



ADAPTATION FUND

AFB/PPRC.38/25/Add.1
10 September 2026

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

Agenda Item 5 (d)

PROJECT FORMULATION GRANT FOR MALAWI, ZAMBIA

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.38/25 “Proposal for Malawi, Zambia” includes a request for a Project Formulation Grant, requesting a budget of US\$ 120,000, which was received by the secretariat along with the concept for the regional programme AF00000422 “Supporting resilient agricultural value chains and livelihoods of climate vulnerable border communities of Zambia and Malawi”. This proposal was submitted by United Nations Industrial Development Organization (UNIDO), which is a Multilateral Implementing Entity of the Adaptation Fund, in time for consideration by the Adaptation Fund Board at its forty-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 Environmental and Social Risks and Impact Assessment; Gender and Social Inclusion Assessment; and full proposal development and project validation workshop.

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
"SUPPORTING RESILIENT AGRICULTURAL VALUE CHAINS AND LIVELIHOODS OF CLIMATE
VULNERABLE BORDER COMMUNITIES OF ZAMBIA AND MALAWI"

Project Title	Supporting resilient agricultural value chains and livelihoods of climate vulnerable border communities of Zambia and Malawi
Project ID	AF00000422
Category	Regular size project (over \$1 million)
Type	Regional project
Stage	Concept
Country	Regional (Malawi, Zambia)
Implementing Entity	UNIDO
Financing Requested	USD 29,999,999.00
Reviewer	Una May Gordon

Co-reviewer(s)

IE Contact Person

Fatou Haidara,Fredrick Kongongo,Ganna Onysko,Mark Grigoryan,Natale Guarnaccia,Olga Gordiievska

Secretariat's Overall Comment

The proposal includes a request for a project formulation grant of USD 120,000.

The initial technical review raises some issues, such as the absence of an initial gender analysis, the environmental and social impacts / risks identified, in compliance with the Environmental and Social Policy and Gender Policy of the Fund and the discrepancy in the project funding amount requested as is discussed in the number of Clarification Requests (CRs) and Corrective Action Request (CAR) raised in the review

The second technical review finds that while several of the CARs and CRs have been addressed there are several CRs and CARs remaining related to components financing table, executing entity fees, project formulation grant, alignment with AF results framework, addressing USPs, addressing financial sustainability etc. as raised in the review.

The third technical review finds that while some CARs and CRs have been addressed, some remain related to Unidentified Sub-Projects, evidence of discussion with indigenous people, project sustainability and risks against the E&S principles as raised in the review.

The fourth technical review finds almost all CARs and CRs have been addressed except with the percentage of the IE fee charged for the PFG as well as accurately completing the results framework alignment table .

The fifth technical reviews finds that remains all CRs and CARs have been addressed.

Country Eligibility

Are all of the participating countries party to the Kyoto Protocol, or the Paris Agreement?

Response: Yes

Secretariat: N/A

Are all of the participating countries developing countries particularly vulnerable to the adverse effects of climate change?

Response: Yes

Secretariat: N/A

Project Eligibility

Have the designated government authorities for the Adaptation Fund from each of the participating countries endorsed the project/programme?

Response: Yes

Secretariat: N/A

Does the length of the proposal amount to no more than fifty (50) pages for the project/programme concept, including its annexes?

Response: Pending

Secretariat: CAR1 (NEW):

1. Please complete the stage of submission section on the cover page of the proposal ensuring that the latest submission date (date of next submission) is included for the re-submission.
2. Please ensure that the section numberings ABC etc are in conformity with the section heading letters in the template

Response: Pending

Secretariat: CAR1(NEW): Not cleared

As per cover page the date “3/12/2026” has been included and section numbers align the sections headings in the regional concept note template.

However, there are some discrepancies with the section headings in the Table of Contents.
For clarification, please note them below and amend accordingly:

- Section B - New and innovative solutions to climate change adaptation
- Section C - Economic, social and environmental benefits
- Section D - Cost-effectiveness of the proposed project/programme.
- Section E – Consistency with national or sub-national sustainable development strategies
- Section F – Alignment with relevant national technical standards
- Section G – Duplication of projects etc

Response: Pending

Secretariat: CAR1(NEW): Cleared

As per page 2, the Section headings have been amended

Response: Cleared

Secretariat: N/A

Does the regional project / programme support concrete adaptation actions to assist the participating countries in addressing the adverse effects of climate change and build in climate resilience, and do so providing added value through the regional approach, compared to implementing similar activities in each country individually?

Response: Pending

Secretariat: CR1: Cleared.

As per amended paragraph 40 of the revised proposal and explanation in the review sheet.

CAR1: Cleared.

Based on the amendment to Part II Section A, pages 16-24 of the re-submission, under the various components of the project, the updated TOC diagram Figure 6.

CAR2 (NEW): Please indicate if the proposal has USPs and address and amend Part II Section B as well as Part II Section "currently N" to address USPs as per the USP guidance. <https://www.adaptation-fund.org/wp-content/uploads/2021/05/Updated-guidance-on-USPs-.pdf>.

CAR2: Cleared.

As per updated figure 6 on page 18 of the re-submission.

CAR3: Cleared.

As per the updated paragraph 40. It highlights inter alia "enabling resource pooling, economies of scale, and cross-border learning, improving cost effectiveness and maximizing impact through coordinated transboundary actions"

CR2: Cleared.

As per insertions at paragraphs 48 and 49. These insertions indicate that despite the separate write up per country among other things "a regional approach will be used to strengthen cross-border climate resilience by harmonizing technical standards, delivery mechanisms, and institutional coordination to address droughts, floods, land degradation, and ecosystem stress."

CR3: Not cleared.

The amendments made to table 5 are noted. However, please address the following

1. At 1.1.3 and 3.1.2 in table 5 please remove the decimal associated with the grant amount.
2. Total components amount is \$25,586,187 not \$25,586,188 please amend.
3. Consequently total project cost is \$27,262,727 not \$27,262,728, please amend.
4. EE costs is 6.18%, please clarify why with so many EEs the support requested for execution is this low.
5. Requested financing will therefore be \$29,999,999 based on the error in calculation. Please address as needed.

Response: Pending

Secretariat: CR1(NEW): Please update the project start time in the calendar since the PFG implementation will precede the project implementation.

CAR2(NEW): Not cleared as per page 28, sub section “Unidentified Sub-Projects”. The concept notes the site selection activities, selection process. Please clarify the eligibility and exclusion criteria for the types of activities to better understand the framework.

CR3: Not cleared

The decimal points have been removed. The correct total of 25,586,187 is included and total cost of the project is 27,272,727.

The EE cost has been adjusted to 10 %

However please indicate within Part II, Section A the EE for each Component

Response: Pending

Secretariat: CR1(NEW): Cleared.

As per page 17, the calendar has been amended.

CAR2(NEW): Cleared.

As per paragraph 111, an explanation has been provided regarding the eligibility and exclusion process for USPs, which will be further defined in the full proposal.

CR3: Cleared.

At the fully developed proposal stage, please clarify within Part II, Section A which organisations are the Executing Entities (EE) for each project component

Response: Cleared

Secretariat: N/A

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 of the Fund?

Response: Pending

Secretariat: CAR4: Cleared.

As per paragraphs 97 to 102 under the sub-heading preliminary gender assessment.

CR4: Cleared.

As per amended Part II Section B and updated table 7 from pages 24-28.

CR5: Cleared.

As per paragraphs 107-108 or the revised submission which addresses indigenous beneficiaries.

CAR5: Cleared.

As per paragraph 128 of the proposal the project targets “60,000 smallholder farming households (over 300,000 direct beneficiaries) and an additional 1.2 million 40 indirect beneficiaries.”

Response: Cleared

Secretariat: N/A

Is the project / programme cost-effective and does the regional approach support cost-effectiveness?

Response: Pending

Secretariat: CAR6: Cleared.

As per inserted Table 8 on preliminary cost effectiveness at page 29.

Response: Cleared

Secretariat: N/A

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? If applicable, it is also possible to refer to regional plans and strategies where they exist.

Response: Cleared

Secretariat: N/A

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: CAR3 (NEW):

1. At table 8 the following is noted under compatibility/alignment with the Land Act Cap 184 "The project, largely taking place under customary tenure principles, will consult with the chiefs and other traditional authorities, who will allocate the land to the project. This process will be facilitated by the project and the MoA." Please confirm if this land allocation process will be completed before the project is approved and what processes are being pursued to facilitate this critical aspect of having a successfully implemented project?
2. At table 8 in the compatibility/alignment column, please provide less general information. Indicate specifically what the project will be complying with and how

Response: Pending

Secretariat: CAR3 (NEW) -Not cleared

1. As per Table 10 (page 36), the concept discussed the land tenure arrangements and use of land for interventions under the project. Please indicate that the formal confirmation of sites and the land allocation process will be finalized during the project preparation and inception phase, before any site-specific activities are implemented.
2. As per Table 10 'Column 3', it highlights what the project will be complying with and procedures. Please also include the competent authority.

Response: Pending

Secretariat: CAR3 (NEW): Cleared

As per Table 10, page 36, has been amended to address the confirmation of the sites during the project preparation.

Column 3 also highlights the competent authority for compliance to procedures.

Response: Cleared

Secretariat: N/A

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

Response: Cleared

Secretariat: N/A

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

Response: Pending

Secretariat: CAR7: Cleared.

As per the updated Part II Section J, paragraph 8 on page 38.

CAR4 (NEW): Please rename "4.1.1."Monitoring, evaluation, and knowledge management systems to remove monitoring and evaluation from the name of the output.

Response: Pending

Secretariat: CAR4 (NEW): Not cleared.

Please ensure the amendment is made throughout the document. For example, the Theory of Change needs to be updated.

Response: Pending

Secretariat: CAR4 (NEW): Cleared

As per Figure 5- Theory of Change on page 19.

Response: Cleared

Secretariat: N/A

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: CAR5 (NEW): In the consultation section of the proposal Part II Section K, please indicate specifically how the indigenous people have been consulted including the items discussed, how this was integrated into the proposal, date of consultation etc.

Response: Pending

Secretariat: CAR5 (NEW): Not cleared.

As per Section I, page 42, reference is made to discussions held with indigenous persons. However, no updates were explicitly made in Annex 2 which outlines all consultations. Please amend accordingly.

Response: Pending

Secretariat: CAR5(NEW): Cleared

As per page 42, explicit reference is regarding the recognition of indigenous people in both countries.

However, the amendment made to Annex 6 is unclear

Response: Cleared

Secretariat: N/A

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

Response: Pending

Secretariat: CAR8: Cleared.

As per updated section including a new sentence in paragraph 125 as follows “The project does not expect any co-financing. The funding requested from AF will be able to deliver the expected outcomes and outputs regardless of the success of any other leverage or co-financing.”

Response: Cleared

Secretariat: N/A

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

Response: Pending

Secretariat: CAR9: Not cleared.

Please comply with the template and the example indicated in the template link. Results Framework Alignment Table (Amended in November 2025) (77 kB, DOC)

Response: Pending

Secretariat: CAR9: Not cleared.

Regarding Part III (Table 15), please note the objective level and outcome level grant amount is still missing For consistency, column 3 and 4 throughout the table should state Adaptation Fund Output and Adaptation Fund Indicators

The Indicators listed in Column 4 are not listed in Adaptation Fund Indicators. As stated in the guidance - Results Framework Alignment Table (Amended in November 2025) (77 kB, DOC)-“ Use exact working of AF output indicator”

Note there is only one output for Outcomes 4,5 6,7 and 8. The associated outputs have two output indicators each. Please review the Annex of the AF Results Framework document, specifically pages 5-7.

Response: Pending

Secretariat: CAR9: Not Cleared.

1. The table is not in compliance with Results Framework Alignment Table (Amended in December 2025) (77 kB, DOC). Please address.
2. Please also refer to the guidance in the template provided including that the total should not be the total financing requested but rather the total component cost.

Response: Pending

Secretariat: CAR9: Cleared

Table 15 pages 45-47 has been revised and is in compliance with Results Framework Alignment Table (Amended in December 2025) (77 kB, DOC). The total is now equal to the total component cost

Response: Cleared

Secretariat: N/A

Response: Cleared

Secretariat: The AF SRF 2026 has been published all new proposals should now adhere to the new SRF. Please ensure that at fully developed proposal stage the submission complies with the new SRF which is available at <https://www.adaptation-fund.org/document/strategic-results-framework-guidance-2026/>

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

Response: Pending

Secretariat: CAR10: Not cleared.

The amended to paragraph 73 is noted. Additionally, the assertion that “...through savings groups and linked to formal financial institutions” at paragraph 92 is also noted. However, it does not clarify how the sustainability of these mechanisms will be ensured once the project financing ends. Please clarify the plans for sustainability at paragraph 73, paragraph 92 as well as in the sustainability section of the proposal at paragraph 135.

Response: Pending

Secretariat: CAR10: Not cleared.

1. Please briefly elaborate on the maintenance and governance arrangements for the ATHs, including who will manage them, who will finance routine maintenance and major repairs, and what governance measures will be put in place to reduce the risk of operational failure or elite capture. Sustainability should be demonstrated through concrete institutional, financial, and operational arrangements, rather than training alone.
2. In addition, safeguards to ensure inclusion of poor households and measures to manage credit default risks within savings and lending mechanisms have not been specified. Please address.
3. Please also clarify which institution(s) will host, manage, or continue the knowledge platforms and learning

networks beyond the project period.

CAR11: Not cleared.

See CAR10 above.

Response: Pending

Secretariat: CAR10: Cleared

As per paragraph 135, the proposal outlines the business model. However, these should be further addressed in the exit strategy under the Project Formulation Grant process.

As per paragraph 73 and 92, safeguards have been included such as ring-fencing mechanism.

As per paragraph 80, the TFCA Network will host and manage the platform as it already has a dedicated portal.

CAR11: Cleared

As per CAR10 which addresses overall sustainability.

Response: Cleared

Secretariat: N/A

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: CAR12:

1. Not Cleared:

a. The table now listed at Table 12 contradicts the indigenous people information presented in earlier sections of the proposal. Please address.

b. Only leave the 'X' in column 2 and relocate any clarification text to column 3.

2. Not cleared:

a. Please include the risk levels low, medium or high, at column 3.

b. Please also remove the 'x' from column 3.

CAR13: Not cleared.

The amendments to Table 12 are noted however, please consider CAR2 (NEW) above and amend the section as necessary.

CR6: Cleared.

As per paragraph 137 as well as paragraphs 95-102.

Response: Pending

Secretariat: CAR12: Not cleared

As per Table 14, the columns have been updated and risk levels added, with only text in column 3. However, it is noted that some principles have been assigned a medium risk, yet no further assessment is required. Please address.

Note the rationale for Category A is not evident according to the policy, “projects/ programmes likely to have significant adverse environmental or social risks or impacts that are, for example, diverse, widespread, and irreversible, should be categorized as Category A.” The project does not highlight large-scale infrastructure or significant land use change not involuntary resettlement. It is focusing on community water-harvesting infrastructure, with ATH being locally managed agribusiness support and processing facilities. Please justify clearly how intervention will have significant adverse impact.

CAR13: Cleared.

Section L (page 41- paragraph 138- and page 47) have been updated to reflect USPs.

Response: Pending

Secretariat: CAR12: Cleared

Assessment has been addressed in Table 14 on pages 45-46 and page 44 classifies the project as Category B.

Response: Cleared

Secretariat: N/A

Does the project promote new and innovative solutions to climate change adaptation, such as new approaches, technologies and mechanisms?

Response: Pending

Secretariat: CR7: Cleared.

As per pages 20-22 and paragraphs 66-75.

Response: Cleared

Secretariat: Cleared.

Resource Availability

Is the requested project / programme funding within the funding windows of the regional projects/programmes?

Response: Pending

Secretariat: CAR6 (NEW):

Please relocate the miscellaneous budget line to the IE fee based on its description.

Response: Pending

Secretariat: CAR6 (NEW): Cleared

The miscellaneous budget line has been relocated.

CAR6 (NEW2): Please confirm/clarify in the text of the PFG request if the Consultancy fees for the Gender and Social Assessment includes consultations, as well as a validation meeting – as indicated for the E&S Risk and Impact Assessment

Response: Pending

Secretariat: CAR6 (NEW2): Cleared

As per PFG form (page 2), this has been addressed.

Kindly address the typographical error in validation meeting.

CAR8(NEW): Please reduce the IE fee of the PFG to be within 8.5% of the total PFG amount of \$120,000.

Response: Pending

Secretariat: CAR6(NEW2): Cleared.

As per the submitted PFG request form.

Are the administrative costs (Implementing Entity Management Fee and Project/ Programme Execution Costs) at or below 10 per cent of the project/programme for implementing entity (IE) fees and at or below 10 per cent of the project/programme cost for the execution costs?

Response: Pending

Secretariat: CAR7 (NEW): Please refer to CR3 sub bullet 4 above on the EE costs.

Response: Pending

Secretariat: CAR7 (NEW): Not cleared.

Please refer to comment on CR3.

Response: Pending

Secretariat: CAR7 (NEW): Cleared.

Eligibility of IE

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

Response: Pending

Secretariat: No.

UNIDO's Accreditation expired on 30th November 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.

Response: Pending

Secretariat: Yes.

UNIDO has been re-accredited as per decision B.46/9.

Response: Cleared

Secretariat: N/A



Project Formulation Grant (PFG)

Submission Date: 27 May 2026

Adaptation Fund Project ID:

Country/ies: Zambia and Malawi

Title of Project/Programme: Supporting resilient agricultural value chains and livelihoods of climate vulnerable border communities of Zambia and Malawi

Type of IE (NIE/MIE): MIE

Implementing Entity: United Nations Industrial Development Organization (UNIDO)

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

A. Project Preparation Timeframe

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

B. Proposed Project Preparation Activities (\$)

Describe the PFG activities and justifications:

List of Proposed Project Preparation Activities	Output of the PFG Activities	US\$ Amount	<u>Budget note[1]</u>
EE HACT assessment conducted	HACT Assessment Report identifies key risks, defines critical control points, and outlines the mitigation measures required to ensure safe, efficient, and compliant project implementation.	27,500	
Environmental and Social Risks and Impact Assessment. The environmental and social risks and impact assessment will identify, analyze, and categorize potential environmental and social impacts that may arise from proposed project interventions. This activity will ensure that project design aligns with the Adaptation Fund's Environmental and Social Policy and UNIDO ESS	Environmental and social risks impact assessment report	40,000	- ESIA assessment fees: 35000 - Validation meeting: 5,000
	Environmental and Social Management Plan		

policy by applying appropriate risk management measures to avoid, minimize, or mitigate adverse impacts while enhancing positive co-benefits for communities and ecosystems.			
Gender and Social Inclusion Assessment. The gender and social inclusion assessment will analyse the differentiated vulnerabilities, capacities, and opportunities of women, men, youth, and marginalized groups in relation to climate change impacts and agribusiness development. The activity will identify barriers to equitable participation and propose targeted measures to ensure that project interventions promote gender equality, enhance adaptive capacities, and deliver inclusive socio-economic benefits across all stakeholder groups, doing no harm and leaving no one behind in adaptation and resilience building.	Gender and social inclusion assessment report	10,000	Consultancy/ validation meting fees: 10,000
	Gender Action Plan		
	Assessment report		

Full Project Validation Workshop. Stakeholders workshop will refine and validate the proposal by engaging key regional actors, integrating local knowledge, and ensuring alignment with regional priorities and adaptation needs for Adaptation Fund submission.	Reviewed and validated full project proposal	31,591	- Travel & per diem: 20,000 - Conference: 6,591 - Facilitator: 5,000
Total Project Formulation Grant		109,091	
Implementing Entity Fee		10,909	
Grand Total		120,000	

[1] 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.

C. Implementing Entity

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

Implementing Entity Coordinator, IE Name	Ms. Ganna Onysko Senior GEF, GCF, AF Coordinator Division of Funding Partner Relations Directorate of Global Partnerships and External Relations United Nations Industrial Development Organization - UNIDO Implementing Entity Coordinator		
Signature			Date: 27 May 2026
Project Contact Person	Mr. Fredrick Kongongo +43 1 26026 3663 / F.Kongongo@unido.org		
Telephone	+43 1 26026 3708		

E-mail	TO: g.onysko@unido.org CC: gef@unido.org / glo@unido.org / f.haidara@unido.org
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REPUBLIC OF ZAMBIA

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

MINISTRY OF GREEN ECONOMY AND ENVIRONMENT

OFFICE OF THE PERMANENT SECRETARY

Corner of John Mbita & Nationalist Road

P.O BOX 30147

Lusaka-Zambia

21st November, 2025

The Adaptation Fund Board
C/O Adaptation Fund Secretariat
1818H Street NW
Washington DC 20433
Email: Secretariat@Adaptation-Fund.org
UNITED STATES OF AMERICA

**RE: ENDORSEMENT FOR THE PROJECT “SUPPORTING RESILIENT
AGRICULTURAL VALUE AND LIVELIHOOD OF CLIMATE-VULNERABLE
BORDER COMMUNITIES OF ZAMBIA AND MALAWI”**

In my capacity as designated authority for the Adaptation Fund in Zambia, I confirm that the above regional 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 Zambia.

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. The United Nations Industrial Development Organization (UNIDO) in addition to serving as Implementing Entity will act as Executing entity for Component 2 (Strengthen and diversify vulnerable people's livelihoods through climate-resilient agro-value chain development) and Component 4 (Advance regional learning and knowledge management (KM) on resilient value chains). This is based on their broad technical expertise in agricultural value chains systems, and their demonstrated commitment to similar initiatives such as the Agro-food Value Chain Transformation Hubs (ATHs) focused on transforming food systems in Africa.

Building on the strength in community interventions including its long-standing work to promote smart agriculture in Zambia, Development Aid from People to People (DAPP Zambia) will execute Component 3 (Implement community-level interventions on sustainable land, forest, and water management). Component 1 (Establish and strengthen the enabling

environment for the delivery of adaptation services) on the other hand will be executed by the Ministry of Green Economy and Environment.

Kindly note further details on the roles, budget and execution cost will be provided at the full proposal stage.

Please accept the assurances of my highest consideration.



Dr. Douy Chibamba
Permanent Secretary

MINISTRY OF GREEN ECONOMY AND ENVIRONMENT

Telephone: 01 789 355
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MINISTRY OF FINANCE
ECONOMIC PLANNING
AND DECENTRALIZATION
P.O. BOX 30049,
CAPITAL CITY,
LILONGWE 3,
MALAWI

Ref. No. FIN/ DAD/5/1/8/6

28th November, 2025

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

Dear Sir or Madam,

**ENDORSEMENT FOR THE PROJECT: SUPPORTING RESILIENT
AGRICULTURAL VALUE CHAINS AND LIVELIHOODS OF CLIMATE-
VULNERABLE BORDER COMMUNITIES OF ZAMBIA AND MALAWI**

In my capacity as designated authority for the Adaptation Fund in Malawi, I confirm that the above regional 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 Malawi.

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. The United Nations Industrial Development Organization (UNIDO) in addition to serving as Implementing Entity will act as Executing Entity for Component 2 - Strengthen and diversify vulnerable peoples' livelihoods through climate-resilient agro-value chain development) and Component 4 - Advance regional learning and knowledge management (KM) on resilient value chains. This is based on their broad technical expertise in agricultural value chains, and their demonstrated commitment to

similar initiatives such as the Agro-food Value Chain Transformation Hubs (ATHs) focused on transforming food systems in Africa.

Building on the strength in community interventions including its long-standing work to promote smart agriculture in Malawi, Development Aid from People to People (DAPP Malawi) will execute Component 3 -Implement community-level interventions on sustainable land, forest, and water management. Component 1 - Establish and strengthen the enabling environment for the delivery of adaptation services, on the other hand will be executed by the Ministry of Finance, Economic Planning and Decentralisation.

Yours Sincerely,



Tiyamika Kanthambi

Director, Debt and Aid Management Division

Ministry of Finance, Economic Planning and Decentralization

Designated Authority

The Republic of Malawi