activities. One suggestion in addition to including a Theory of Change, is to consider merging components 1 and 3 that target same type of activities related to strengthening Community for increased resilience. A third or new component might be dedicated to knowledge management and additional capacity building for project sustainability and scaling up.

CAR1: At Part II Section B in the last paragraph, please include a statement on how the Activities support one or more AF Strategic Objectives consistent with the Alignment table in Part III Section A. This is not clearly currently defined.

CAR2: Kindly revise the document and further detail the proposed beneficiaries (direct and indirect) with indicative target including gender disaggregated figures.

CR3: Please clearly articulate how construction of bridges/elevated bridges and upgrading/rehabilitation of paving and drainage systems will exceed standard development and based on future flood levels.

TR1_28 Jan 2026

Response: Pending

Secretariat: CR1: Not cleared

Theory of Change (ToC) has been added on page 21. However please place it, along with the IF-THEN statement, above the description of the project components and also add the risks within the ToC diagram.

CR2: Not cleared.

Component 3 has been renamed to reflect it being a dedicated knowledge management component with Component 1 focusing on resilience building and capacity development.

Additionally, please indicate the reason for having only one output according to the ToC. As per page 15, Output 1.1.1 is too broad for a standalone output and may be best with more than one output under the same outcome. Please consider grouping activities that contribute to the same type of results as this would improve clarity

Please ensure the changes are reflected in CR1 (ToC).

CAR1: Cleared.

As per page 24, a statement on how the project activities align with the AF Strategic Objectives has been added.

CAR2: Cleared

As per page 24 (Table 13), the proposed direct and indirect beneficiaries have been included. In the full proposal, please be sure to reflect how these figures in Table 13 have been calculated.

CR3: Cleared

As per page 23, the CN includes an explanation of how the proposed infrastructure works are designed beyond conventional standards, using climate projections and future flood levels for long-term resilience.

TR2_24 Feb 2026

Response: Cleared

Secretariat:

CR1: Cleared

As per page 14, the Theory of Change, along with the IF-THEN statement has been placed above the description of the project components. Risks have been included.

CR2: Cleared

As per Page 15, Output 1.1.1 has been divided based on activity type into three outputs. These are reflected in the ToC.

TR3_8 May 2026

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?

Response: Pending

Secretariat: Yes. However further clarification is needed.

As per Part II, Section B (pages 21-22), the concept note provides environmental, economic and social benefits to communities – though largely descriptive and qualitative. Some clarity is needed on how environmental resilience and institutional learning are contributing to long-term adaptation outcomes.

An initial gender assessment is included from pages 36-37. Though it is mainly qualitative in analysis, the background section (page 5) provides some quantitative information.

CAR3: Please ensure the initial gender analysis includes both qualitative and quantitative information.

CAR4: Please quantify the economic, social and environmental benefits. When exact figures are not available, kindly include estimates or proxies to support the identified project's impact alongside a brief explanation of the method used for these calculations

TR1_28 Jan 2026

Response: Pending

Secretariat: CAR3: Cleared

Additional quantitative information has been added on page 40 under Gender Assessment.

CAR3.1(new): Please ensure the references for the quantitative data are also included as footnotes.

CAR4: Not cleared

Quantitative information has been provided on direct and indirect beneficiaries.

Environmental benefits are less concrete compared to economic and social benefits. It is noted as co-benefits, with focus on mitigation. Consider placing benefits in a table format:

- Column 1 – type of benefit (economic, social, environmental)
- Column 2 – current situation
- Column 3 – benefits after the project/programme (in bullet point format)

Kindly include estimates or proxies to support the identified project's impact

TR2_24 Feb 2026

Response: Pending

Secretariat: CAR3.1: Cleared

References for the quantitative data for gender are included as footnotes.

CAR4: Not cleared

The benefits are relevant but still remain qualitative. Please include more measurable indicators of avoided losses, protected assets, hectares of land protected from soil erosion.

TR3_ 8 May 2026

Response: Cleared

Secretariat: CAR4: Cleared.

Quantitative benefits are included.

TR4 14 July 2026

Is the project / programme cost effective?

Response: Pending

Secretariat: Yes.

As per Part II, Section C (pages 23-24) the concept note provides a logical explanation of the selected scope and approach as it focuses on flood-prone area and prioritising climate-resilient infrastructure vs reactive measures. It speaks from a sustainability perspective emphasising avoided future losses and minimising the need for

repeated reconstruction. The concept includes a qualitative description of alternatives such as repeated emergency repairs, dredging without structural upgrades, or reliance on post-disaster humanitarian assistance characterized as less cost-effective. While cost-benefit analysis is not required at this stage, quantitative estimates can further help with this assessment.

CR4: Please confirm whether a cost-benefit analysis will be conducted during the development of the full proposal.

CAR5: Kindly provide the specific plans for the sustainability post project in particular under components 2 and eventually revised components 2 (see above).

TR1_28 Jan 2026

Response: Pending

Secretariat: CR4: Cleared.

As per page 25, a detailed cost-benefit analysis will be conducted during the development of the full proposal.

CAR5: Not cleared.

For financial sustainability, further explanation is provided, however it would benefit from clearer articulation of mechanisms and funding sources beyond the project for ongoing operation and maintenance. This may also be linked the Sustainability of Infrastructure. For technical sustainability, please refer to the standards or guidelines that will be applied. For sustainability of infrastructure, can this be merged with financial sustainability regarding O&M etc as there is overlap?

TR2_24 Feb 2026

Response: Pending

Secretariat: CAR5: Not cleared. As per Page 37-38, while financial sustainability is reasonable, further consideration should be made as to whether the ministries have the budgetary capacity to absorb O&M costs, and feasibility of the proposed cost-recovery mechanism.

For technical sustainability, reference is made to the standards or guidelines that will be applied.

TR3_8 May 2026

Response: Cleared

Secretariat: CAR5: Cleared.

As per page 39, the letter from Ministry of Agriculture and Environment reflects a commitment for operation and maintenance.

TR4_14 July 2026

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?

Response: Pending

Secretariat: Yes. However additional information is required.

The concept note clearly references relevant national strategies and plans (NAP, NDC and NSDS) and explains how the proposed project responds to priority interventions identified within these frameworks. However, the

latest National Adaptation Plan was published on 16 October 2025.

CR4: Please include the latest NAP in Table 12 and ensure the year is clearly referenced in the narrative. Please also ensure the dates of the plans/strategies are aligned with those in Table 12.

TR1_ 26 Jan 2026

Response: Pending

Secretariat: CR4: Cleared

As per Table 14, the latest NAP has been included and the dates of the plans and strategies have been confirmed.

TR2_ 24 Feb 2026

Does the project / programme meet the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund?

Response: Pending

Secretariat: Yes.

As per Part II, Section E, Table 13, page 27, the concept note outlines the relevant rules, regulations, standards and procedures

TR1 26 Jan 2026

Is there duplication of project / programme with other funding sources?

Response: Pending

Secretariat: No.

As per Part II, Section F (pages 28-29), a list of project in urban or climate change section relevant to the project have been provided. The concept clearly articulates whether or not there is geographic overlap and the direct synergy and areas for enhancement.

CAR6: Please ensure projects from other sources are included. Consider the “Building resilience of urban populations with ecosystem-based solutions in Lao PDR” funded by GCF which aimed to shift the paradigm of urban flood management in Laos from a limited, hard infrastructure approach towards an integrated approach that enhances climate resilience.

Be sure to consider lessons learned from on-going particularly completed projects learning from their problems/mistakes.

CAR7: In addition to mostly geographical overall currently presented, please revise the table 14 to add or revise third column presenting the opportunities for synergies as well as areas of duplication if any.

TR1_ Jan 26 2026

Response: Cleared

Secretariat: CAR6: Cleared

As per Table 16 (pages 31-32), projects from other sources are included, highlighting complementarity and opportunities for learning.

CAR7: Cleared

As per table 16, the opportunities for synergies and areas of duplication have been included.

TR2 _ 24 Feb 2026

Does the project / programme have a learning and knowledge management component to capture and feedback lessons?

Response: Pending

Secretariat: Yes.

As per Part II, Section G (pages 18-20), the concept includes a knowledge management component (Component 3). It emphasises the knowledge and learning dimension of the project, with the systematic documentation and dissemination of information on adaptation practices. The concept outlines knowledge products and multiple communication pathways for sharing of knowledge and experiences with various stakeholders such as planners and educators. It also emphasises knowledge sharing at the regional level through ASEAN platforms. However as currently structured, it includes activities linked to strengthening community awareness and therefore the knowledge management budget will need to be clearly articulated.

CR5: Please clarify the following:

- Who will be responsible for tracking the experiences gained? How frequently will this be done?

CAR8: As currently structured, there is no dedicated component for KM nor specific budget. Kindly consider revising the project structure to add a specific KM component (see above).

TR1_26 Jan 2026

Response: Pending

Secretariat: CR5: Cleared

As per pages 32-33 under Section G, the experiences gained will be tracked by UN-Habitat and presented annually at the Lao National Urban Forum, which serves as a key platform for sharing lessons and best practices.

CAR8: Cleared.

The project structure has been refined and Component 3 will be the dedicated component for knowledge management activities

TR2- 24 Feb 2026

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?

Response: Pending

Secretariat: Yes. However further clarification is needed.

As per Part II, Section H (pages 30-32), the concept notes extensive consultations with key government agencies at the national provincial and district levels. Community-level consultations were held with village chiefs, the Lao Women's Union, and community members, including representatives of ethnic minority groups. Through discussions with the Lao Women's Union, differentiated impacts of floods and storms on men and women as well as opportunities were identified. Table 15 provides records of the consultations, including dates, location, key outcomes. It does not provide a list of participants disaggregated by gender.

CR6: Please clarify if the national gender machinery (e.g. Ministry responsible for gender) was also consulted.

TR1_ 26 Jan 2026

Response: Pending

Secretariat: CR6: Cleared.

As per page 34, initial gender consultations for the concept note have been undertaken with the Lao Women's Union, which plays a central role in promoting women's rights and gender equality across national and sub-national levels in Lao PDR. Engagement with the Ministry of Labour and Social Welfare, through its Department of Women and Children, will be undertaken during the full proposal development stage.

TR2_ 24 Feb 2026

Is the requested financing justified on the basis of full cost of adaptation reasoning?

Response: Cleared

Secretariat: Yes.

As per Part II, Section I (pages 32-33), the concept notes the country's fiscal constraints, government institutions lack the resources to undertake proactive flood resilience measures. However, it is not explicitly clear the project results are not contingent on success of any co-financed activities.

CR7: In addition to table 16, please provide information about whether this project will meet its outcomes and outputs solely with the resources of the Adaptation Fund, and how the proposed project's objective will be achieved in regards adaptation.

CAR9: Please emphasize how designs and standards are different from the conventional approach because of climate change considerations.

TR1_ 26 Jan 2026

Response: Cleared

Secretariat: CR7: Cleared

As per page 37, Section I, the CN acknowledges that the project will achieve its full set of outputs and outcomes using Adaptation Fund resources alone and is not contingent on the success, continuation, or co-financing of other initiatives.

CAR9: Not cleared.

As per page 36, paragraph 1 provides clarification on conventional vs an approach with climate change considerations. As per Table 18, please clarify the climate-informed standards being used for cold storage

facilities and climate resilient design standards for schools. Which guidance will be used for these?

TR2_ 24 Feb 2026

Response: Cleared

Secretariat: CAR9: Cleared. As per page 36, the main sectoral laws and codes have been identified that will inform the cold storage facilities and schools functioning as evacuation centres. During the proposal, please ensure considerations are made for technical standards or design parameters that will be applied for flood resilience, structural safety, drainage, temperature control, energy efficiency, and evacuation-centre functionality, particularly for cold storage facilities.

TR3_ 8 May 2026

Is the project / program aligned with AF's results framework?

Response: Pending

Secretariat: Yes.

As per Part III, Section A (pages 39-20), the concept note is in alignment with Adaptation Fund revised strategic results framework adopted in 2019.

CAR10: Please ensure the figures are round to whole numbers.

TR1_ 26 Jan 2026

Response: Pending

Secretariat: CAR10: Cleared

As per Part III, Section A (pages 43-44), the figures have been rounded to whole numbers.

TR2_ 24 Feb 2026

Has the sustainability of the project/programme outcomes been taken into account when designing the project?

Response: Pending

Secretariat: Yes

The concept presents a comprehensive and well-structured sustainability narrative addressing all key areas of sustainability including but not limited to economic, social, environmental, institutional, and financial. It also demonstrates clear intent to ensure that the project benefits extend beyond the implementation period. Though some areas remain largely descriptive such as long-term financing arrangements, institutional ownership and environmental sustainability which should be strengthened in the full proposal.

TR1- 26 Jan 2026

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?

Response: Pending

Secretariat: Yes. However further clarification is needed.

The proposal identifies potential environmental and social impacts and risks and provides an initial gender context within which the project will operate.

As per page 35, the concept currently classifies the project as a Category B under the AF's Environmental and Social Policy. However, some gaps are noted in the environmental and social principles checklist (Table 17), which indicates that no assessments are required across the principles despite the identification of risks elsewhere in the document. In addition, while risks are described in a separate table (Table 18), the level of risk is not clearly specified.

An initial gender assessment is included as per page 36, providing largely qualitative information for gender roles, activities, needs, and available opportunities and challenges or risks for men and women. Some quantitative data on gender disparities are presented on page 5, covering 2019-2023.

CR8: Please consolidate Table 17 and 18 and revise Table 17 to align it with AF ESP template. This avoids checking both second and third column for the same principle in Table 18. For Table 17, for the third column "Potential impacts and risks" state and expand, - all potential impacts (direct, indirect, transboundary and cumulative), state whether the risk is low, medium or high, and include how it is planned to mitigate and manage each risk. Such risks should be described in the third column along with the corresponding mitigation measures. In addition, please take into account the following guidance:

1. In the third column, risks should be stated and properly write down for all relevant principles by starting the statement as "There is a risk of ...".
2. If no risk is identified for a given principle, then state 'no risk' but a clear justification must be provided.
3. Whether the second column is marked depends on whether further assessment for compliance is required.

CAR11: Please note that Adaptation Fund Principles 1, 4 and 6 always apply. For more information, please visit the following link and amend as needed: AF's ESP guidance.

TR1_ 26 Jan 2026

Response: Pending

Secretariat: CR8: Not cleared.

As per Table 19 on pages 41-42, the content for former tables 17&18 have been combined. Each ESP is rated and potential impacts and risks and mitigation measures clarified. For Principles with 'no risk', then no further assessment is required. If no risk is triggered, then justification must be clear. For examples, there is a low risk for ESP related to Indigenous People, therefore further assessment is required. Please review all ESPs.

CAR11: Not cleared

As per Table 19 (pages 41-42), ESP 1,4 and 6 always apply, therefore please remove the 'X' which indicates no further assessment is required. Further assessment will be required for 1,4, and 6.

TR2_ 24 Feb 2026

Response: Pending

Secretariat: CR8: Not Cleared

The notations as per Table 20, pages 41-42, the ESP with no risk includes a justification and not further assessment is required. Please include in the current column 3 and delete the last column added to the table.

CAR11: Not Cleared

See CR8 above.

TR3- 8 May 2026

Response: Cleared

Secretariat: CR8: Cleared.

As per Table 20, the ESPs with no risk provide justification for having 'no risk'.

CAR11: Cleared.

For Table 20 ESP 1,4, and 6, column 2 is now blank reflecting further assessment is required.

TR4_ 14 July 20926

Resource Availability

Is the requested project / programme funding within the cap of the country?

Response: Cleared

Secretariat: Yes

Response: Cleared

Secretariat: Please note that Lao PDR has USD 22,438,869 available under its country cap, and a USD 1 adjustment will be required at the Fully Developed Proposal stage.

Is the Implementing Entity Management Fee at or below 8.5 per cent of the total project/programme budget before the fee?

Response: Pending

Secretariat: Yes. However, some amendment is required.

The Implementing Entity Management Fee is at 8.5%. However, the figures are not rounded to a whole number.

CAR12: Please adjust to be a whole number for Component 2 and ensure figures match across the tables – components table vs. budget.

TR1_ 26 Jan 2026

Response: Pending

Secretariat: CAR12: Cleared.

As per table in Part III, Section A, the figures have been rounded to whole numbers and match across the tables.

CAR12.1(new): Please use the table following new guidance: <https://www.adaptation-fund.org/wp-content/uploads/2025/11/Alignment-with-Adaptation-Fund-Results-Framework-Template-and-guidance-Nov-2025.docx>. Please include “Total objective level grant amount” and “Total outcome level grant amount”. This should not include IE fees and EE cost. Please also remember to number the table.

TR2_ 24 Feb 2206

Response: Pending

Secretariat: CAR12.1: Not cleared

1. As per Table 21, pages 43-44, please note that Fund Outcome 2 only has one Fund Outcome Indicator: “2.1. Capacity of staff to respond to, and mitigate impacts of, climate-related events from targeted institutions increased” – unlike Outcome 3 which has two Outcome Indicators. Please review all Outcome Indicators and adjust accordingly.
2. Similarly, for Fund Outputs and Fund Output Indicators, only use those provided on pages 5-7 in the guidance. Please use exact phrasing and do not change any words.
3. Please include costs per indicator at table 21.

TR3_ 8 May 2026

Response: Cleared

Secretariat: CAR12.1: Cleared.

1. Fund Outcome 2 reflects one Fund Outcome Indicator: “2.1. Capacity of staff to respond to, and mitigate impacts of, climate-related events from targeted institutions increased”.
2. The table reflects indicators with the exact wording used in the guidance
3. Costs per indicator is included.

TR4. 14 July 2026

Are the Project/Programme Execution Costs at or below 9.5 per cent of the total project/programme budget (including the fee)?

Response: Pending

Secretariat: Yes. However, some amendment is required.

The Project Execution Costs are at 9.5% but the figures are not rounded to a whole number.

CAR13: Please adjust to be a whole number.

TR1- 26 Jan 2026

Response: Pending

Secretariat: CAR13: Not Cleared.

The amendments at Table 9 on page 11-12, the figure has been adjusted to be a whole number.

1. However, please remove the “.00” at the end of the component totals.
2. Additionally, please ensure that the budget is presented at the output level by further subdividing the grant amount column for additional rows aligned to the various outputs.

TR2_24 Feb 2026

Response: Pending

Secretariat: CAR13: Not Cleared

As per Table 9, Pages 11-12, the decimals have been removed from the Components totals. The budget is broken down at the Output level.

However:

1. note that the Amount of Financing requested should be US\$22,438,870 and not US\$22,438,869. Please make the necessary change across the proposal.
2. Please note that the total project cost should be US\$ 20,680, 986 since its is total components costs + EC costs. Please amend the table to update the figures.

TR3- 8 May 2026

Response: Cleared

Secretariat: CAR13: Cleared.

1. Funding request is updated to US\$22,438,870.
2. Total Project/Programme Cost is updated to US\$ 20,680, 986.

CAR13 (re-opened):

1. For the PFG 82,350 is total requested 7650 is 9.2% not 8.5% as it should be for PFG.
2. Please clarify if all the EEs listed in the PFG going to execute the PFG or is it intended for UN-Hab to execute the PFG. If the latter please update.
3. Update start date for PFG.

TR4_ 29 July 2026

Response: Not Cleared

Secretariat: CAR13 (re-opened):

1. Please clarify if all the EEs listed in the PFG are going to execute the PFG or is it intended for UN-Hab to execute the PFG. If the latter please update.
2. Update start date for PFG.

Response: Not Cleared

Secretariat: CAR13 (re-opened): Not cleared.

If 'UN-Habitat, as the Multilateral Implementing Entity, will directly execute and manage all activities financed under the PFG. The Executing Entities identified above relate to the proposed full project and will participate in the PFG process as key government counterparts and stakeholders but will not execute PFG funds or activities' then please only add UN-Habitat in the Executing Entity/ies section of the PFG request. This clarification is essential for the preparation of the PFG legal agreement.

Response: Not Cleared

Secretariat: CAR13 (Re-opened):Not cleared.

Please delete the last line "The Executing Entities identified above relate to the proposed full project and will participate in the PFG process as key government counterparts and stakeholders but will not execute PFG funds or activities." in the Section B narrative which refers to other EE as only UN-Hab is listed as the EE in the PFG form.

Response: Cleared

Secretariat: CAR13 (Re-opened):Cleared.

As per updated PFG form.

Eligibility of IE

Is the project/programme submitted through an eligible Implementing Entity that has been accredited by the Board?

Response: Pending

Secretariat: No

The IE is listed as accredited but the accreditation expired on 1 October 2025.

Please be advised that the findings of the AFB Secretariat's review of the funding proposal(s) do not reflect, indicate, or prejudice the outcome of the reaccreditation process currently underway. The Implementing Entity (IE) shall acknowledge that the funding proposal will not be approved by the Board if the IE's accreditation has expired, and reaccreditation has not been achieved at the time of the Board's decision. Notwithstanding this potential risk, the IE has elected to proceed with the development of the funding proposal.

TR1_ 26 Jan 2026

Response: Pending

Secretariat: No

The IE is listed as accredited but the accreditation expired on 1 October 2025.

Please be advised that the findings of the AFB Secretariat's review of the funding proposal(s) do not reflect, indicate, or prejudice the outcome of the reaccreditation process currently underway. The Implementing Entity (IE) shall acknowledge that the funding proposal will not be approved by the Board if the IE's accreditation has expired, and reaccreditation has not been achieved at the time of the Board's decision. Notwithstanding this potential risk, the IE has elected to proceed with the development of the funding proposal.

TR2_ 24 Feb 2026

Response: Pending

Secretariat: As per decision B.46/9.

TR3_ 8 May 2026



Revised PFG Submission Form¹ (additions in red)

Project Formulation Grant (PFG)

Submission Date: 22nd June 2026
Adaptation Fund Project ID:
Country/ies: Lao PDR
Title of Project/Programme: Safeguarding Lives and Livelihoods in Lao PDR - Enhancing Urban Flood and Food Systems Resilience
Type of IE (NIE/RIE/MIE): Multilateral Implementing Entity
Implementing Entity: United Nations Human Settlements Programme (UN-Habitat)
Executing Entity/ies: United Nations Human Settlements Programme (UN-Habitat)

A. Project Preparation Timeframe

Start date of PFG	November 2026
Completion date of PFG	April 2027

B. Proposed Project Preparation Activities (\$)

The USD 90,000 Project Formulation Grant (PFG) will support the development of a single country, full proposal for the proposed project. This process will involve extensive stakeholder engagement, feasibility/ESS and gender assessments, and technical studies. The grant will support essential activities such as community consultations with local actors, translation of critical documents, travel and logistical arrangements, and the hiring of professional services to assist in preparing the proposal. Furthermore, the PFG will finance a project consolidation workshop to finalize the full proposal in partnership with the Department of Environment under the Ministry of Agriculture and Environment and the provincial authorities. UN-Habitat, as the Multilateral Implementing Entity, will directly execute and manage all activities financed under the PFG. ~~The Executing Entities identified above relate to the proposed full project and will participate in the PFG process as key government counterparts and stakeholders but will not execute PFG funds or activities.~~

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

List of Proposed Project Preparation Activities	Output of the PFG Activities	US\$ Amount	Budget note²
Stakeholders' workshops for validating the project design, implementation arrangement, and inputs for full proposal	Workshop report, validated project design, inputs to the design process	10,000	Project design workshops with different stakeholders from the target sites with the support from Ministry of Agriculture and Environment, Ministry of Education and Sports, Provincial Departments of Public Works and Transport (+NPSEs) and in Vientiane, Savannakhet, Champasak, Luang Prabang, Oudomxay, Khammouane.
Field visits in the project areas for validating project design, institutional capacity assessment of local stakeholders, and obtaining inputs for full proposal development	Field mission report and validated project design	12,005	UN-Habitat and Department of Environment (DoE) teams will conduct field visits to the project locations and potential beneficiaries in the target sites.
Detailed analysis of the project components, outputs, and activities	Detailed project components, outputs, and activities	15,345	Detailed analysis to define the infrastructure interventions.
Environmental Impact Assessment (EIA) and gender analysis and assessment of the proposed project	EIA report and gender analysis report	25,000	ESS and gender experts for ground activities and survey for the final EIA and gender reports.
Full project proposal development and consultation	Full project proposal developed and workshop report	20,000	Consolidate and finalize full project proposal for submission.
Implementing Entity's Management Fee (8.5%)		7650	Oversee and coordinate the activities for the full proposal development.
Total Project Formulation Grant		90,000	

Please describe below each of the PFG activities and provide justifications for their need and for the amount of funding required:

² The proposal should include a detailed budget with budget notes indicating the break- down of costs at the activity level. It should also include a budget on the Implementing Entity management fee use.

Consultative workshops and stakeholder validation

A sequence of consultative workshops will be organized to examine the draft concept note and support the structured preparation of the full proposal. They will convene a diverse range of actors, including line ministries, provincial and district officials, civil society groups, academia, and other relevant partners. Activities during the sessions will involve presentation of the preliminary project design, discussion of objectives, strategies, and intended outcomes, and assessment of possible institutional arrangements for delivery. Participants will also be invited to share lessons from their own contexts, validate proposed interventions, and highlight gaps or risks that need to be addressed. The feedback obtained will be carefully documented and integrated into the proposal to strengthen its technical robustness, social legitimacy, and likelihood of achieving adaptation goals.

Field assessments and on-site validation

Field visits to the six proposed project locations will be carried out to supplement desk-based work and stakeholder consultations. These visits will be essential for testing the feasibility of the design, obtaining direct input from the local government, and assessing environmental and social conditions in situ. Activities during the fieldwork will include site inspections, community dialogues and focus group discussions. Technical staff will also evaluate the physical landscape, infrastructure vulnerabilities, and exposure to floods, droughts, and other hazards. The missions will examine local adaptation practices, identify institutional strengths and gaps, and consider socio-economic conditions that may influence project implementation.

Detailed analysis of project activities

A detailed assessment of the proposed infrastructure investments will be undertaken to confirm their technical feasibility, climate rationale, and alignment with local adaptation priorities. This will include review of preliminary engineering concepts, site-specific climate and hazard information, expected adaptation benefits, operation and maintenance requirements, and implementation arrangements. Alternative design options will be assessed to identify the most effective and cost-efficient approaches. The analysis will also examine the institutional and operational gaps and recommend measures to strengthen long-term sustainability. Findings will be used to refine project components, confirm investment priorities, and develop robust technical and economic justifications for the full proposal.

EIA and Gender assessment

An Environmental Impact Assessment (EIA) will be carried out in line with Lao PDR's regulatory framework and the Adaptation Fund's Environmental and Social Policy. This process will involve screening to determine potential risks, scoping to identify priority environmental and social issues, detailed analysis of possible impacts on ecosystems, natural resources, and communities, and mitigation measures. The findings will be compiled into a comprehensive report that guides the project design and ensures compliance with safeguard policies. An in-depth gender assessment will also be conducted involving the collection of gender-disaggregated data to understand specific vulnerabilities and adaptation capacities. The assessment will highlight barriers to women's participation in decision-making, access to resources, and involvement in adaptation activities. Based on the findings, gender-responsive strategies will be proposed, such as targeted outreach, dedicated training opportunities, and mechanisms to support women's leadership. Indicators will be established to track progress on gender equality throughout the project cycle.

Preparation of the full project proposal

The culmination of these activities will be the development of a comprehensive full project proposal for submission to the Adaptation Fund. The design will highlight the participatory process used, showing how local knowledge and stakeholder inputs shaped the project. The proposal will include an implementation

plan with timelines, roles, and responsibilities of the Implementing Entity and Executing Entities. A monitoring and evaluation plan will be integrated, along with risk management strategies to anticipate and address potential challenges. The budget will be detailed and aligned with the results framework, showing clear linkages between financial allocations and expected results. Finally, the proposal will demonstrate alignment with Lao PDR's national strategies, including the Nationally Determined Contribution (NDC 3.0), the National Strategy on Climate Change, National Adaptation Plan, and the National Socio-Economic Development Plan.

C. Implementing Entity

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

Implementing Entity Coordinator, IE Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Mr. Rafael Tuts, Director, Global Solutions Division, UN-Habitat		25 th September 2025	Mr. Roi Chiti, Programme Management Officer, Human Settlements, UN-Habitat Regional Office for Asia and the Pacific	+254207623726	raf.tuts@un.org



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Ministry of Agriculture and Environment
Department of Environment

Vientiane Capital, Date: 6 January 2026

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

Subject: Endorsement for the proposed project entitled "Safeguarding Lives and Livelihoods in Lao PDR: Enhancing Urban Flood and Food Systems Resilience"

In my capacity as designated authority for the Adaptation Fund in Lao PDR, I confirm that the above national project 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 Lao PDR.

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the project will be implemented by UN-Habitat and executed with their support by the Ministry of Agriculture and Environment, the Ministry of Education and Sports, Provincial Departments of Public Works and Transport in Vientiane, Savannakhet, Champasak, Luang Prabang, Oudomxay, and Khammouane Provinces.

This project remains a high priority for the Government of the Lao PDR. We are looking forward to your favorable consideration of our request.

Thank you for your consideration on this matter.



Yours Sincerely,

Ms. Phakkavanh PHISSAMAY

Director General

Department of Environment

Ministry of Agriculture and Environment

National Focal Point to the UNFCCC

Designated Authority to the Adaptation Fund